

FOREIGN FIRMS IN SA —

UNITED STATES

1974 — 1977

(67)

SA appeal to Diggs over labour policy

12-9-74
Cape Times Correspondent

DURBAN.—A Black American Congressman, Mr Charles Diggs, has been called on to clarify the labour policy of American companies with South African subsidiaries.

The call was made in a telegram sent by Mr Omar Badsha, secretary of the Chemical Workers Industrial Union, yesterday soon after a strike at the American-owned Sterling Winthrop Drug Company at Mobebe ended.

In the telegram, Mr Badsha said the workers wanted recognition for their union and asked for clarification of American policy towards companies which had subsidiaries in this country.

He also made a request for financial aid for the workers who were likely to be prosecuted for illegal striking.

Mr Badsha told a local newspaper that he intended appealing for local financial aid to help cover the legal costs of the workers.

He also strongly criticized the management of the company for calling in the Department of Labour to settle the dispute without holding discussions with the workers.

"It is for reasons like this that I have telegraphed America. The union wants to know what the feeling is about this type of attitude towards workers," he said.

The 180 African workers will return to work today after a week-long stoppage.

This decision was taken after a day of discussions between the management and Kwazulu's urban representative, Mr Solomon Ngobese. Both Mr Ngobese and the internationally famous Black playwright, Mr. Welcome Msoomi, who is the company's public relations officer, addressed the workers.

The workers, who had demanded a R5 a week increase, decided to return to work without any promises of a wage boost. They said they were pleased that an elected works committee was to be recognized.

San Times 6/2/75

PROFESSOR MEYER FELDBERG, Director of the Graduate School of Business and Dean of the Faculty of Commerce at the University of Cape Town, returned recently from the United States, where he spent months sounding American business, church, university and Civil Rights

leaders on their attitudes to South Africa. The result is a significant survey of American attitudes to South Africa. The first report of Professor Feldberg's findings appeared in the **SUNDAY TIMES** last week. In this article Professor Feldberg tells why South Africa has been singled out from other countries for criticism and how pres-

sure on American corporations in South Africa developed in the late sixties. To obtain the information for his survey, Professor Feldberg, who went to America on a visiting professorship at the Sloan School of Management at the Massachusetts Institute of Technology (MIT) and as a consultant at the MIT's centre for international studies, held a series of 90-minute discussions with 52 middle man-

UCT professor tells why SA is singled out for U.S. attacks

RACISMS MAKES REPUBLIC

By **PROFESSOR MEYER FELDBERG**

THE POLICY of apartheid loomed in my survey of United States opinion as the major factor in South Africa's isolation and American opposition to American business involvement in the Republic.

I inquired why suppression of different population segments in other countries of the world failed to evoke similar condemnation.

Suppression in South Africa is seen as being purely racial and not ideological. Population is being suppressed not because of its beliefs, values, attitudes or ideologies, but simply because it is Black. This form of suppression is seen as being far worse than, for example, the outlawing of a particular political party in other countries. In South Africa the Blacks are seen as having no chance for improvement regardless

REPUDIATION

of their views. They are doomed to subservience because of their skin colour. Related to racial suppression is the problem of racial chauvinism. Many Americans assume that apartheid is based simply on the White man's assumption that the Black man is racially inferior.

'Grand scale' This view is unacceptable to a nation that has recently undergone a major racial upheaval. The idea that Blacks are less intelligent, talented or gifted is embarrassing to many Americans and particularly to the intellectual elite. The fact that apartheid is viewed as being

based on this assumption (Black inferiority) makes it far worse than any of the other current repressive regimes all over the world. South Africa is singled out not only for its policy of apartheid but for the scale of this policy. A senior executive commented: "You guys really operate on a grand scale — you take 20-million people and control their every movement."

They see South Africa as being ruled not by a majority that suppresses a minority, but by a small minority of four million Whites who suppress a Black majority of 20-million. They find the sheer scale of the operation frightening.

and awesome and in some ways resembling an Orwellian world. South Africa has developed an incredibly complex structure to control the political, social and economic life of its Black people and the relationship between the Blacks and the Whites. The body of legislation supporting the framework of apartheid penetrates every aspect of a Black person's life.

Incidents The sheer depth of the legislation and the relentless pursuit of further controls make the Republic a unique

ly suppressive state in the eyes of many Americans. The South African Government have their own initiative way of ensuring that South Africa receives the worst possible publicity in the American media. Much of the bad press is the result of enforcing petty apartheid. The affronts to human dignity are too numerous to mention.

The reclassification of families from one race group to another, the trial of a White professor and an Indian doctor under the Immorality Act, the refusal of a bus driver to allow an eight-year-old Black child on a White bus (the child was the son of a Malawian Embassy official in Pretoria) are the sort of

news items that shock Americans. One incident a month of this nature is enough to fan the flames of opposition to South Africa. The bizarre nature of the incidents, consolidates public opinion against South Africa. What kind of country makes a legal and public spectacle out of a love affair between a White professor and an Indian doctor?

Many Americans see the vast wealth of South Africa as a major factor in making it a most-hated nation. The economic differential between Black and White incomes and living conditions makes South Africa different from the repressive Black states in Africa and elsewhere.



Professor Meyer Feldberg... "Blacks seen as being doomed to subservience because of the colour of their skin."

Erroneous

It is generally assumed that gold, diamonds, platinum, uranium, iron ore, are mined by the sweat of Black brows while the profits go to White mining groups. This problem is aggravated by the assumption that, of all Black workers in South Africa, the miners are the most badly treated.

For some reason, a surprising number of Americans have visions of hundreds of thousands of Black workers being forced to enter the bowels of the earth in order to extract gold for their White masters (the vision of forced labour on the mines is totally erroneous).

Possibly the prime reason for American opposition to business involvement in South Africa is that there are so many American corporations in the Republic.

Other factors mentioned as reasons for public sentiment against American involvement in South Africa include:

Changes

- South Africa's support of the White minority regime in Rhodesia.

- South Africa's illegal rule over South West Africa.

- South Africa's refusal to grant visas to Black athletes from America.

It is most fortunate that to date no corporation has pulled out of South Africa. Such a move would result in the unemployment of thousands of Black workers.

What has happened is that, through dialogue and pressure, these corporations have almost without exception initiated changes in employment conditions for Black workers.

American opposition to business involvement in South Africa is of recent origin. It began during the middle to late 1960s, during a period of racial and social strife in America itself. Much of the opposition has been sound and rational.

In 1963 Dr Martin Luther King led a march of 250,000 Black people on Washington. In many ways the march was the beginning of a truly

effective Civil Rights movement in the United States.

In 1966 America had close on 600,000 military personnel in South-East Asia.

The ugly face of war resulted in a growing move by the youth of America to re-evaluate the very framework of American society. Young people took a hard look at what was happening at home and abroad. Tacit support or non-opposition to the South African regime was seen as an example of the Establishment's moral bankruptcy.

In some confused way, South Africa was dragged into the American struggle against materialism, racism, alienation and imperialism. The White population in South Africa was seen as representing the worst aspect of these four elements.

The enormous presence of Black states at the United Nations and the rise of the Afro-American, "Black is beautiful" culture all conspired to focus attention on developments at the southern tip of what, by 1970, was a Black continent. Many Americans were, and still are, puzzled by the existence of a powerful White state on a Black continent.

Attack

Riding on the back of the Civil Rights movements in America, the OAU and the UN launched a concerted attack on the Republic. The American youth and Press were receptive to charges of racism.

During the late 1960s America was looking for causes and South Africa seemed an ideal whipping dog.

The 1960s was the decade of pressure groups and lobbies. Every week new groups were formed to oppose or support some activity. The Civil Rights, student and church groups were of prime importance in marshalling opposition and public opinion against American business involvement in South Africa.

Church organisations were

particularly effective in their opposition. They spoke from a base of eminent respectability; their views were not those of radical, long-haired hippies.

The highwater mark occurred in October, 1970, when the Polaroid workers' revolutionary movement demanded that Polaroid end its business in South Africa and turn over the profits it had earned there to groups fighting South Africa's policy of apartheid.

The Polaroid case became a cause celebre. It was splashed across newspapers in America, Britain and South Africa.

Pressure

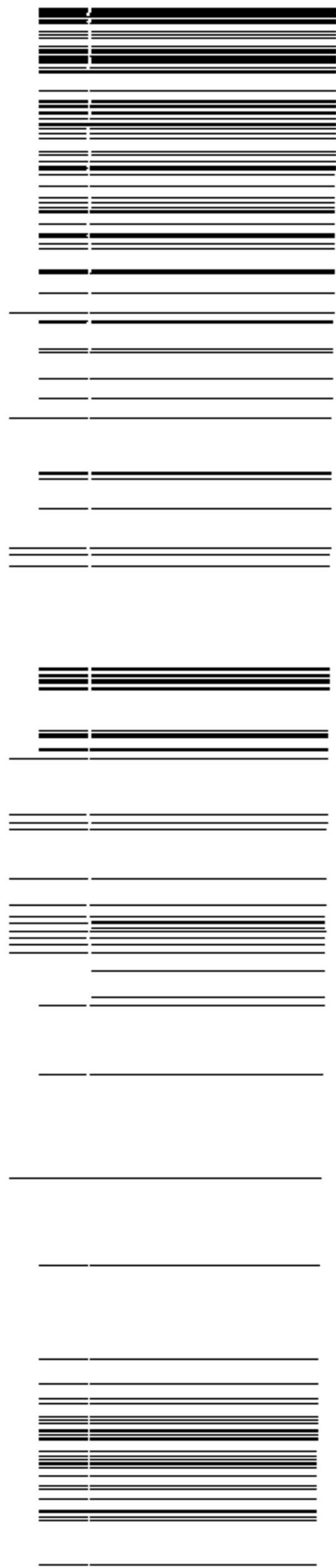
Polaroid's reaction to the demands included the placing of full-page advertisements in the New York Times, the sending of study teams to South Africa and the initiation of a programme for the upliftment of the country's Black population.

Polaroid called on all American companies with investments in South Africa to "join us in this programme."

Having smelt blood with Polaroid, pressure groups began actively to lobby other American corporations to pull out of South Africa or to do something to improve the lot of the Black majority.

A number of proxy resolutions regarding South Africa now emerged. Stockholders' meetings of some of the greatest corporations now included questions and policy statements on South African investments.

Companies such as General Electric, IBM and Gillette published glossy booklets on how they were assisting the South African Black workers. In the summer of 1973 General Electric distributed 500,000 copies of a 12-page, full colour, glossy brochure on its activity in South Africa. The 1972, 1973 and 1974 chairman's reports of IBM all contained information on IBM in South Africa.



SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

P.O. BOX 97, JOHANNESBURG

REPUBLIC OF SOUTH AFRICA

of interest?

With Compliments

20/3/75

REGIONAL OFFICES:

JOHANNESBURG: AUDEN HOUSE, 68 DE KORTE STREET
CAPE TOWN: UTILITAS, 1 DORP STREET
DURBAN: 8 GUILDHALL ARCADE, 35 GARDINER STREET
PORT ELIZABETH: 217 ABC BANK BUILDING, MAIN STREET
EAST LONDON: 116 MEDINA HOUSE, 40 CAMBRIDGE STREET

CHURCH PROJECT ON UNITED STATES INVESTMENTS IN SOUTHERN AFRICA--1975

Dear Investor,

On the following pages you will find a Proxy Statement soliciting support for a resolution requesting The Southern Company to cease purchasing coal produced in the Republic of South Africa. This proposal is sponsored by the United Church Board for World Ministries.

We ask that you carefully read this Proxy Statement to better understand why this shareholder resolution was introduced. We feel it is important background material for investors to consider before they vote on this particular resolution.

If you own any stock in The Southern Company we hope you will vote for the resolution. The resolution will appear on the Proxy Statement mailed to you by the corporation and, if you support it, you should vote for it on the corporation's proxy form. If your stock is held for you by a bank or brokerage house, you can instruct them to vote your shares in favor of the resolution. Alternatively, you can vote on this resolution by clipping out the ballot to be found on the last page and returning it to the Church Project on U.S. Investments in Southern Africa--1975, 475 Riverside Drive, Room 566, New York, N.Y. 10027.

Sincerely,
David M. Stowe
Executive Vice-President
United Church Board for
World Ministries

CHURCH PROJECT ON UNITED STATES INVESTMENTS IN SOUTHERN AFRICA--1975

475 Riverside Drive, Room 566, New York, N.Y. 10027, March 20, 1975

INTRODUCTION

This proxy statement is provided by the Church Project on U.S. Investments in Southern Africa in connection with the solicitation of proxies for a stockholder resolution that asks the Board of Directors of The Southern Company (the "Company") to stop "the purchase of coal from the Republic of South Africa as long as the government of that country maintains racially discriminatory employment policies and practices through apartheid laws and regulations." The resolution has been submitted to The Southern Company by the United Church Board for World

Ministries, which holds 6,489 shares of The Southern Company common stock, and will be duly presented at the Annual Meeting of The Southern Company at Baxley, Georgia, on May 28, 1975.

The full text of this proposal and the Supporting Statement, as set forth in the Company's Proxy Statement, reads as follows:

STOCKHOLDER PROPOSAL

RESOLVED, that the stockholders of The Southern Company request that the Board of Directors establish a Southern System Companies

policy which would prohibit the purchase of coal from the Republic of South Africa as long as the government of that country maintains racially discriminatory employment policies and practices through apartheid laws and regulations.

SUPPORTING STATEMENT

We commend management's statement to the 1974 Stockholders' Meeting that The Southern Company is "committed to compliance with the provisions of the Equal Employment Opportunity Laws" and "maintains Affirmative Action Programs and other procedures designed to ensure non-discrimination, not only in hiring and promotion but in all other areas of the business as well."

In an action morally incompatible with these principles, the Company has entered into a \$47,000,000 contract, importing 2-1/2 million tons of coal from South Africa. Under ultra-segregationist practices, this coal is produced through the "contract labor" of black miners who average \$45 monthly, less than 1/4 of the wages of the white miners placed over them. While the latter have subsidized family housing, most black miners are compelled to leave their families behind on reservations during their year-long contracts. Regardless of ability, they are relegated to the bottom-bracket jobs. By South African law, no black miner can supervise a white or belong to a recognized trade union. Forbidden citizenship and the vote in South Africa, blacks have few normal means to improve their lot.

The Southern Company should stop forcing free American miners to compete with coal produced by South Africa's oppressed and drastically underpaid laborers.

SPONSORSHIP

The United Church Board for World Ministries is a participant in the Church Project on United States Investments in Southern Africa—1975 (the "Project"). The Project is a cooperative undertaking of boards and agencies of seven Protestant denominations, of six Roman Catholic orders, of the Unitarian Universalist Association, and of the National Council of Churches of Christ in the U.S.A. It includes the following participants:

1. American Baptist Home Mission Societies.
2. Committee on Social Responsibility in Investments of the Executive Council of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the U.S.A.
3. National Division, Women's Division and

World Division of the Board of Global Ministries of the United Methodist Church.

4. Reformed Church in America.
5. United Christian Missionary Society of the Christian Church (Disciples of Christ).
6. United Church Board for Homeland Ministries, United Church Board for World Ministries, and Center for Social Action of the United Church of Christ.
7. United Presbyterian Church in the United States of America.
8. Franciscan Friars of the Atonement.
9. Glenmary Home Missionary (Cincinnati).
10. Home Mission Sisters of America (Cincinnati).
11. Mt. St. Joseph Female Ursuline Academy, Inc. (Kentucky).
12. Province of St. Joseph of the Capuchin Order.
13. Sisters of Charity (Cincinnati).
14. Department of Education and Social Concern of the Unitarian Universalist Association (of Churches and Fellowships in North America).
15. National Council of the Churches of Christ in the U.S.A.

Each of the Project participants has on the national level a variety of boards, agencies, pension plans, etc. No attempt has been made to canvass all these boards, agencies, etc., to invite them to join the Project or to support this stockholder resolution. Participants in this Project are not attempting to speak for or represent other national boards/agencies or local churches or individual church members but to speak only for themselves as they seek to act responsibly as institutional investors. The Project itself does not own stock in any corporations. It is an ad hoc coalition of church agencies that are shareholders, and that are concerned about the role of U.S. corporations that have operations in Southern Africa.

THE SOUTHERN COMPANY'S CONTRACT TO BUY COAL MINED UNDER THE SYSTEM OF APARTHEID

On December 20, 1973, Gulf Power Company, a subsidiary of The Southern Company, signed a contract to import 2.5 million tons of coal over a three-year period at a cost of approximately \$47,000,000 from the Transvaal Coal Owners Association Proprietary Ltd., a corporation in the Republic of South Africa. The Mannesmann Pipe and Steel Corporation, a German corporation with its principal U.S. office in Jacksonville, Florida, made the sales arrangements between The Southern Company subsidiary and

premacny in the economic sector, the basic political structure of apartheid remains intact, and many voiceless, voteless African miners still have no alternative to their servile role other than utter privation, or even starvation, on their assigned reservations.

SOUTH AFRICAN COAL AND U.S. PUBLIC POLICY

Representatives of the United States Government in the United Nations and in South Africa have made clear, in speaking of U.S. private investment, that our country's official policy is in sharp opposition to apartheid principles and practices. The State Department "does not encourage U.S. private investment in South Africa, contrary to our promotional activities elsewhere."

The Project feels there is no reason why U.S. policy should be any less opposed to the import of South African coal. The Southern Company has stated:

"In an effort to comply with Florida Coal Board regulations on sulfur oxide emissions, Gulf Power was forced to seek a supplier of readily available low-sulfur/high BTU coal. After exhausting all domestic possibilities, the world market was searched for adequate supplies of low-sulfur coal, and a source was found in South Africa."

But the United States contains abundant coal resources, including low-sulfur grades, and is even now a net exporter of coal to the world.

Other alternatives also exist to importing the type of coal produced in South Africa. Alan G. Kirk, Assistant Administrator for Enforcement and General Counsel of the Environmental Protection Agency, states:

"On a national basis, we do not believe that imports of coal have anything of significance to contribute in realizing the goals of the Clean Air Act. It is doubtful these imports could be expanded enough to make a difference in the next few years. After that, it should be possible to burn domestic coal and meet all applicable air pollution standards either by opening new mines for low-sulfur coal or by use of FGD (Flue Gas Desulfurization) equipment."

In the light of the known public position of both the U.S. State Department and U.S. Environmental Protection Agency, the Project believes The Southern Company's contract to import coal mined under the apartheid system cannot be justified.

CONCLUSION

The Church Project on U.S. Investments in Southern Africa feels that underlying principles

of U.S. law and U.S. policy, as well as The Southern Company's own stated commitment to equal employment opportunity in all areas of business, are clearly violated by the importation of South African coal. It believes that the Company should immediately negotiate the termination of its present contract with the South African suppliers and affirm as a matter of basic Company policy that it will make no further purchases from South African sources as long as apartheid and the contract labor system remain the essential features of the South African economy. The Project believes only a decisive, principled action to end this unprecedented importation of South African coal will guarantee that this mistake is not repeated by The Southern Company or any other corporation.

VOTING INFORMATION

The Project invites all concerned stockholders to vote for the resolution which the United Church Board for World Ministries has introduced for decision at the 1975 Annual Stockholders' Meeting.

Every stockholder will have the opportunity to vote by mail for or against this proposal, using the Company's own proxy card. Alternatively, stockholders may attend the Annual Meeting to vote their shares in person or use the special form attached to this Statement giving the Project authority to vote the shares at the Annual Meeting. Any person giving a proxy to management or to the Project may revoke it at any time prior to its exercise on the day of the Annual Meeting, May 28, 1975, by giving notice of revocation or by executing and returning a subsequently dated proxy. The record date for determining which security holders are entitled to vote, and the number of voting shares outstanding, will be found in the Company's Proxy Statement. Any proxies which the Project receives will be voted at the meeting in accordance with the directions given by the stockholder.

The Project has requested each of its participants to solicit support for this resolution as proposed to The Southern Company. The Project will not attempt to disseminate this Proxy Statement to each shareholder since to do so would be too costly. The cost of the personal solicitation by the participants in the Project is not known but is expected not to exceed \$2,000. The Project will seek the cooperation of others in soliciting support for this resolution, especially that of other religious groups, universities, foundations, and concerned institutions and individuals.

"passbook," which outlines their whole life-history, listing any crimes or irregularities of which they have been accused. Last year an average of 1,400 Africans were arrested each day for such violations as failing to carry their passbooks at all times.

The Project feels these five characteristics of the apartheid system show how South Africa is able to produce the world's cheapest coal, in monetary terms, but the world's most expensive coal when measured in terms of human dignity and workers' rights.

American miners have also made clear their feelings on the subject. The June 1-15, 1974, issue of *The United Mine Workers Journal* stated:

"Just days after UMWA members learned of the South African deal (with The Southern Company), more than 90% of the 8,000-man district walked off the job in protest.

"The protest occurred May 22, the day that stockholders and the board of directors of The Southern Co. held its annual meeting in Birmingham. About 500 miners established a picket line around the Kahler Plaza Hotel where the meeting was held. They carried signs protesting the South African coal imports."

The article ended with a quote of an Alabama local member.

"Slavery in the South went out a long time ago. We don't believe in slavery. Slave labor in Africa is real cheap, and it is my information that this coal is produced under slave labor conditions.

"Our people feel pretty much the same about this importing of coal from South Africa: one ton or fifty million tons, it's got to be stopped. Not tomorrow but today."

Until October, 1974, South African laws made a breach of the labor contract a criminal offense, punishable by imprisonment. Such repressive laws were altered only after the United Mine Workers of America and the State of Alabama commenced an administrative proceeding with the U.S. Customs Service to stop the importation by The Southern Company of South African coal to the United States on the grounds that it violated the Tariff Act of 1930 because of the conditions under which the coal was produced. The South African Government responded by repealing the penal provisions of the Master and Servants Act and 41 similar pieces of legislation that included "slave-like" criminal sanctions. The Project believes the repeal of the penal provisions of such legislation, so blatantly oppressive of human rights, was not prompted by any desire to improve the lives of black workers in the coun-

try. But rather, the repeal was forced upon the South African Government because its mining and certain other exports to the United States were clearly prohibited by Section 307 of the U.S. Tariff Act of 1930 (19 U.S.C. 1307). That Section specifically prohibits the importation into the United States of any products mined, produced or manufactured by forced or indentured labor if they are mined, produced or manufactured in the United States in such quantity as to satisfy domestic consumptive demand. The UMWA and the State of Alabama were unsuccessful in the original petition. An appeal is currently being prepared. Since the resolution of this case has not reached a final determination, the Project urges stockholders to consider the spirit and intent of Congress at the time when this Tariff Act was passed, with the amendment containing this prohibition.

Senator Blaine, the sponsor of Section 307, made these statements during the Congressional debates in 1929:

"By this amendment I propose to carry out the conscience of the world as expressed in treaties. I propose this amendment to reflect the spirit of the men and women who have sacrificed in order that slavery might be banished from the world. The form of labor inhibited by this proposed amendment is slavery, nothing short of slavery. Are we at this moment going to retrace our steps? Are we going to deny that which we have professed in the past? If so, we would better charge the Lincoln Monument with dynamite, tear down the noblest institutions in our country, and destroy the spirit of freedom. If there is any opposition, it seems to me the opposition can come only from technical objections. . . . I understand that we might suffer some economic loss, but we cannot afford any economic gain at the sacrifice of the degeneracy and death of the natives, amounting to millions of men and women who should be under the guidance of a civilization that will give them an opportunity to attain the heights they may attain. . . . Such situations of poverty and degeneracy involve a moral question. But aside from that, American agriculture and the American worker, from the standpoint of our economic security, should not be placed in competition with forced and indentured labor wherever it may be found."

This is also the position of the Project in seeking shareholder support for ending The Southern Company's ill-conceived contract to import coal mined under apartheid. Although the South African Government has rescinded some of the laws which most glaringly affirm the white su-

the South African coal producers. Shipments of this imported coal began to arrive in Mobile, Alabama, by the middle of 1974.

The Project believes that, according to newspaper accounts, The Southern Company is the only corporation in the United States involved in the importation of coal from South Africa. In view of the Company's outspoken commitment to non-discrimination "not only in hiring and promotion but in all other areas of the business as well," as publicly affirmed at the 1974 Annual Stockholders' Meeting, the Project feels this contract with apartheid is incomprehensible and should be terminated.

WHY THE PROJECT BELIEVES THE IMPORTATION OF SOUTH AFRICAN COAL IS INCONSISTENT WITH THE PRINCIPLES OF AMERICAN SOCIETY

The white minority government in South Africa is internationally known for its apartheid policy. Apartheid is defined as "racial segregation; specif.: a policy of segregation and political and economic discrimination against non-European groups in the Republic of South Africa."

Mining has been the foundation of the economy of the Republic of South Africa. The Project believes the mining industry has been built and maintained through legislation which guarantees to white employers an inexhaustible black labor supply. These workers are without national political suffrage, without recognized trade unions, without the right to bring their families from the reservations to the mines, and commonly without any alternative way to earn the money for food indispensable to survival. The Project believes the whole complex of laws and regulations thus designed to maintain the black majority of the population in perpetual political and economic subjugation to the white minority is the primary reason why it is possible for South African mining companies to produce coal at the pithead for approximately \$1.93 a ton compared with over \$7.00 per ton in the United States.

Black labor in South African mines is indentured migrant labor. Although at home on their continent of origin, black miners—like other black workers—are classified by the whites-only government of the Republic as "migratory labor." Even though blacks comprise 71% of the population, they are legally obliged to call reservations, which comprise but 13% of the land, their "homeland." The Bantu Labor Act of 1964 requires the licensing of all persons who procure or engage blacks for employment in any mine, and all those re-

cruited for mine work, to have a contract. African work-seekers in the reserve must register with a government labor office when they come of age and can leave the reserve only if they have obtained contracts of labor. The Project feels this contract labor is "economically forced labor," and the resulting wide profit margins of employers in such labor-intensive industries as mining permit South African coal to compete unfairly in the United States market in spite of transport costs.

In the Project's opinion the following are the most important restrictions and inequalities through which black miners in South Africa are exploited:

1. The backbone of the South African mining industry is the core of about 650,000 contract laborers permitted each year to leave the reservations or enter the country from neighboring nations to work for white owners and managers. If for any reason they quit their jobs, they may be subject to various sanctions. At the very least, they must find another employer within a few days or be "endorsed out," *i.e.*, ordered by the police to return, to the reservation.

2. The basic law determining work conditions for contract mine labor is the Mines and Works Amendment Act of 1911, with subsequent additions. It limits access to most of the skilled occupations in the mining industry to "Europeans, Cape Coloured and Mauritius Creoles or St. Helena persons." In plain American language this means that black Africans, although they comprise 71% of the population and 87% of the labor force in mining, cannot be considered for any but the lowest levels of mine employment. And, under strict practice, a black person is not permitted to supervise a white person.

3. The average cash wage paid blacks in the coal mining sector at the end of 1973 was about \$45 a month for four 44-hour weeks. By contrast, white miners averaged \$640 a month, or 14 times more. The Project believes that African wages are extremely exploitative, considering the back-breaking labor required in the mines.

4. At a typical mine, white managers and supervisors live with their families in comfortable subsidized, or even free, housing. In contrast, the black contract laborers are compelled to live twelve to a barrack room, often hundreds of miles from their families, for the six, twelve, or eighteen months of their contracts.

5. Black miners, like all of the 17.7 million Africans among South Africa's 25 million inhabitants (the others are 4.2 million whites, 2.3 million coloureds or people of mixed descent, and 709,000 Asians), must at all times carry a

CHURCH PROJECT ON UNITED STATES INVESTMENTS IN SOUTHERN AFRICA--1975

475 Riverside Drive, New York, N.Y. 10027, March 20, 1975

Proxy Solicited by The Church Project on United States Investments in Southern Africa for the Annual Meeting of Stockholders of the Southern Company

The undersigned stockholder hereby appoints Dr. Howard Schomer, Mr. Paul M. Neuhauser, Mr. Timothy H. Smith, and Mr. Dudley E. Thompson, and each of them jointly and severally, proxies with full power of substitution, to vote only on the following matter all shares of Common Stock of the Company which the undersigned is entitled to vote at the 1975 Annual Meeting of Stockholders of the indicated Company and at any adjournment thereof:

THE SOUTHERN COMPANY

FOR _____ AGAINST _____

The Stockholder Proposal sponsored by the United Church Board for World Ministries concerning coal mined by the Republic of South Africa and purchased by The Southern Company.

PLEASE SPECIFY NUMBER OF SHARES
HELD _____

DATED _____ 1975

(Signature (s))

Please sign in the exact manner in which your shares are registered. When signing as attorney, executor, administrator or trustee, or for a corporation, please give your full title. For joint accounts, each owner should sign.

Return this proxy by May 28 to:
Church Project on United States Investments
in Southern Africa - 1975
475 Riverside Drive, Room 566
New York, N.Y. 10027

CHURCH PROJECT ON UNITED STATES INVESTMENTS IN SOUTHERN AFRICA—1975

Dear Investor,

On the following pages you will find a Proxy Statement soliciting support for a resolution requesting International Business Machines to cease providing computers to the South African Government. Fourteen church bodies have joined in filing this resolution for a vote by IBM stockholders.

We ask that you carefully read this Proxy Statement to better understand why this shareholder resolution was introduced. We feel it is important background material for investors to consider before they vote on this particular resolution.

If you own any stock in IBM, we hope you will vote for the resolution. The resolution will appear on the Proxy Statement mailed to you by the corporation and, if you support it, you should vote for it on the corporation's proxy form. If your stock is held for you by a bank or brokerage house, you can instruct them to vote your shares in favor of the resolution. Alternatively, you can vote on this resolution by clipping out the ballot to be found on the last page and returning it to the Church Project on U.S. Investments in Southern Africa—1975, 475 Riverside Drive, Room 566, New York, N.Y. 10027

Sincerely,
Tim Smith
Project Director

CHURCH PROJECT ON UNITED STATES INVESTMENTS IN SOUTHERN AFRICA—1975

475 Riverside Drive, Room 566, New York, N.Y. 10027 March 15, 1975

INTRODUCTION—This proxy statement is provided by the Church Project on United States Investments in Southern Africa in connection with the Solicitation of proxies for a proposal to be presented at the stockholders meeting of International Business Machines (IBM) calling on IBM to stop selling, leasing or servicing computers and parts or software to the Government of the Republic of South Africa.

This resolution will be submitted to the Annual Meeting by participants in the Church Project for United States Investments in Southern Africa—1975 ("The Project"). The text of the resolution is set forth in Appendix I.

The Project is a cooperative venture of boards and/or agencies of seven Protestant religious denominations, six Roman Catholic orders, the Unitarian Universalist Association and the National Council of Churches. Participants in the Project include:

1. The Committee on Social Responsibility in Investments of the Executive Council of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the U.S.A.;
2. The United Church Board for Homeland Ministries; the United Church Board for World Ministries; the Center for Social Action of the United Church of Christ;
3. The World Division of the Board of Global Ministries of the United Methodist Church; the Women's Division of the Board of Global Ministries of the United Methodist Church; the National Division of the Board of Global Ministries of the United Methodist Church;
4. The American Baptist Home Mission Societies;
5. The United Presbyterian Church in the United States of America;
6. The Franciscan Friars of the Atonement;
7. The United Christian Missionary Society of the Christian Church (Disciples of Christ);
8. The Department of Education and Social Concern of the Unitarian Universalist Association (of Churches and Fellowships in North America);

9. The National Council of Churches of Christ in the U.S.A.;
10. The Home Mission Sisters of America (Cincinnati);
11. The Province of St. Joseph of the Capuchin Order;
12. The Reformed Church in America;
13. The Glenmary Home Missionary (Cincinnati);
14. Mt. St. Joseph Female Ursuline Academy, Inc. of Kentucky;
15. Sisters of Charity (Cincinnati).

Not all of the Project participants acted as filers in the IBM resolution. Moreover, each of the 14 religious bodies filing the resolution with IBM has on the national level a variety of boards, agencies, funds, pension plans, etc. No attempt has been made to canvass all these boards, agencies, etc., to invite them to join the Project or support these stockholder resolutions. Participants in the Project are not attempting to speak for or represent any other national boards/agencies, local churches or individual Christians, but only to represent themselves as institutional investors.

The Project itself does not own any stock in corporations, since it is essentially an ad hoc coalition of church agencies concerned about the role U.S. corporations play in Southern Africa. The 14 participants in the Project who filed this stockholder resolution with IBM are as follows (and the shares of IBM common stock listed beside the filers reflect shares held as of January 3, 1975):

1. United Church Board for World Ministries—1,035 shares.
2. American Baptist Home Mission Societies—6,800 shares.
3. Protestant Episcopal Church—10,620 shares.
4. The Province of St. Joseph, Capuchins—250 shares.
5. Christian Church (Disciples)—1,037 shares.
6. National Council of Churches of Christ in the U.S.A.—480 shares.

7. Franciscan Friars of the Atonement—2,028 shares.

8. Reformed Church in America—1,575 shares.

9. Women's Division, Board of Global Ministries, United Methodist Church—11,300 shares.

10. World Division, Board of Global Ministries, United Methodist Church—14,922 shares.

11. National Division, Board of Global Ministries, United Methodist Church—1,875 shares.

12. Mt. St. Joseph Female Ursuline Academy, Inc.—500 shares.

13. Sisters of Charity, Cincinnati—1,613 shares.

14. Home Mission Sisters of America—13 shares.

The resolution will be presented at the IBM annual meeting. It has been submitted to that corporation and will appear on its Proxy Statement. Thus, each shareholder of IBM will have the opportunity to vote for or against that proposal on IBM's own proxy statement. In addition, IBM shareholders may vote for or against the proposal via a special form of proxy presented by the Project, or by attending the annual meeting in person.

PURPOSE OF SOLICITATION

INTRODUCTION—As noted earlier, the Project is providing this proxy statement to solicit support for a resolution to be submitted at the IBM annual meeting. The resolution is in Charter Amendment form and calls on IBM to cease the selling, leasing or servicing of computers, computer parts or software to the Government of the Republic of South Africa or any of its agencies or instrumentalities.

The church bodies filing this resolution have long been concerned about the particular form of racism in South Africa known as apartheid. They believe that apartheid dehumanizes the black majority in South Africa, and that any support for this dehumanization whether by a U.S. corporation, or otherwise, must be called into serious question.

THE SITUATION IN SOUTH AFRICA

The Project believes the following is an accurate portrayal of the situation in South Africa. The description is based on a report prepared for the United Nations Unit on Apartheid by Julian R. Friedman entitled "Basic Facts on the Republic of South Africa and the Policy of Apartheid" (August, 1974). Professor Friedman is a professor of political science at Syracuse University, has written books on international law and politics, and has written several background papers for United Nations seminars.

A great deal has been written about the characteristics of apartheid. It is a constant issue at the United Nations. A sizeable majority of the United Nations General Assembly felt so strongly about South Africa and its apartheid system that it called for the expulsion of South Africa from the United Nations. In the Security Council a triple veto by the United States, France, and Great Britain prevented South Africa from expulsion.

It seems clear to the Project that apartheid is an issue of major international importance.

The South African Government categorizes all people by race. There are almost 4 million Whites, over 16.2 million Africans, over 2.1 million Coloured (mixed blood) and almost .7 million Asians. Whites amount to less than 20% of the population, yet make all the national laws that determine the destinies of the black population.

The South African Government has decided that 13% of the land should be set aside as reservations or Bantustans for the 16.2 million Africans. All the rest of the land is considered "white" and Africans live or work there only by permission of the white government.

Obviously, the Bantustans have inadequate land and jobs for the African population. Therefore, the majority of Africans live and work in the cities in the white areas.

To control the influx of Africans into these cities the South African Government has instituted a series of controls.

Africans who are allowed to live and work in the cities face many forms of discrimination. Most public facilities are racially segregated. Most of the best jobs are set aside for whites only.

Africans must live in racially segregated areas often far removed from the cities. They are not allowed to own land or their houses in these areas. Often families are separated, with men coming to work in the cities (they are classed as useful "labor units") and their wives and families forced to stay in the Bantustans. The strain on normal family life is enormous.

African workers are not allowed to form registered trade unions which can represent them in collective bargaining. Strikes are illegal.

Without registered labor unions African workers face extremely low wages, often below the starvation line or Poverty Datum Line.

Africans are not permitted to vote for representatives in Parliament and are prohibited from forming political parties. Two of the major African political parties were banned in the 1960's. In fact Africans who try to organize politically face many severe laws. "Troublemakers" can be arrested and detained for 180 days without trial. Under the Terrorism Act the crime of terrorism is so loosely defined to allow the Government to prosecute anyone it so wishes. Critical books and publications can be banned at the Government's will.

In the opinion of the Project South Africa has many of the markings of a police state where the white minority uses the law to maintain political power and control.

EDUCATION

It seems clear to the Project that the system of education systematically discriminates in favor of whites and against blacks. In 1972, the average expenditure for an African pupil was \$28. For every dollar spent on the education of an African 20 to 25 dollars have been spent on the education of a white child.

INCOME

In 1972, Africans had an annual per capita income of \$154, while whites had a per capita income of \$2,958. The gap between white and black wages has been growing over the last decade. The majority of African families seem in fact to be living below the subsistence level or Poverty Datum Line. Africans working on white farms earn even less than those working in the cities.

All of these facts have led the Project participants to try to assess carefully the ways in which U.S. corporations may be strengthening the system of apartheid or white minority rule.

Since 1970, church stockholders have filed numerous stockholders' resolutions with corporate investors in South Africa. A series of these resolutions requested reports to be sent to shareholders with answers to specific questions about wages, working conditions, relations to the Government in South Africa. Numerous companies agreed to prepare these disclosures.

Based on these disclosures church stockholders have tried to evaluate and assess the role specific companies play in South Africa and whether they have been a force for change and social good or a force supporting the status quo.

SOUTHERN AFRICA

The Project believes that what is happening in South Africa must be seen in the context of events in Southern Africa. Since April 25, 1974, when the Portuguese Government was overthrown, history has moved at a remarkable pace

in Southern Africa.

A transitional government has been established in Mozambique and on June 25, 1975, it will become a fully independent country. This is the culmination of ten years of armed warfare in Mozambique as African nationalists fought for independence.

In another Portuguese colony, Angola, a transitional government leading to independence has also been established.

Both of these newly independent countries bring the reality of independent black African countries just that much closer to South Africa.

In Rhodesia Africans have also taken up arms to fight for majority rule. At present, Africans and the white Rhodesian Government are considering a conference which may lead to a transfer of power.

Finally, in Namibia (South West Africa), which the United Nations and International Court of Justice have declared illegally occupied by South Africa, the South African government is also discussing the granting of independence.

Thus, the rim of white states around South Africa is melting away. South Africa seems deeply concerned about this and has raised its defense budget almost 50%. This reaction, the Project believes, is meant to protect militarily the white minority from losing power.

Therefore, Project participants have been extremely wary of any cooperation by U.S. corporations which could enhance the military strength of South Africa. In addition to IBM, we have also expressed this concern to ITT which services one of South Africa's military installations.

ARMS EMBARGO

Fearful that South Africa may be a threat to world peace, the United Nations Security Council has called for an arms embargo against South Africa. The United States Government has agreed to the principle of that embargo and does not allow the sale to South Africa of any overtly military equipment.

However, the Project believes that there are many products which may have a military use while they are not obviously weapons of war and that the computer is one of these products.

HEARINGS

Based on these concerns, the National Council of Churches convened a special set of Open Hearings in New York City on IBM in the Republic of South Africa in November, 1974. Over a two day period almost 20 witnesses submitted written and oral testimony on the role of IBM in South Africa. Two IBM Vice-Presidents were present, as were economists, computer experts, representatives from the United Nations and Organization of African Unity, the former legal counsel to the House Subcommittee on Africa, a representative of Polaroid Corporation, speakers from South Africa, a professor of ethics.

The hearings sought to assemble the facts regarding IBM in South Africa. Based on these facts, church bodies wished to assess carefully IBM's role there and consider future actions concerning this great American corporation.

At the hearings, a number of pertinent points were brought to the panel's attention. IBM Vice-President W. Burdick testified that IBM was in South Africa for three basic reasons.

"First: IBM is perfectly willing to do business where the United States Government lets us. We don't make U.S. foreign policy. As you know the State Department's position is that U.S. companies should remain in South Africa and it is encouraging businesses there to improve pay scales and working conditions.

"Second: IBM is in South Africa because it makes good business sense. IBM South Africa is profitable and has a potential for future growth.

"Third: IBM has found that it can provide

dignified employment for all its South African employees."

Few participants in the hearings questioned IBM's employment and labor practices. However, it became clear to many church panelists that a serious issue existed in the use of computer products in South Africa. IBM's Vice-President Burdick argued that it was unfeasible and impractical to monitor the use of its computer equipment in South Africa.

However, several church panelists argued that it was unethical to provide the South African Government with equipment which could obviously be used for repressive purposes.

Polaroid's Community Relations Director, Harry Johnson, speaking to the panelists, said: "We have a responsibility for the ultimate use of our product. In response to the charge that our ID identification system was used in the Pass Book program, Polaroid articulated a very strict policy of refusing to do business directly with the South African government. We articulated in 1973 a policy which says that we as a corporation will not sell our product in instances where its use constitutes a potential abridgement of human freedom.

"It seems to me that we can respond to the hopelessness of the violence of apartheid with the equally hopeless comfort of doing business as usual or we can respond and affirm creatively, supportively to the new life among the black majority in South Africa."

Polaroid's testimony, therefore, came down on the opposite side of the fence from IBM and encouraged panelists to believe that corporations can make moral choices about product use and misuse.

IBM itself has expressed a similar concern in advertisements in the U.S.A. One IBM ad in *Foreign Affairs* talks about the Four Principles of Privacy. In the ad, IBM endorses four principles, including: 1) individual access to record-keeping systems; 2) the ability of individuals to "correct or amend an inaccurate record"; 3) their ability "to prevent information from being improperly disclosed or used for other than authorized purposes without his or her consent unless required by law"; 4) the custodian of sensitive data should "take reasonable precautions to be sure that the data are reliable and not misused."

In the opinion of the Project these commendable IBM principles proposed for the U.S.A. are contradicted daily in South Africa since there are a number of ways in which the minority Government can and does use computers in ways that infringe on the privacy of black persons and control their freedom of movement within the country.

The Project believes the passbook system is a key to control of the African population. Every adult African must carry a passbook which must be produced on demand. In this passbook, which is known as a badge of slavery to many Africans, all relevant facts of an African's life are included. In particular, the right to live and work "in a white area" (all major urban centers are classed as white) is stamped in the passbook.

If this stamp is not in order, Africans can be arrested, fined, jailed and sent back to their Bantustans. Literally, hundreds of thousands of Africans are arrested each year on passbook offenses.

This system is set in motion by the white Government to limit the number of blacks who are allowed to live and work in the cities. It is a form of "influx control." Of course, such a ponderous system finds the computer an extremely helpful tool for storing this information and producing vital statistics on a moment's notice. Computers help make the passbook system efficient and effective. Presently, ICL, the British computer company, provides the

computer for the storage of information on millions of Africans.

The passbook system is being expanded. Similar books will be given to Coloured, Asians and Whites. These books are euphemistically called the "Book of Life." To many South Africans, the reality is that they become a book of pain and despair.

An IBM 360/50 computer is storing the information and providing it when requested for the appropriate South African authorities for this expansion of the passbook system.

Since IBM's policy is that it will not restrict or control sales in South Africa, an IBM computer could be converted to do the work pertaining to the African passbook system in lieu of a British computer.

The Project believes that IBM's refusal to set any limits on sales or leases in this area is in direct contradiction to its stated policy in the U.S.A. that IBM is concerned about the rights of privacy of the individual.

The question of invasion of privacy in South Africa and the role of computers in keeping the black population in an oppressed condition was discussed at length during the hearings.

Dr. Charles Powers, ethics professor at Yale University, made the following comments on that subject.

"You've heard a great deal that IBM has considerable concerns about the right of privacy and the misuse of information which can be generated and maintained and kept by computers. Therefore, it seems to me to be recognizing the point that there is some kind of uniqueness to its product which can be used directly for good or for evil. Therefore, to have recognized that within the American context would also require that IBM look quite carefully at the way in which its product is used overseas. . . .By virtue of the very nature of the product the lessor or the buyer must maintain close working relationship with the company. This is necessary in terms of computer programming, with new technological innovations relevant to the product, and servicing which are not present in the case of most other sales and manufacturing. . . .Instead, by virtue of that necessary relationship between customer and corporation, continuing over the whole process, IBM has a very close knowledge of precisely what its products are doing. Therefore, it seems to me to have a much greater responsibility than is the case with most products.

"It seems to me that any company which has declared itself to have concern for the misinformation and the invasion of privacy in this country has a corresponding responsibility for how its products are used in South Africa. And when, in fact, we find that computers are being used as a primary means of keeping track of both the 'Book of Life' and, at the present time, the Pass Laws, we can raise very, very grave questions about the viability of the whole IBM argument there. It seems to me, at the very least, this would be a clear case where you would have the kind of violation of international and domestic laws which relate to health, safety and basic freedoms which we can hold IBM clearly responsible for."

Norman Faramelli of the Boston Industrial Mission argued that we must look at the use of computers in the total context of South African society. He argued in his testimony:

"Perhaps the most significant threats to personal freedom are presented by the inevitable linking of computers to existing surveillance devices for monitoring people and their communications.

"In a word, the advent of the computer means that more knowledge and, therefore, powers are at the disposal of the government for good or evil. It is not a particular IBM 360, but its integration into the total social, economic, and

political fabric that challenges personal freedom.

"The computer is only an instrument that makes democracy a bit more difficult and, conversely, it makes it easier for governments to engage in surveillance, monitoring, manipulation and repression.

"As industrialization progresses in South Africa, the computer will play an increasingly prominent role, just as it has elsewhere. The real impact of IBM in South Africa, however, cannot be seen in tracing the work and impact of one of its 360 computers. The computers IBM sells are just one part of the entire social, cultural, political and economic fabric. It is no surprise over 25% of IBM's business is with the South African Government. . . .that the identity document 'Book of Life'. . . is buttressed by IBM's computers. The white South Africans are concerned that the new system will be an invasion of their privacy. Imagine the concerns that blacks can legitimately express.

"The computer in South Africa gives the apartheid government knowledge and, hence, power to enhance oppression. To speak of the computer being used as a tool to liberate black people is a vain hope. . . .Computers can be used to enable more efficient means of surveillance, monitoring, manipulation, and repression."

The question of providing technology for use by the South African Government was also carefully discussed at the hearings.

Mrs. Golar Butcher, formerly Counsel to the House of Representatives Subcommittee on Africa, spoke about this. She said:

"But, the most pernicious involvement of foreign investment is that which has resulted in a transfer of technology to South Africa, and of this most significant has been that investment which is not just a joint venture capacity with South Africa, but is a handing over to South Africa of the implements of science and technology to do with them as it will.

"International Business Machines, by its presence in South Africa, enables the South African Government to perfect its system of enslavement of the majority. This is through the Pass Laws, Book of Life apparatus, and so forth, which is helped by the computer. . . .It enables the minority to develop and strengthen its military potential with respect to the majority and even more with respect to the neighboring states in the region."

The strategic importance of computers in general was underlined in a January 16, 1975, *New York Times* story which stated that a communist espionage ring against IBM had been broken in West Germany. The *Times* reported that persons had been arrested when they "were caught microfilming computer maintenance manuals in an industrial concern in Frankfurt."

In the end, nine persons were arrested "on suspicion of disclosing secrets about Western electronic data-processing techniques" to East Europe.

It seems obvious to the Project that data-processing techniques are important and strategic. The Project wants to make sure that similar data-processing techniques will not be shared with the South African Government. This is one reason why the resolution has been filed.

Furthermore, the Project is aware that the Atomic Energy Board of South Africa has an IBM 370/155 computer. In filing this resolution, which would stop the sale of computers to all South African Government agencies, including the Atomic Energy Board, the Project wants to insure that IBM computers are not used in any way to assist in building South Africa's nuclear strength.

Several IBM computers are also lodged in the Department of Defense of South Africa. Three computers are reported to be used for personnel, financial, and stock control. The Department of Finance, the Department of Health, the Depart-

ment of the Interior, the Department of National Education, the Department of Prisons, Department of Social Welfare and Pension, Department of Statistics, Department of Transport, Department of Water Affairs, all use IBM computers. Two IBM computers in the Department of the Interior are listed as serving for the "computation of the population register, electoral rolls and immigration statistics."

Computers have numerous other strategic uses that the Project believes assist in building the white minority's military might and aid in oppressing the black majority. For instance, computers are used in many nations in production control of aircraft and military equipment. Furthermore, a computer sold for one purpose might easily be transferred for use for a more strategic purpose.

The Project believes that computers are a growing and essential part of the infrastructure and administration of most agencies of the South African Government. One-third of IBM's sales in South Africa are to the Government. There is a severe manpower shortage in South Africa. One of the major contributing factors is South African law and custom which reserves all senior jobs for whites only. The Government has a plan to use computers to reduce the need to promote blacks to jobs where there are not enough whites to fill them.

MILITARY IMPORTANCE

The Project believes that computer sales to South Africa can be very helpful to the military.

The question of support to the South African military has been an issue of high importance at the United Nations. On August 7, 1963, the United Nations Security Council called on all states "to cease forthwith the sale and shipment of arms, ammunition of all types, and military vehicles to South Africa." The United States supported this resolution and instituted an arms embargo against South Africa.

The Security Council emphasized the arms embargo on a number of other occasions as well.

On July 23, 1970, the Security Council passed a resolution (with the U.S. abstaining) expanding the arms embargo which calls upon all states "to strengthen the arms embargo. . . .

B). . .by withdrawing supply of all vehicles and equipment for use of the armed forces and paramilitary organizations of South Africa. . . .

C). . .by prohibiting investment in or technical assistance for the manufacture of arms and ammunition, aircraft, naval craft, and other military vehicles."

It is the position of the Project that computers can be used for military purposes which violate the spirit of the arms embargo and this Security Council resolution.

IBM computers are being used by the South African Department of Defense. Computers are also very useful in the research and production of weapons. IBM refuses to set any limits on what it will sell beyond restrictions set by the United States Government. It is our belief that the spirit of the arms embargo is undermined by this IBM position.

Furthermore, the Project is aware that Police Departments in South Africa are actively interested in using the computer. At a recent law enforcement seminar in Johannesburg, Sperry Rand made a major presentation to 100 top ranking police and provincial administration officials. A Sperry Rand computer system was displayed to demonstrate the ease of information retrieval and its advantages to law enforcement.

The Project believes that the police departments of South Africa, which are all white run and dominated, serve a very repressive function in that state. It is the white police that enforce the pass laws, plant police informers, make political arrests, help extract confessions from prisoners and, generally, help the white minority

maintain control by spreading an atmosphere of fear. In a society where it is a criminal offense under the Terrorism Act to do anything "to embarrass the affairs of the state," we believe that the police are not merely law enforcement officers, but play a highly political role. There are also numerous charges that police torture prisoners who have been arrested for political purposes.

In a series of widely used advertisements, IBM tells the story to American readers of how its products "are helping find the answers to some of the world's problems."

In an ad appearing in a November, 1974, *Time* magazine, IBM explains that computers can help catch criminals. The section argues: "Wanted criminals are finding out that New Orleans is no place for them to be. When they are arrested in that city, police can tell, almost instantly, if they are wanted for another part of the country."

While this system may be a helpful aid to responsible law officers in the United States, in South Africa such equipment can be used to administer the pass laws and to imprison Africans for purposes that are far different from fighting crime.

The Project opposes the provision of any equipment which would help make this repressive police force work more efficiently.

Computer equipment for police forces does not fall strictly under the arms embargo, but nevertheless plays a role of helping to control the black majority.

The Project believes IBM should not sell equipment in South Africa which may be used for repressive purposes.

SUMMARY

1. The Church bodies filing this resolution are deeply concerned about white minority rule in South Africa.

2. The Project feels duty-bound to examine carefully ways in which U.S. corporations may be partners in the system of apartheid by helping the South African Government maintain its control.

3. In studying IBM's operations in South Africa, the Project felt that computer products could and were being used by the South African Government in questionable ways, in ways that strengthened apartheid and white rule rather than eroded it.

4. Examples of these questionable uses of IBM products include: three IBM computers leased to the South African Department of Defense, one provided to the Department of Prisons, one rented to the Atomic Energy Board, two computers in the Department of Interior.

In addition computers are increasingly used by the South African police and other government departments. The Project believes IBM may well attempt to service these markets in the future.

5. While IBM has refused to regulate or monitor the use of its products in South Africa, the Project is aware that Polaroid Corporation has established criteria in this area and as a result has refused to sell equipment to the South African Government.

6. The Project is aware that the United States has joined in an arms embargo against South Africa and believes that the sale of certain computer products undercuts the spirit of that embargo since computers play such a strategic role.

7. The Project believes it is a reasonable and sensible request to put to IBM that it cease from selling or leasing computer products to the South African Government. This position has been conveyed in numerous meetings and conversations with top IBM management and has been filed as a stockholder resolution for a vote by all shareholders.

The Project has requested each of its participants and their respective staffs, alone or in conjunction with others, to solicit support for each of the resolutions described herein. The cost of solicitation other than donated services is not known but is not expected to exceed \$3,000. The Church Project will seek the support of others in soliciting support for the proposals described herein. In this connection, the Church Project will especially seek such support from other religious denominations or groups, as well as from institutions such as universities, foundations, etc.

The cost of solicitation will be borne by the Project except insofar as participants in the Project and others who may cooperate with the Project in this solicitation may pay their own expenses. The Project derives its own funds from the contributions of participants and of others interested in its work.

The Project will not attempt to disseminate this Proxy Statement to each shareholder of IBM corporation since to do so would be too costly. It will seek to contact selected shareholders of IBM by mail, in person, or otherwise, and when it does so it will furnish a copy of this Proxy Statement.

A copy of the applicable resolution, together with a short statement in support thereof, will appear in the Proxy Statement of International Business Machines, Inc. Consequently each shareholder of IBM will have the opportunity to vote in favor of that proposal by indicating approval in the appropriate box on the corporation's form of proxy and by executing and returning that proxy to the management of the corporation.

Shareholders may attend the annual meeting of IBM corporation and may vote their shares in person at such meeting. In addition, the Project provides its own form of proxy concerning this proposal, which may be executed and returned to the Project. Any person giving a proxy to the Project may revoke it at any time prior to its exercise either by giving notice of revocation to the Project or by executing and returning a subsequently dated proxy. The effect of a shareholder executing and returning the Project's form of proxy after having already executed and returned the corporation's proxy will be to revoke the prior proxy solely as to the proposal described here and will not have any effect on the other matters on which the shareholder has already voted via the corporation's proxy.

Each share is entitled to one vote. The vote of a majority of the shares outstanding will be necessary to amend the Articles of Incorporation. The number of shares entitled to vote at the IBM annual meeting is not known to the Project, but will be found in the corporation's own Proxy Statement. The record date for determining which security holders are entitled to vote at the annual meeting is also to be found in the corporation's Proxy Statement. Any proxies which the Project receives will be voted at the meeting, April 28, 1975, in accordance with the directions given by the shareowner.

APPENDIX I

RESOLVED, that Article Second of the Certificate of Incorporation of the Corporation shall be amended by adding the following new subparagraph at the end thereof:

Notwithstanding the foregoing, neither the corporation nor any of its subsidiaries shall henceforth make or renew any contracts or agreements to sell, lease or service computers, computer parts or software to, or for the use of, the Government of the Republic of South Africa or any of its agencies of instrumentalities.

STATEMENT OF SECURITY HOLDER

Computers themselves are morally neutral and may be used for good or ill.

In South Africa, the black majority is controlled and oppressed by a white minority. Unfortunately, computers have become part of the equipment of oppression.

The United States Government has placed an embargo against arms shipments to South Africa. While not under the literal terms of the embargo, we believe computers sold to the South African Government ostensibly for peaceful purposes are of real assistance militarily and strategically. Thus, the spirit of this arms embargo is compromised. Furthermore, computers markedly increase that government's ability to control its citizens, infringe on their privacy, and implement its policy of white supremacy. For instance, computers are used to control where blacks can live and travel.

IBM management refuses to set any restrictions on computer sales and leases within South Africa, even where equipment obviously helps control and oppress blacks.

However, Polaroid has refused to sell photographic equipment to the South African Government, knowing its products can be used in conjunction with the "pass system" established to control the black population's freedom of movement.

We believe IBM must similarly take moral responsibility for uses of computer equipment in South Africa.

PROXY SOLICITED BY THE CHURCH PROJECT ON UNITED STATES INVESTMENTS IN SOUTH AFRICA FOR THE ANNUAL MEETING OF STOCKHOLDERS OF IBM.

The undersigned stockholder hereby appoints Ms. Florence Little, Mr. Horace Gale, the Rev. Donald Wilson, Dr. Howard Schomer, Mr. Paul M. Neuhauser and Mr. Timothy H. Smith, and each of them jointly and severally, proxies with full power of substitution, to vote on the following matters all shares of Common Stock of the Company which the undersigned is entitled to vote at the 1975 Annual Meeting of Stockholders of the indicated Company and at any adjournment thereof:

IBM CORPORATION

FOR AGAINST

The Shareholder Proposal submitted by 14 religious bodies concerning the Corporation's activities in South Africa.

PLEASE SPECIFY NUMBER OF SHARES

HELD _____

DATED _____ 1975

(Signature(s))

Please sign in the exact manner in which your shares are registered. When signing as attorney, executor, administrator or trustee, or for a corporation, please give your full title. For joint accounts, each owner should sign.

Return this proxy by April 28 to:

Church Project on United States
Investment in Southern Africa—1975
475 Riverside Drive, Room 566
New York, NY 10027

BLACK WAGES

Polaroid's progress

F.M. 27/3/75
67

It is just four years since Polaroid, the large American camera and sunglass manufacturer — acting under intense pressure from its Black employees in the US — announced what came to be called the "Polaroid Experiment".

In a blaze of expensive publicity the company unveiled what it termed a meaningful alternative to withdrawing from the South African market. Polaroid, which abhors apartheid, would "counteract it from within the system".

No longer would the US company, through its SA distributor, Frank & Hirsch, supply film or photo-identity equipment to the SA government (such equipment had been used to make pass books). Beyond that, Polaroid would move "to improve dramatically the salaries and other benefits" of its distributor's Black workers.

Frank & Hirsch "as a condition of maintaining its relationship with Polaroid, would be required to initiate a well-defined programme to train non-White employees for important jobs within the company". And a portion of company profits would be ploughed back into education programmes for Blacks in SA.

What is the scorecard four years later?

Direct Polaroid sales to government by Frank & Hirsch have ceased. However, various government departments and agencies continue to receive Polaroid products through intermediary sources. On the wages side, Frank &

wage paid to Black employees by 130%, to R130 per month (R56 in October, 1970). F&H's 171 Black employees (181 in 1970) now average R186 per month (R84 in 1970).

Since 1971 Polaroid has contributed over \$300 000 to various educational schemes for Blacks. Most ambitious of these is the American South Africa Study & Education Trust (Asset) which has received \$250 000. Through Asset an average of 500 African students per year have been granted bursaries for study, ranging from primary schooling to university.

Helmut Hirsch, MD of the SA distributor, calls the Polaroid Experiment a turning point. He boasts that Polaroid was the pace-setter in what has become a movement towards social consciousness among foreign and SA firms.

That may be, but it could hardly be gainsaid that Adam Raphael's articles in *The Guardian* two years ago, the subsequent House of Commons inquiry, and, most important of all, the Durban strikes, have also been key factors in Black wage increases.

When Polaroid set up Asset and got Gatsha Buthelezi and Helen Suzman to be members of the board, it was envisaged that other American firms would rush to join the project.

That has not happened. Pepsi-Cola was in for \$100 000 over two years but that ended when the local operations were taken over by Cadbury-Schweppes. American Express joined belatedly for \$10 000, but even its commitment is less than complete and the company has not yet decided whether to continue next year.

That leaves more than 200 American

Financial Mail March 27 1975

subsidiaries on the outside, and while some have set up their own educational trusts and others contributed to Black housing schemes, for most of them business continues as usual — minus programmes for ploughing back profits.

Even within Polaroid there is dissatisfaction. The company's Boston-based community relations manager, Robert Palmer, told the *FM* that while Frank & Hirsch had been very co-operative in boosting salaries, increasing benefits and upgrading Black jobs, "more can and will be done".

Indeed, it is the point of training Black workers for "important jobs" which is the weakest link of the experiment four years later. All F&H executives are White. Senior Blacks supervise only other Blacks. And the most important job for a Black carries a monthly salary of R460.

But, the experiment continues and

Polaroid will continue to make a \$50 000-per-year contribution to Asset.

The only casualty four years later is to be Asseca, the Association for Educational & Cultural Advancement. This Black association, based in Soweto but which claims to have branches in 42 townships throughout the country, has been receiving \$15 000 per year from Polaroid. Dissatisfied with the Association's progress and laxity in submitting financial reports, Polaroid from 1976 on is to donate to Asseca only \$1 for every \$10 received from other sources.

Undaunted — and appreciative of Polaroid's past support — Asseca President M T Moerane says the organisation will continue to exist even without Polaroid support. He adds: "The Polaroid money was intended to be seed money for the organisation; that notwithstanding we had hoped their assistance would have continued."

196 CUM 1

Firm to STAR 25/4/75 quit SWA?

Gerald L'Ange

NEW YORK—A large American corporation is trying to sell its interest in a South West African copper-mining operation, says Business Week Magazine.

It quotes the chairman of the company as saying: "We're scared to death of the political situation."

Sources here identified the company as Amax Incorporated, which owns a 29.6 interest in the Tsumeb Copper Mine.

Amax officials could not be reached for comment.

The sources said Amax had been trying for some time to find a buyer for its interest in Tsumeb because of uncertainty over its position if South West Africa becomes independent.

CONTROL

Amax's holding, together with a similar 29.6 percent interest held by another American company, Newmont Mining Corporation, gives the two US companies control of the Tsumeb mine.

In an article headlined, "Namibia: Foreign companies are running scared," Business Week says that Prime Minister Vorster's conciliation over South West Africa in the face of recent pressures "is adversely affecting US companies with interests in Namibia."

Mr Vorster, says the magazine has shifted from intransigent opposition to South West Africa's independence to halting acceptance of its eventual arrival.

Behind his change of heart, it says, is the impending independence of Mozambique and Angola, and Mr Vorster's attempt to patch together a detente with Black Africa.

The article recalls that the five US oil companies that were prospecting off the South West Africa coast have abandoned their leases.

By LEWIS JAMES

IBM by the

SSORCROSS Shadowed

Business Times, April 27, 1975

67

WASHINGTON — An influential American church group is about to renew its attack to force International Business Machines (IBM) to abandon its operations in South Africa.

This time, the group will demand at IBM's annual shareholders' meeting tomorrow, that the firm "stop selling, leasing or servicing computers, and parts or software, to the Government of the Republic of South Africa."

The group calls itself "The Church Project on United States Investments in Southern Africa 1975." It represents seven Protestant denominations, six Roman Catholic orders, Unitarians and the National Council of Churches.

In total, the group owns about R16-million worth of the nearly R14-million worth of outstanding IBM shares.

But the company is also being accused of violating the spirit of the American Government's arms embargo policy against South Africa. Both IBM and International Telephone and Telegraph are charged with maintaining communications and information storage facilities for South African defence installations. The church group also claims that the Atomic Energy Board of South Africa has an IBM 370/155 computer.

Between now and the shareholders' meeting, the group's spokesmen said they planned to lobby large block shareholders of IBM stock to gain their support. University and charitable foundation shareholdings would be the main targets of the drive, the spokesmen added.

With less than one-quarter of one per cent of the out-

standing shares, the group must win the support of at least three per cent of the total voting shares to keep their demands on the company's agenda of business through the coming year.

If they fail, they will be precluded from making similar demands at next year's meeting.

But despite its small holdings, the group is likely to reap wide publicity with its campaign — which will include the distribution of lapel buttons which bear the legend, "IBM Computes Apartheid."

And because IBM understandably wants to avoid the worst impact of such charges, its officials have already been meeting with group leaders who claim they will wring concessions even if they lose the shareholders' vote on their demand.

The group's campaign against American businesses in South Africa in general, and IBM especially, began in 1972 with general protests and charges that IBM discriminated against American Blacks in its hiring practices.

Last year the group held public hearings on IBM's South African operations and heard company officials argue that they provide employment in South Africa and that, in the final analysis, the firm is not responsible for the way customers

use their computers.

The thrust of the group's attack is that IBM computers are being used to expand the South African Government's surveillance capabilities in enforcing its passbook laws.

At present, the information kept on Blacks for passbook law purposes is stored under contract with a British computer firm, ICL Ltd, but IBM computers are being used to expand the data banks on South Africa's White, Coloured and Asian populations.

Replying on these moves, Jack Clarke, IBM's director in South Africa, yesterday quoted from the statement issued by the IBM Corporation in the United States, to all shareholders, asking them not to support the church's proposal.

"We believe IBM fully complies with both the letter and the spirit of the embargo. We also believe that if the scope of the embargo is to be widened, as this proposal suggests, to include standard commercial computers, those who wish to enlarge it, should do so through the due process of the American political system."

Mr Clarke said that the world board of directors of the IBM Corporation has reaffirmed that it does not intend moving out of South Africa.

IBM

Sun Times
(Bus Times)
4/5/75
(67)

By LEWIS JAMES

PITTSBURGH. — A Church-sponsored group this week tried to force giant American computer maker International Business Machines (IBM) to end its sales to South Africa.

The confrontation took place during IBM's annual meeting in Pittsburgh, Pennsylvania.

Judged solely by the number of votes cast, the protest was a dismal failure.

But the protesters emerged victorious in terms of the world-wide publicity they received, the amount of debate their proposal sparked at the meeting, and the poor showing by IBM's management.

At one point, IBM chairman Frank Cary was rattled by questions from the audience. He answered, in effect, that IBM would not have made investments in South Africa if its management could have looked into the future.

He later denied saying that, but his corrected statement was paid little heed by the jubilant dissidents.

In fact, however, IBM shareholders were less interested in the social conscience arguments of the anti-South Africa forces than they were in the corporation's overall profit figures — which were in trouble.

IBM's net income in the fourth quarter of 1974 unexpectedly dropped 5 per cent, even though the full-year net profit rose to a record \$1.29 billion, or 17 per cent above the 1973 earnings.

The slowdown persisted through the first quarter of this year, according to Cary's statement. Earnings for January-March this year also set a record \$306 million, but that was only 1 per cent above last year's first quarter.

Not surprisingly, therefore, shareholders took at face value IBM's statement.

A sales cut to South Africa is tantamount to proposing that IBM withdraw from that country. Reasonable people may disagree, but we feel IBM can accomplish more good by remaining in South Africa than by withdrawing.

The Church-sponsored proposal drew voting worth 1.9 million shares while management won 116.8 million shares worth of support. Had the protesters won even 3 per cent of the voted shares, their proposal could have been carried over to next year's meeting, presenting IBM with a continuing public relations problem. Now, the proposal may not be considered by IBM shareholders for another three years.

The Church groups have not abandoned their cause by any means. The group, a coalition of Roman Catholic, Episcopalian, Lutheran and other Protestant denominations, has similar campaigns planned at the shareholder meetings of Union Carbide and the Southern Company for its coal imports from South Africa.

The group claims to be more optimistic now after the IBM meeting because it proved it could attract votes

from shareholders not formally allied with the coalition.

The coalition itself had only 54,000 shares of IBM stock owned by the group's member churches. The remainder of the 1.9 million votes came from shares held by Church and university foundations who were pressured by the publicity campaign the group generated.

The controversy over Cary's statement on the wisdom of investing in South Africa will certainly add to that publicity. Even his correction did little to help matters.

He told reporters afterwards: "In discussions I had with members of these church groups, the specific question was raised: Why wouldn't IBM withdraw from South Africa, or why did it hesitate to withdraw in the light of the fact that several oil companies that had been considering investments there have decided not to invest?"

"In answering, I pointed out that the analogy was not a good one. The decision of someone who is not there and only thinking of going in to South Africa is entirely different from someone who has been there for years. We have a thousand employees and we have made progress. Therefore, I thought the analogy invalid."

"And I went on to say that if I had no other considerations other than whether we would go in to South Africa for the first time now, I would probably recommend that we do not go," he stated.

Cary gives the IBM view

Sun Times
(Bus Times)
11/5/75
(67)

THE chairman of the board of IBM Corporation, Frank Cary, has taken issue with a report in last week's BUSINESS TIMES about his company's annual shareholder's meeting.

In a letter to BUSINESS TIMES, he writes: "First, your reporter was not present at any time during the stockholders' meeting — he was hundreds of miles away."

"Second, your reporter got much of his information from biased sources — the Church representatives who had submitted the resolution about South Africa."

"For example, your article referred to a 'poor showing by IBM's management' and said that I was 'rattled' by questions from the audience. No other story about the meeting that I have seen found any basis for such descriptions."

He adds that he has been answering questions at shareholders' meetings

about South Africa for three years, and that he was not rattled by them.

Mr Cary goes on: "Your article also said that the protesters were 'victorious', even though they got only a small number of votes. The Church groups' resolutions on South Africa for the last three years have drawn a steadily decreasing share of the vote."

"In 1973 a resolution on South Africa drew 2.6 per cent of the vote, in 1974, 2.4 per cent of the vote, and the most recent one last week drew only 1.6 per cent of the vote."

"Finally, I would like to say that there has been a great deal of inaccurate reporting about IBM's position on our investments in South Africa."

"I think the simplest way to correct this is to repeat what I said at the annual meeting."

"IBM's business in South Africa is a good one, with a good deal of potential. We have over 1,200 South African employees. We think that we can be a positive force for constructive change in South Africa, and we intend to stay in South Africa."

The BUSINESS TIMES report was based on an account of the meeting by a reporter who was actually present as well as on reports by Dow Jones financial service, Reuter, AP, UPI, the New York Times and Washington Post.

The performance of IBM's management on that occasion is clearly a matter of interpretation.

cont ↓

Protests are big business

WASHINGTON. — Social protest groups are big business in America. In fact, a thriving industry has grown up to serve, and in some cases, fight groups that seek to impose social conscience objectives on big business in the United States.

At the Investor Responsibility Research Centre (IRRC), the accent is on helping both sides with objective, factual research and data. In its two years of existence, the IRRC has become both a clearing house for information and an authoritative source that both tycoon and dissident can quote with ease.

The IRRC is a non-profit company that was started with \$35,000 in grants two years ago. It now supports itself by subscriptions from some of the biggest and most prestigious names in American industry and philanthropy.

IRRC clients include Chase Manhattan Bank, Irving Trust and Morgan Guaranty Bank, foundations such as Ford, Rockefeller,

and Carnegie, and half a dozen insurance companies.

IRRC papers on South Africa were quoted extensively — by both management and protesting shareholders — at the annual IBM shareholders meeting this week.

An IRRC team plans a trip to South Africa to get first-hand information on labour conditions and on the role US corporations play in either strengthening or breaking down apartheid.

The IRRC study on South Africa will also assess economic conditions. A separate report is planned on the political situation in South West Africa.

A typical IRRC report, such as the one on South Africa and IBM, does not take any stand on the motion to be presented to the shareholders.

There is an analysis of both sides of the debate and of related issues. This way, the IRRC saves corporations hundreds of thousands of dollars of their own staff time and provides both sides with facts and points of reference in their arguments.

Exit Amax?

F.M. 9/5/78

67

The fate of American Metal Climax's (AMAX) 29,6% stake in Tsumeb Corp has been a fairly persistent rumour, with Anglo mentioned as the likely buyer.

My understanding is that Anglo is indeed looking closely into the proposition, but that the outcome is so far uncertain. Typically — given the inconclusiveness of findings — Anglo's official posture is that "it does not comment on rumours".

Based on information furnished in the Union Corporation 1974 annual report, where 360 000 shares are valued at R6,5m, Tsumeb's total 4m shares in issue must be worth nearly R72m. AMAX's stake of almost 1,2m shares would then carry a value of just over R21m, which yielded a 20,2% return on Tsumeb's 1974 dividend (to December 31) of R3,625 per share.

Given this level of return, why would AMAX consider selling out? Apart

67

Non-disclosure irks investors

(67) Sun Times (Bus Times) 11/5/76

By LEWIS JAMES

WASHINGTON. — American businesses which have tried to make positive public relations gains out of their operations in South Africa report growing frustration with a recent South African law that forbids disclosure of South African business information.

The criticism has grown in recent weeks because April and May are the traditional times for annual shareholder meetings in the United States.

It is also the time for the annual protests by church groups against US firms that do business in South Africa.

One such meeting was on Monday, when the stockholders of IBM were confronted with a proposal to force the management to stop its sales of IBM 350 computer to the SA Government.

The sales have been criticised both for IBM's hiring practices and because the computers are allegedly being used to expand Government data on Black workers.

Spokesman for the IBM management said this week they would meet the challengers with data on its employment policies and its efforts to equalise working conditions among its employees.

But they said privately that IBM attorneys had cautioned them not to

allow the data to be transmitted to South Africa.

"We were told by our counsel in South Africa that we could get the data internally and use it here in the United States. The only risk might be in the information being used in South Africa and the Government taking offence," one official told me.

Ford Motor Company in Detroit says its South African attorneys have warned against publication of its annual report on Ford's South African operations because of the new law.

Ironically, the disclosure law has yet to be used for the purpose it supposedly was for. At the time of passage the need for De Beers officials to be protected from the US Justice Department's anti-trust investigation was advanced as a critical need.

According to the argument at the time, if a De Beers official should fall into the hands of the Americans, he could offer the law as justification for not testifying.

But last week, two American distributors of De Beers' diamond abrasives — not in any way affiliated to De Beers — pleaded guilty to criminal price-fixing charges and paid fines.

De Beers, which was also was charged, has simply refused to come into court.

Fast-growing Oshkosh *See Times 18/5/75* claims 60 pc local content

67

A LOCAL content of more than 60 per cent is being achieved in some models produced at the new Oshkosh assembly plant at Paarl, in the Cape. The average of local content over the entire Oshkosh range is 50 per cent.

For the first time, all truck manufacturing and assembly operations are now under one roof at the Paarl plant, and new head offices are expected to be completed by the end of this month.

This is just another step in the continuing expansion programme of Oshkosh, which doubled its production facilities as recently as 1971 as part of a R2,9-million investment.

There is a steadily growing demand for Oshkosh trucks — they now have 17 per cent of the market for really big vehicles such as workhorses and truck tractors, and 7 per cent of the big trucks market.

But production is still low enough to allow for precision and skill to be kept at their maximum and quality control to be of a high standard.

Strict control is observed at seven main checkpoints: Frame, axles, propeller shaft, cab, cab assembly on to chassis, finishing, including lubrication and tuning, and final testing in at least 80 km of road work ensures that every Oshkosh truck is fully efficient before it goes out of the dealers. Although originally designed in the US, the Oshkosh truck sold in South Africa has been improved and adapted to suit South African conditions by the original team of local experts, who first saw the potential for this truck in South Africa. They claim the Oshkosh is now a fully fledged South African truck, probably the first of its kind.

To date, Oshkosh trucks have been marketed throughout South Africa by Barlow Rand tractor division, but the Oshkosh operation has grown so much that a new company — Oshkosh Truck Supply Co (Pty) — wholly owned by Barlow Rand, has been formed to take over the dealer responsibilities for Oshkosh trucks and Hyster trailers.

This company is already established in the Transvaal, and the Natal and Cape operations will be

New service facilities have been built in Durban, and completely new truck facilities are planned for the Cape and Transvaal.

A further development is that a range of Cummins engines will be engineered into Oshkosh trucks. This will provide extra flexibility for the range.

To date, the popular Caterpillar engine has been used in the trucks.

Pat Patterson, manager of Oshkosh Truck Supply Co, says: "We see a bright future in the trucking industry, and expect demand to accelerate from about the third quarter of 1975."

"At present, we are basically in two truck categories: from 12 500 to 15 000 kg and the over-20 000 kg range.

"The lessons Barlow Rand has learned over the years in the earthmoving business have been applied to the Oshkosh division."

The Oshkosh gets its name from a town in Wisconsin, USA, which in turn took its name from an Indian chief.

The parent company was formed in 1917 at a time when there were 37 truck companies in Wisconsin alone. Today, it is one of only 15 truck manufacturers surviving in America.

Oshkosh entered the South African market when Barlows decided to import a few for its own use. Barlows was so impressed it decided to market the trucks in South Africa.

In 1963, Barlows imported the first completely assembled R Series Oshkosh trucks. The move proved highly successful, and in 1967, Barlows acquired the engineering firm of W. Voigt, in Paarl, and imported kits in unit form for assembly.

This has led to the present local manufacture content of 50 per cent.

In the past three years, the labour force has doubled to the present total of 309.

Although business has been slow for the past two months, Mr Patterson is confident of the future. He says: "The long rainy season has played havoc with many things, but we believe demand will pick up about now."

"We are optimistic about the second half of the year, and our improved new assembly plant at

'Better and bigger' is GM's viewpoint

67

TRUCKING in South Africa is on the threshold of a tremendous expansion, claims Dave Gillespie, truck sales manager of General Motors.

"South Africa runs on wheels, and to make sure that General Motors plays its full part in the future we expect, the company is hoping to be handling really big trucks next year.

"We have already taken orders for the Isuzu SPZ 580 15-ton long wheelbase dropside and the VPR 292 22-ton tractor chassis, though people have not seen them yet.

"There has been a tremendous world shortage of trucks for some time, but now more are available in South Africa than at any time during the past two years.

"This is thanks to the fact that South Africa's economy is still strong. As far as General Motors is concerned, South Africa and Mexico are the only countries on the up and up at the moment."

GM is still hoping to be

able to bring the successful Bedford range to South Africa, but a decision on what models will be coming and when they will arrive will not be taken until early next year.

Mr Gillespie says: "The local haulage industry is becoming more sophisticated, and hauliers are going in for bigger vehicles to carry a bigger payload.

"Even the Free State farmer is now going in for 15-tonners, where he used to buy the 3-tonners.

"Botswana, Swaziland and Lesotho are nowadays buying trucks in large numbers for use in their own industry.

"In the smaller range our K10 4 x 4 1-ton and K20 1-ton are proving popular. They were introduced last October, and we cannot keep up with the orders. They are bought for use where the terrain is bad.

"The steel shortage has now been almost overcome, and we are able to keep up a better flow of work because of this. Last year, the shortage set us all sorts of problems."

*Jim Travis
6.7.1985/TS*

TRUCKS AND TRUCKING

Kenworth throws out R1-million challenge

A NEW range of American trucks will appear soon on the South African scene.

Durban-based Truckor, a member of the Vavasseur group, has been appointed South African distributors for the Kenworth range of heavy trucks, made by Paccar International, of Seattle.

Truckor plans to import R1-million worth of trucks and parts in its first year, and these will be backed up by servicing facilities.

The Kenworth truck is claimed to be the Cadillac of the American truck industry. It ranges in size and capacity from 186 kW to 597 kW, and carries a payload of up to 150 tons off-highway.

But to start with, Truckor will import lorries for the long-haul highway trade, and most of the

trucks will be built to customers' individual specifications.

Although well established in America and Australia, Paccar, which has a turnover of R500-million a year, has been exporting for only 18 months.

It is already selling in volume to the Middle East and some African States.

To service Kenworth customers, Truckor is to open a number of branches and establish dealerships throughout South Africa.

At the same time, Truckor will retain its position as Fiat commercial vehicle distributor for Natal.

There have been attempts in the past to market Kenworth in South Africa, but they have met with little success. With more and more South African hauliers now turning to bigger trucks, however, it is felt that the Kenworth should make its mark.

The conventional and cab-over truck tractors have Cummins NTC 350 turbo-charged engines, twin fuel tanks, heavy-duty self adjusting twin-plate clutches and 15-speed Fuller transmission.

They come equipped for long hauls with well-appointed sleeper cabs.

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Sun Time (bus time 12/6/75)
67
Church groups
change tactics

By LEWIS JAMES
WASHINGTON — The Black-dominated City Council of Washington DC is near to passing a resolution that would bar the city government from doing business with companies that operate subsidiaries or sell in South Africa.

Although the resolution would not be legally binding, it would have the force of law since Washington's mayor and most of the top administrative officials are Black. The resolution is likely to be adopted within a month, say observers.

The resolution represents a change in tactics by Church-led protesters who have tried to force American corporations to boycott business with South Africa.

In recent years the protesters focused their attacks on annual meetings. They would present motions asking management

to leave South Africa.

Despite increased publicity and better organised campaigns each year the protesters found themselves winning fewer votes each time. This year, for example, a Church group failed to win 3 per cent of the vote at IBM's annual meeting and gained only that percentage of support at a meeting of the Southern Company, an importer of South African coal.

According to the Washington resolution's sponsor the Rev James Coates, the Church groups are now focusing on the purchasing power of key city governments to win their point.

The resolution singles out firms such as Control Data, IBM, ITT and Motorola for having a substantial investment in South Africa and for having a low level of African employment and a high number of South African Government contracts.

Americans find SA ignorance on race

Gerald P'Ange

NEW YORK—Even liberal Whites in South Africa “seem to have lost their individual capacity for indignation” at the racial situation, says an American study group.

This is because Whites are ignorant of the living conditions of other racial groups, it was found.

The group found “a central moral dilemma” among Whites, even liberals.

While they tended to share common American sentiments about racial injustice and individual freedom of opportunity, “discussion often is in abstract or statistical terms, just as discussions of South African problems often are conducted in the United States.”

SHAREHOLDERS

The findings — in a report to shareholders of an American company — says: “We were surprised when visiting even heavily African rural areas to find that most of the Whites we talked to had never been physically present in an African community.

“And, in a nation in which only one of six people is White, philosophical commitment to the idea of full equality may be matched by fear of the consequences of implementation of that ideal.”

The group consisting of senior officials of the Weyerhaeuser Company was mainly studying the working conditions at the South African affiliate, Barlow Weyerhaeuser.

IMPROVED
The group, concluding that Barlow Weyerhaeuser “cannot really be represented as ‘leaders’ in their treatment of non-Whites,” made several recommendations in 1972.

These included higher wages, improved pension schemes, higher-level training for Blacks and the introduction of an “awareness training” scheme for White employees.

In February this year Weyerhaeuser’s senior vice president for administration and resources, Mr. Lowry Wyatt, was in South Africa, and found that many recommendations had been implemented.

PROGRESS

He said that, almost without exception, each Black leader and anti-apartheid White he talked to was convinced that American investment “was making a tangible contribution toward social progress in South Africa.”

They felt, Mr. Wyatt said, that withdrawal of American investment would adversely affect the racial groups, with no corresponding benefits, and that it would be replaced by investment from other countries, less sensitive to the social impact.

The study group replied that people in America who oppose investment are too far from the scene to make sound judgment.

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STAR
20/6/75

Anti-SA backing

RYM
2/6/75

A BLACK member of the US Congress, Mrs Cadriss Collins, told a Press conference in Pretoria yesterday she supported the withdrawal of all United States investment but, failing that, all new investment should be stopped.

Mrs Collins, who is on a fact-finding tour of African countries, said she would lobby against American investment in SA when she returned home.

Black power growing in SA'

By GUY BERNARD

WASHINGTON

There was an irreversible escalation of Black Power in South Africa, Professor Leonard Thompson said, giving evidence yesterday before a US Senate subcommittee in Washington.

He considered present US policy towards the Republic to be against American interests, suggesting the South African regime needed United States support much more than the US needed support from South Africa.

The Yale University professor, who was for 26 years a President of South Africa, said petty apartheid concessions are being made very much with an eye to this august body, the United States Senate and the House of Representatives.

He referred to the relaxation of apartheid rules in sport and theatre, but warned what is not intended is that there should be any relinquishing of the absolute and exclusive white control of the sovereign central institutions of the Republic of South Africa.

Senator Dick Clark of Iowa, chairman of the foreign relations subcommittee on Africa, also called as witnesses Mrs

Donald McHenry, two Black Washington attorneys who have done considerable research on South Africa.

Mr Clark referred to racial domination by Whites and oppression of Blacks in South Africa and to the Republic's "illegal occupation of Namibia" (South West Africa). The senator spoke of American concern for South African problems and the possibility that reasoned discussions could convince South African Whites that their present system of apartheid was not in their economic or political interest.

Mrs Butcher said present American policy was not in the interests of the US. She claimed the issue of racism was the key issue for the Third World in general and that by supporting the status quo in South Africa as it had been since 1969, America was being impractical.

She suggested it should be US policy not only to oppose apartheid, but also to oppose the government that enforced it, and to replace the American ambassador with a charge d'affaires.

Mr McHenry said the United States increasingly needed the resources and "even the goodwill" of Black Africa. He thought the government ought to make sure none of its actions, such as the granting of a sugar quota or the use of export-import bank facilities, helped South Africa.

American business investors in South Africa should be warned not to look to their government for support, he said.

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New firm gets US connection

Sun Times (B.T.) 27/7/75 (67)

A NEW electronics company, Datron, has been formed in South Africa in which the world-wide Dage Corporation and Datron and Selectron companies are associated.

Dage, of Stamford, Connecticut, will be marketing a wide range of electronic, microwave and electro-mechanical components through the new company.

More than 200 companies, many of them international names, will be represented by Datron SA.

The head office at Wynberg, near Sandton, will be managed by Irvin Missulawin, a Wits electrical engineering graduate.

He will be leaving for Europe shortly to attend an international Dage conference in Hamburg, and he will then go to the United States to meet all Dage's principals.

Dage are leading suppliers of components to the

stein visited South Africa, realised the growth potential of the local market and decided to establish a local office.

military telecommunications and electronic industries throughout the world.

This company was formed shortly after the Second World War by George Epstein, a radar specialist.

Three years ago Mr Ep-

US probe into SA labour

Sun Times 6/7/75

By FLEUR DE VILLIERS

AN AMERICAN research organisation, financed by leading United States foundations and universities, is conducting an in-depth investigation into the labour practices of American corporations in South Africa.

The investigation follows the controversial inquiry by a British parliamentary sub-committee into the wages and working condi-

tions at British-owned companies in South Africa.

A senior analyst and an executive director of the Washington-based Investor Responsibility Research Centre are now in South Africa. The analyst, Mr T. Myers, expects to remain for about three months to complete his report.

The IRCC was established in 1972 to provide information to institutional investors — such as foundations, universities, and banks — on issues relating to the social impact of business policies. One of its subscribers, Harvard University, has been constantly criticised by students and radical groups for its share holdings in companies with South African subsidiaries.

According to an IRCC fact sheet, the centre was asked by its institutional subscribers to prepare a report to assist them in evaluating the operation of American corporations in South Africa. The study will focus on employee relations and practices, and is also concerned with business goals and objectives, sales and marketing and manufacturing.

The two IRCC representatives are meeting South African and United States government officials, South African business and labour representatives, and academics and journalists, as well as South African and American management of the corporations involved.

TV guides and so on."

Mr McGoff's chances of capturing the Star rest on a ruling by a Federal commission over whether the paper's present controlling shareholder, Texas millionaire Mr Joe Allbritton, can also retain six radio and TV stations in the Washington area. This violates Federal anti-monopoly regulations, but Mr Allbritton has pleaded that the TV and radio profits are needed to save the Star, which on its own is losing about R7-million a year.

Mr McGoff scoffs at this, and says he can make the paper profitable within two years. The commission ruling is expected soon.

The McGoff-Allbritton battle is rough. Both are 50, blunt, self-made (Mr McGoff began by organising a college glee club, Allbritton by washing dishes), but Mr Allbritton is the better known and has the greater polish and image. Mr McGoff jeers at this, charging "the old boys club" with threatening him as "a Mid-West upstart", and mocking Mr Allbritton's "increasingly desperate" efforts to offset R10 000-a-day losses.

Mr Allbritton, says Mr McGoff, knows nothing about newspapers and should go back to Texas.

Mr McGoff, says Mr Allbritton, is circling "like a vulture".

Mulder's friend in

(67) Sun Times 27/7/75

By RICHARD WALKER

NEW YORK, Saturday MR JOHN McGoff, the Mid-Western newspaper publisher and friend of President Gerald Ford, whose close relationship with Dr Connie Mulder, the Minister of Information, has led to an aggressive pro-South Africa campaign in the United States, is "confident" he can bring off his biggest coup yet — control of the Washington Star, only rival of the famous Washington Post in the American capital.

Acquisition of such a paper by a militantly pro-South African personality as such a crucial time in SA-US relations could have far-reaching results, and liberal, Afro-American and other anti-Pretoria elements are showing open concern.

Mr McGoff has made a bid of about R17-million for the financially ailing paper, and has proposed

big deal

a drastic cure — an immediate cut of 1 000 in the 3 000 staff, and a new editorial policy reflecting what he calls "grassroots" America, instead of the "slanted" and "propagandist" reporting in the Post, New York Times and the big TV networks.

Mr McGoff already controls about 50 newspapers, mostly small provincials. As publisher of the Star, he would be invited to the White House, appear on television and be a power in Washington.

Despite his claims to purity, he is a hard-driving propagandist himself, pushing his papers into conservative campaigning and speaking out strongly against

such pet hates as "flaming Leftist liberals" in the US State Department.

Mr McGoff was a host to Dr Mulder during the Minister's recent tour of the United States and claims that Dr Mulder would have met President Ford if the President had not had a previous engagement with the Israeli Prime Minister.

Next week Mr McGoff arrives in South Africa with his family to spend three weeks on his new farm near Hoedspruit. He will also inspect his growing South African empire, which includes a plant at Babalegi, BophuthaTswana, and another going up in Johannesburg which, he claims, "will produce 'To the Point' magazine,

Wealthy printer may invest in S.A.

ANOTHER wealthy printer is planning significant investment in South Africa.

Mr John Swift, president of the John S. Swift Company, was enthusiastic but guarded when I traced him through beef and computer interests.

in Chicago to New York stockbrokers, then back to Chicago.

He was startled to be confronted with reports that he was about to invest in the Republic, but did not deny them. He said he could say nothing at this stage.

Associates confirmed

that Mr Swift was recently in South Africa, and that it was understood he was involved in substantial deals.

The Swift company is based in St Louis (Missouri) and New York as well as Chicago, and is prominent in a wide range of printing activities.

6/8/75
Wage change

The Argus Bureau
PORT ELIZABETH —
Ford South Africa has
announced its second wage
adjustment for this year
for 3,700 hourly paid em-
ployees.

It involves an average
increase of four percent
effective from last Sunday
and follows a 3.5 percent
hike paid earlier this
year, said Mr. Dirk
Pieterse, labour relations
manager of the company.

D87
~~(E) 172~~

10/E ARGUS 6/8/75 Financial Staff

EXCITEMENT is mounting in the Karoo towns of Beaufort West, Graaff-Reinet and Aberdeen about the district's uranium prospects after reports that an American company is to start drilling on a 200-morgen koppie.

An oil company, as yet unnamed, is understood to have agreed to pay R1-million to a Cape Town businessman if uranium is found on the property.

The company is expected to start operations in the next two months, as soon as it can spare men from other work.

Satellite

An American satellite survey over the Graaff-Reinet district pinpointed the find at Marais Siding in the south-west.

A geologist visited the hill and noted rich deposits that could be mined by quarrying.

Extensive lime deposits were found during drilling for oil on the koppie and the uranium is reported lying under this area.

The 200-morgen site is part of a farm sold years ago. The oil company offered R100 000 for the mining option. The bid was later raised to R250 000 and at R1-million the owner signed the contract.

Oil search

The Karoo's uranium rush got under way two years ago when Soekor, the State-sponsored oil exploration company, reported extensive uranium finds after eight years of drilling for oil.

Soekor's uranium find measured 52 000sq km. If payable values could be found over 1 900sq km, the reserves would be greater than the total reserves of the United States, geologists say.

Considerable prospecting and buying of mineral rights was going on in the Beaufort West and Prince Alfred areas, an official of the Department of Mines in Pretoria said today.

So far, no consent had been issued to start mining, he said. Several prospect

(Continued on Page 2, col 9)

Caltex spending R96-m in Cape

By GORDON KLING

CALTEX OIL in South Africa is to embark on a R96-million expansion programme. It will increase the capacity of its Milnerton refinery in Cape Town by 70 per cent in the largest industrial project yet undertaken in the Western Cape.

Bill Marshall Smith, Caltex managing director, said yesterday design and engineering studies are well advanced. The expansion is necessary to meet the growing market for refined products. It will be in two stages.

Mr Marshall Smith says the expansion also reflects Caltex's optimism about the South African economy.

Even with fuel conservation measures, the buoyancy of the economy has created corresponding growth in the petroleum industry, although now from a lower base.

Expand

The Government has allowed us to expand our facilities to meet this growth up to 1983.

The first stage of the project is designed to improve the yield of refined products and is scheduled for completion in March 1977.

The second stage, to increase capacity, is to be completed in July 1978. A date has not been set for the start of construction.

The expansion will raise



Picture by TERRY SHEAR

Bill Marshall Smith . . . Expanding refinery capacity.

the capacity of the refinery from 61 000 barrels a day (about 3-million tons a year) to 105 000 barrels a day (5-million tons a year).

This indicates that Caltex is looking for a growth in petrol consumption of nearly 7 per cent for South Africa. The new facilities will include a crude distillation plant, a catalytic cracker for petrol and sulphur removal and recovery plants.

Mr Marshall Smith says they will double the size of the refinery.

Local content will make up one-third of the total R96-million expenditure. Mr Marshall Smith says the expansion will result in foreign exchange savings

of about R30-million a year.

"The project is to be financed by a combination of internal funds (Caltex), local short to medium-term borrowings, and possibly some offshore loans." He was unwilling to comment further on this.

Second

The enlarged Caltex refinery will move ahead of Mobil's Durban plant into second place, behind the combined Shell-BP, Sapref, refinery, also in Durban, which is due for expansion around 1980.

Caltex, which is scheduled to move into new Cape Town headquarters

towards the end of 1977, is one of the few big oil companies still active in exploration work here.

The parental exploration arm, Chevron, has leases on the West Coast south of the Orange River mouth and on the Agulhas Bank.

Mr Marshall Smith says: "It's known that offshore drilling is enormously expensive. We wouldn't be searching if we didn't have reasonable expectations."

Caltex Oil (SA) is owned directly by Caltex Petroleum, which in turn is held 50-50 by Texaco Inc. and Standard Oil of California (Socal). Socal is known outside the US as Chevron. It has been operating here since 1911.

Jobs for 800 men from homelands

Dispatch 10/9/75

EAST LONDON — There will be job opportunities for about 800 men from the homelands on the construction of a R96 million Caltex oil refinery expansion programme in Cape Town.

barrels a day (5 million tons a year). The expansion is expected to result in a foreign exchange saving of about R30 million a year.

— BUSINESS EDITOR.

This was made clear in Cape Town by the refinery project manager, Mr Bert Hyne, who said the total manpower used on the site, including artisans, would be about 1 500 persons.

About 800 men would be recruited by contractors from the homelands, he said, and the first stage, to improve yields of refined products, is scheduled to be completed by March 1977. The anticipated completion date for the second stage, to increase capacity, is July 1978.

Mr Hyne said Caltex Oil will also need 700 skilled artisans and 55 graduate engineers to work on the site. As there are not that many artisans in the fields needed presently employed in the whole Cape Town area, it was probable that a great number would have to be recruited from overseas.

"Mostly highly qualified coded welders and pipe fitters are needed," he said. "It involves work on miles of high pressure piping, and because of safety factors, tradesmen have to conform to high levels of quality control and rigid standards of performance."

The extensions will double the size of the refinery and increase capacity from 61 000 barrels a day (3 million tons a year) to 105 000

~~(1) 244~~
(2) 67
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~~(5) 172~~
~~(6) 103~~

US will invest more in Republic —Horwood

12/9/75

The Star Bureau

NEW YORK — American investment in South Africa is certain to increase. This is the opinion of Minister of Finance Senator Owen Horwood after five days of talks with top US bankers.

Senator Horwood said here that the role of the Prime Minister in detente in Southern Africa was regarded by top American financiers as extremely significant, and had contributed to the greater confidence and interest in investing in South Africa.

"I have had discussions with the heads of the top banks. Some of the discussions were very good. I have no doubt that United States financiers are very interested in South Africa and will definitely be playing a more active part in investing there," the Minister said.

He said he had been questioned on a wide variety

of issues in South Africa.

"It was clear that financiers and industrialists have been impressed with Mr Vorster's efforts to assist Rhodesia toward a settlement by helping to bring the parties together.

"They felt South Africa had extremely good prospects for the future."

This was also indicated by the large number of financiers who had decided to visit the Republic in the next year to look at the country's investment potential.

Attitudes had undergone a "change for the good" since Senator Horwood was last in the United States in 1968. "Things augur well for our association in the future," the Minister said.

Senator Horwood was also optimistic about the IMF conference and talks on gold in Washington last week. The gold price fell because of an interpretation that the role of gold as a monetary asset had been reduced, he said.

My view — and it is shared by almost everyone I spoke to — is that there was a clear implication that gold's monetary role had been confirmed," he said.

(1) Report
(2) 67

Mack's 'unbounded confidence in SA'

Cape Times 13/11/75

67

Do not write in this margin

Do not write in this margin

By BRIAN GROBBLER
Motoring Editor

ONE of the world's largest manufacturers of heavy trucks, Mack Trucks of America, is so impressed with the financial stability of South Africa and the potential of the truck market, that it is seriously considering taking a direct equity stake in Illings Mack (Pty) Ltd, local assemblers of Mack trucks.

Illings Mack is a wholly-owned subsidiary of Illings (Pty) Ltd, a subsidiary of Anglo-American Industrial Corporation, and has an assembly plant at Port Elizabeth.

Mr Henry J Nave, chairman and president of Mack Trucks of Pennsylvania, is visiting South Africa and at a press dinner at Stellenbosch, made the announcement. He said he did not share the current pessimism about South Africa's economy — or America's either.

"I look to the medium-term future with unbounded confidence and I feel that your country offers one of the best investment opportunities available today."

POTENTIAL

Mr Nave said he saw tremendous potential in the local heavy truck market because of the advent of containerization and because, like America, South Africa was heavily dependent on road transportation to traverse long distances.

Mack is the top exporter of heavy trucks (over 20 000 kg) out of the United States and is first in North American factory sales and heavy-duty diesel units. Mack has made a significant im-

pact on the local scene since 1972 when it first began assembly in Uitenhage. In that year, it held 0,3 percent of the market. This year it commands 11,3 percent.

Mack's sales of 20 000 kg and over trucks this year to September 1975, totalled 249 units, placing it third overall to Mercedes and International Harvester. In September, in fact, it drew level in number two spot with International Harvester.

EXPORTS

"Our success in South Africa is not untypical of our achievement worldwide," said Mr Nave. "We concentrate heavily on exports and, of last year's turnover of nearly R1 billion, more than 40 percent was derived from exports."

"Indeed, as far as heavy trucks are concerned, Mack is probably the only major specialist manufacturer in the United States making a profit at present and that is mainly due to our export programme."

Mr Nave added that a further factor in Mack's favour was that it concentrated its activities in heavy trucks.

"We have not diluted our base by venturing into automobiles, light commercials or agricultural

products," he said. "We have been specialists, concentrating on the heavy vehicle market where, because of escalating fuel prices, we believe the demand lies."

Mr Nave disclosed that it was company policy to supply custombuilt trucks.

COMPUTERS

"Mack designs trucks to suit the conditions of countries in which they will operate," he said. "All data, such as road conditions, gradients, speeds, fuel economy, are fed into our computers to provide the truck for the job."

He added that, as the result of this data-input, Mack had designed a bus chassis tailored to the South African market, specially to serve non-White needs. A dumper truck chassis, for local conditions, had also been developed.

"We also see fantastic potential in the mechanical horse market, in which we specialize, because of containerization," he concluded.

U.S. GIANTS FACE BAN OVER SA TIES

NEW YORK, Saturday. TOP American industrialists will make a last-ditch personal bid on Monday to stop Gary, Indiana, becoming the first city in the country to ban the products of four giant corporations because of their trade with South Africa.

By **RICHARD WALKER**

Mr John Opel, president of IBM, the \$11-billion-a-year electronics and computer combine, will travel to Gary to plead with the City Council not to approve what could be a precedent-setting measure.

Officials from the three other companies affected — ITT, Control Data Corporation and Motorola — will be with him.

Few local politicians, however, expect them to make much impression on the council, which is headed by a popular, newly re-elected Black mayor, Richard Hatcher.

Defeat in Gary, the industrialists fear, could set off a chain reaction across the United States, with other and bigger Black-dominated city bodies taking similar stands. Washington is to debate the same motion in January.

The result of the hearing in Gary will be announced on Tuesday.

vote of 7-1 to impose the boycott is being predicted by its supporters.

To help make sure, an exhaustive softening-up process is being undertaken this weekend by anti-apartheid activists from as far as Chicago and New York.

Puzzled

The propaganda campaign will reach its climax in the council chamber itself. Immediately before the debate begins, the fiercely critical documentary film, "Last Grave at Dimbaza", will be shown to members.

The sponsor of the boycott motion, Councillor Leslie Alison, urges: "These companies must be sensitised by the people in our own country. We must touch their economic nerve."

IBM's Mr Opel claims he is puzzled that his com-

pany has been singled out. In a letter to the mayor he said he hoped Gary could find some other effective way of condemning apartheid "before singling out IBM for a punitive boycott."

In fact, IBM has been under special attack for a long time. Early this year about a dozen American church groups put it on "trial" for its South African activities. Company officials attended the two days of hearings in New York.

ITT has also been under siege by anti-apartheid and church groups for several years—and so have Control Data and Motorola.

They are choice targets because, it is claimed, the computers and electronic products they supply to the South African Government are of direct use in strengthening the country militarily and in continu-

ing to maintain discrimination.

Behind the Gary campaign is the Centre for Social Action, a National Council of Churches-backed organisation which tries to curb American investment in South Africa.

On Friday it claimed a well-timed boost when Chief Gatza Buthelezi visited it and allied movements in New York and declared that he "supported unequivocally campaigns to end the sale of products to the South African military."

As a man committed to non-violence, he said, he could not support what he described as "the military and police which oppress our people."

The sponsors of the boycott in Gary claim that Motorola has already lost a R700 000 contract for the supply of police equipment to the city.

They concede that the buying power of a city with a population of 175 000 is unlikely to frighten a company like IBM, but argue that several cities may soon join in. Apart from Washington, Atlanta is the most prominent city now contemplating a boycott.

1. 67
2. 256
3. ITT

the Paycock (Macmillan)

of the Western World (Dent)

Poetry of the Thirties (Penguin)

Penguin Modern Poets 10 (Penguin)

Children of Albion, Poetry of the 'Underground' in Britain, ed. Horowitz (Penguin)

New Poetry, ed. Alvarez (Penguin)

Ted Hughes, Crow (Faber)

Ted Hughes, Selected Poems (Faber)

Anti-SA move hits giant U.S. firms

377
67

Weekend Argus Bureau

NEW YORK. — Four international corporations — including the massive ITT empire — have become the target of a successful boycott campaign run by militantly anti-apartheid Blacks and church group leaders.

The city council of Gary, Indiana — which has a predominantly Black population — this week voted to boycott all products of IBM, ITT, Control Data and Motorola because of their operations in South Africa.

This is the first time that an American city has officially decided to boycott companies for political reasons.

The situation is potentially serious for the big four and may in the long run even pressure them into withdrawing from South Africa.

An increasing number of American cities are becoming Black as wealthier Whites move to the suburbs.

The companies face losses if the campaign succeeds in Black-run cities such as Washington, DC, Newark, New York, Atlanta and Detroit.

CALCULATED

The council for the District of Columbia (which runs Washington) will be asked to approve a boycott resolution in January.

Mr Carl Noffke, head of South Africa's Department of Information operation

NEW YORK. — The prime movers behind the campaign against four corporations with South African interests originally wanted to boycott all American firms with operations in the Republic.

According to sources here this idea was dropped because it was pointed out this decision might cause Blacks in this country to lose jobs.

Hundreds of American firms have South African subsidiaries, including such giants as General Motors.

in the United States, has labelled it a 'calculated campaign' to make use of Blacks in the United States to take action against South Africa.

The boycott resolution in Gary — located near Chicago and which plays host to the country's largest steel complex — was first discussed this week at a public meeting attended by 500 people, including Mr Dennis Brutus of Sanroc and Mr Don de Keifer, an American lawyer who represented the interests of the SA Department of Information.

HYSTERICAL

Mr Brutus, now a professor at North Western University in Chicago, worked hand in hand with Peter Hain to successfully force the cancellation of the 1970 cricket tour of Britain and is also credited with a large role in getting South Africa expelled from the Olympic Games.

According to Mr Noffke the meeting was 'hysterical.'

It started with a showing of Last Grave at Dimbaza, a strongly anti-apartheid film which was recently seen on television here. It has been criticised for being biased and containing inaccuracies.

IBM's president, Mr John Opel, was called a 'fascist pig' by people in the audience when he attempted to put his case, Mr Noffke said.

Mr Noffke named the General Assembly Mission Council of the United Presbyterian Church as being one of the main workers behind the campaign.

But a spokesman denied this today and referred me to the Interface Centre on Corporate Responsibility, a body related to America's National Council of Churches.

Week no. 14: Caligua's campaigns in Caligua (37-41)

GENOCIDE

At one point Mr L. T. Allison, a Black councillor who proposed the resolution, said anybody doing business with South Africa was 'guilty of genocide,' according to Mr Noffke.

The Gary City Council has passed the resolution 6-2 with no abstentions. The six 'aye' votes were cast by Blacks and the two 'noes' by Whites.

The resolution names the four corporations and urges people to 'cease doing business with certain companies that assist in perpetuating apartheid.'

The adoption of the resolution by Gary's city council means that the companies will immediately lose any contracts they may have with the city.

One of the first to be hit is likely to be Motorola, which supplies the city's fire and police departments with communication equipment.

Director M... denied... tion had any... vement but disc... it had been... drawing up... tion which... on at ITT's... meeting.

UNFAIR
The reactor... Opel, president... the Gary... IBM has an... cord of fair... practices... South... the world.

It is... terproductive... nish a company... kind of record.

SA investments (67) worry GM chief

Own Correspondent

RDM 11/12/75
PORT ELIZABETH.—The present unrest in Southern Africa, particularly in Angola, was causing concern about the future of his company's investments in South Africa, Mr. Elliott M. Estes, the president of the massive General Motors Corporation, said in Port Elizabeth yesterday.

Mr. Estes, who is visiting General Motors plants and dealerships in South Africa and who will see the Prime Minister Mr. Vorster and other Cabinet members in Cape Town today, said he was fervently hoping that a solution to the problems of Southern Africa would be found soon.

"There is no doubt that the present situation, particularly in Angola where the position does not look promising at all, is causing concern to us. It is only natural for us to feel this way because of our investments in your country," he told a Press lunch.

Mr. Estes, the first GM

president in office to visit South Africa, added, however, that those critics in America who only a few years ago wanted GM to pull out of South Africa because of its racial policies were now completely silent on this issue.

Mr. Estes said he was satisfied that General Motors South Africa had met all its social obligations in South Africa — "we have a social conscience" — and that the Port Elizabeth management had done outstanding work, particularly in the non-White situation.

Referring to the Government's local content programme he said General Motors had no complaints as long as the motor industry was timeously advised on the requirements.

"We still do not know the Government's plans for local content in trucks. There is a need here to be put in the picture as soon as possible to assess our future investment requirements."

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~~2.57~~

R2m spent on workers' benefits— motor chief

By BRIAN GROBBLER
Motoring Editor

GENERAL MOTORS, the world's biggest motor manufacturer, was leading the way in South Africa with its programme of equal pay for all races, the president of General Motors, Mr Elliott Estes, said at a press conference in Cape Town yesterday.

He is on a one week tour of the Republic and is accompanied by Mr H W Gage, vice-president and general manager of the overseas operation of the multi-national company.

Asked what had impressed him most on this visit, Mr Estes said: "I am most



Mr Elliott Estes

Cape Times 12/12/75

pleased at the social changes which have taken place since I was here in 1971.

"In that year GM started a programme of equal pay for all races and supported Coloured housing and recreation schemes. The programme has progressed so much that today GM is leading the way in South Africa."

Mr Estes said that GM has spent more than R2-m on social services for all its employees and that it has appointed 106 Black supervisors, 61 of whom are on the salaried staff.

R10m for new cars

The Motoring Editor

ADDITIONAL investment of R10m to introduce new car models to South Africa is to be made by BMW of Munich, the chairman of the company, Mr Eberhard von Keunheim, said in Bellville last night.

Opening a new branch of Porter BMW, he said that this year BMW increased its sales by 99,8 percent — probably the biggest increase notched up by any South African motor manufacturer.

13. General comment

12. Should there be more or fewer tests? Essays and tutorial exercises?

have you found staff and tutors. Comment

1, 67
2-132

'SA is lucky to have Vorster' —US expert

found staff and tutors. Comment

ere be more or fewer tests? Essays and
rises?

Own Correspondent

JOHANNESBURG. — A senior US diplomat who has closely studied labour conditions here is cautiously optimistic about future stability in South Africa — provided certain changes are made fairly rapidly.

Mr Arthur Purcell, US labour attaché in Johannesburg for the past three years, who left at the weekend on transfer to Australia, sees no prospects of violent unrest in the foreseeable future.

"I believe the ingredients exist for a surprisingly rational resolution of South Africa's very difficult problems but much depends on certain changes," he said.

"South Africa is still rated as a very stable country for investment. You are placed on a par with countries like Switzerland. I think this is unreal, but at the same time I would not tell American businessmen that the place was on the verge of a bloody revolution.

"Your main problem, as I see it right now, is not on your borders but on the home front where substantial resources must be diverted as a matter of top priority to the provision of decent housing, basic education and training in skills and industrial relations for Blacks.

"Training in industrial relations is a vital aspect which hasn't been touched and as the Government has said 'no' to African trade unions, it must accept responsibility to provide this training."

Mr Purcell saw the bus boycotts in East London and Newcastle and the beer boycott in Soweto as the most significant developments of the year in the labour arena.

"I think the Blacks have discovered that the boycott as a peaceful weapon is very hard to deal with," he said.

comment

Mr Purcell said his optimism — "and I am a born pessimist" — was based on several factors, among them the extraordinary quality of the Black people here and their patience in frustrating circumstances and the fact that enlightened self-interest was the single most important thing which would make Whites react in a direction of positive change.

South Africa was also fortunate in having Mr Vorster as Prime Minister — "a perceptive person who sees the problems on all sides and appears to be trying to resolve them".

Had he detected any subversion in the labour field in South Africa?

"There is an ideological taint — some Marxism — but I would not really call it communism, although I am not privy to the information which your Minister of Justice, Mr Kruger, might have at his disposal."

The attitude of US companies to their Black employees in South Africa?

"The larger US companies have been aware of their responsibilities for a long time and have made deliberate efforts to bring about improvements," Mr Purcell said.

"Not one has so far recognized and is dealing with an African trade union but this is mainly because the works and liaison committee legislation has cut across them. They feel it necessary to give the legislation a chance."

Before coming to South Africa Mr Purcell served in two South American countries, Peru and Bolivia.

PS 23.9.1975

Cape Times 25/12/75
**US firm
opens in
Homelands**

A UNITED STATES firm has established a manufacturing operation in the Bophututswana homeland to help the South African Government in its plans to decentralize industry.

South African General Electric Company, a wholly owned subsidiary of General Electric (GE) of America, has set up a R500 000 plant at Babelegi, in the Bophututswana homeland 50 km north of Pretoria, for the manufacture of irons, kettles, elements and a range of similar small domestic appliances.

The South African General Electric Plant, which employs about 150 Tswanas and a small staff of White supervisors, is already turning out thousands of units a week. It is one of 64 factories established at Babelegi since the homeland industrial area opened five years ago.

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SA LINK CLAIMED IN U.S. BRIBERY ROW

67

ARGUS
11/2/76

The Argus Bureau

WASHINGTON.—South Africa has become the latest of a string of foreign countries to be mentioned in the multimillion-dollar Lockheed bribery scandal that has already shaken the Japanese Government and raised the possibility that Queen Juliana of the Netherlands may abdicate.

Sources within the U.S. Senate sub-committee which has been investigating bribes, pay-offs and commissions running into many millions of dollars which have been paid out by Lockheed, confirmed that they were investigating a 'South African connection.'

But it is believed in Pretoria that whatever the allegations are, they may turn out to be more political than financial.

The committee sources said the investigation had focused mainly on the role of a businessman.

A 'South African connection' emerged from documents obtained from Lockheed by the sub-committee on multinational corporations, headed by Senator Frank Church of Idaho.

WAR CRIMINAL

These documents have shown payments of up to 7-million dollars (about R6-million) to a convicted Japanese war criminal, Yoshio Kadama, payments to Queen Juliana's consort, Prince Bernhard, and to former West German Defence Minister, Mr Franz Strauss. There have been reverberations in Switzerland and Paris as the vast network began to be exposed.

Lockheed associate in SA

The Argus Correspondent JOHANNESBURG.—The South African businessman named in the American Lockheed Aircraft Corporation investigation says he has been associated with Lockheed for 25 years.

He said that with business associates he was involved in arranging finance for aircraft purchases both in South Africa and overseas.

Although we might arrange finance for our customers the contract negotiations are conducted directly between the buyer and the supplier. We certainly cannot comment on our customers' business, he said.

The disclosures have caused the delay of the Japanese elections scheduled later this year while the Government investigates.

In Holland, in spite of denials by Prince Bernhard, they have led to a Government inquiry that could put the prince in jail and cause the Queen to abdicate if the prince is implicated.

SECRET FUND

Lockheed officials have admitted maintaining a secret fund from which at least 22-million dollars (about R19-million) and perhaps more than 24-million dollars (about R21-million) was paid to officials, agents and go-betweens in many different countries in order to secure sales of Lockheed aircraft.

At this stage there is no evidence of bribery available. And it is difficult to see why it would be necessary to bribe a 'South African connection' to buy aircraft desperately sought after in the Republic.

(1) 67

(2) ~~224~~

Amax gets nothing from Southern Africa

RDM 11/27/76

NEW YORK — Amax, the American mining group, received no dividends from its Southern African investments in the fourth quarter of 1975.

The group cites the depressed world demand and prices for copper and base metals as the reason for the poor performance from the Tsumeb operation in South West Africa; O'okiep in South African and Roan Consolidated Mines in Super-depressed Zambia.

Amax's mid-year switch into the oil industry with the acquisition of a stake in the Chevron Oil Company helped to offset its African failure, shareholders have been told.

Amax has hinted regularly at its desire to reduce its African involvement, and talk of the possible sale of its big interest in Tsumeb is going the rounds. The most recent talk linked billionaire reclusé, Mr Howard Hughes, with a possible purchase.

Hughes associates discounted this, but Amax officials stressed that they would consider any serious offer.

Amax reported full-year net earnings of the equivalent of R16-million, or R3.85 a share, compared with R125-million, R4.76 a share, in 1974.

The low copper price and decreased shipments of most metals were mostly to blame — Reuter.

67

'Secret' RDM
2/2/76

IBM men see PM

By CLIVE EMDON

Labour Correspondent

SIX top directors of the IBM Corporation, including chairman, Mr Frank Cary, and Mr Nicholas Katzenbach, the former US Attorney-General, saw the Prime Minister and other leaders in a secret visit to South Africa which ended yesterday.

The group flew in more than a week ago in a private jet after visiting other African states where the company has business.

It conducted a high-powered investigation into its South African operation. The investigation is said to be the result of a campaign against the corporation by US churches over dealings with South African Government departments.

The campaign, by the Church Project, is aiming at boycotts of IBM computers in the US. Its slogan, "IBM computes apartheid", is backed by information on IBM sales of computers used for race classification and influx control, and by other State departments.

The team included Mr Jacques Maisonrouge, the corporation's senior vice-president, Mr Gilbert E. Jones, president of the IBM World Trade Corp., Mr Gerard Leford, president for Europe, and Mrs Jane Cahill, a vice-president dealing with communications.

KISSINGER FACES S.A. LOANS DILEMMA

NM 24/2/76

HENRY Kissinger's Africa policy, as many observers have pointed out, has long had a Jekyll and Hyde nature, vocally condemning the White minority regimes in Southern Africa while quietly forging closer ties with Pretoria.

Now, it appears that the sincerity of Kissinger's distaste for apartheid is being tested. The Ford administration is under pressure from corporate business interests and the South African lobby in Washington to lift the 12-year-old ban on direct loans to South Africa by the Export-Import Bank.

Administration officials have claimed that if the policy is reversed, U.S. firms could gain an almost billion dollar contract for the development of a plant in South Africa that converts coal into gas.

The ban on these direct loans to Pretoria has been in effect since 1964 as a subtle reminder to Pretoria of Washington's displeasure with South Africa's racial policies.

Current export-import policy allows only two types of transactions with South Africa: loan guarantees and loans to U.S. companies (more than 350 U.S. firms have some 1.4 million dollars invested in South Africa) of less than 2,000,000 dollars.

Advocates of lifting the ban claim that millions of dollars in

As the MPLA continues its progress in Angola the new situation is putting the United States in a more difficult situation than ever in its relations with South Africa. One policy decision that has come up is whether to lift a 12-year-old ban on direct loans to South Africa by the U.S. Export-Import Bank. Strong lobbies are at work, reports ROBERT A. MANNING, putting the cases for and against.

exports and jobs would be lost without a bank loan. But many administration Africa advisers warn the U.S. would risk becoming further identified with apartheid, and discredit U.S. policy in Black Africa.

Beleaguered

According to the New York Times, an administration staff study completed in January recommended against a change in policy. In the opinion of most officials, the certainty of straining already beleaguered ties with Black Africa outweighs the risks of losing parts of the contract because foreign competitors were offering better credit terms.

Several officials, however, told the New York Times that this conclusion was not likely to be shared by top policy makers.

Kissinger requested the study. His aides said it was a routine request and that he does not favour changes in economic relations with South Africa.

It has been noted that a once-secret policy docu-

ment, NSSM 39, revealed Kissinger's "secret tilt" towards the White Government and called for easing export-import restrictions on South Africa.

Some U.S. officials claim Kissinger has been and still is in favour of relaxing the ban.

A memorandum dated January 2, 1970, sent by Kissinger to former President Nixon, obtained by New York Times, supports this view. It recommended "that you authorise full export-import facilities for South Africa and the Portuguese territories — avoiding however, conspicuous trade promotion."

Reportedly Nixon approved the recommendation, but it was never acted upon.

The Ford Administration has been receiving a steady flow of letters and phone calls from Corporations, Congressmen and friends of the President urging a lifting of the ban.

Some U.S. officials claim that the lobbying effort has been managed by the Fluor Corporation, a U.S.-based engineering and contracting

company. Fluor officials have been reluctant to comment.

Other U.S. officials say that the apartheid regime is using the appeal of its great profits (profit rates for U.S. firms in Pretoria are about 25 percent — double other foreign operations) and vast mineral resources to lure the U.S. into closer ties.

A high official of the Export-Import Bank told the New York Times: "It's a concerted effort by South Africans to stir this up, and it stems from their embassy in Washington."

Speculation

South African officials deny this, but some observers speculate that Pretoria may be using the issue to press subtly for signals of U.S. approval for its policies in Southern Africa.

Export-Import Bank officials have said that they received more than 25 letters from U.S. Congressmen. Some U.S. officials said that former U.S. Defence Secretary Melvin Laird had expressed interest in the coal-gasification project and in changing the loan policy. Laird denied this.

US may end SA loan ban

RDM 25/2/76

(1) Capital
267

By RICHARD WALKER

NEW YORK. — The decision whether to drop the ban on United States Government-backed loans to South Africa is expected "any day now," official sources indicated yesterday as opponents of any relaxation of American relations with the Republic fired off a batch of telegrams to try to muster a maximum protest as fast as possible.

One informed source claimed the decision was already "on President Ford's desk," and there was confidence in some quarters that it would be in South Africa's favour.

Focus of the issue is the huge Sasol 2 oil-from-coal project, for which US companies stand to gain contracts worth more than R870-million.

It is claimed that they could lose all this to European rivals if they could not offer direct loan financing through the Export-Import Bank, the US Government's trade promoting agency.

A strongly-worded letter from more than 20 influential senators, calling President Ford to re-examine

US policies towards South Africa, has laid great stress on the bank issue.

It points out that some communist countries were allowed the facilities, while South Africa was not.

But there have been counter-charges that South Africa is attempting to blackmail the US into a policy change by threatening to stop any Sasol contracts to American companies, no matter how competitive their bids, if the bank ban is not lifted.

Congressman Charles Diggs is leading the campaign to retain the restriction and was expected to try to use the House subcommittee on international resources, which he chairs.

① Inter-group Relations
② (6?)

Flax 11/3/76
**'Whites could
lash back
over changes'**

NELSPRUIT — Delegates meeting at Hazyview to study the prospects for change in Southern Africa have been warned of a possible White backlash.

The term "Whitelash" was coined this week by Mr Len Abrahamse, chairman of Nedbank and Syneris UAL Holdings. He was speaking during the open session of the United States — South Africa Leader Exchange Programme symposium being held at the Sabie River Bungalows.

The 70 delegates went into closed session in four separate groups yesterday and they are understood to have discussed the problem of the Whitelash among other topics.

Mr Abrahamse had said there was a danger in the present climate of change that Whites would passionately resist a change in the political power structure.

"In certain quarters there is talk already of Whites going into laager," Mr Abrahamse said.

He added that because of the economic situation there was also a real danger that Blacks who had made gains, by being promoted into skilled White jobs might now lose these positions overnight.

NOT AUTOMATIC

Mr Abrahamse appealed for realism about the record of one-man-one-vote in various parts of the world.

"The conditions that exist here (South Africa) will not automatically be eliminated by changes in the law," he said.

"What is needed is the emergence of a stable middle class of Blacks to bridge the gap between them and the White section."

Mr Abrahamse said that because Whites held the power they would have to break away from "feudalism" and would have to make good the undertaking to do away with

50 years of General Motors in South Africa

67

NM 20/3/76

GENERAL Motors South Africa (Pty.) Ltd. also celebrates the 50th anniversary of its formation this year. The company, which operates what are probably the largest and certainly the most diversified manufacturing and assembling facilities in South Africa, was registered in Cape Town on February 20, 1926.

The necessary documents had been drawn up and signed in Port Elizabeth three days before. The first GM products — open Chevrolets — started coming off the assembly line in

April of that same year. Initial capital of the newly formed company was £10 000 and the total of office staff and workmen was 400. The first 1 000 vehicles had been produced from the temporary premises in a former wool store in Darling Street, Port Elizabeth, by October of that year. Five thousand vehicles had come off the line by the following May.

By contrast, the giant General Motors South African operation today employs approximately 6 000 people in Port Elizabeth alone, and passed the millionth mark in vehicles manufactured as long ago as 1972.

Apart from the company's other contributions to the Republic's economy, business and employment are provided for more than 250 fran-

chised dealer firms throughout the country and annual orders to the value of approximately R50 000 000 are placed with more than 600 suppliers of components, materials, equipment and services.

Today, apart from the provision of private transport and commercial vehicles to more than one fifth of the country's motorised population, GMSA also supplies parts and accessories, earth-moving equipment, diesel engines, transmissions and electric motors to all sections of the community, including central, provincial and local authorities.

GM has also become a major supplier to the South African Railways of diesel electric locomotives manufactured in a special plant established for this purpose at Aloes, site of the Engine Manufacturing Plant, about 15 kilometres from the main motor vehicle manufacturing plant in Kempston Road, Port Elizabeth.

312
75
67

Banned man in lie test row

By CAROLINE CLARK

Star Tribune
28/2/76

LIE-DETECTOR tests have sparked a major row at the Johannesburg head office of a national distributing company following the sacking of former political prisoner, Mr Indres Naidoo.

Mr Naidoo (39) who served a 10-year sentence on Robben Island and is now banned and under house arrest, agreed to submit to a lie detector test — but refused to sign a form indemnifying the company against any emotional side effects he might suffer.

The day after he refused to sign the indemnity, he was fired from his job as chief storeman at Frank and Hirsch, the company which handles the politically sensitive Polaroid account in South Africa.

Lie-detector tests were conducted on a number of employees at the company by Shield Security Services, called in by Frank and Hirsch to investigate losses in a number of departments.

Workers at the firm are angry about the tests, the fact that White employees are not submitted to them, and particularly about the dismissal of Mr Naidoo. They describe him as "popular, hardworking and honest." They understand the works committee is to raise the issue with the management.

Shortly after Mr Naidoo was fired, two other Black workers were also dismissed. Colleagues claim they were sacked because they "talked" about the Naidoo incident to a Johannesburg newspaper reporter.

Mr Helmut Hirsch and Mr Nigel Arbuthnot, managing director and general manager of the company, this week answered questions about the sackings. Among other comments they said that the three men had been fired because "we no longer wanted their services."

Mr Naidoo cannot be quoted because of his restriction orders, but his wife, Saeeda, said she believed her husband, who has worked for Frank and Hirsch before his capture and since his release, had refused to sign the form on "point of principle."

His Wives were tested and my husband was not even allowed to take the form away to study it. Later on Wednesday, the general manager told him that he would have to sign, resign or be dismissed. He was again refused permission to take the form home.

On Thursday, Mr Naidoo was advised by his lawyer that he could sign the form providing the indemnity clause was deleted. The general manager, Mr Arbuthnot, was informed of this and that Mr Naidoo would refuse to sign. Mr Naidoo was then told he was fired and could collect his notice pay and leave pay the next day.

Mrs Naidoo and her husband visited the labour inspector and told him about the incident. It was discovered that he had been given up to three categories on his unemployment insurance card.

Theft

"We discovered that number three means dismissed for theft, criminalness or misbehaving behaviour. The labour inspector telephoned Frank and Hirsch and the reference was that number two, which means re-employment."

Mrs Naidoo said that her husband would have some difficulty finding new work because of his restriction orders. The couple have a son who is 10 years old.

Referring to the grade three category, Mr Naidoo said he had left the company because of this. This is a point of principle, he said. As a political prisoner, he did not want the company to know what the category meant, he said.

Mr Naidoo said he was fired on Wednesday, but he did not know the reason until Thursday. He said he was fired because of the lie detector test.

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Police action at strike emitties

Staff Reporter

PIETERSBURG — The police action against Black strikers at the Heinemann Electrical factory in Mlandfontein this week illustrated the evil permeating South Africa, Mr J. Sebe, Chief Minister of the Ciskei, told the Lebowa Legislative Assembly yesterday.

by yesterday.

"The police must be told that if they do not solve the country's social problems, the police must be replaced," Mr Sebe said in an address to the Assembly.

"This is the responsibility of the government," Mr Sebe said. "Turning to the homelands, Mr Sebe said they were symbols of hope for the Black people and it was the duty of the government to ensure that these territories were not for the elimination of the great social problems of the country."

Young Blacks, he said, were angry because they saw no hope for the future. To solve this, all the people must be involved in decisions for the future.

They were frustrated because they could not own land and the fact that Blacks had to carry a heavy burden of taxation instead of being able to own land in the case of Whites.

Chief Minister Sebe claimed Blacks had no homeland because of the numerous social and economic problems.

He said the government must solve these problems if it is to solve the social problems of the country.

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FIN. MAIL 2/4/76

150

Why must it end like this?

CURRENT AFFAIRS

Workers under the baton

For sheer pigheadedness, some bosses take the cake. The blame for the troubles at Heinemann Electric is to be laid squarely at the door of the company's management.

Despite the fact that the African employees at the company's Elandsfontein factory near Jan Smuts Airport have repeatedly made it abundantly clear that they do not want a liaison committee, management has spared no attempts to foist one on them. Such high-handedness is asking for trouble.

The Transvaal branch of the Metal and Allied Workers' Union tells the *FM* Heinemann workers began joining it last October. The union claims that 520 of the 600 odd African workers in the factory have now joined.

On February 20, union officials met MD Wolfgang Wilckens and presented him with a petition signed by 484 of the workers. It read: "We the workers of Heinemann Electric wish to state that we are members of the Metal and Allied Workers' Union (Transvaal) and that we reject works and liaison committees.

"We want the union to represent us and not a works or liaison committee."

The workers could hardly have stated their position more clearly. But Heinemann, which is 70% owned by Barlow Rand and in which an American company in New Jersey has a minority shareholding, would have none of it.

It insisted on attempting to revitalise a liaison committee which the union claims was defunct. Union officials add that management tried three times to arrange committee elections, but that only 27 workers voted on the first occasion, none on the second, and three on the third.

So in this way too, the workers made plain their position. But Heinemann dismisses the election boycotts by claiming that union members "hindered" people

by persuading them not to vote.

Heinemann also brought in the Steel and Engineering Industries Federation of SA (Seifsa) to sell the committee system to the workers. The union says Seifsa officials made crude attempts to discredit it in the eyes of the workers, though Seifsa denies knowledge of this.

Matters came to a head last Thursday when 20 workers, two of them shop stewards of the union, were laid off. The following morning, before starting work, their colleagues sought a meeting with management to demand their reinstatement. Police were called, the meeting was refused and the entire work force was sacked.

On Monday this week the workers returned to the factory, only to find the police at the gates again. Again, repeated requests for a meeting with Wilckens were made, but these were all flatly rejected.

At 10h00 the police ordered the workers to disperse by 10h30. Workers' leaders echoed the instruction. Although the police deny it, there is abundant evidence that the crowd had already begun to move off when the police laid into it with clubs.

A great many of the workers had evidently already moved out of the road leading up to the gates and were walking down another road away from the factory.

Wilckens confirms to the *FM* that he refused the requests for a meeting. He says he is not prepared to meet "ex-workers" or union officials, claiming they have no interest in the factory.

He adds that "the mechanics of labour negotiations through the industrial council are well established, and the company will not be put in a position where separate agreements are made with . . . individual unrecognised unions unless they are

part of . . . the industrial council system.

This bland statement ignores the crucial fact that African workers (unlike others) have no say in the industrial council system. It also ignores the equally important fact that this state affairs is becoming increasingly resented.

Wilckens' approach to the union representing the vast majority of workers is nothing short of ostrich-like. And the aggressive behaviour of the police can only do further damage to industrial relations.

As Chief Gatsha Buthelezi put it in the *FM* on the police attack: "We thought that the Whites were beginning to move away from the idea that Black labour unrest can be countered by violence.

"It is alarming that they are now returning to that idea. Whether this is a result of the Whites' war psychosis is difficult to tell, but it is doubly alarming at the present time when any spark such as this could light a powder keg in SA.

"Heinemann's high-handed action is doing SA a disservice. The liaison committee system is totally ineffective, and Black workers are quite right to demand that workers' grievances should be channelled through trade unions only."

There can be no doubt that the perfectly legitimate demands by Africans for trade union rights are on the increase. Do employers like Heinemann think they can indefinitely resist them by mass sackings? If so, they are set on a disastrously stupid course.

Why cannot they follow the sensible example of employers in industries like clothing, who have recognised the African union in their factories and carried on amicable relations with it for years?

(150)

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(3) (67)

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Heinemann shuts out 200 workers

By CLIVE EMDON

Labour Correspondent
BETWEEN 200 and 300 workers formerly employed by Heinemann Electric at Elandsfontein are out of jobs — and the company says it is not rehiring them.

The company, scene of a police baton-charge of workers a fortnight ago after a labour dispute, says it is up to complement with 500 African workers on its books.

A fortnight ago the company sacked all 606 of its African workers. Yesterday the managing director, Mr W. E. Wilckens, said: "We have all we need now in the present economic climate, and we are nearly back to

full production."

He said he had rehired more than 300 of the original staff and the company had hired nearly 200 new workers.

Yesterday more than 200 people went to the company to be taken on. Some claimed that only 15 men were taken on but Mr Wilckens said 50 workers had been rehired yesterday.

In a statement yesterday the Metal and Allied Workers' Union said Barlow Rand, the group controlling Heinemann Electric, "was doing a disservice to industrial peace" in South Africa by "setting their face against the trend" of recognising Black trade unions.

The union underlined three issues which it claims Barlow Rand ignored about the Heinemann dispute:

● There was no strike at the factory but there was evidence to show there had been a lockout of workers by the Management which had been preceded by victimisation of union members

● The police were at the factory gates on the Monday of the baton-charge before the workers arrived at work and before the dispute began — and could hardly have been called in to protect workers who wanted to go to work, as claimed.

● The Barlow Rand assertion that they felt

"obliged to negotiate within the framework created by law" was misleading. There was nothing in the industrial council agreement for the iron, steel and engineering industry to stop firms negotiating with Black unions nor suggesting they would be opting out of this agreement if they did so.

● Barlow Rand made no mention of the "conspicuous failure" the works and liaison committee system had been.

● Barlow Rand's suggestion that the union was not representative was also misleading. Of the 606 African staff at Heinemann, 484 were members of the union.

SA 'may turn to dictatorship'

CAPL TIMES
26/4/76

Own Correspondent

NEW YORK.—South Africa faces internal and economic problems much more dangerous than the threat of Cubans and Black guerillas, a leading American business journal warns — and it suggests that the Republic may turn to authoritarian dictatorship as the pressure mounts.

(1) Telegraph Relations
67

It sees the Government's Black homelands policy — which it notes may sound illogical and prove impractical — as an alternative to a "terrible slaughter" that otherwise seems inevitable.

The special report on South Africa is this week's cover article in Forbes Magazine, which is read by many top bracket investors and businessmen.

South Africa "cannot much longer travel its present course", it says and charts this collision course:

● The economy is in "very tenuous shape". A developing nation, it is beset with a big balance-of-payments deficit and "fantastically enough" its economic planning for this year was based on the gold price remaining at US dollars 175 an ounce.

Within four years there will be a shortfall of two million skilled workers, and a minimum growth rate of 6.5 percent in the economy is needed to absorb the inflow of new Black workers. Yet the growth rate will be nil, unless the non-White population is developed.

● The Whites enjoy a welfare state with artificially inflated wages, assured by a mighty power base built around the White unions.

● While not militarily vulnerable to outside aggression, at any moment a series of incidents or another Sharpeville could trigger off uncontrollable international consequences, and "concerted economic, political and even perhaps guerilla moves".

Awed by the "tremendous task" ahead, the ruling Afrikaners might well resort to dictatorship, Forbes suggests.

APARTHEID HIT BY SA GROWTH, SAYS REPORT

067
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The Argus Bureau

W/L ARGUS
5/6/76

WASHINGTON. — An American study of the labour market in South Africa has found signs that economic progress is working against strict apartheid.

The most significant effects of economic growth, according to a 90-page report by the Investor Responsibility Research Centre, Inc., are increased demand for labour which can only be met by hiring Blacks, an overall increase in Black wages and hence in the size of the market for South African products, and a growing number of more liberal, commercially minded Afrikaner businessmen.

The report, designed to answer questions among corporations and shareholders about the moral implications of investing in South Africa, notes that American investments there earn an extraordinary rate of profit. Most of the profit, however, is reinvested.

It also says that, in spite of the recent recession, the heads of many U.S. subsidiaries in South Africa expect growth in the future to be as rapid as in the recent past, with sales climbing by 10 to 15 percent a year or even more.

One manager reported a five-fold growth in sales in two years and predicted growth to continue at 25 to 30 percent a year.

Discussing the effects on future growth, the report

says that South Africa is plagued by shortages of semi-skilled, skilled and management-level workers.

An important aspect of these shortages is that they will be alleviated mainly by the use of Africans, because White labour is almost totally utilised.

The high demand for scarce White workers and the simultaneous failure to draw effectively from the Black labour pool have created shortages which, in turn, have contributed to South Africa's high rate of inflation.

'Per capita productivity of workers is declining, wages for White artisans are inflated, skilled White workers are becoming hard to attract and then hold.'

The report is bleakly unflattering about White workers in South Africa, saying they virtually hold management to ransom because of their scarcity. Turnover is high, as is absenteeism, and the workers are fiercely protective of their privileged status.

As a result, the substitution of Black labour for White has already begun, particularly at the lower end of the scale of employment. The number of Africans active in the money economy grew from less than four million in

1960 to 5.6-million in 1970.

This was a rise of 44 percent, compared with the African population growth of only 37 percent in the same time.

In manufacturing the increase of African workers was greater, and the pace was accelerating in the early seventies.

In the automotive industry, General Motors reports, the number of Blacks has gone up 15 percent since 1950. At GM itself the number of Black employed increased 49 percent between 1950 and 1975, against a 37 percent increase for Whites, the report says.

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~~1~~ 150
~~2~~ 192
~~3~~ 67
~~4~~ 323

Hungry workers down tools

STAR 2016/16
Pretoria Bureau

Production at Pretoria's Chrysler Park car factory stopped today when about 1 000 hungry Black workers refused to return to work after the 9 am tea-break.

The managing director of Chrysler South Africa, Mr W K McPherson, said: "Workers at our plant near Mamelodi arrived at work hungry and restless because of the conditions in the township.

"At 9 am every day we provide tea and bread for our Black workers. Today, for unknown reasons, the bread did not arrive."

On hearing that no bread was available the workers refused to go back to work and milled around the canteen area.

Mr McPherson said they were not at all aggressive, just "confused, worried about their homes and hungry."

He also said he had decided to close the plant for today, but production would resume as usual tomorrow.

The police were called to the plant but stayed only a few minutes before leaving.

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**Ford ups rate
by 2c an hour**

PORT ELIZABETH. — The wages of the 3,500 hourly-paid workers of Ford Motor Company will be increased by between four per cent and seven per cent next month. The company will also increase its minimum hourly pay rate to 67 cents — a rise of 2 cents. The increases follow a four per cent rise in February. Salary rises are also under review.

Seagrams

scraps

KwaZulu

project

The Argus Bureau

NEW YORK. — The Canadian whisky distilling company, Seagrams, confirmed here it had scrapped a plan to build a R10-million distilling plant in KwaZulu.

A Seagrams spokesman declined to give reasons for the decision or to comment on opposition to the scheme by United States and Canadian church groups.

Church organisations had warned Seagrams that construction of the plant near Ladysmith, with help from the Bantu Investment Corporation and Stellenbosch Farmers Wineries, would legitimise Bantustans and would be seen by South Africans as a sign of overseas confidence in the Government's race policies.

CONSULTANTS

Last year, Seagrams sent a New York firm of consultants to investigate the feasibility of the scheme. It is believed that they reported that the scheme had good financial prospects but that there were strong political disadvantages. The final decision, however, was left to the Seagrams board.

The Seagrams spokesman said: "All I can tell you is that we are not going ahead with the scheme. The idea has been scrapped."

ARGUS

24/6/76

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CAPE TIMES 3/7/76
US Blacks on SA mission

By RICHARD WALKER
NEW YORK. — Mr Vernon Jordan and Mr Franklin Thomas, two leading Black American businessmen, fly to South Africa this weekend to investigate the condition of Black workers.

Mr Jordan is on the board of Xerox and Mr Thomas on the board of Citibank, companies with important South

African operations. They will stop in Kenya on the way.

Mr Jordan is best known as the director of the National Urban League, which backs Black enterprises, and Mr Thomas heads the Bedford-Stuyvesant Restoration Corporation, which runs a New York Housing rehabilitation programme.

The visit is considered very

sensitive and Mr Thomas admitted yesterday he "had hoped to make the trip without a lot of attention." He said he was going "for my own personal education and, hopefully, to make some suggestions once I return."

He has been a key figure in attempts to stop the move by Black-dominated city councils to boycott major companies

that do business with South Africa.

In South Africa, he said, he means to talk "with everybody, including racists like those with whom I've talked all my life."

As many as 250 Black Americans are estimated to have visited the Republic in recent years, but usually quietly and with little publicity.

JOHANNESBURG STOCK

AND PERSONAL FINANCE

(67) July 18 1975

U.S. investors cooling off on SA

WASHINGTON. — Are American business men starting to cool off on South Africa? After three years of a record-breaking rush to invest in South Africa ventures, Government and business officials here now report that the pace has slowed sharply and that some executives have had second thoughts.

US investment activity in South Africa had been increasing by between 7 and 10 per cent a year through most of the mid sixties and early seventies. But in 1973 American investment commitments soared 24 per cent higher than the year before and in 1974 the pace increased by nearly 25 per cent again.

Government economists are still puzzling about what happened in 1975. Fixed investment in South Africa at the end of 1974 was reported by the US Commerce Department at \$1,457-million.

During 1975, however, the rand suffered a sharp devaluation, especially in relation to the dollar. The conclusion is that when final statistics are reported next month US investment levels in South Africa will still be estimated at around no more than \$1.5-billion even though

they would have been worth \$2-billion by 1974.

But there is evidence that last year, even before the Angolan flare-up and long before last month's Soweto riots, the rush by Americans to open business ventures in South Africa was slowing.

Both business and Government officials interviewed by the Sunday Times emphasise that marketing ventures, even short-term investment activity in South Africa, is likely to remain solid if somewhat flat. For example, American exports to South Africa in the first five months of this year totalled \$543-million — that's roughly two per cent better than the levels reached in the same period a year ago.

But although many American business men are reluctant to discuss their South African affairs publicly, ample evidence has emerged that they are cancelling some of their plans to invest in South Africa and others are being shelved indefinitely.

"I do not get a sense of panic when I talk to our banks and business men involved in South Africa — rather I would describe it as renewed caution," stated Mrs Sally Miller, chief trade officer for the US Commerce Department's section on Southern Africa.

"I think it might be off the mark to blame everything on Angola or the Soweto riots," she added. "We were starting to see some doubts creep in late last year. In

fact, many business men I talk to here compare the Soweto riots with our own civil rights riots of the late 1960s. I do not get the feeling that Americans are ready for a capital pullout such as South Africa experienced after the Sharpeville incident."

Here is how a Citibank loan officer, who monitors the bank's Third World investments, sums up the mood at his bank.

"I would say today that there is still no problem with making short-term loans in South Africa. But I have seen a definite shift upstairs against medium and long-term lending."

He agreed with Mrs Miller's assessment that South Africa's problems did not just begin with Angola.

"It is much more complicated than just the current upheavels. We have to take into consideration the unsettled political climate both inside South Africa and in the region as a whole. But as I look over the entire US banking community I hear and see clear signs that several banks other than ourselves have decided they have committed enough long-term money in that area for the time being.

"I see a definite resistance to taking on more South African debt. One of the things that discourages us chiefly is the seemingly bottomless credit needs of that economy and the region that surrounds it.

"Simply put, to do what they want to do — or to do what needs to be done —

may take more money than we are willing to lend — or indeed than anybody is willing to lend them."

When it was pointed out that a sudden tightening of American bank credit might be harmful, the officer replied: "I do worry about what a credit crunch in South Africa might do to further de-stabilise the investment we have already made there but that is still no excuse to continue expanding our commitments."

Citibank, which has sizeable loans and investments in South Africa, and Xerox, with a major manufacturing and marketing investment there, sent two prominent Black Americans to South Africa this week to gather information the two multi-nationals could use in setting future investment policy there.

Vernon E. Jordan, executive director of the National Urban League, and Franklin Thomas, head of a New York City group that helps Blacks improve their ghetto dwellings, arrived in Johannesburg from Nairobi. Jordan is a member of Citibank's board and Franklin is a Xerox director.

"One of our problems in

US COOLS ON investment in S Africa

SUN TIMES (BUS TIMES) 18/7/56

• From Page 1

gauging relatively sudden shifts in investment in South Africa is that we as a government do not officially encourage our business men to invest there. We don't discourage it either, but when they do go in, they often don't let us know when they start investment much less when they stop," notes Robert Duncan of the US State Department.

Not that every American firm is worried about South Africa's future, however. Indeed, both Mobil and Caltex are going ahead with plans to spend more than \$200-million in expanding their South African refinery capacity.

"Ours is all for petrol and related products such as heating oil and so forth," a Caltex spokesman told me. "We are spending at least \$134-million on what we consider is very good evidence that the South African market is going to grow."

And IBM, which battles Xerox around most of the world, said: "We intend to keep our current 1 000-man marketing force in place for the foreseeable future. We can do business there."

But even John Chettle, who represents South Africa's business interest in America through the South Africa Foundation, conceded he had "come across a bit of concern lately. I have had

calls to come to talk to industrial conferences on the implications of both the Soweto incident and the Rhodesian situation."

Here are some recent examples of how and why American businessmen are starting to turn away from new ventures in South Africa:

- General Electric Co: Officials at GE have confirmed that they were taken by surprise by Escor's abrupt award of a contract to build two nuclear powered electric plants to a French firm a month ago. As a reaction, top level GE officials are weighing whether to pull out or cancel marketing plans on a wide range of GE products including engines for locomotives and consumer products.

Protests

"Why should we have to face stockholder protests about doing business in South Africa and then be treated like that?" one spokesman asked the Sunday Times.

- Seagrams Distillers Co: This Canadian based, whiskey manufacturing multinational had announced

plans to build a multi-million rand distillery in KwaZulu next year. Seagrams chairman Edgar Bronfman then hired Kenneth B. Clark, a prominent Black educator "to find out how Black Africans felt about the Seagram plant."

Abandoned

Mr Bronfman told the Sunday Times that Mr Clark's report to him was only partly responsible for his decision "to totally abandon the idea" two months ago.

The decision, he insists, "reflects our assessment of the economic situation as well as the local and political problems we might face in South Africa."

- International Nickel Co: For 20 years International Nickel has had extensive exploration programme operating out of Johannesburg throughout Southern Africa. That operation and the Johannesburg office will be closed this summer for good.

"It is obvious that no investment decision such as this is made without some consideration of the political situation and the economics of the region involved," a company spokesman stated.

Firms told: defy race laws

BOSTON — American firms with investments in South Africa were urged last night to take positive action to help South Africa change through measures including deliberate defiance of petty apartheid laws, the suspension of new investment and refusal to invest in the homelands.

The call came from Mr V. Jordan who, as executive director of the National Urban League, is one of America's most influential black leaders. He is also a director of the giant Xerox Corporation, on whose behalf he visited South Africa last year.

2/8/76 DD
Addressing 8 000 delegates at the opening of the league's annual conference, he spoke of having seen "the horrors wrought by an oppressive apartheid system in racist South Africa."

The American Government should make it clear that it found apartheid intolerable and that unless South Africa changed its course it could expect neither aid nor sympathy, even if it was invaded by outside forces.

Listing his specific proposals, Mr Jordan said all American firms involved in South Africa should come together in "alliance for black progress" to include:

A promise to disregard the trappings of petty

apartheid imposed by law, in the knowledge that no South African Government would punish multinational corporations that ignored "such inhuman rules;

A suspension of future investment in South Africa until some signs or changed policy were given;

Refusal to invest in the homelands "so long as they remain the cornerstone of a policy that denies to black South Africans citizenship in all of South Africa,"

Demands to the South African Government for changes in labour laws that American companies claim block their efforts to upgrade black workers and pay them fair wages.

— DDC

Call to halt 2/8/76 n.m. apartheid by business

BOSTON (Massachusetts) — American corporations with investments in South Africa were last night urged to "take positive action to help South Africa to change" through measures including deliberate defiance of "petty apartheid" laws, suspension of new investment and refusal to invest in the homelands.

The call came from Mr. Vernon Jordan, who, as executive director of the National Urban League, is one of America's most influential Black leaders.

He is also a director of the giant Xerox Corporation.

Addressing 8,000 delegates at the opening of the Black Urban League's annual conference, he spoke of having seen "the horrors wrought by an oppressive apartheid system."

But rejecting violence as a solution, Mr. Jordan said American policy should be to encourage peaceful change through the inclusion of Black South Africans as full partners.

(Sapa-AP.)

US concerns urged to act on SA

Cape Times
3/8/76

Own Correspondent

BOSTON. — US corporations with investments in South Africa have been urged to take "positive action to help South African change" through the suspension of new investment and refusal to invest in the homelands.

The call came from Mr Vernon Jordan who, as executive director of the National Urban League, is one of the US's most influential Black leaders. He is also a director of the giant Xerox corporation, on whose behalf he visited South Africa last year.

Addressing 8 000 delegates at the opening at the weekend of the Black Urban League's annual conference, he spoke of having seen "the horrors wrought by an oppressive apartheid system in racist South Africa".

Full partners

Rejecting violence as a solution, Mr Jordan said US policy should be to encourage peaceful change through the inclusion of Black South Africans as full partners in their country.

Make it clear

The US Government "must make it clear that it finds apartheid intolerable and that unless South Africa changes its course it can expect neither aid nor sympathy, even if it is invaded by outside forces. Our Government has shown itself adept at influencing other nations, it can now apply some of that talent toward pushing South Africa to change," he said.

Listing specific proposals, Mr Jordan said that all US corporations involved in South Africa should come together in a "corporate alliance for Black progress", to include:

Apartheid signs

- The taking down of 'White' and 'Black' signs and integrating their public facilities in the full knowledge that no South African Government would

punish multi-national corporations that ignore such inhuman rules;

- A suspension of future investment in South Africa until some signs of changed policy are given;

- Refusal to invest in the homelands "so long as they remain the cornerstone of a policy that denies to Black South Africans citizenship in all of South Africa";

- Demands to the South African Government for changes in labour laws that US companies say block their efforts to upgrade Black workers and pay them fair wages.

Education

- Standards of social responsibility setting out specific steps each company pledges to follow to promote Black progress, including education and housing;

- A statement to the South African Government "opposing the system of apartheid and urging justice for Black people";

"In this way," said Mr Jordan, "Our Government and our multi-national corporations can become forces

for positive change. The alternative is to await the inevitable explosion and see America's prestige and economic interests throughout the continent swept away in righteous anger."

Mr Jordan's tough approach reflects a growing interest among Americans — and particularly Black Americans — in South Africa.

Cape Times
24/9/76

Chrysler SA plant may be sold

Own Correspondent

NEW YORK. — Chrysler is negotiating to sell most of its South African operations, it is understood. Officials at the automobile giant's Detroit headquarters decline to comment.

The group has been examining all its overseas operations to see which unprofitable units can be cut out.

Pretoria-based Chrysler ranks eleventh in the South African market and its plant, employing about 2 000 people, has not been at full 30 000 units-a-year capacity for several years.

The value of its South African operations is put at about R45 million.

Ford, General Motors and American motors all say they have no plans to quit the Republic.

There have been reports that the Japanese group, Mitsubishi Industries, is interested in investing in Chrysler's South African holdings.

But a spokesman in Pretoria said there could be no possibility of a deal with the Japanese, because it was Japanese Government policy not to allow investment in South Africa.

330

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CT. 12/11/76 * The Cape Times, Friday, Nov

US investment rethink—Clark

LUSAKA. — The United States should re-evaluate American investment in South Africa and immediately cut off tax credits and investments in South West Africa, the chairman of the African Affairs subcommittee of the US Senate Foreign Relations Committee, Senator Dick Clark has said here.

In the text of an interview with Zambia television, issued by US officials yesterday, Senator Clark said the US under the new administration of Democrat, Mr Jimmy Carter, should consider whether American investors in South Africa were operating in accordance with US foreign policy towards Southern Africa.

"If they are using these investments only to prop up the apartheid regime, then it doesn't seem to me they ought to be continued," Senator Clark said.

"It is time for the US to re-evaluate its position with regard to investments in South Africa.

"I would advise right now that we ought to cut off tax credits and investment in Namibia. South Africa is illegally occupying Namibia. We should not contribute to that."

The Democratic Party Senator said he intended to take "a leadership role" in efforts to repeal the Byrd Amendment when the US Congress resumed session in January.

The Byrd Amendment, allowing the US to import chrome from Rhodesia,

was at variance with US support of the principles of majority rule in Southern Africa.

"It puts us in a very difficult position to talk on the one hand about majority rule in Zimbabwe and on the other hand continue to buy chrome from that government."

Senator Clark said he believed the USA's greater interest in Southern Africa since previous efforts to repeal the amendment would now give new moves the impetus to succeed.

Zambia had paid a high price for cutting off all dealings with the Rhodesian Government.

"It is not fair for the US to continue that kind of policy and we are going to work very hard to change it." — Sapa

Natal Mercury 12/11/76

330/62

Buthelezi's plea on U.S. stance

African Affairs Correspondent

Hail to the Chief in U.S. capital

African Affairs Correspondent

THE COUNCIL of the District of Columbia, the council of the United States capital, hailed Chief Gatsha Buthelezi as "the acknowledged leader of 18 million Blacks" when he was honoured by the Mayor of Washington this week.

Chief Buthelezi, invited to the United States to address the Washington Technical Institute, was a guest of what is Washington's city council on Tuesday when the Mayor, Mr. Stirling Tucker, presented him with a framed resolution "simply as a token of our support and affection . . ."

The council's resolution praised the Chief's work which, it said, had "placed him in the vanguard of southern African leaders."

Dr. Cleveland Dennard, head of the Institute, told the council that Chief Buthelezi had con-

sistently provided "national leadership in the resistance to the implementation of the homeland policies."

The Chief, who flew back to Durban yesterday, said he had briefed the Under Secretary for State, Mr. Philip Habib, on his meetings with Mr. Vorster and Dr. Henry Kissinger.

He found Mr. Habib "very sympathetic" and told him that "what happened in Angola clearly might happen here if the United States did not take a firm line."

Chief Buthelezi said he had added: "South African non-Whites might feel it necessary to find friends elsewhere if America did not help."

AMERICAN involvement in South Africa could only be made meaningful if it flowed from consultation with non-Whites, said Chief Gatsha Buthelezi in Washington this week.

On his return to Durban yesterday, he released a speech he made to the Council of the District of Columbia on Tuesday

In it he said: "Institutionalised fragmentation of South Africa's body politic, backed by hitherto unheard of punitive sanctions, is without doubt the gravest possible threat to the ultimate triumph of peaceful solutions.

"If this is so, this is where apartheid must be fought in the first instance, and this is where the decisive battle is now being fought."

Impotence

Those who had criticised him for "responding to my people's demand to lead them out of the possibility of permanent subservience have demonstrated their impotence in allowing Transkei to be manipulated into so-called independence, in spite of the complete rejection of apartheid by most Blacks."

"I cannot abdicate my position of strength in favour of participating in the kind of ineffective opposition which resulted in the Transkei's present position."

Africans were still prepared to espouse non-violent solutions, but the availability of these solutions was increasingly open to doubt.

"Where peaceful solutions cease to exist, my people will adopt whatever means there are to hand. This narrowing of options is forced on us by White intransigence."

Involvement

Turning to American involvement in the African situation, Chief Buthelezi hoped the future would bring links that had not existed previously, and would establish an American involvement in the liberation struggle "which was also not there before."

It was "quite possible" that real American involvement could prevent the race war toward which South Africa was gravitating.

It was South African non-Whites who would achieve the liberation of society here.

America could be regarded by Africans as the champion of White domination or the champion of the oppressed.

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UNITED TO THE OFFICE

US office to 'keep check' on SA workers' welfare

ST. 15/11/76

EAST LONDON. — The Chief Minister of the Ciskei, Mr L L Sebe, said here after returning from a three-week visit to the United States that an independent office is to be established in New York to keep check on the activities of US businesses in South Africa and their efforts to improve the social conditions of Black employees.

Mr Sebe said the office would make public to American businessmen and politicians the current conditions of Black employees in South Africa.

It would be able to present unbiased reports to the pressure groups in the USA which urge American businessmen to withdraw from South Africa.

Effectiveness

It would also be able to give first-hand information to US corporations as to the effectiveness of their efforts to improve the lot of their Black employees in South Africa.

At a press conference at East London Airport, Mr Sebe said his discussions with businessmen had been very successful.

He had met top men in Union Carbide, Mobil Oil, John Deere and the Caterpillar Corporation who would offer him an office in New York.

Mr Sebe said he had been offered a free hand to employ a man of his choice at the expense of these companies.

Any other homeland which wished to use the office was welcome to supply data to enlighten would-be investors.

One large overseas organization, which

Mr Sebe would not name, was likely to establish a branch in the Ciskei which would help create a social and economic middle class in the homeland.

He also stressed the importance of establishing a middle class among the Blacks as an effective guarantee that the future of South Africa would be effected through peaceful social evolution rather than the anarchy and destruction of revolution.

He had had "significant" discussions with the Secretary of State, Dr Henry Kissinger, and other State officials.

Acutely aware

The American Government is acutely aware of the critical situation in Southern Africa and is extremely well-informed as to the situation in this part of the world, he said.

Dr Kissinger had demonstrated at his meeting with Black leaders in Pretoria that this was not a matter of political strategy, but the result of a sincere interest in the future of South Africa's Black peoples.

Commenting on his meetings with State Department officials, Mr Sebe said there was no doubt in his mind that Americans agreed with his philosophy concerning the process of evolutionary change in Southern Africa.

The rights and dignity of the Whites in Southern Africa must be recognized and protected, just as the human dignity and rights of the Blacks should be recognized.

Sapa

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CT. 15/11/76

4 000 inquiries on Transkei

Own Correspondent

UMTATA. — Transkei has had 4 000 inquiries in response to advertisements placed in American and European newspapers encouraging investment in Transkei — the first time such advertisements have elicited any response.

The managing director of the Transkei Development Corporation, Mr Franko Maritz, said yesterday previous advertising campaigns for investment in Transkei, such as one in Newsweek magazine, had drawn little or no response.

But the latest campaign with advertisements placed in the Washington Post and newspapers in West Germany, France and Britain had elicited a "fantastic" response, said Mr Maritz.

The advertisements stressed Transkei was not looking for aid but offered incentives for investment in Transkei.

They were placed by the Transkeian Government and the replying address was given as the TDC in Umtata.

"While we have had 4 000 replies to our adverts not all of them are inquiring about investment or are interested in investment.

"We have been unable to process all the replies immediately," Mr Maritz said.

Some of the replies have been from people curious about Transkei — even stamp collectors wanting Transkei stamps.

"If one tenth of the replies are from interested investors it will be great. If one twentieth of the respondents invest they will outnumber the investors we have at present," Mr Maritz added.

What was most pleasing he said, was that for the first time an advertising campaign of this nature had had such a good response.

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(2)

Sun Tab CISKEI SETS THE BALL ROLLING BY ACCEPTING MASSIVE AMERICAN AID PLAN

By BILL KRIGE 2/11/76

THE UNITED STATES Government is fully behind a huge multi-million rand development project for the homelands which will be sponsored by some of America's biggest firms and universities in a bid to undermine apartheid.

Initially to be confined to the Ciskei, the scheme involves the building of technical colleges, houses and vocational schools, as well as numerous agricultural projects which have been shelved for years by the Republican Government through a lack of cash.

It will also include the founding of a peace corps which will have American doctors, schoolteachers and lecturers, as well as other workers to run the homelands' health and education systems.

And it will not be a one-time affair. The first remarkable aid effort, which is based on a base, will soon be extended to other homelands.

Details of the plan have been set out in a 100-page report by the Ciskei Chief Minister, Mr. Nkomo, who has just returned from a three-week tour of the United States.

While there, he met the American Secretary of State, Mr. Henry Kissinger, the Under Secretary for Economic Affairs, Mr. William Bengert, as well as top business executives and academics.

Mr. Nkomo's trip was the direct result of the visit paid to South Africa two months ago by Dr. P. W. Botha, when he met homeland leaders, who presented him with a memorandum expressing their priorities for change.

In Washington, Mr. Podeski, in particular, was emphatic in his support for the creation of the memorandum during his visit to the Ciskei for the creation of a strong middle class of blacks in South Africa as the best way to a peaceful transition.

Breakthrough

Part of the scheme is for the Ciskei government to open an office in New York, completely independent of the South African government.

It will be staffed by anyone Mr. Nkomo chooses - provided they are not white South Africans.

"I regard this as a major breakthrough for us," said Mr. Nkomo. "Any homeland government which wants to can use its services."

The projects will go ahead whatever the objection raised by the South African Government.

"I anticipate no stance, but so far," said Mr. Nkomo. "All I am interested in is for my people to get a fair share. It's going to be a victory for the African Government and the people of South Africa and all this will cost them nothing."

"I am not prepared to allow the South African bureaucracy to stop the birth of a black middle class society."

The chief sponsors of the project to open a field office in New York and to undertake the agricultural and housing projects, are the US firms of Union Carbide, Caterpillar and John Deere.

A second group of sponsors are black American businessmen who, according to Mr. Nkomo, hold enormous financial power.

They will build vocational schools, technical colleges, garages and chain stores, and try to finance to run them.

Among the projects which the first group of sponsors have agreed to tackle are an irrigation scheme at Keislaamahoek which will cost about R6 million and employ 3 000 workers; a second irrigation scheme at Tvefu which will cost about R3 million and employ a further 2 000 labourers; and a pineapple-growing scheme near Peddie to cost R10 million and employ up to 4 000 people.

AND DUMPING SWAPO

62

US MILLIONAIRE

TO 'SELL' SA

Sun Times

By NEIL HOOPER

28/11/76

AN AMERICAN millionaire plans to bring two groups of 30 people from the Western United States to South Africa every year to show them what the country and its people are really like.

Mr. Frank Hart, who once controlled America's biggest residential real estate company, with a turnover of R500-million a year, said in Johannesburg this month.

"Your Department of Information does a good job in promoting South Africa in cities on the east coast such as Washington and New York, but it has completely ignored western America.

"This is a great pity because the people in western America have a lot in common with South Africa and are likely to be sympathetic.

Ancestors

"Their ancestors also travelled to the west by wagon. They were faced with warring tribes of Indians and the later problem of settling them in their own territories. I am sure that they would understand the people of South Africa if they were given a chance.

"Unfortunately their knowledge is sadly lacking. I spoke to a Rotary group in California recently and found they did not realise that most South Africans do not have families and homes in other countries to go to if there is trouble.

"It is important that people in America and other Western countries understand what is happening here. They must realise that Russia could eventually control most of Southern Africa and that this could be fatal for the world."

Mr Hart, who says he would like to be an ambassador for South Africa, has often been here, and to other African countries, to collect animals for his private game park in Oregon.

"I started reading about wild life about 15 years ago and it soon became an obsession. After building the game park I stopped running my company and am now merely a stock holder.

"I have spent about a quarter of a million dollars to acquire wild animals from all over the world.

8/12/76
**US will put pressure
on firms says Clark**

JOHANNESBURG — Sen Dick Clark told a group of Soweto people yesterday that American industrialists who operate in South Africa will in future be pressurised by his Government to appoint blacks to managerial posts and to positions of authority over white workers.

Sen Clark said there were about 300 American companies operating in South Africa which had been asked to give a detailed report about the question of job opportunities and salaries being offered to blacks in their employment.

"I have seen to

Botswana where I was told by officials there were between 600 and 1 000 students who fled from South Africa and also several hundred who are reported to be in Lesotho and Swaziland.

"My government is going to evolve an educational programme to educate not only those who have fled from South Africa but also those who are in South Africa," Sen Clark said.

The opening of hotels, mixed sport and the removal of whites-only labels from parks was not the sort of change that the outside world was looking forward to. — DDC.

MANUFACTURING - Beverages

Includes manufacture of liquor.

MANUFACTURING - Chemicals & products

MANUFACTURING - Clothing

The questionnaire then deals with US policy towards SA: "Would your operations in SA be seriously affected by changes which tighten US policy towards SA?" — such as ending of all Export-Import Bank facilities, removing of commercial attachés, ending of commercial publications relating to SA, and ending of tax credits to companies investing in SA after January 1977.

Electricity

See also ENERGY

PUBLIC SECTOR - State Enterprise

Food

See also AGRICULTURE

Footwear

Furniture

Iron, Steel, Engineering & Metallurgical Industries

details of whether there is any restriction by the company on the kinds of products it sells in SA, and for what purposes they may be used. The Senate committee will thus be able to identify which companies are supplying equipment to the Defence Force, which is obviously a highly sensitive issue.

The questionnaire, hardly surprisingly, deals in detail with employment of Black workers, communication channels with Blacks, and wage policies. Among the questions:

- Does the subsidiary have a programme for recruiting Blacks?
- Does it use a national standard to establish its minimum wage level?
- Does it have a single wage curve for all employees?

• How often are wages reviewed?

• How many Blacks moved into supervisory positions in the year June 1975 to June 1976?

• Does the company have any Blacks in supervisory positions above Whites?

The Senate committee also wants to know what difficulties the company has in paying "equal pay for equal work," whether caused by high White wages, inexperience of Black workers, high demand for Whites, or the strength of White unions. It also wants information about the "major obstacles to Black promotion," whether they result from government restrictions, opposition from White workers, White customers, or from local management.

Another set of questions deals with worker representation, and the companies are asked whether they would be willing to recognise and negotiate with African unions.

The committee also asks whether the companies have in the last two years made any representations to government on its policies governing matters like labour mobility, housing, education, and training.

MANUFACTURING - Textiles

MANUFACTURING - Tobacco

MANUFACTURING - Wood & cork

Marasmus

See

HEALTH & diseases

Marriages

See

POPULATION

Maternity benefits

See

SOCIAL SEC Insurance

Media

See

PRESS

PUBLIC SEC

Medical aid

See

SOCIAL SECURITY - General

SOCIAL SECURITY - Medicare

Medical personnel

See

HEALTH & DISEASE

Medium of instruction

See

EDUCATION - Secondary

Mental health

See

HEALTH & DISEASE - Mental health

Fin. Mail 4/21/77 (62) US FIRMS IN SA Senate quiz

American companies operating in SA are going to find themselves under increasing scrutiny this year. Towards the end of last year, the Senate Committee on Foreign Relations sent them a long questionnaire on US businesses in SA.

They have been asked to supply not only routine information about matters like projections of sales growth, but also

POPULATION - Registration

File here amendments of legislation, changes in classification and material morality and mixed ages.

PORTUGAL - General

PORTUGAL - Labour

Posts and telegr

POVERTY - General

POVERTY - Minimum standards

Power

PRESS

PRICES - General

PRICES - Controls
Contraventions

PRICES - Consumer
Bodies

Printing industry

Prisons

Private hotels

Labour to investigate alleged victimisation while the matter is also likely to receive the attention of the American State Department since Heckett is partly US owned.

There is also anger among Heckett workers over police intervention, instigated, they believe, by the company's management who, however, claim to know nothing about it. (On Tuesday night this week three workers were taken to the local police station; they say the police told them that management had complained they wanted to make trouble for the firm.)

Heckett is 50% owned by Iscor - the chairman, H C H Hatten, is an Iscor general manager and 50% by an American company, Heckett Metals, a subsidiary of Harsco Corporation, a Pennsylvania based company which is traded on the New York Stock Exchange and which in 1975 had gross revenues of \$528m.

The trouble seems to have begun last November, when Pheko, in his capacity as chairman of the works committee, asked for an explanation when a worker was dismissed. The police were called, and Pheko tells the FM that the plant superintendent, L P D Coetzer, said in front of them that everything would be all right if Pheko and one of his committee colleagues, Steven Skosana, could be got rid of.

Two days before Christmas, another worker, known as 'small Zwane' was fired, allegedly for threatening a "bossboy" with a knife, an accusation which he denies. The company's manager, Allan Henochsberg, allegedly accused Skosana of "putting a bad spirit among the workers". Asked what he meant, he reportedly said Skosana had been organising workers to join a trade union, the Metal and Allied Workers' Union (MAWU).

Six days later, Pheko was sacked. He says Coetzer accused him of kicking a "bossboy", and claimed to have the authority of Henochsberg to sack him. Pheko, as with "small Zwane", denies the assault accusation.

On January 3, another worker, Joseph Phora, resigned rather than comply with a request by one of the plant's White staff to give information about the "secrets" and activities of the union. He claims that Coetzer said that all the union members would be fired one by one and that a docket had been opened with the police.

Other members of the works committee have also attempted to discuss the dismissals with management. "We are surprised at dismissals without reason or without telling the committee. Why did the management not tell us something was wrong?"

The stories about alleged assaults on the "bossboys" are frankly not believed. Worker spokesmen tell the FM that

Henochsberg says that the works committee has no power to ask why people are fired, but is only entitled to discuss matters like "overalls and boots" - an approach which has caused dismay in the plant. The legislation governing works committees says that their functions are to "communicate the wishes, aspirations, and requirements of the employees... to their employer and to represent the said employees in any negotiations with their employer concerning their conditions of employment or any other matter affecting their interests."

Questioned by the FM, Coetzer said that "No 2961" had been dismissed because he wasn't "obedient and wanted to kick and hit the bossboy". Asked whether there had been any other dismissals, Coetzer said: "Do you know the boy's number? We don't work with names, only numbers."

Henochsberg told the FM that he'd had no report about the police. He too said that "No 2961" had been dismissed "for refusing to obey orders and threatening to assault the bossboy." Asked who "2961" was, he said, "Piet somebody or other." Henochsberg told the FM the dismissals had been investigated and "I am quite satisfied that everything was in order." He was unable, however, to say what the orders were that "2961" had allegedly refused to obey.

Asked to confirm or deny whether Zwane too had been dismissed, Henochsberg was unable to do so as the FM was unable to quote Zwane's "number". Henochsberg did not know him by name.

Heckett employs about 80 Africans, some three quarters of whom are members of MAWU. Officials of the union have also told the FM about two mysterious incidents in which the tyres of the union's vehicle have been let down.

Henochsberg told the FM that Heckett had "hired and fired hundreds of people over the years" and that he couldn't understand why the FM was inquiring about the recent dismissals. A spokesman for Heckett's parent company told the FM's Washington correspondent that "we are happy with our operations in SA. Our only labour problems in SA are due to our inability to find and keep skilled labour in sufficient quantity."

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FWMAIL 4/2/77
HECKETT DISPUTE (62)
No 2961 a bad boy?

A row is brewing over the dismissal of the chairman of the works committee at Heckett (SA) Pty, a scrap metals plant in Benoni. The worker, Piet Pheko, is considering asking the Department of

Basotho Qwaqwa

See

HOMELANDS - Basotho Qwaqwa

See also

{ HOMELANDS - General
DECENTRALIZATION

62

Beverages

See

MANUFACTURING - Beverages

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BIOGRAPHY

File here information on prominent personages.

Birl

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Unic

FIN. MAIL 18/2/77

ers'

Blac

HECKETT DISPUTE

Amazing about-turn

US engineering firm Heckett Pennsylvania seems to be engaged in some curious egg-dancing on the issue of labour relations at its subsidiary, Heckett SA.

SA and that there has been no employer-union communication.

Heckett's backtracking doesn't end there. Last week it was lauding its SA subsidiary's labour policies. Now it says that these policies are not under its control and are decided by Iscor, its 50 50 partner.

Blac

Last week Heckett Pennsylvania told the *FM* that its SA subsidiary "formally recognises" the unregistered (African) Metal and Allied Workers Union (MAWU) and that its SA subsidiary "is one of the most compelling and moving forces for change" in labour relations.

On the Pheko dispute itself, Heckett US says it understands that "one employee voluntarily quit and another was involuntarily separated." They don't know why but assert that the man was dismissed "with cause, as far as we know."

Boa

Further details could be obtained from Heckett SA, the firm's spokesman said. But Heckett SA told the *FM* that no such statement had been made in the US. Manager Alan Henochsberg tells the *FM* this week that he sticks by that statement.

So Heckett's "moving force for change" seems anything but that. And the inconsistency of its two statements — it insists that it didn't mean recognition "in the technical sense in which the word is used in labour relations", though it is difficult to see how else it could have meant it — implies an attempt to fob off questioners with glib answers.

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Buses

See

CONSTRUCTION

FINANCE

{ PUBLIC SECTOR - Local Authorities
PUBLIC SECTOR - Transport

TRANSPORT, PRIVATE

See also

{ GROUP AREAS

URBAN AFRICANS

hier, soos die Nederlandse taalkundige J. L. Pauwels aantoon, met 'n oorgeërde verskynsel te make.

J. A. VERHAGE, „Defuge en gemensame vorme in die sinsverband van ou Kaapse taal”, *Tydskrif vir geesteswetenskappe*, jg. 5, nr. 3, 1965, pp. 307-323.

J. A. VERHAGE, „Die herkoms van die verbinding as wat na 'n kompara-tief en sy verbreding in Afrikaans”, *Tydskrif vir geesteswetenskappe*, jg. 7, nr. 1, 1967, pp. 328-342.

US firms to ease race bars in SA

Own Correspondent

DURBAN — US-owned companies in South Africa will be encouraged by the new Carter Administration to relax racial discrimination among workers, according to Durban's new US Consul, Mr Ed Fugit.

His statement, made in an interview here, gives substance to recent reports that President Carter has summoned executives from 360 American companies with investments in South Africa to a meeting at the White House.

This is seen as the first step by the US to exert pressure on this country to change its race policy.

Mr Fugit was reluctant to speculate on what these measures could take. „The new administration is still working out its economic policy towards South Africa. We don't know yet. We will have to wait and see.”

But he made it clear that the general direction

would be to move away from discrimination and that „the whole field of labour relations of US firms is being well watched by Washington.”

Although there were legal limits to how much control the US Government had on private enterprises „there is still moral persuasion.”

On specific moves such as the recognition of African trade unions or scrapping of job reservation in US firms, he would not be drawn and said it depended in the individual company.

Mr Fugit, who arrived in Durban three weeks ago, has already interviewed executives of US firms in Durban and Maritzburg to sound out their feelings.

A number of firms would like to change their labour policies but are not certain how far they can go. He said some firms were already working on schemes of their own to improve the housing of their employees.

deur beskwingfaktore teëgewerk is of verdwyn het. Daarnaas het die invloed van die talie vreemdelinge aan die Kaap 'n rol gespeel. Ook hier kan ons net by uitsondering een groep sprekers isoleer en vir die wording van 'n bepaalde taalvorm verantwoordelik hou. Ons kan bv. nie aantoon in hoever die Franse of Duitse immigrante die Afrikaanse sinsbou direk beïnvloed het nie, of in hoever hulle die vereenvoudiging van die vormstelsel veroorsaak het nie.

1. Teorieë oor die ontstaan van Afrikaans

Vroeër is daar wel aan die een of ander beslissende taalinvloed gedink. Dit was die geval voordat 'n taamlik groot hoeveelheid direkte ge-

wens van die Kaapse taal in die Argeïe in Kaapstad gevind is. Kort na die stigting van die GRA het die belangstelling in die herkoms en ontstaan van Afrikaans by taalgeleerdes begin posvat en aanleiding gegee tot die ponering van verskillende teorieë oor die ontstaan van Afrikaans. Th. Hahn se *Hottentots-teorie* van 1882 was die eerste poging tot 'n verklaring van die karakter van Afrikaans. Hoewel hy vasstel dat Afrikaans „phonetically teutonic” is, d.w.s. sy Germaanse struktuur behou het, is dit volgens hom „psychologically an essential Hottentot idiom”. Maar hierdie vae stelling kan hy nie bewys nie. Kort ná hom kry ons die belangstelling van Nederlandse geleerdes soos M. de Vries en J. te Winkel, wat die *Frans-teorie* voorstaan. Volgens dié teorie sou Afrikaans onder die invloed van die Franse Huguenote ontstaan het, maar D. C. Hesseling het die teorie in 1897 al weerle. In 1885 wys Hugo Schuchardt, die beroemde Duitse geleerde en kenner van Kreoolse tale, op twee belangrike faktore wat by die wording van Afrikaans 'n rol kon gespeel het; hy dink aan die een kant aan Duitse invloed; aan die ander kant was hy die eerste wat in 1891, op grond van sy kennis van Indo-Portugees en Maleis-Portugees, op moontlike kreo-liseringsfaktore in Afrikaans die aandag gevestig het. D. C. Hesseling het dié gedagtes in 1897 en 1899 verder gevoer, veral in sy beroemde werk *Het Afrikaansch* (1899) waarin hy sy *Maleis-Portugees-teorie* uiteengesit het. In teenstelling met die vorige teorieë was Hesseling s'n dié eerste wat werklik wetenskaplik verantwoord was. Volgens Hesse-ling moes daar binne die eerste dertig jaar van die volksplanting 'n skielike botsing van tale aan die Kaap plaasgevind het, nl. 'n botsing tussen die 17de-eeuse Nederlands van die vryburgers, soldate en amptenare en die taal van die Oosterse slawe wat Maleis en 'n vorm van gebroke Portugees gepraat het, of 'n vermenging van albei („Maleis-Portugees”). In 1658 en daarna het 'n groot aantal slawe wat gebroke Portugees gepraat het, Kaap toe gekom; dit sou volgens Hesseling 'n skielike kommunikasieprobleem veroorsaak het wat tot 'n vinnige verandering van Nederlands gelei het. Die resultaat was 'n sterk vereenvoudigde taal met 'n reduksie in sy grammatika. Wanneer 'n kultuurtaal in 'n bepaalde kontaksituasie deur 'n botsing met 'n sosiaal laerstaande taal binne 'n kort tydperk 'n drasiese reduksie, struktuurverandering en vereenvoudiging ondergaan, praat 'n mens van kreo-lisering. Hesseling moet egter self erken dat die tipiese kenmerke van kreo-lisering in Afrikaans ontbreek, daarom kom hy tot die konklusie dat Afrikaans beskou moet word as Nederlands wat halfpad bly staan het om 'n Kreoolse taal te word.

Ongeukkig het Hesseling destyds nie oor die nodige direkte taalgewens beskik nie; hy kon sy teorie feitlik net op sosio-historiese gegewens baseer wat bowendien nie volledig en korrek was nie. Daarom was ook sy teorie ontoereikend en eensydig; dit het 'n hipotese gebly wat hy nie kon bewys nie.

Dramatic Washington meeting

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US firms act on SA

Principles

In a statement, the companies supported these operating principles:

- Non-segregation of the races in all eating, comfort and work facilities;

- Equal and fair employment practices for all employees;

- Equal pay for all employees doing equal and comparable work;

- Development training programme that will prepare, in substantial numbers, blacks for supervisory, administrative, clerical and technical jobs;

- Increasing the number of blacks in management and supervisory positions;

- Improving the quality of employees' lives outside the work environment, in such areas as housing, transport, schooling, recreation and health.

Modifications

The US companies also stated: "We agree to further implement these principles. Where implementation requires a modification of existing South African working conditions, we will seek such modifications through appropriate channels.

"We believe implementation of the foregoing principles is consistent with respect for human dignity and will contribute greatly to the general economy."

To Page 3, Col 1

The Star Bureau

1/3/77

Washington

American big business, under extreme pressure from the Carter Administration and "hawk" pressure groups, has come to South Africa with a blueprint for minimum change in racial practices.

Should the Vorster Government not accept this basic standard, it is understood the powerful US corporations may be under pressure to withdraw from the country.

Three men representing 11 US Corporations operating in South Africa — Mr. Frank Carey of IBM, Mr. Thomas Murphy of General Motors and the Rev. Leon Sullivan of the Zionist Baptist Church (also a board member of IBM) — approached the South African Ambassador, Mr. R. F. Botha, in Washington today.

They were speaking for American Cyanamid, Caltex Petroleum, Citicorp, Ford Motor Company, General Motors, International Business Machines, International Harvester, Minnesota Mining and Manufacturing, Mobil Oil, Otis Elevator Company and Union Carbide.

After exchanges which lasted for nearly two hours, it is believed the US business groups "watered down" their more radical demands to avoid possible direct confrontation with the South African Government.

It is clear that US business interests have presented their minimum requirements, and will find it increasingly difficult to continue operations unless these are met.

American firms get the

American companies in South Africa have, under pressure from their own government, devised a code-of-conduct for racial fairness in their businesses here. What sort of pressures resulted in this move? Although it can wield great moral force the American presidency seems to have little muscle in taking action against its own corporations. However things could change. **BARBARA LUDMAN** reports.

The United States Government does not regulate the flow of dollars into and out of the country.

Therefore, American businessmen do not need government permission to invest overseas, or to increase existing investment.

A 1917 law enables the President to designate certain countries as off-limits for US trade. But no-one, from government officials to American businessmen, expects the US to use this ultimate

weapon to bring home the \$1.35 billion invested here. (Even if South Africa would allow the money to be repatriated Presidents have hardly used the law. The current list of prescribed countries includes only Cuba, North Korea, Vietnam and Rhodesia.

But if the American government wanted to pressure US companies to run their affairs overseas the way they run them at home, there are a number of subtle and not-so-subtle ways it could get the message across.

The major weapon could be the Export-Import Bank, a government agency offering credits to finance investment and trade overseas.

A businessman turned down by the Export-Import Bank could go to private banking sources. But if the US government spread the word that it was not prepared to guarantee any such privately-financed deals — or to help retrieve the money in case of nationalisation, revolt, default or other disaster — a businessman could find it difficult to obtain the necessary credit form.

SA dealings

The provision would appear to apply to companies who discriminate against hiring Jews, or close down their Israeli operations, in order to trade with Arab countries. But it could also set a precedent wherein Congress has punished businessmen for giving in to political pressure in the countries where they wish to do business.

American businessmen in Johannesburg this week did not seem overly concerned that the US Government would move in that direction.

But many noted their home offices were showing a lot of interest in the hiring practices and fringe benefits offered by their foreign subsidiaries. A few of them mentioned federal contracts.

In the US, the home of free enterprise, the Government is the largest single awardee of contracts. Any company bidding for a government contract must comply with federal regulations including a rule against discrimination in hiring.

The contract compliance factor applies only to

firms operating in the US. But some businessmen here have indicated their home offices are running scared. They want to avoid the appearance of discriminatory practices in any of their foreign subsidiaries.

But government contracts do not tell the entire story.

A major scare word last week was "boycott". American companies simply do not want to take the chance that bad publicity about their South African operations might turn the American public off their products.

Court

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PRESIDENT CARTER

Tax credits

Tax credits are another possibility — mentioned last week by Mr Andrew Young, US Ambassador to the United Nations, as one way American businesses operating here might get the word from their government.

American citizens and corporations anywhere in the world are liable to US tax. To avoid double taxation, Americans and their businesses overseas are allowed a credit for foreign taxes paid to their host country.

The tax law is not selective. It applies to Americans everywhere.

But new legislation could make American businessmen in South Africa an exception — turning million-dollar corporations into shoestring operations and taking the profit out of operating here.

With new legislation, tax provision — from foreign tax credits to investment credits — could be denied companies who invest here.

Congress has acted before against corporations engaged in what it considered shoddy practices overseas. The 1976 Tax Reform Law denies companies participating in an "international boycott" the credit for foreign taxes paid.

New York Times - March 2, 1977

12 BIG U.S. CONCERNS IN SOUTH AFRICA SET EQUALITY IN PLANTS

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END OF SEGREGATION SUPPORTED

Philadelphia Clergyman, a Member of G.M. Board Wins Adoption of 6 Rules After 18 Months

By THOMAS E. MULLANEY

Special to The New York Times

PHILADELPHIA, March 1 — Twelve major United States corporations, including the General Motors Corporation, International Business Machines Corporation and Citicorp, have agreed to support a set of six principles aimed to end segregation and to promote fair employment practices at their plants and other facilities in South Africa.

The announcement today on behalf of the American companies was made here by the Rev. Leon Sullivan, minister of the Zion Baptist Church at his office in the church on Broad Street in North Philadelphia.

The prominent black clergyman, who serves on G.M.'s board of directors, said

the agreement on the operating principles was reached after more than 18 months of private discussions with the top executives of the companies. He said he was accompanied by Thomas A. Murphy, chairman of G.M., and Frank Cary, chairman of I.B.M., when the statement was presented yesterday in Washington to the South African Ambassador at the Embassy.

Additional Companies

The other companies identified as supporters of the employment principles were the American Cyanamid Company, the Burroughs Corporation, the Caltex Petroleum Corporation, the Ford Motor Company, the International Harvester Company, the Minnesota Mining and Manufacturing Company, the Mobil Oil Company, the Otis Elevator Corporation and the Union Carbide Corporation.

Several other American companies were approached during the discussions and were asked to support the employment principles, Mr. Sullivan said, "and expressed their sympathy to the objectives but preferred to wait to see what happens."

The six principles in the agreement accepted by the 12 companies were:

- Nonsegregation of the races in all eating, comfort and work facilities.
- Equal and fair employment practices for all employees.
- Equal pay for all employees doing equal or comparable work for the same period of time.
- Initiation and development of training programs that will prepare, in substantial numbers, blacks and other nonwhites for supervisory, administrative, clerical and technical jobs.
- An increase in the number of blacks and other nonwhites in management and supervisory positions.
- Improvement in the quality of employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation, and health.

History of Discussions

Mr. Sullivan said he began the effort to obtain corporate endorsement of a set of employment principles after a trip he took to several countries in Africa in July 1975 "to get the feel of the situation and to see what could be done for constructive change" in corporate operations. He visited Zambia, Tanzania and Botswana and also met with certain groups at the Johannesburg airport.

After preliminary discussions late in 1975, he said, he met formally with 16 chairmen of companies with operations in South Africa during January 1976 at the I.B.M. Club in Sands Point, L.I. He said he found "a sympathetic concern to want to do something to improve working conditions" for blacks and other nonwhites in South Africa. Several smaller meetings followed before the principles were finally adopted.

The clergyman, who founded a new job training program in Philadelphia in 1964 for ghetto blacks that has now expanded into a major national effort, said he was elated today by the agreement adopted by the 12 major companies operating in South Africa.

A damp squib unless . . .

FIN MAIL

4/3/77

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The American business manifesto needs to go a lot further. And be followed up with determination

Two main points must be made about the manifesto. The first is that it is more significant for what it leaves out than for what it says. The second is that signing statements of principle, however worthy, on one side of the Atlantic is one thing; putting them into practice on the other is another.

The manifesto is not an official statement of policy from the Carter administration. That has still to be defined. Indeed, the manifesto may even attempt to forestall any moves that the US government might want to make.

The six points in the "Statement of Principle" are:

- Non-segregation in eating, comfort, and work facilities;
- Equal and fair employment practices for all employees;
- Equal pay for all employees doing equal or comparable work for the same period of time;
- Initiation and development of training programmes that will prepare Blacks for supervisory, administrative, clerical, and technical jobs;
- Increasing the numbers of Blacks in management and supervisory positions; and
- Improving the quality of employees' lives outside the work environment in areas like housing, transport, schooling, recreation, and health.

The most obvious omission is the question of trade union rights for Africans. Not only does continuing refusal by US (and other) companies to recognise African unions constitute a perpetuation of racial discrimination. Equally important, many of the problems which the manifesto seeks to tackle arise in large part from the fact that Africans are denied collec-

tive bargaining rights.

Inferior canteen and other facilities; the wage gap; discriminatory pay-rates; and many other disabilities which African workers endure flow from the fact that they have no effective voice. When employment conditions are negotiated in industrial councils, management and the registered unions (for White, Coloured and Indian workers) have a full say, but Africans do not. Inevitably, they get the crumbs and the leftovers.

To alter this inequitable state of affairs requires direct participation in industrial negotiations. And that means giving Africans the trade union rights that other workers enjoy.

It is unfortunate that the signatories of the manifesto gave no commitment whatever on this issue. They should do so at once. If they were to, there are two things they could do: one, instruct their SA subsidiaries to recognise unregistered African unions (there is nothing in the law preventing this); two: tell Ambassador Pik Botha in no uncertain terms that if his promise to move away from discrimination is to be taken seriously, he must persuade his Cabinet-colleagues-to-be that they must amend the Industrial Conciliation Act to include Africans in the definition of "employee" and thereby accord the presently unregistered African unions official recognition.

The other glaring omission is that the manifesto is (deliberately?) evasive on the whole question of the industrial colour bar where it counts most — ie on the shop-floor. This is a veritable minefield of complexities.

Yet another argument in favour of trade union rights for Africans is that the most widespread form of colour bar is

the provision in dozens of industrial council agreements that certain jobs are reserved for workers eligible for membership of registered trade unions. Tucca at least has said it is in favour of admitting Africans to registered unions; if this were to be done, this closed-shop form of job reservation would be that much more difficult to enforce.

The second aspect of the manifesto is the need to give it teeth. American parent companies should take a much closer interest in the *everyday* operations of their SA subsidiaries than they have done up till now.

Take a specific example: as the *FM* has reported in recent weeks, Heckett (SA) is involved in a dispute with its works committee over the dismissal of the committee's chairman. Allegations about victimisation have been made, and the Department of Labour has been asked to investigate. But Heckett of Pennsylvania, which owns 50% of Heckett SA, took the line that the matter is not its concern. Worse, it made certain claims about its SA company which suggested that it didn't have a clue about what was going on here. (*FM* 4, 11, and 18 February).

If this is how American parents are going to continue to behave, the manifesto will be no more than pious platitudes.

Malcom Gamble, president of Heckett of Pennsylvania, is currently in SA. It will be interesting to see what transpires as a result of his visit. The (African) Metal and Allied Workers' Union has asked Heckett SA to hold talks with it. Gamble should himself hold talks with the union; Heckett US should take a policy decision that its SA subsidiary should recognise the union, and then

A VIEW FROM THE US

There is a genuine question in Washington as to whether the recent anti-apartheid gesture by the US firms was aimed more at the White House and liberal American stockholder groups than at the Vorster government and its policies. As a head-on confrontation with the broader policies of SA apartheid, it is just not on.

"If you mean do we envision our plant managers going to jail or us breaking the laws of SA, no we do not," Charles McCabe of General Motors told the *FM* in New York shortly after the programme was announced.

"We endorse the programme. We will work for equitable conditions there, and have already done so for some time. But where our work conflicts with existing SA law we will work within the proper channels to change the law."

Spokesmen for IBM and the 11 other signatories to the pledge, echoed those sentiments.

Spokesmen for the signatory firms were emphatic that their statement of

principles is in no way a threat to pull out their substantial investments in SA. Moreover the companies plan, their officials say, to continue their investment plans in the country, and that there is no hard deadline for the full implementation of all the six points.

There was in fact some embarrassment this past weekend when General Motors president Thomas A Murphy, IBM chief Frank Cary and the Rev Leon Sullivan, a Black civil rights leader and author of the pledges, confronted Secretary of State Cyrus Vance and William Schaufele, chief of the Department's Southern Africa desk, with their programme.

What the six points turned out to be were an almost word for word copy of the State Department's own directive of suggested labour practices for US firms with SA subsidiaries. The government directive was issued in 1974, the group was told. Spokesman for the SA embassy in Washington note that the signatory companies run little risk of violating SA law except for

the desegregation plans for the work place. But Ambassador Botha received pledges from Murphy and Cary that they "would work within proper channels" to effect change.

Other American firms are expected to sign the 12-firm manifesto later this week, and endorsements are expected from many more. A prime casualty may be President Carter's invitation to the 300 American companies with SA subsidiaries to come to the White House for a pep talk on helping end apartheid. The program has been debated for weeks without any decision being taken to hold the meeting.

Now the 12 signatories have in effect told the White House its good offices are not needed, that American businessmen can make great moral statements unaided by American presidents. The same message applies to shareholder dissident groups that have taken their case to annual meetings in recent years. Their conscience-raising exhortations are no longer needed, thank you very much.

ensure that this policy is carried out.

Other US companies in SA also appear to be equally indifferent. Questioned by the *FM* on the manifesto Geoffrey Windsor of Dresser SA said: "We've gone along that path already. It won't effect Dresser's policy very much. It really seems to be just a lot of talk. I don't expect a very strong reaction." Peter Scholtz of Bomag SA, a wholly-owned subsidiary of Koehring of the US: "I expect Koehring will probably keep their noses out of what is happening."

A number of other changes need to be made. Firstly the practice of doing things in secret should be abandoned. Some US companies here have made positive moves such as putting qualified Blacks in supervisory positions over Whites. This is not illegal, although government frowns on it. As a result, the companies keep quiet about it. But the leaders in this field should publicly announce what they are doing in order to set an example and hopefully encourage the laggards to follow suit.

Secondly, some companies which do want to make progressive moves allege (again in private) that they fear losing government contracts or that they have been subject to behind-the-scenes official pressure not to promote Blacks over Whites or recognise African unions. From now on, companies must expose this sort of thing. If they recognise an African union and then find threats are quietly made they should call Press conferences and let the country know

about it.

Thirdly US companies in SA should set up an American Chamber of Commerce here. Such a body could establish guidelines for constructive action, and carry out a policing function to make sure its members follow them. It would also give the American business community a unified voice to argue publicly for change. Inevitably, this would entail taking stands on "political" issues, such as African union rights, influx control, the wage gap, and the jobs colour bar.

Some of the companies who signed the manifesto (American Cyanamid, Caltex, Burroughs, Citicorp, Ford, General Motors, IBM, International Harvester, Mobil Oil, 3M, Otis, and Union Carbide, and Minnesota Mining) are already facing pressures in the US for the withdrawal of their investments. Ford, General Motors, General Electric, Standard Oil of California, Texaco, and Union Carbide are this year going to be confronted at their annual stockholders' meetings with resolutions sponsored by church groups demanding their withdrawal.

Under US company regulations at least 3% of the vote at the annual stockholders' meetings must be obtained, failing which the resolutions simply fall away. If the 3% is obtained, the resolutions may be resubmitted the following year. They can therefore serve as constant irritants.

A report to be submitted to the forthcoming General Synod of the United

Church of Christ (an influential pressure-group) points out that while 3% may appear small to outsiders, corporate officials know it represents "serious unrest in the ranks".

It is clear from the report that American disillusionment with the SA government's failure to introduce meaningful changes in the wake of last year's political upheavals is a major factor behind the renewed calls for withdrawal. The report says that "one spontaneous expression of worldwide outrage at the SA government's brutal repression of Black schoolchildren and students is to conclude that no amount of petty improvement in pay and working conditions will ever undo apartheid domination in SA."

It goes on: "The continued presence of foreign companies in SA is basically immoral in that it not only cannot produce the great social changes required but actually strengthens the oppressor and drugs the oppressed."

Five US oil companies have already withdrawn from oil exploration in South West Africa in the last few years following challenges from church shareholders. They are Continental Oil, Phillips, Getty, Standard Oil of California, and Texaco. The public statements of the Carter government are giving encouragement to such pressure groups, and the heat will soon be on.

The best way to meet this is for US firms in SA to start publicly implementing constructive reforms and to take them well beyond the manifesto.

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Parliament

Govt welcomes US job manifesto

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RDM 5/3/77

Political Correspondent
HOUSE OF ASSEMBLY — The Government has welcomed the six job guidelines laid down by major American Companies operating in South Africa.

Dr Connie Mulder, Minister of Information, yesterday commended the companies for their desire to contribute to the well-being of Black workers. He was speaking during a debate in the activities of his Department.

Opposition spokesmen on labour have praised Dr Mulder's acceptance of the guidelines and have said that if the Government can accept them it should scrap other discriminatory jobs measures, such as

jobs reservation.

The six principles, which were met with a certain amount of indignation in this country because it appeared that American companies were dictating to South Africa, are:

- Non-segregation of the races in all eating, comfort and work facilities.
- Equal pay and fair employment practices for all employees.
- Equal pay for all employees doing equal and comparable work for the same period.
- Initiation of development training programme that will prepare Blacks in substantial numbers for supervisory, administrative, clerical and tech-

nical jobs.

- Increasing the number of Blacks in management and supervisory positions.
- Improving the quality of employees' lives outside the work environment in such areas as housing, transport, schooling, recreation and health facilities.

Dr Mulder said: "In expressing a desire to contribute to the well-being of the Black worker in South Africa, these American companies are to be commended."

"In fact, the authorities welcome their declared intent to give further impetus to existing extensive development programmes in South Africa."

6/3/77 ST - 62

Top American firms beat Jimmy Carter to the draw

By DICK USHER

AMERICAN attempts to lay down principles for companies operating in South Africa have for the first time received the backing of the man who counts — the President.

Since President Carter took office, the U.S. attitude to South Africa has swung from a general statement of principle to the possibility of legal restraints on investment here.

The Carter administration's backing for a "code of practice" for US business here is not surprising.

Events in Angola, Rhodesia and Mozambique catapulted Southern Africa into public attention in the United States and for the first time the area became an important factor in the presidential elections.

Apart from the pressures on Carter from church and anti-apartheid groups, there is also the influence of leading black opinion — an opinion to which the President possibly owes his election. An overwhelming 90 per cent of black voters voted for him, and for them South Africa is an issue of the highest priority.

American companies with interests in South Africa were anticipating a push for change from a Carter administration late

Will they pull out?

FIFTEEN major American companies may end their operations in South Africa because of the risk of social and political unrest.

This was their reply to questions posed in a survey by the Business School of the University of Cape Town. The survey also showed that most other US companies here were considering freezing the level of their investments.

The 15 companies were in a sample of 100 of the 360 American businesses in this country. There might be others thinking of withdrawing who were not included.

The survey was done by Professor Meyer Feldberg, dean of the Business School, late last year.

Professor Feldberg would not disclose the names of the companies considering withdrawal.

"These surveys have to be confidential and to give names would jeopardise

further surveys, and two of them replied anonymously.

"But they are all major concerns with worldwide sales volumes over R5 000 million," he said.

The attitudes uncovered by the survey are in contrast to a survey conducted two years ago — in 1974 — by Professor Feldberg. Then US companies all indicated they would stay in South Africa and increase their investments.

DROPPED

Professor Feldberg said the main reasons given for this shift are:

- The possibility of social and political unrest.
- Financial returns have dropped below an adequate level.
- Threats by African states and the Organisation of African Unity.
- The probability of pressure on their operations here by the US Administration.

last year, according to Professor Meyer Feldberg, dean of the UCT's business school.

"A survey showed that businesses here were expecting pressure for more enlightened policies towards black employees," he said.

But he pointed out that most had gone some way towards fulfilling the guidelines that are now

emerging long before the flurry of meetings that gave rise to the "Statement of Principle" laid down at a meeting between 11 companies and Church leaders this week.

Basically these principles are:

- Elimination of all segregated facilities in factories and offices, including canteens, rest rooms and showers.
- Equal pay for equal work, and equal advancement opportunities.
- Increasing promotion of blacks to management and supervisory capacities.
- Active training programmes to prepare blacks for advancement into senior positions.
- A substantial improvement of employees' lives outside work in areas such as housing, transport, schooling and recreation.

"Most companies made changes in their operations here in the past few years after Church and civil rights groups pressed for a withdrawal from South Africa.

"Educational facilities, recreational facilities, training facilities and the working environment were all substantially improved, not necessarily from altruistic motives.

Definite

"A survey I conducted late last year gave a definite indication that many companies feared the Carter administration would demand disclosures about their operations and pay scales," he said.

there was nothing very new in the principles except that legislating for their application would increase the pressure on business.

American investment in South Africa totals about R1 500 million, while the value of trade is around R2 000 million.

On this they are reaping

returns of between 17 and 25 percent, a figure which has dropped in recent years.

According to Professor Feldberg, many American companies gave reduced financial returns as one reason why they were considering freezing their investment in South Africa.

Diplomatic sources considered application of the principles — in which moral persuasion might be more affective than legal sanctions — could mean companies would have to accept even further reductions in profit levels.

This would apply especially to large increases in overall wages for companies employing significant numbers of Africans.

Productivity

But Professor Feldberg said that companies improving working conditions could have better productivity from their workers which would help offset costs.

This was borne out by Mr Helmut Hirsch, of Frank and Hirsch, who said that since the introduction of the principles in 1971 his company has experienced increased productivity.

The most glaring omission from the principles is recognition of black trade unions.

Mr Denis Sevenoaks, of IT&T, said that over 90 percent of the 360 American companies here already fulfilled five of the six demands.

Integrated facilities appeared to be the possible stumbling block, but neither Professor Feldberg nor Mr Iain Lyon of Wrangler saw this as a problem.

"Integration of facilities is technically illegal under the Factories Act, but as far as I know there has never been a prosecution for this," said Mr Lyon.

"I don't think the Government will make an issue of these moves as long as people make them quietly and without a lot of fuss, as they have been doing up to now."

US diplomats agreed

US firms soft pedal on manifesto

RICHARD WALKER: New York

NDM/TA
8/3/74

AMERICAN business chiefs are playing down the desegregation and equality manifesto they handed this week to South Africa. They decline to say what change — if any — it will bring.

...in refusing to amplify his company's position, one businessman said bluntly that he was not looking for confrontation with "a bunch of red-necks."

A redneck is a White bigot, usually of limited intelligence.

...The coordinator of the move — in which 12 of the biggest US operators in South Africa endorsed a set of six principles designed to end segregation and all job discrimination in their plants — also retreated from his initial stance that this was a radical step.

"There is much, much, much, much, much further to go," the Rev Leon Sullivan told me. But Sullivan, who is a Black, a Baptist and a General Motors director, promised that this was only the start of a dialogue with the South African Government in which "many more things will be discussed."

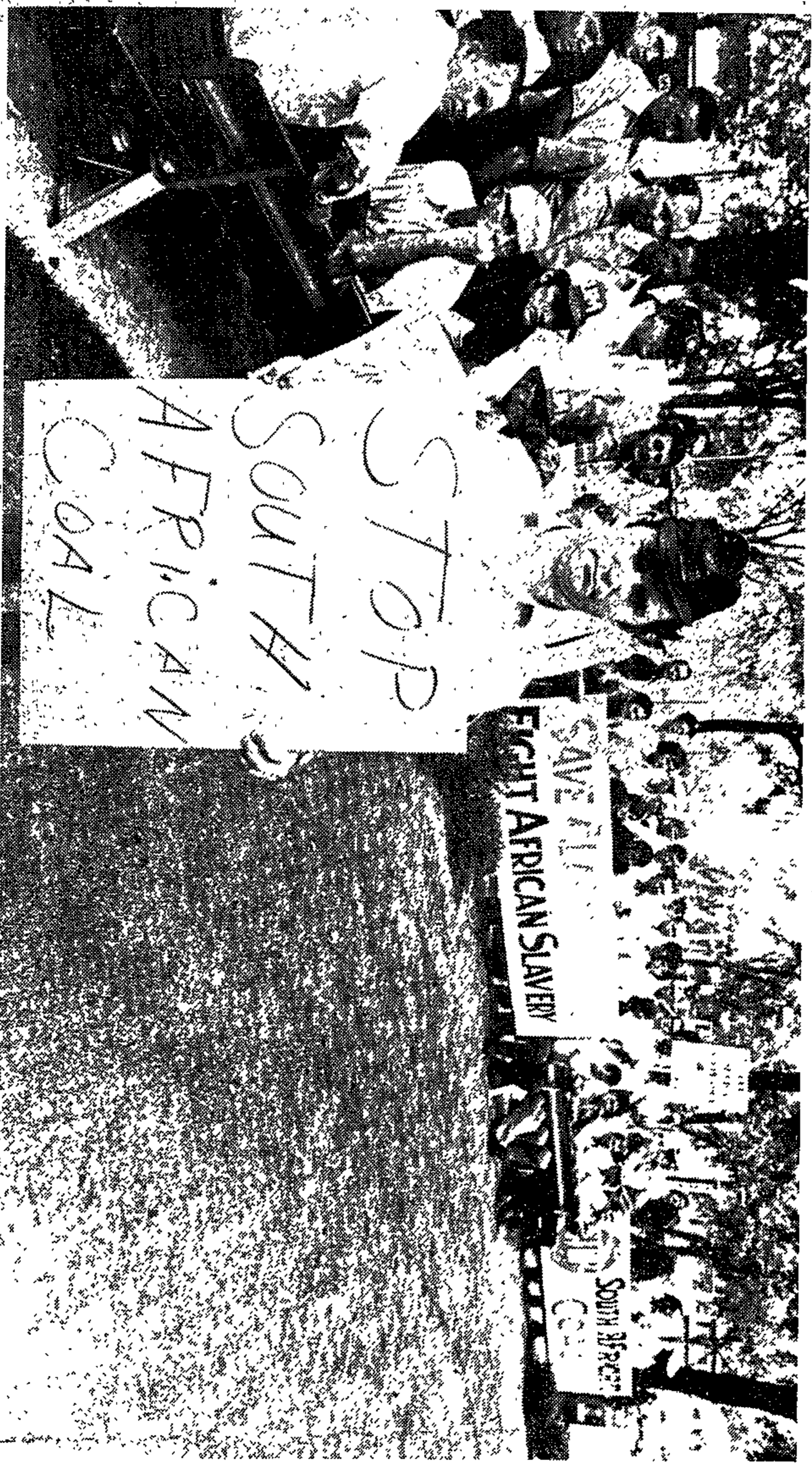
and other company chiefs "friendly". Both sides have stressed that there is no question of an ultimatum being delivered.

Anti-apartheid and church shareholder groups have attacked the manifesto for dodging the real issues.

Tim Smith, director of the Interfaith Centre on Corporate Responsibility, called it "soup." Smith has charge of an action programme in which about half the manifesto companies will be asked during the next month to curb their investments, or pull out altogether.

On Thursday the Wall Street Journal suggested that while on the surface the companies' statement appeared a breakthrough, this criticism and the companies' disinclination to say much "may only re-fuel the debate."

Ralph Weller, chairman of Otis Elevator Company, has been the most outspoken of the 12 company heads. He said he could not amplify his firm's position "unless we were looking for a confrontation with a bunch of rednecks — and we're not about to



Flashback to 1974 and an American demonstration about the importation of South African coal and the "slave labour" allegedly used to produce it.



Dr. Sullivan also indicated under questioning that other major corporations had refused to sign.

But he insisted: "The fact that you've been able to get these companies to make a stand like this is causing more discussion around this in America than ever before. I'm getting calls from around the world, from people who are concerned about whether their companies could identify with some concept like this."

Pressed to say whether the intercession of South African Ambassador Pik Botha had caused the manifesto to be watered down, Dr. Sullivan said: "This is a matter of interpretation, I guess."

"The important thing is that what the companies wanted to accomplish was accomplished. The attitude was to attempt to be as cordial as possible."

Mr. Botha has also called his meeting with Sullivan

Otis is a subsidiary of United Technologies Corporation. It has a 70 per cent stake in Otis Elevator of Johannesburg, which employs about 1 400 people.

A spokesman for Minnesota Mining and Manufacturing company said it would like to see an improvement in South Africa and "If this statement will help, we're for it."

Union Carbide stated simply that it endorsed principles to advance the interests of Blacks.

The other eight signing the manifesto were International Business Machines (IBM), Ford Motor Company, International Harvester, American Cyanamid, Citicorp's Citibank (lately a heavy lender to South Africa), Burroughs Corporation, a unit of Mobil Corporation, and Caltex Petroleum, which is jointly owned by Texaco and Standard Oil of California.

US campaign against shareholding

Own Correspondent

NEW YORK. — Badly trampled by the tyre giant, Goodyear, church campaigners urging shareholders to vote their companies out of South Africa are now looking to the US United Nations Ambassador, Mr Andrew Young, for support.

Goodyear is one of the annual meeting in the morning firms that refused to join a and Chase Manhattan has its dozen other giants in pledging in the afternoon. The National Council of Churches president, Mr Bill Thompson, will head the church team there. African plants. It issued a near-identical statement of principles, calling for their implementation world-wide but not singling out the Republic.

At its annual meeting this week, a church shareholder resolution calling for it to pull out of the Republic drew only 1.8 percent of the 51 million votes.

"Great. This is a really positive thing," said the church campaign coordinator, Mr Tim Smith, of Mr Young's latest statement in which he said he believed in economic sanctions as a final way to bring South Africans "to their senses".

General Electric, Ford, Mobil and Texaco face similar resolutions within the next month — but the major church thrusts will be aimed at urging the big banks to stop loans to the Republic.

The key date will be April 19, when Citibank holds its

"We believe Chase is seriously considering discontinuing loans," Mr Smith said. "The others are saying nothing just yet."

Mr Young's remarks, made on British television, contradict his normal stance and are felt here to reflect the enormous pressure he has come under in the current Security Council debate.

Only a week before, Mr Young said to correspondents that sanctions could have a negative impact, because they could "put up the backs" of the people needed to bring about change in the Republic. While stating that he might support a temporary curb in new investment as part of a "stick and carrot" approach,

Mr Young's basic South Africa line in the past has been that its economy should be boosted.

37. For a lucid discussion of Theories of Value and Press, 1973, pp. 151

38. For example see Mich Capitalism: Neo-Rical of Socialist Economis

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Handwritten scribbles and the number 62 in a circle.

FIN. MAIL 15/4/77
AFRICAN UNIONS
More victimisation? *62* (10)

Yet another US company has been accused of victimising African workers — this time one whose brand name greets many South Africans across the breakfast table.

Hard on the heels of the Heckett affair, four workers at Kellogg (SA) allege they were fired for trade union activity. All are members of the Sweet, Food and

AID TEACHERS AS
OF ALL TEACHERS

1959 %	1974 %
5.5	2.8

Allied Workers' Union, a 2 200 member Reef-based African trade union. Two of them are union shop-stewards.

They claim that they have been victimised by white supervisors at Kellogg ever since they joined the union last September. They also allege that their dismissal was related to attempts to form a works committee at the factory.

Kellogg has a liaison committee, but late last year management received a petition asking for a works committee. A ballot was held at which the workers were asked to choose between "change" and "no change". A majority voted for "change", which the workers understood to mean a works committee.

One of the four, Jane Lekhuleni, says that a local Bantu Labour Officer told her that she "would have to look for work elsewhere" if she wanted a works committee. The official concerned, a Mr Erasmus, will not comment because, he says, departmental regulations don't allow him to talk to the Press.

This ballot was nullified, however, because a majority of the workers did not vote. A subsequent ballot was supported by a larger number of workers and Kellogg now has a works committee. The four workers claim, however, that they were harassed by supervisors after the works committee vote and that one was told by his supervisor that he would be

dismissed for joining the union.

They also allege that the supervisor assigned "unreasonable" tasks to them and used their refusal to perform these as an excuse for dismissal.

Kellogg MD Des Wood tells the *FM* that he "obviously can't say whether supervisors made any threats without investigating." He adds, however, that he is satisfied the four were dismissed because their work was inadequate. One man was found sleeping on the job, and Lukhuleni was dismissed for fighting, he says.

"If any threats were made, they were contrary to company policy," he adds. "We know some of our workers belong to the union and we have never tried to stop them. We still have many union members working for us and have no objection.

"I have met with the union's secretary, Mr Sikhakhane, before and have discussed complaints with him. I have contacted him on this issue, and he is investigating. If he wishes, I will certainly meet with him to discuss it and I have told him that."

Sikhakhane tells the *FM* that he was away when the incident occurred and was unaware of it until Wednesday. Nevertheless, he is "disturbed" by it because "on the face of it, it looks like a clear case of victimisation."

He says that Kellogg is not prepared to recognise the union, though he has met Wood. Sikhakhane adds that he requested permission to attend the works committee ballot, but this was refused because it was "an internal matter".

B.E.D. approval,
of the school
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d in full by B.E.D.
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sing numbers of

teachers may act as a disincentive to expansion of schools with the attendant demand for further teachers.

PUPIL ENROLMENT

In order to attempt to evaluate the penetration of education into the rural environment comparison of enrolment over a time span is useful. This question will be dealt with more fully later but it is apparent that the proportion of children in farm schools has remained fairly constant over 13 years.

think there is the growth realization that the European deserves a break."

The speaker was Ford Motor Company's managing director, Mr Doug Kitterman.

He was talking about the way white employees reacted to the code of ethics adopted by his company.

Similar sentiments were expressed by General Motors managing director, Mr Bill Mott.

He said GM was willing to put blacks, coloured people and Indians into as many job openings as they can handle.

Ford and GM are prominent among the American companies in South Africa which have adopted a code of conduct for racial fairness.

The code was introduced after pressure was exerted by the Carter Administration.

Changes

According to some sources, it represents the first step towards using America's economic leverage to bring about significant change in South Africa.

But is there any South African law to stop the US companies from applying the code?

Ford and GM reply that they can adhere to all principles in the code except the section to do with non-segregation of the races in all "eating and comfort" facilities.

This includes lavatories.

The road to racial equality

STAR 20/4/77

62

Mr Mott and Mr Kitterman believe that ultimately the law which prevents their companies from applying to this article will be dropped.

Not new

A point they make is that their employment practices are not new.

The code confirms practices which have been adopted over the years.

But the recent announcement of the code comes at a time when South Africa's economy is locked in a painful recession.

As motor manufacturers, Ford and GM are among the worst hit.

Costs are rising and profits are plunging.

Do they feel they are getting their money's worth out of enlightened employment practices?

The answer is a definite "yes" from both companies.

They feel they are getting high productivity, low absenteeism, lower labour turnover and ultimately, better product quality.

The companies provide

TOM DUFF reports on how big American motor companies in Port Elizabeth are working to an "equal opportunity" code of ethics — in spite of the severe recession.

training programmes for their black workers, who are also eligible for training schemes abroad.

Mr Mott says great emphasis is placed on training, but adds: "This is something you've got to be careful with."

"It's dangerous to hire and train a person if you don't have a place to put him."

Whites out

The rate of training must be closely attuned to the number of available job openings.

Both he and Mr Kitterman insist that if a black has the ability, there is little to stop him from rising to a top executive position in the company.

But what of the attitudes of whites who see blacks encroaching on

jobs previously closed to them?

Ford and GM point out that there have been major changes in the motor industry over the past few decades.

Whites have moved out of many blue-collar jobs and blacks have moved in.

Comparatively few whites have felt threatened by blacks, because the whites who have left moved to other sectors of the economy.

"I think I'd be wrong if I said that nobody was unhappy about what has happened," says Mr Kitterman.

But his executives have not had trouble from any kind of white backlash.

He stresses the importance of moving slowly, taking into account customs and prejudices built up over many years.

Wage gap

Both GM and Ford abolished separate pay scales for the different races a few years ago.

They insist they are trying to narrow the wage gap.

Ford's minimum wage is the Minimum Effective Level (MEL) calculated for the Port Elizabeth area.

GM's minimum is the Household Subsistence Level (HSL) indices for coloured people in the region, plus 10 percent.

The companies provide a variety of benefits for black employees.

These include clinics, subsidised meals, literacy courses and loans and bursaries for education.

More than a million rand has been poured into housing schemes, while hundreds of thousands of rand are being provided for sports facilities.

Questions

Critics of foreign investment in South Africa remain critical of companies like Ford and GM.

They ask two questions:

● Will these companies recognise black trade unions?

● What tangible evidence can they show that they want to promote talented blacks to senior executive positions?

The answer to the first question is: Yes.

Both companies are prepared to recognise black trade unions, provided these have the support of most black workers.

Their answer to the second question is not as impressive. Although blacks have started moving into supervisory lower level management positions, few graduates are employed.

The companies do face the problem of attracting talented young people to the Port Elizabeth region.

Most of them prefer the larger cities.

This is the new code

● Non-segregation of the races in all eating, comfort and work facilities.

● Equal pay and fair employment practices for all workers.

● Equal pay for all workers doing equal and comparable work for the same period.

● Initiation of development training programmes that will prepare blacks in substantial numbers for

supervisory, administrative, clerical and technical jobs.

● Increasing the number of blacks in management and supervisory positions.

● Improving the quality of workers' lives outside the work environment in such areas as housing, transport, schooling, recreation and health facilities.

US stand leaves Kellogg stone cold

By CLIVE EMDON
Labour Correspondent

DESPITE clear United States Government support for companies in South Africa to recognise African trade unions, Kellogg SA has so far remained adamant that it will not.

Yesterday, the managing director, Mr Des Wood, speaking from his Springs plant, said: "We don't recognise the union, but at the same time we don't have restrictive policies which might prevent anyone from belonging."

He openly acknowledges there is nothing illegal about trade unions for Africans. But Mr Wood won't be pressed on the reasons why his company won't recognise

the union in his industry, Mr Skakes Sikhakhane's Food and Allied Workers Union, with a current membership of 2200 on the Witwatersrand.

The S company's vice-president, Mr Dan Harrison, talking to the Rand Daily Mail's New York correspondent Richard Walker this week said: "We haven't ever had an employer come to us and make any complaint."

He also insisted that "a formal relationship between a company and a union representing native workers is not permitted by law".
The company appears to be running against US State Department efforts to encourage US business to deal with Black unions

in South Africa.

"There is no reason why American firms cannot enter into collective bargaining agreements with Black unions — they are not illegal," African Affairs chief Mr William Schaufele said last month.

Mr Wood said yesterday he had talked to union leader Mr Sikhakhane some time ago.

"We said at the time we did not recognise his union. We did not expand on the reasons but we gave full details of our salary structures and fringe benefits."

"We do now have a works committee," he said.

African workers on the plant had first been represented on a factory committee, then after the 1973 legislation, on a liaison committee, he said.

The African workers on the liaison committee resigned later, saying the workers wanted a works committee, which is elected, made up of workers only and has no management participation.

A petition for the works committee was presented to management.

At about this time, six workers were dismissed, two of them former liaison committee members and union shop stewards.

The legal clinic of the Urban Training Project, a service group to unions, took up the case of the six with Kellogg, suggesting they had been victimised.

This week Kellogg replied by documenting the reasons for the firings. They included "sleeping on the job", "refusing to obey lawful instructions" and "fighting with other employees".

Mr Wood said: "There were sound reasons for dismissing those men. We are sympathetic towards the feelings of our Black labour force."

"We have not gone out of our way to prevent the union having members in our plant nor have we been against the formation of a works committee on the contrary."

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RDM 5/5/77

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Firm opposed to apartheid 'but will stay'

13/5/77 SHV

The Star Bureau

NEW YORK — Apartheid in South Africa is a "policy which General Motors does not endorse" and as far as possible "is attempting to change through channels open to foreign manufacturers" operating there.

This is stated in GM's latest "public interest report" — that for 1976 — which sets out and discusses the corporation's

policies and achievements in equal employment opportunities, automobile safety systems, the quality of work life and customer satisfaction.

In the section dealing with its operations in South Africa, the report says that GM's presence "in no way constitutes endorsement or approval of the philosophies, policies, or regulations of the Government of South Africa."

But it feels that the necessary social and economical changes cannot be furthered by General Motors simply withdrawing from the country.

Noting that GM South Africa has tried to follow a programme of equal

opportunity for all employees regardless of race, the report says that as at the end of 1976, the company's work force was 30 percent white, 54 percent coloured and 16 percent African.

Formerly it had been 48 percent white, 40 percent coloured and 12 percent African.

The report says there has been a "significant" movement of coloured and African employees within the semi-skilled grades which include such jobs as welders, repairmen and cost analysts.

A primary personnel goal of GMSA is to "develop and promote as many non-whites as possible into the higher work grades."

Business Mail

US firms cagey on moves to scrap race bars

RDM
18/5/77
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By RICHARD WALKER

NEW YORK. — Ueuen efforts and sporadic accomplishments mark the approach of American companies' to ending job bias in South Africa, the business community was told this week.

A long review in the Wall Street Journal was the result of interviews with the chief executives of 16 South African subsidiaries.

It follows the recent pledge by 12 US giants to work for total equality and desegregation.

But some US headquarters ordered their South African chiefs to say nothing at all when the Journal sought information.

One local managing director — Mr William Mott of General Motors — warned as he led the way through a White cafeteria: "You might get shot walking through here. These guys are pretty mad at me."

Mr Mott said he was trying to merge the cafeteria with one for Coloureds.

Pressed on whether his toilet facilities were still segregated, Mr William Beck of Mobil Oil replied: "Do you think I'm a toilet inspector? Would you like to terminate this conversation now?"

Problems faced by the companies in making changes range

from the South African economy's deep depression to the personal fears of local managers over the Government's reaction.

Some company chiefs said their British and German rivals were getting a selling advantage as suspicion grew over the future of the US companies.

One, NCR Corporation, said it intends to build a R4.5-million headquarters in Johannesburg partly as a "we're going to stay" message.

The Journal tried to find cases of Blacks supervising White workers. It was told of some, but was denied details.

"The basic problem is prejudice. Only time and effort can change these things," said the Ford managing director, Mr Douglas Kitterman. "If laws were the only problem, you could lobby and perhaps get things changed."

Here is a random selection of findings:

• Mr William Marshall Smith of Caltex said his company didn't want him to go to jail, so it was moving cautiously. Toilet segregation signs would be taken down some time in the future and an attempt would be made to integrate eating facilities in Cape Town next

year, when the refinery expansion is complete.

• Ford claims to have at least three Blacks "directing activities and senior to Whites, but not in a situation to cause problems."

• General Motors says the promotion of eight Blacks as quality-control inspectors was a "breakthrough."

• Chrysler, US Steel and Citicorp were ordered not to talk. A Citicorp official in New York said it was not a good time because the holding company was holding its annual meeting next month and church shareholders' pressure groups had "ganged up on us."

• General Motors is using a "devious approach." Two canteens for salaried staff have been merged by removing a steel wall and replacing it with a row of plants. The company plans to remove the plants eventually.

Managers stressed the continuing impact of last year's riots. Mr Beck of Mobil estimated they reduced the gross national product by 1 per cent to 1.5 per cent last year.

Mr Mott also said that most big US companies were now determined to finance their South African operations locally, or not at all.

TOESPRAAK GELEWER DEUR SY EDELE S P BOTHA, MINISTER VAN MYNWESE
TYDENS DIE OPENING VAN DIE FERRO=CHROOM AANLEG VAN TUBATSE
FERROCHROOM (EDMS) BEPERK TE STEELPOORT OP WOENSDAG, 18 MEI 1977

VRYSTELLINGSTYD : 15h00 WOENSDAG 18 MEI 1977

As Minister van Mynwese is dit vir my werklik van meer as gewone betekenis om vandag hier teenwoordig te wees en die opening van u maatskappy se ferro-chroom aanleg waar te neem.

Dit is vir my 'n besondere geleentheid omrede met die ontwikkeling van ons ferro-allooi bedryf Suid-Afrika nou een van die mees opwindende fases in die geskiedenis van sy myn- en verwante nywerhede betree en ons met die uitbou van die allooi-bedryf moontlik alreeds die sleutel in ons hande het om iets werklik groots tot stand te bring wat goud eventueel as ons land se belangrikste enkele verdienster van buitelandse valuta kan vervang.

Geen land ter wêreld kon sedert die dae van die nywerheids-omwenteling in Groot Brittanje en Wes-Europa daarin slaag om met 'n ekonomie wat suiwer op die landbou geskoei is grootheid te verwerf nie. Om in die hedendaagse wêreld met sy moordende wedywing stewig te kan staan moet 'n land ook sterk op nywerheidsgebied wees en is dit veral 'n gesonde mynbedryf wat die nodige fondament en stukrag vir die vestiging van nywerhede - en veral van swaar nywerhede - bied.

Die ontwikkeling van Suid-Afrika se mynbedryf het inderdaad 'n pragtige patroon gevolg. Die ontdekking van diamante sowat 'n honderd jaar gelede het die mense, die kapitaal en die kundigheid gelok wat nodig was om die groot en destyds nog sluimerende binneland van Suid-Afrika oop te maak en te ontwikkel. Toe goud later in die tweede helfte van die vorige eeu ontdek is was daar gevolglik alreeds in 'n mate die begin van 'n infra-struktuur en ook 'n mate van die kundigheid en kapitaal wat nodig was om ons goud-mynbedryf, wat later tot so 'n reus sou ontwikkel, van stapel te stuur.

Intussen het die welvarendheid van ons diamant- en goudmynbedrywe aan ons die middele en die geleentheid verskaf om die ander minerale en metale wat in ons bodem aanwesig is op te spoor en die omvang van die afsettings te bepaal en sodoende vas te stel dat, afgesien van diamante en goud, ons ook oor enorme afsettings van ander delfstowwe beskik waarvan die waarde haas onberekenbaar groot is.

En nou is ons by die volgende opwindende fase, nl. die prosessering van ons minerale tot produkte van veel hoër waarde as dié van die delfstowwe waaruit dit vervaardig word.

Ek dink u sal met my saamstem dat die verskillende fases in die ontwikkeling van ons mynbedryf oor die jare so mooi - soos 'n legkaart - in mekaar pas dat 'n mens die hand van die Voorsienigheid daarin moet sien en dat ons in Suid-Afrika saam met die psalmdigter kan sê dat die meetsnoere vir ons inderdaad in lieflike plekke geval het en dat ons erfenis vir ons mooi is!

Dit is daardie erfenis wat ons instaat stel om met vertroue vorentoe te gaan en nuwe projekte van stapel te stuur soos hierdie groot ferro-chroom aanleg wat ek vandag die voorreg het om te open.

I do not think it is necessary for me to dwell at length here today on the nature and extent of South Africa's mineral wealth as it is common knowledge that we have the world's largest known deposits of gold, platinum, chromite, manganese, vanadium and fluorspar and that South Africa is also well endowed with other minerals such as antimony, asbestos, coal, copper, diamonds, iron ore, lead, limestone, mica, nickel, phosphates, titanium, uranium, vermiculite, zinc and zirconium.

With the possible exception of Soviet Russia, South Africa comes closer to self-sufficiency in mineral resources than any other country in the world and has already become a dominant world supplier of raw as well as semi-processed and processed minerals.

It has been the policy of successive South African Governments to entrust the exploitation of South Africa's mineral resources to private enterprise and to encourage the private entrepreneur by providing him with the necessary security of title and by allowing him a fair and attractive return on capital. This has resulted in a flourishing mining industry which is huge by South African standards and which last year employed more than 650 000 people and produced minerals to the value of more than 4.4 billion rands.

Although much of the country's minerals are still partly exported in a raw state - such as chrome, manganese and iron ore - we have already succeeded - as is also evidenced by the opening of this plant - in establishing extensive mineral processing industries. South Africa, already an important steel producer, is now also becoming a leading ferro-alloy producer and is expected to supply about 40% of the world's ferro-chromium by 1980.

The South African Government has for many years been conscious of the tremendous benefits to be gained by the local beneficiation or processing of our minerals and, amongst other incentives, a beneficiation allowance of up to 20% of the cost of equipment and up to 15% of the cost of beneficiation plants was introduced under the Income Tax Act some years ago. I believe that these incentives have proved eminently successful and that this Tubatse ferro-chrome plant will certainly not be the last mineral processing plant to be erected in South Africa.

As stated earlier by me in Afrikaans, South Africa, with the development of its own ferro-chromium and other ferro-alloy manufacturing industries, is entering what is to me one of the most exciting phases in the history of its mining industry. South Africa has an estimated three-quarters of the world's reserves of chromite and it has been estimated that the special steels, notably stainless steel, of which ferro-chromium is an essential ingredient, could be earning as much as R1 000 million a year well before the end of this century. Without chromium it is physically impossible to produce stainless steel and it has been said that without stainless steel every modern economy in the world would literally grind to a halt.

As you are most probably aware, the National Institute for Metallurgy (NIM) has for some years been engaged in several aspects of chromite processing. Under the sponsorship of and in close collaboration with a leading South African producer of ferro-alloys, work carried out by NIM on the control of electric furnaces has now made the installation of computerised automation possible and in a test case on the world's largest ferro-chromium furnace in South Africa, the production from the automated furnace has been increased beyond expectations and the cost of the ferro-chromium has been reduced. The estimated production of the furnace in question when it was constructed was 3 000 tons per month; NIM's research has resulted in an increase of that figure to a steady 5 500 tons per month. This represents an increase in production of ferro-chromium equivalent to more than R³/₄ million per month by only one production furnace out of many in the country! This is a tremendous South African break-through in ferro-chromium production technology.

It is developments and events like these that prompt me to say that we are indeed entering into one of the most exciting and rewarding phases of our minerals industry.

I have been given various statistics concerning the capacity, eventual earnings, etc. of this new R50-million joint venture by General Mining and Union Carbide Corporation of the U.S.A. I do not wish to elaborate on these statistics as one or more of the subsequent speakers will no doubt fill in this part of the picture. I do wish to say, however, that the South African Government continues to welcome investment from friendly countries in its minerals industry, especially where, as in this case, it is done on a basis of strong local participation.

I wish the two partners, General Mining and Union Carbide Corporation, entire success with this tremendously important joint venture and now have great pleasure in declaring the Tubatse ferro-chrome plant officially opened.

Thank you.

UITGEREIK DEUR DIE DEPARTEMENT VAN INLIGTING OP VERSOEK
AN DIE MINISTERIE VAN MYNWESE

18 MEI 1977

KAAPSTAD

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The breakdown of farms surveyed into product categories as a percentage of farms in different types of product is shown in Table 9.

PRODUCTS FARMED AS A DETERMINANT OF LABOUR CONDITIONS

U.S. firm's R5m plant opens in Natal today

Financial Editor

"SOUTH AFRICA is a good place in which to do business and invest money. I do not share the fears of some people in the USA about the future of this country."

These are the words of Mr. Lloyd Palmer, executive vice-president of the Nalco Corporation, who is in Natal for the official opening of the new Anikem plant at Umbogintwini today.

The plant, which is a joint venture between AECI and Nalco, has been established to produce specialist chemicals for the purification of water. It represents a capital investment of about R5 million.

Nalco is rated, by Fortune magazine, as one of America's top 500 companies.

Mr. Palmer said his company had received "a couple of letters from shareholders" about its South African interests. "We answered these and have heard no more."

Councillor R. Haslam, the Mayor of Amanzimtoti, will conduct the opening ceremony today. The plant will initially produce 8 000 tons of chemicals a year but its capacity is 20 000 tons.

Mr. Mike Sanders, general manager of the new project, said that the chemicals will be used in a wide range of industries including steel, oil and rubber.

Financial Editor

FIGURE 10 The effect of the percentage of farmers finding the supply of labour adequate

30
40
50
60
70
80
90

% Farmers finding supply of labour adequate

SKILLED
SKILLED

no case did the adequate supply of labour adequate increases paid. Figure 9 shows effect by figure 5, turnover rate for longer periods through a threshold point) are indicated labour falls off at higher return to the Homelands. As critical savings point which rate increases and there is argument has been put forward in the specified wage category Figure 10. Here varying wage The strongest indication

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Average cash wages of farm labourers have increased more rapidly than the consumer price index over both the entire period from 1949/50 to 1972/73

Notes: + 1949/50 average wages of regular labour and domestic servants C.P.I. = consumer price index 1958/59 - 60/61 = 100
 Source: Agricultural Censuses; Abstract of Agricultural Statistics, 1976

FIN MAIL 3/6/77
29

INDUSTRIAL CHEMICALS

Anikem's new plant

Anikem's specialised chemicals factory at Umbogintwini, 20 km south of Durban, comes on stream today. GM Mike Sander reckons that the new plant will save between R3m and R4m pa in foreign exchange.

"The R2m plant will be able to produce the range of Anikem chemicals with a capacity of between three to five times that of the old plant at Jacobs, near Durban, which has been in production since the mid-Sixties," he says.

Anikem is jointly owned by AECI and Nalco Chemical, of the US. It was formed in 1968 as a result of merging the companies' joint interests in water treatment. Profit from the Jacobs plant has provided much of the funding of the new factory.

In general industry, water problems range from the deposition of solids inside boilers operating at high pressures; to corrosion; the fouling of water cooled equipment; and the treatment of effluent to maintain environmental standards.

Anikem also supplies a wide range of chemicals for the control of bacteria, foam, corrosion and deposits in paper-making machinery.

In the petroleum industry, the company is involved in process technology, working with the main refineries, Shell, Mobil, Caltex and Natref.

Says Sander: "The plant at Umbogintwini has been planned for the ultimate installation of equipment to treble production, without any major capital expenditure."

Facilities at the factory have been provided for handling different and more sophisticated raw materials in order to broaden the range of available products.

regular farm and domestic employees were included in one figure. The following table shows total payments in kind in the Eastern Cape.

Table: 4 Total annual payments in kind to regular farm labour in the Eastern Cape, selected years 1950-1973 (Rm).

Year	Total
1949/50+	1,86
1956/57+	2,83
1964/65	2,23
1972/73	3,71

Notes: + 1949/50 and domestic servants
 Source: Agriculture

From the table it will be seen that payments in kind by 59% increased by 52%. Almost the same was lower than that of the average cash wages per man in the table below:

Table: 5 Average annual wages per man in the Eastern Cape, 1949/50 to 1972/73

Year	Whites
1949/50+	342
1956/57	871
1964/65	1 127
1972/73	2 370

increase in same period by 66%

Blacks	2,53
	2,02
	3,43

SUN TIMES
12/6/77 (62)

June 12, 1977

Give blacks a break, says Menell

Sunday Times Reporter

SOUTH Africans — black and white — are doomed to failure if they continue developing separate economies, with the control remaining in white hands, Mr Clive Menell, deputy-chairman of Anglo-Vaal, said yesterday.

Speaking at the Institute of Race Relations symposium in Johannesburg on the integration of blacks into a free enterprise society, Mr Menell said that the Government and private companies "must go out of their way" to find and encourage blacks with potential.

Many whites feared being dominated by a black majority. Person-to-person contact would lessen this, he said.

Mr I. Ayob, a Johannesburg advocate, said that unless the Group Areas Act was repealed there could be no upward movement of black entrepreneurs or development of a black middle class.

Mr Ben Mokoale, of UNISA's Business Training School, said South Africa had created a dual economy.

"One segment of the population believes in the free enterprise system but the other segments are restricted in their attempts to join the economic mainstream."

Mr Frank Golino, labour officer at the US consulate told the symposium that average wages in American companies in South Africa rose by 15.28 per cent for blacks and by 1.68 per cent for whites in 1976.

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Mercury 17-6-77

CARTEL 'RIGGED WORLD'S URANIUM PRICES'

WASHINGTON—Secret documents released yesterday by a congressional investigating sub-committee reinforced claims that an international cartel rigged the price of uranium on the world market during the past three years.

Type B has no alternative uses and be used for the Bellville job. In 3000 units of Type C at R10 each fo

Both jobs will take exactly on

The Managing Director asks you alternatives is most profitable.

Draw up a table showing the op

What advice would you give?

Twenty - eight papers, including some which the Canadian Government sought to suppress, were released by a House of Representatives sub-committee after nearly a year of probing into the alleged uranium price - fixing.

The documents identified members of the uranium "club" as companies in Australia, South Africa, France, West Germany and Canada.

The chairman, Mr. John Moss, issued subpoenas for six present and former officials of the Gulf Oil Company for questioning.

The price of raw uranium had increased from about R10,50 to R80 a kg in the last four years.

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The cartel's 1972 policy decisions to control prices and production quotas came to light last year when the Westinghouse Corporation defaulted on contracts to supply processed uranium to more than 20 public - utility companies because of a seven - fold price increase.

Westinghouse then brought an anti - trust suit against Gulf and 29 other uranium - producing firms, claiming they had fixed prices and engaged in other anti - competitive practices.

The sub - committee documents indicated that Gulf knew five years ago that it risked violating U.S. anti - trust laws when a Canadian sub-

hasn't substantially changed. Or so implies Frank Golino, regional labour officer at the US Consulate in Johannesburg.

In a speech at the Institute of Race Relations this week, Golino spelled out certain changes the State Department is pushing companies to implement. But the US won't go beyond moral suasion in its attempts to secure change.

"While we keep track of the labour practices of US subsidiaries and offer suggestions, we do not press on them specific goals or detailed targets," he said.

Golino told the institute that the US would like to see firms pay their black workers at least the Minimum Effective Level rather than the more conservative Household Subsistence Level; provide housing; talk to unregistered unions; speed up the provision of training; and improve pension, medical and education benefits.

Much of this has been US policy for some time — only the plea for housing is a new point. But there has been a shift of emphasis, particularly on the trade union issue. "There is no reason why US firms cannot enter into collective bargaining agreements with black unions," asserts Golino.

The US business manifesto is a "step in the right direction" and, "although there is clearly room for improvement, SA-based US companies have shown considerable sensitivity in dealing with their black employees," he says.

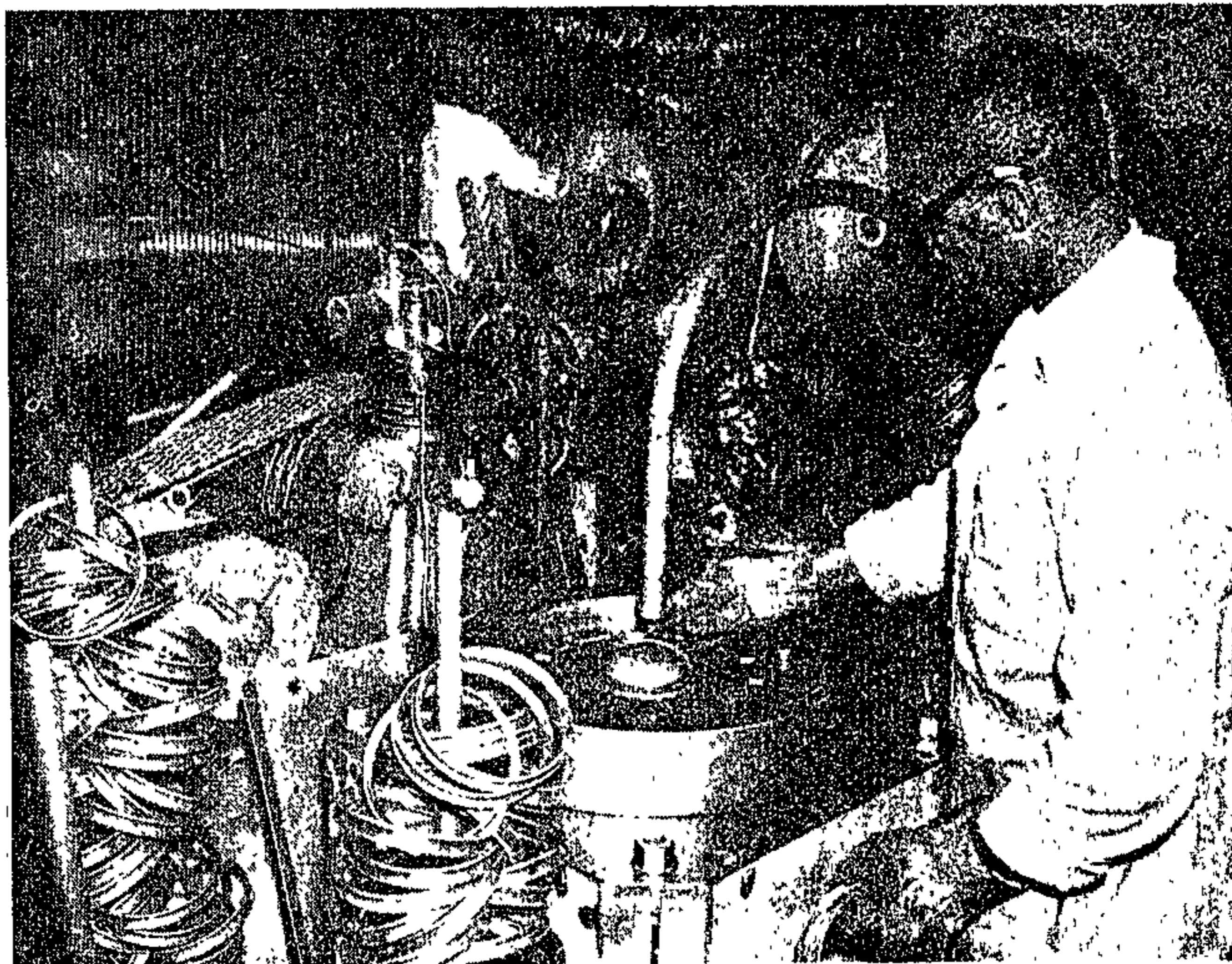
Perhaps. But evidence indicates that US companies here are, in fact, no better than their SA counterparts.

US BUSINESS POLICY

No big stick

FIN MAIL
17/6/77 (62)

Despite the flap the Carter administration has caused in SA, policy towards American companies operating here



African workers . . . no miracles from Washington

UK and SA firms in joint detergent project

SUN TIME 19/6/77 S.T.

By TONY KOENDERMAN

ALBRIGHT & WILSON, the giant British producer of detergents and phosphorous chemicals, has formed a 50-50 partnership with Paragon Holdings, of Johannesburg, for the production of detergent raw materials.

The new joint company, Marchon Paragon, this week opened a new factory in Cape Town which gives it a yearly capacity of 8 000 tons of two principal detergent ingredients — dodecyl benzene sulphonic acid and sodium lauryl ether sulphate.

With a turnover of R4.5-million a year, the company is the country's only producer of these chemicals.

The company has reorganised its productive capacity firstly by opening a 6 000-ton plant in Pretoria a year ago, and now by moving its 2 000-ton Johannesburg facility to Cape Town.

Marchon Paragon's products are the foaming compounds, or wetting agents, in detergents.

These are usually produced in large-scale plants, but a unique process developed by managing director Dudley Pape makes small-scale production possible even more cheaply than in big plants.

So it is intended that the Cape Town plant, in addition to supplying the coastal market, will be producing for export to other countries of Africa.

Albright & Wilson's commercial manager, George Rekarek, says the British company may also export the technology for use in similar small markets elsewhere in the world.

The future of American investment in South Africa

2/16/77
RDM
60

Last night Professor Meyer Feldberg, director of the Graduate School of Business at the University of Cape Town, delivered an address in Johannesburg on "Business and the total environment" to members of Jaycees, Johannesburg North, at their seminar entitled "Executives of Tomorrow". Here is an extract from his speech.

DURING April 1977 I spent three weeks in the United States visiting leading universities and talking to corporate leaders and church leaders about the future of US investment in South Africa.

There is little doubt that during the past six months a major change has taken place in US business attitudes towards the Republic. Much of this change in attitude is the result of the new Carter administration in Washington.

During the Kennedy, Johnson, Nixon and Ford administrations there was little if any overt White House pressure on US corporations operating in South Africa. During the 1960s and early 1970s the bulk of the anti-South African sentiment in the US was fostered by congressional committees, church groups, civil rights groups, including black power groups and campus militants.

These groups received substantial publicity and embarrassed many of the most famous US corporations into disclosure of their activities in South Africa. The most effective opposition emanated from the churches and congress.

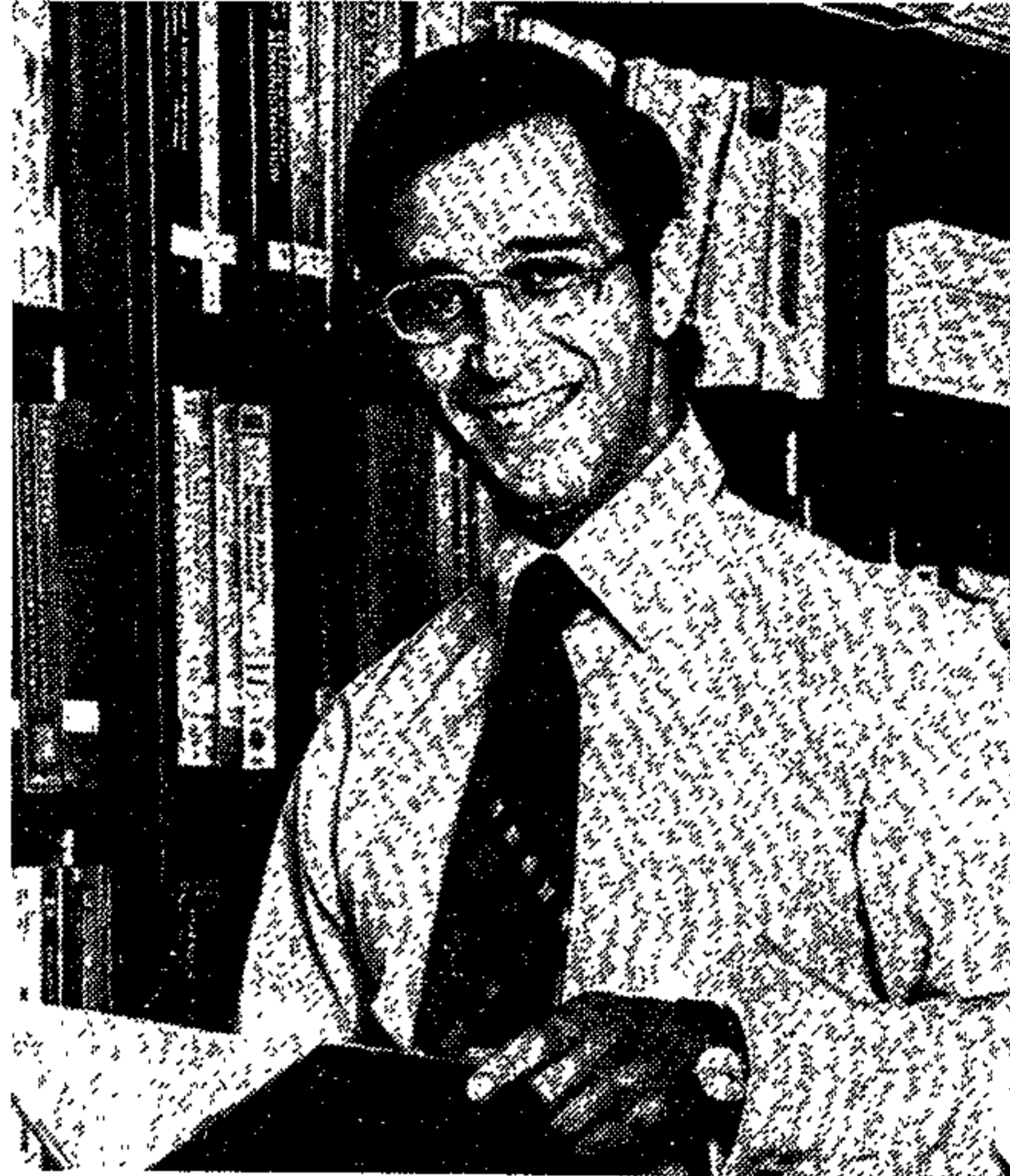
Congressman Charles C Diggs, of Michigan, who

chaired the hearings before the sub-committee on Africa regarding "US business involvement in Southern Africa" was effective in exposing the conduct of US business in South Africa.

The churches and particularly the Inter Faith Centre in New York City also forced US corporations to disclose information on their activities in South Africa. The church strategy involved the submission of church sponsored proxies at annual general meetings of major US corporations calling for either withdrawal from South Africa or declarations of US corporate intent in South Africa regarding the upliftment of the black populations.

It is critically important to recognise that during the 1960s and early 1970s no US corporations withdrew from South Africa as a result of anti-South African pressure. In addition, no church sponsored proxy received more than 1% stockholder's support. These anti-South African groups were only successful in so far as the publicity they achieved and the embarrassment they caused.

Since the advent of the Carter administration a subtle but significant change has taken place in the US.



PROFESSOR MEYER FELDBERG

For the first time US corporations are beginning to experience or anticipate experiencing direct administration pressure on their activities in South Africa.

They recognise that this type of pressure differs significantly from the previous anti-South African pressure. Administration pressure to quote one leading banker "has real muscle". According to a leading industrialist "when the White House takes a position it immediately sets the tone for the State Department, the Department of Defence and all other administration departments. You have got to understand that Vance, Young, Mondale and the other guys are new brooms trying to score points with the underdeveloped world".

In addition to existing and future administration pressure on US corporations, the problems facing South Africa are compounded by the new initiatives being launched by earlier pressure groups, namely the churches and congress.

One church leader explained the situation as follows: "During the past 15 years we have been more or

less on our own in marshalling opposition to South Africa. We believe we were effective in embarrassing US corporations but ineffective in bringing about real change. Now with Carter in the White House we believe we can launch a new offensive that will have more significance and attract more support from the executive decision makers."

In other words the new administration is likely to give fresh impetus to a variety of anti-South African groups operating in the US. The churches in particular are developing a new strategy to influence US corporate activities in the Republic.

The effect of these developments can be seen from a recent survey I conducted among 52 leading US corporations operating in the Republic. This survey was conducted three months prior to the inauguration of President Carter.

According to the survey seven corporations are actively contemplating withdrawal from South Africa and nearly 30 companies indicate that they have no plans to increase their investment during the next five years. This is in direct contrast to an earlier

survey I conducted in 1974.

In commenting on their reasons against further investment in the Republic the five factors most frequently mentioned were:

1. Political and social unrest in South Africa.
2. Financial returns not adequate in South Africa.
3. Isolation of South Africa by the rest of the world.
4. Threats of black African states against South Africa.
5. Negative attitudes by US Administration.

Since the election of President Carter it appears as though "negative attitudes by US Administration" has become even more significant in influencing US corporate investment in the Republic.

A further indication of the importance of administration pressure can be seen from the Manifesto Declaration signed by leading US corporations on the need for change in South Africa and by Andrew Young's recent statement that "we may have to lean on the oil companies operating in South Africa".

There is strong evidence that US corporations believe that the Carter administration may use the American business community economic sanctions as a lever for bringing about change in South Africa.

Many American executives believe that Carter could well be a two-term President and that the business community may have to deal with his policies for eight years. This fact combined with the 1977 urban unrest and general instability in Southern Africa has made the Republic a less attractive area for US investment.

Finally one encouraging sign regarding US investment in South Africa is the strongly independent position taken by American companies when faced by what they perceive as a reasonable government interference in the enterprise system.

As long as the Republic offers American capital a stable political and environment, the investment probably continue here provided the returns are adequate.

21/6/77 Star
US firms

(b2)
**step up
thrust
on SA**

Another 21 multinational companies in the United States today pledged to dismantle the colour bar in their South African subsidiaries.

American bankers and investors who met Mr P. W. Botha, the South African Foreign Minister, in New York last night, were also prepared to pose pointed questions on how South Africa intends to adjust its labour policies.

Mr Botha gave them assurances at a first meeting that necessary change was on the way.

Outside, demonstrators were protesting against SA's discriminatory policies — and planned to repeat the demonstrations at a second investment conference in New York today.

MARKET PLEDGE

Mr Botha is at the head of a powerful South African business mission to the US trying to persuade investors to maintain the flow of investments into South Africa.

At home today, the Chamber of Mines also joined organised domestic commerce and industry in appeals for change.

Mr R. A. Plumbridge, president of the chamber, urged the lifting of restrictions and curbs to enable people of all races

to participate equally in the market place.

The 21 American companies which pledged action today added their names to the first 12 US multinationals who signed a six-point programme to bring about equality of employment practices for all races in their South African operations.

The latest endorsement was delivered in Washington to Mr Donald Sole, the SA Ambassador to the United States, by Mr Leon

Botha assures U.S. investors of SA's stability

The Argus Bureau

WASHINGTON.— The South African Foreign Minister, Mr R. F. (Pik) Botha, in a powerful plea for increased investment in his country, assured 150 key Americans of South Africa's political stability.

In a speech in New York that could vitally influence South Africa's future economic relationships with the United States, he also assured American investors that necessary change would come to South Africa.

Mr Botha was opening an investment conference on South Africa in an atmosphere of apprehension among businessmen over the future of investment in the Republic.

Among the 150 guests, who included prominent South Africans were former Treasury Secretary, Mr William Simon, the Deputy Governor of the SA Reserve Bank, Mr Ger-

hard de Kok; Saffa's Mr Leslie Luloffs; Tuca's Mr Arthur Grobbelaar and the Ciskei Chief Minister, Mr Lennox Sebe. Dr Henry Kissinger, the former U.S. Secretary of State, was invited but was unable to attend.

Three objectives

Mr Botha is on a week-long trip to the United States — his first since becoming a Cabinet Minister — and undoubtedly has three basic objectives in mind.

● To seek clarity from the Carter Administration over its Africa policy, and, more specifically, whether

Vice-President Walter Mondale over-stated this policy when he demanded one-man-one-vote for South Africa.

● To persuade Americans that hardline demands for majority rule in South Africa will lead only to further isolationism.

● To persuade American multinationals and financial institutions that South Africa is still a good investment prospect.

Advice to U.S.

Mr Botha told American investors: 'Retain your perspective. You know our mineral potential, you know our importance as a trading partner. We can assure you of political stability. Where changes are required they will be made. Plan accordingly.'

And he said it was his contention that if Americans were really sincere in wishing to promote constructive change in South Africa to benefit the Black peoples they should invest more, not less.

For it is only when a country is prosperous and offers abundant employment opportunities that higher wage structures and standards of living can be achieved, he said.

Enemy aim

The Foreign Minister said the enemies of peace in South and Southern Africa had one purpose in mind: they wished to reduce South Africa's economy to shambles to set the scene for violent revolution and so that they hoped to establish a new political order to suit their own aggressive interests.

South Africa was now in the midst of a structural readjustment period in regard to its balance of payments. The honeymoon was over for the foreseeable future, South Africa was generating about nine dollars out of every 10 dollars capital investment it required. The other dollar had in the past been provided by foreign investors.

21 US firms sign pledge to help SA's black workers

CAPE TIMES
21/6/77

(62)

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WASHINGTON. — Twenty-one American companies operating in South Africa yesterday pledged themselves to a six-point programme aimed at improving conditions for their black employees in the Republic.

They joined 12 other companies, including some of America's largest corporations, who signed a statement of principles in March.

The Rev Leon Sullivan, a Baptist minister and black civil rights campaigner who is a director of General Motors Corporation, announced the new signatories and said he hoped the statement would become a worldwide effort.

Meetings with British, Swedish and Danish industrialists are scheduled later this year, Mr Sullivan told a press conference.

He said he had presented the names of the 21 new signatories to the State Department and the South African embassy here yesterday.

The six principles pledge: Non-segregation in all eating, rest and work facilities; equal and fair employment practices; equal pay; initiation and development of training programmes to prepare substantial numbers of blacks and other non-whites for supervisory, administrative, clerical and technical jobs; increasing the numbers of blacks and other non-whites in

management and supervisory positions; and improving the quality of employees' lives outside work.

"This is only a first step, a beginning, a foot in the door," Mr Sullivan said.

He said 301 United States companies do business in South Africa — about 17 percent of all foreign investment in the country.

Mr Sullivan said some companies already were doing significant things to improve the lot of their black workers in South Africa but it was not a broad effort.

"Some companies are already tying their expansion and investment to these principles," he said. "General Motors has halted expansion."

He described the document as "a platitude" and said its success would be in how it was followed up.

The initial 12 signatories were: American Cyanamid Company, Burroughs Corporation, Caltex Petroleum Corporation, Citicorp, Ford Motor Company, General Motors Corporation, International Business Machines Corporation, International Harvester Company, 3M

Company, Mobil Oil Corporation, Otis Elevator Company and Union Carbide Corporation.

The 21 companies which joined them yesterday are: Abbott Laboratories, Caterpillar Tractor Company, Colgate-Palmolive Company, Deere and Company, Donaldson Company Incorporated, Eastman Kodak Company, Eli Lilly, The Gillette Company, Goodyear International Corporation, Heublein Incorporated, Hoover Company, Masonite Corporation, Nabisco Incorporated, NCR Corporation, Pfizer Incorporated, Rohm and Haas Company, Singer Company, Sperry Rand Corporation, Sterling Drug Incorporated, Phillips Petroleum, and CPC International Incorporated. — Sapa-Reuter

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Draw graphs to show the relationship between these curves.

(30%)

Border firms support US fair deal move

EAST LONDON — The Statement of Principles issued by American firms operating in South Africa is nothing new to Johnson and Johnson.

This was the viewpoint of the managing director, Mr R. Cook, who was commenting on the 21 more American firms who have signed the Statement of Principles to help promote fair employment practices and preserve human dignity in South Africa.

Mr Cook said his company was actively engaged in advanced up-to-date training facilities for all people who were employed.

"We are deeply involved in the practice of motivating staff, training them in the various fields of the company and ensuring that everyone has the fullest benefits," he said.

Mr Cook said the company's trend was to strive to employ people who had steady educational backgrounds and then "slot" them after their training and guidance at the company, into useful and motivating positions

with the company.

"But with regard to the Statement of Principles, certainly Johnson and Johnson support the principle wholeheartedly.

"However we cater for the needs of all our personnel, this is not something new, it has been a dictate of our company for many years now," he said.

And the managing director of Hoover, Mr E. Ashdown, endorsed Mr Cook's statement that the Statement of Principles that his company supported the move.

"We are aware this statement has been discussed by our executives overseas, but we have not been officially notified of our company signing the statement," he said.

Mr Ashdown said the company had in South African for years been moving in a direction which allowed for equal job opportunity and chance for all of its staff.

"The changes, however, as outlined in the statement, can not simply

be put into operation immediately.

"But for the past four years we have been making adjustments, and the points of the statement are not something new to us," he said.

The principles endorsed by the 33 American companies are:

Non-segregation of races in all eating, comfort and work facilities; equal and fair employment practices; equal pay for comparable work; training programmes to prepare blacks, Coloureds and Indians for supervisory, administrative, clerical and technical jobs in substantial numbers.

Also: That more blacks, Coloureds and Indians be put into management and supervisory positions; and that improvements in employees' lives outside the work environment be effected. — DDR

22/6/71
DD (b2)

US firm takes back seat

Altech gets control of STC

RDW
23/6/77

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Deputy Financial Editor
ALLIED Technologies acquisition yesterday of Standard Telephones & Cables (SA) represents a dramatic rise to prominence and power by a modest shell of a company created less than two years ago.

Altech, formed out of the shell of the Uniewinkels quotation, will become a South African-controlled electronics and electrical group with sales of more than R46-million and attributable profits of more than R3-million when it absorbs STC and its own former parent, Allied Electric (Pty). And in closing the STC deal, Altech has pipped its more illustrious competitor in the race, Abercom.

Altech made a profit of R88 000 in its first year as a listed company, increased that tenfold to more than R800 000 in its second year and aims to make a pre-tax profit of more than R6-million this year.

Acquisitions are, of course, at the heart of this sensational performance. But even more commendable than the rise in the numbers is the manner in which it has been achieved.

Altech's balance sheet has not been stretched by any of its acquisitions and the latest actually improves the share's net worth materially, in addition to the 80% improvement it will mean in earnings to Altech's shareholders.

The deal which Altech has done with STC's owners, the giant American multi-national group, ITT, involves it in the issue of 3 050 354 new ordinary shares and 3 400 000 11% preference shares.

Shareholders will also be asked to approve the issue of 4 757 777 shares for the acquisition of Allied Electric — the private company which has hitherto controlled Altech but, which for reasons of convenience, will become a subsidiary of the listed company.

Once these shares have been issued, Altech will be owned 36,3% by STC of Britain (a 100% subsidiary of ITT) and the rest by South African interests. This will make it by far the largest South African controlled company in the R1 000-million electronics industry.

Minority shareholders, who owned 34% of Altech before this deal, will have their interest reduced to about 18%.

The deal seems to have such obvious advantages, however, that its passage through shareholders' meetings should be smooth.

For STC's part, it regards its investment in Altech as permanent. Speculation that ITT was withdrawing from its South African investment in response to pressures on American investors from political pressure groups, was rejected by STC spokesmen yesterday.

They said the partnership with South African interests in what was becoming increasingly a strategic industry made commercial sense. STC has long-term contracts with Government agencies and departments which can only be cemented now that the company is not foreign-controlled.

Altech will be able to draw on the technical expertise of ITT as a result of the association.

Altech's business will be spread among a range of high-technology and strategic operations that will make it the major supplier to the Post Office of microwave systems and of multi-channel carrier open-wire telephone and telegraph equipment.

It will also be the biggest South African-owned manufacturer and distributor of electronics components, such as semi-conductors, capacitors and integrated circuits for the computer, communications and general manufacturing industries.

For Mr Bill Venter, Altech's founder and controlling shareholder, the acquisition of STC must be particularly gratifying. It is only 12 years since this 43-year old entrepreneur resigned from a promising career with STC to set up on his own.

The acquisition of a multi-million rand business which he knows from the inside caps a remarkable two years since he bought the Uniewinkels shell.

The electronics industry, incidentally, is one of South Africa's fastest growing and it would be surprising if Altech were not able to increase its sales by between 20% and 25% annually for the next few years.

The shares, when they are relisted on Monday, will be in demand and are likely to remain so now that Altech has established its credentials.

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Allied Technologies buys Standard Telephones

CAPE TIMES 23/6/77

By PAUL DOLD
 Financial Editor

ALLIED TECHNOLOGIES is buying Standard Telephones and Cables (SA) and Allied Electric in a deal which will create a South African controlled electronics group with sales of R46m a year and equity earnings of R3.2m.

Altech is paying for STC and Allied through the issue of shares and will end up being owned 36.3 percent by STC of Britain (wholly owned subsidiary of ITT of the United States) and 63.7 percent by South Africans.

The deal ends weeks of speculation that ITT was negotiating with Abercom and creates the largest South African controlled group in

the electronics field.

There had also been speculation that ITT had been seeking to withdraw its investment in South Africa but last night a source close to Altech said that the group had wanted to make a 100 percent cash bid for ITT's local operations but this had been turned down by the US parent.

And it is noteworthy that the ITT announcement issued in New York last night stressed that ITT wanted to stay in South African market.

"ITT in agreeing to the merger with Altech indicated that it is doing so as a means of maintaining a presence in a national market while at the same time substantially increasing local ownership participation."

However in view of STC's large slice of strategic public sector work the authorities are bound to welcome STC becoming South African controlled.

New issue

Altech is to issue 3 050 354 new Altech shares and 3.4m new Altech shares and 3.4m 11pc prefs to pay for STC (SA) and 4 757 777 for Allied.

At Altech's pre-suspension price of R2 this puts a price tag of R19 250 000 on the deal, which rationalizes under a single umbrella three of South Africa's major electronic groups. Clearly, this will have important benefits in competing with major multi-nationals in both local and export markets.

Altech's business will be spread among a range of high-technology and strategic operations that will make it the major supplier to the Post Office of microwave systems and of multi-channel carrier, open wire telephone and telegraph equipment.

It will also be the largest South African owned manufacturer and distributor of electronics components, such as semi-conductors, capacitors and integrated circuits for the computer, communications and general manufacturing industries.

Agreements

Altech will hold a d
 exclusive licence ag
 with leading European
 an electronics gr
 sup has five

Pty, ITT Consumer Products and a significant holding in Maister Directories and African Telephone Cables.

Last night's announcement said that STC in the form being bought by Altech had sales of R31m in the year to December 1976 with net taxed profits of R1.9m. Some 70 percent of STC's business consists of supplying the Post Office with telecommunication equipment.

Electronics

Allied was formed in 1965 by Mr Bill Venter and four associates and last year achieved sales (excluding Altech) of R12.4m and equity earnings reached a record R1.3m.

Allied distributes electronic components to the professional market (as opposed to the domestic market) and claims to hold 40 percent of the market. Its manufacturing companies produce products which include solid state electronics equipment, water treatment equipment, and battery chargers.

Before the deal Allied Electric was Altech's holding

company and had a 65.4 pe stake in Altech with the public owning 34.6 percent. After the deal the public's stake in the enlarged Altech will be 17.8 percent.

"This consolidation of Altech and Allied not only gives Altech technical know-how and financial muscle in order to continue building up a major South African electronics industry, but also prevents any possible conflict of interest developing at a later stage between the JSE listed Altech and the privately held Allied."

Altech will be relisted on June 27. The JSE has agreed to continue the suspension until then to allow for certain formalities to be completed.

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(50%)

beleggingskonferensie in New York bygewoon het. Daar was sowat vierhonderd sakemanné van Amerika se voorste maatskappye teenwoordig.

Yanks wil ons nie los nie ⁶² 3/7/77

DIE invloedrykste Amerikaanse maatskappye is geensins van plan om hulle aan Suid-Afrika te onttrek nie. Dit was die kardinale boodskap van die eendaagse beleggingsseminaar wat Senbank en Safto so pas in New York gehou het.

Mense wat daar was sê dat dit duidelik geblyk het dat die belangstelling in Suid-Afrika en sy potensiële beleggingsveld heelwat meer aandag in Amerikaanse sakekringe geniet as wat dit uit die Amerikaanse persberiggewing blyk.

Onder die Suid-Afrikaners wat die seminar toegesprek het, was dr. Gerhard de Kock, senior

vise-president van die Reserwebank, dr. Chris van Wyk, hoofbestuurder van Senbank, mnr. Arthur Grobbelaar, sekretaris-generaal van die Suid-Afrikaanse Vakbondraad, en mnr. Lennox Sebe, hoofminister van die Ciskei.

Amerikaanse sprekers wat 'n sterk pleidooi gelewer het vir die voortsetting en uitbreiding van hul landse belange in Suid-Afrika, was mnr. William Simon, voormalige minister van die finansies, en mnr. E. F. Andrews, wêreldbekende deskundige oor minerale.

Uit die besprekings het dit duidelik geblyk dat:

- die manipulasie van Suid-Afrikaanse minerale

bronne deur 'n vyandige moontdheid, nadelige invloed kan hê op die spoed en stabiliteit van die nie-Kommunistiese wêreld;

- die invloedrykste Amerikaanse maatskappye nie van plan is om hulle aan Suid-Afrika te onttrek nie;

- Suid-Afrika 'n belangrike rol het om in die internasionale ekonomie te speel en dat Suid-Afrika in die internasionale proses in 'n positiewe en konstruktiewe rol betrek moet word, en dat;

- 'n Ekonomiese opswaai binne afsienbare tyd in Suid-Afrika verwag kan word.

Dit is ook baie duidelik dat talle Amerikaanse maatskappye van plan is om hulle bedrywighede in Suid-Afrika uit te brei sodra die ekonomiese klimaat daarvoor gunstig is.

62

1977

Dr. Van Wyk:

V.S.A. se sakelui besorg oor S.A.

Van Ons Korrespondent

JOHANNESBURG

'N BEDELING van een mens, een stem in Suid-Afrika is onaanvaarbaar vir 'n belangrike deel van die Amerikaanse sakegemeenskap. 'n Snelle beweging tot so 'n bedeling sal nie net tot die beëindiging van Amerika se beleggings in Suid-Afrika lei nie, maar ook tot 'n onttrekking van sulke beleggings.

So het dr. Chris van Wyk, hoofbestuurder van Senbank, in 'n onderhoud ná sy terugkeer uit Amerika gesê. Senbank en die Suid-Afrikaanse buitelandse handelsorganisasie (S.A.F.T.O.) het saam 'n beleggingsseminaar in New York aangebied. Dit is onder andere deur mnr. Pik Botha, Minister van Buitelandse Sake; dr. Gerhard de Kock, senior adjunk-president van die Reserwebank; verteenwoordigers van Safto en blanke en nie-blanke Suid-Afrikaanse sakemanne van verskeie politieke sienswyses bygewoon.

Die seminaar is deur sowat 150 verteenwoordigers van 320 vooraanstaande Amerikaanse organisasies bygewoon. Mnr. William Simon, voormalige Amerikaanse minister van buitelandse sake, was een van die sprekers.

Van die sakelui het een gesê hulle het reeds ondervind dat 'n stelsel van een mens een stem vir die demokratiese en kapitalistiese stelsel noodlottige gevolge kan hê as dit oorhaastig ingestel word, het dr. Van Wyk gesê.

Die sakemanne is bekommerd oor die politieke en maatskaplike stabiliteit in Suid-Afrika.

Hulle het gesê geen druk word deur die Carter-administrasie op hulle uitgeoefen nie, maar as die administrasie en die Suid-Afrikaanse regering te veel bots, kan dit die stabiliteit bedreig.

BETROKKENHEID

Die Amerikaanse sakelui is uitgesproke oor die "blatante wetlike diskriminasie" wat nog in Suid-Afrika aanwesig is. As Suid-Afrika sterk sou optree om "klein apartheid" te beëindig, sou hulle in 'n beter posisie wees om hul betrokkenheid in Suid-Afrika te verdedig.

Dr. Van Wyk het gesê hy het die eerste keer daarvan bewus geword dat van die Amerikaanse sakeondernemings werklik skade ly weens hul betrokkenheid in Suid-Afrika.

"Die raad wat deur die Amerikaanse sakelui gegee word, word nie ligtelik aangebied nie. Tot dusver het die winste in Suid-Afrika nog vergoed vir die verliese weens Suid-Afrika en dit is belangrik dat dit so bly," het dr. Van Wyk gesê.

Die grootste verskil in die

benadering van die Amerikaanse politici en van sakemanne tot Suid-Afrika is dat die sakelui meen verandering kan deur vriendskap en onderlinge vertroue teweeggebring word. Die politici pyl blykbaar op konfrontasie en isolasie af.

GEEN TEKORT

Oor die beskikbaarheid van Amerikaanse finansiering het dr. Van Wyk gesê hy voorsien geen tekort in korttermyn-handelsfinansiering nie.

Geen grootskaalse invloed van nuwe langtermyn-kapitaal kan egter verwag word voor die Amerikaners duidelikheid het oor die hele kwessie van maatskaplike en politieke stabiliteit in Suider-Afrika nie. Die kwessie van Suid-Afrika se mineraalrykdomme en die rol daarvan in die Koue Oorlog het onder meer in die toespraak van 'n vooraanstaande Amerikaner, mnr. E. F. Andrews, ondervoorsitter van Allegheny Ludlum Industries, ter sprake gekom. Hy het gevra of Suid-Afrika kwalik geneem sou kan word as hy ná die herhaaldelike afjasse van Westerse lande bemarkingsooreenkomste met byvoorbeeld die Russe sluit.

The future of American investment in SA

APRIL 11/7/77

(62)

DURING April 1977 I spent three weeks in the United States visiting leading universities and talking to corporate leaders and church leaders about the future of US investment in South Africa.

There is little doubt that during the past six months a major change has taken place in US business attitudes towards the Republic. Much of this change in attitude is the result of the new Carter administration in Washington.

During the Kennedy, Johnson, Nixon and Ford administrations there was little if any overt White House pressure on US corporations operating in South Africa. During the 1960s and early 1970s the bulk of the anti-South African sentiment in the US was fostered by congressional committees, church groups, civil rights groups, including black power groups and campus militants.

These groups received substantial publicity and embarrassed many of the most famous US corporations into disclosure of their activities in South Africa. The most effective opposition emanated from the churches and congress. Congressman Charles C Diggs, of Michigan, who chaired the hearings before the sub-committee on Africa regarding the "US business involvement in Southern Africa" was effective in exposing the conduct of US business in South Africa.

The churches and particularly the Inter-Faith Centre in New York City also forced US corporations to disclose information on their activities in South Africa. The church strategy involved the submission of church sponsored proxies at annual general meetings of major US corporations calling for either withdrawal from South Africa or declarations of US corporate intent in South Africa regarding the upliftment of the black populations.

It is critically important to recognize that during the 1960s and early 1970s no US corporations withdrew from South Africa as a result of anti-South African pressure. In addition, no church sponsored proxy received more than 1 percent stockholder's support. These anti-South African groups were only successful in so far as the publicity they achieved and the embarrassment they caused.

Since the advent of the Carter administration a subtle but significant change has taken place in the US. For the first time US corporations are beginning to experience or anticipate experiencing direct administration pressure on their activities in South Africa.

Real muscle
They recognize that this type of pressure differs significantly from the previous anti-South African pressure. Administration pressure to quote one leading banker "has real muscle". According to a leading industrialist "when the White House takes position it

By Professor MEYER FELDBERG, Director of UCT's Graduate School of Business, an extract of a speech made recently in Johannesburg immediately sets the tone for the State Department, the Department of Defence and all other administration departments. You have got to understand that Vance, Young, Mondale and the other guys are new brooms trying to score points with the underdeveloped world".

In addition to existing and future administration pressure on US corporations, the problems facing South Africa are compounded by the new initiatives being launched by earlier pressure groups, namely the churches and congress. One church leader explained the situation as follows: "During the past 15 years we have been more or less on our own marshalling opposition to South Africa. We believe we were effective in embarrassing US corporations but ineffective in bringing about real change. Now with Carter in the White House we believe we can launch a new offensive that will have more significance and attract more support from the executive decision makers."

Fresh impetus
In other words the new administration is likely to give fresh impetus to a variety of anti-South African groups operating in the US. The churches in particular are developing a new strategy to influence US corporate activities in the Republic.

The effect of these developments can be seen from a recent survey I conducted among 52 leading US corporations operating in the Republic. This survey was conducted three months prior to the inauguration of President Carter.

According to the survey seven corporations are actively contemplating withdrawal from South Africa and nearly 30 companies indicate that they have no plans to increase their investment during the next five years. This is in direct contrast to an earlier survey I conducted in 1974.

In commenting on their reasons against further investment in the Republic the five factors most frequently mentioned were:

- 1 Political and social unrest in South Africa.
- 2 Financial returns not adequate in South Africa.
- 3 Isolation of South Africa by the rest of the world.
- 4 Threats of black African states against South Africa.
- 5 Negative attitudes by US administration.

Since the election of President Carter it appears as though "negative attitudes by the US administration" has become even more significant in influencing US corporate investment in the Republic.

A further indication of the importance of administration pressure can be seen from the Manifesto or Declaration signed by 11 leading US corporations on the need for change in South Africa and by Andrew Young's recent statement that "we may have to lean on the oil companies operating in South Africa".

There is strong evidence that US corporations believe that the Carter administration may use the American business community and economic sanctions as a lever for bringing about change in South Africa.

Less attractive
Many American executives believe that Carter could well be a two-term President and that the business community may have to deal with his policies for eight years. This fact, combined with the 1976 urban unrest and general instability in Southern Africa, has made the Republic a less attractive area for US investment.

Finally one encouraging sign regarding the US investment in South Africa is the strongly independent position taken by American companies when faced by what they perceive as unreasonable government interference in the free enterprise system.

As long as the Republic offers American capitalists a stable political and social environment they will probably continue to invest here provided that the returns are adequate.

3.

Group 14 - Mon. 11.15 - Room A207
(Tutor J. Brodie)

Group 18 - Tues. 9.25 - Room A213
(Tutor B. Robb)

P.W. Henning

H. Haefeli

- C. Albertyn
- A. Boardman
- A. McGinn
- J. Grinton
- P. Ridge
- L. Freeze
- S. Nisbet
- D. Gough

- M. Eisen
- G. Sive
- L. Bondi
- M.J. Podesta
- S.M. Jaffe
- R. Shave
- G.S. Walker
- A. Falconer
- D. Owen

Vignoli de Sallo Soula, C.
B. Dury
M.S. Aitken

Jantzen

DIE Kaapstadse klerefabri-
kant Meritex, 'n verwante
maatskappy van AECL, het
'n lisensie-ooreenkoms met
Jantzen Inc., die vooraan-
staande Amerikaanse ver-
vaardiger van ontspan-
ningsdrag aangegaan om sy
volledige reeks produkte in
Suid-Afrika te vervaardig.

Daar word geskat dat die
ooreenkoms die omset van
Meritex binne twee jaar
met sowat R1 miljoen sal
opstoot. Jantzen is een van
die wêreld se voorste fabri-
kante van sport- en slenter-
drag. Dié maatskappy se
omset verlede jaar was
meer as 123,5 miljoen
dollar.

Boez - Rappent

17/7/77



CAPE TIMES 18/7/77 (62)

Investors in SA told to be 'careful'

SAN FRANCISCO — California Governor Mr. Edmund Brown has told members of the University of California Board of Regents to take a careful look at their investments in companies doing business in South Africa.

The Regents have come under attack from protesting anti-apartheid university students in recent months from investing in concerns doing business there.

Several hundred students were arrested last month after refusing to leave university-owned buildings as they protested against the Regents' refusal to discuss South African investments.

Speaking to reporters before entering the Board of Regents meeting, Mr. Brown said: "This university has a responsibility to get the highest rate of return on its investments, but you can move from one company to another if you wish and social responsibility should be our most precious priority."

The Board of Regents has sent a letter to all companies in its investment portfolio raising questions about racial discrimination in South Africa.

Board chairman Mr. William Coblentz said the university's investments, totalling 1.7 billion dollars (about R1 400m) were composed of endowment and pension funds that did not belong directly to the university. — Sapa-Reuters

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Mercury 22/2/77

NEWSLETTER CRITICAL OF U.S. LEADER

JOHANNESBURG — The Carter Administration was putting pressure on U.S. companies in South Africa to put "hundreds of thousands" out of work while not lifting a finger to impede the subjugation of Angola and Mozambique by communism, according to the latest newsletter of the Americans Concerned About

South Africa Foundation. Published in Scottsdale, Pennsylvania, the newsletter was released here by the Johannesburg Afrikaanse Sakekamer.

The U.S. watched complacently as communists grabbed Angola and Mozambique.

"And now, as the Soviet Union is making moves to subjugate Africa to its rule, the world is wondering if the U.S. will continue to knuckle under to Soviet communism."

U.S. foreign policy had become the laughing stock of the world, "except that no one is laughing," the newsletter claimed. — (Sapa.)

Yanks reg met konsessies

KRAGTIGE Amerikaanse konsessiehandelaars staan gereed om die Suid-Afrikaanse mark te betree sodra die land se ekonomie tekens van werklike oplewing toon.

Só sê mnr. Sam Meltzer, besturende direkteur van Hillrand Business Brokers van Johannesburg. Hy het aan Sake-RAPPORT gesê dat wanneer die meeste Suid-Afrikaners oor konsessies dink, dan dink hulle hoofsaaklik aan kossoorte en restaurante. „Maar in Amerika is konsessies (franchises) hoogs gesofistikeerde besigheid.”

Volgens mnr. Meltzer is konsessies beskikbaar vir motorhawens, die skoonmaak van tapyte, gespesialiseerde gordynstelsels, vervaardiging — om net 'n paar voorbeelde te noem. Sy firma beskik oor kantore in Los Angeles en ontvang gereeld navrae van Amerikaanse konsessiehandelaars wat in Suid-Afrika belang stel.

„Dié belangstelling hou tred met die filosofie van die Amerikaanse konsessiehandelaars,” het mnr. Meltzer gesê. „Hulle wil nie na 'n land kyk tydens 'n boom nie. Hulle verkies die stadium wanneer 'n ekonomie uit 'n swaar resessie begin beweeg.”

Forklift sales down but future is bright

Times Business 21/7/77

THE NUMBER OF forklift trucks sold annually in South Africa has dropped appreciably — from about 2 500 in 1975 to about 1 800 last year — according to Barry Simpson, a director of Barlow's Engineering Supply Company (Besco) and Laurence Davies, national sales manager of Hyster Africa.

They say that the forecast jump in sales that was expected with the introduction of containerisation simply did not materialise. "But, as we become more sophisticated as far as containerisation is concerned, forklift truck sales must increase," said Mr Davies. "Sooner or later people will have to start thinking along the lines of buying lift trucks that cost up to R50 000 each. Right now their sights are set on forklifts that cost about R20 000 each."

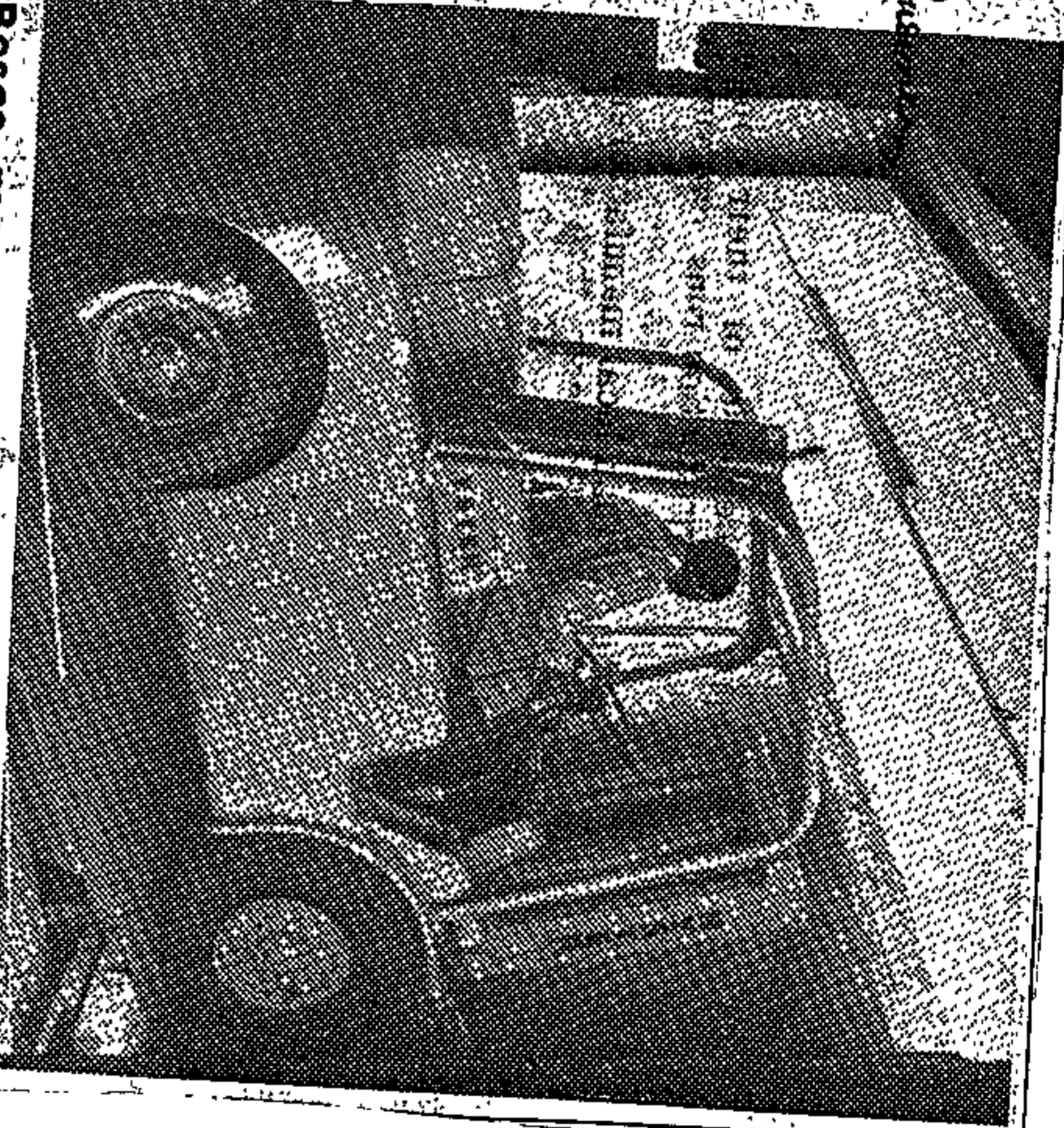
Mr Simpson felt it could take as long as 12 to 18 months for the forklift truck industry to benefit from the introduction of containerisation. "People have been maligning SAR for the fact that containerisation did not get into top gear straight away. That is wrong; SAR did it best to let people know what containerisation was all about, but firms — or most of them at any rate — simply did not listen."

"Forklift truck people, who have been talking to their customers for the last two years, can confirm this. He felt that in addition to

SAR, it was up to firms that sell forklifts to educate commerce about the benefits to be gained from its introduction.

The two men say that Besco and Hyster Africa (Besco is a wholly-owned Barlow Rand subsidiary and Hyster Africa is jointly owned by the Barlow group and Hyster USA) are probably weathering the present downturn in forklift truck sales better than many of their competitors.

Between them they have about 23 per cent of the market — their main opposition comes from the Premier Metal group and Japanese manufacturers — and they have established a hire fleet of forklift trucks to assist people who need them only periodically.



Besco management feels that forklift truck firms should do more to educate people about the full uses of these vehicles in containerisation. The picture shows how a forklift truck can enter a container to stuff or destuff it.

CAPE TIMES

3/8/77

62

Invest in SA — US governor

JOHANNESBURG, — The Governor of South Carolina, Mr James Edwards, said here yesterday Americans should invest more in South Africa.

Quoted by the SABC after his arrival in South Africa for a two-week visit, Mr Edwards said he condemned the efforts to effect a withdrawal of American investments from South Africa. He said it was an example of the application of double standards.

Referring to the riots in the black residential areas, Mr Edwards said the United States could not criticize South Africa, because she had experienced enough unrest of her own.

He said the riots were blown up out of all proportion in the American press, and South Africa's image had suffered as a result.

Mr Edwards said he believed peace in the sub-continent would be impossible if South Africa did not fulfil her role as a leader in Southern Africa. — Sapa

Armco steps into SA mining

Own Correspondent

JOHANNESBURG. — Armco, the giant American steel producer, has taken a R550 000 step into the South African mining industry with the purchase on Tuesday of substantial mineral rights in the Marico district of the Western Transvaal.

The purchase was made at a unique auction held by Arthur Meikle and Co, which was offering the mineral rights held by a deceased estate. Sanctioned by the Supreme Court, the sale of the rights on six farms or portions of these farms had a reserve price of R51 355.

The major purchase, however, was of half the rights on the farm Strydfontein for which Armco bid R500 000 after an opening bid of only R50 000.

A further R50 000 was paid for the rights on the remaining farms, one of which is in the Pietersburg area.

Armco, based in Middletown, Ohio, is one of America's largest basic steel producers. The purchase was made through its South African-based wholly owned subsidiary Armco Bronne (Pty) Ltd.

The purchase of the rights to Strydfontein is particularly interesting in that it has its South African connection through Vereeniging Refractories, which owns the other half of the mineral rights.

The farm is thought to contain chrome ore to a degree as prescribed, are compulsory.

We had originally planned to go to George for a tournament, but then changed to a trip to Oranjemund. Confirmation of our invitation to the Oranjemund tournament is awaited. If this comes off we will travel by coach with VOB/VOG to Oranjemund together with our ladies - our party consisting of 24 persons. The teams will be selected in due course and members advised. Estimated cost is R40 per player not including pocket money.

Seven-a-Side Tournament Arrangements:

Our annual show-piece is once again made possible with the generous assistance of Ohlssons Breweries and will take place on Sunday, 7th August commencing at 10.00 a.m.

Teams: Pool A: Sea Point, Olympics, Pinelands, GDGC, Ohlssons and Constantia

Pool B: Paarl, VOB, Fish Hoek, Mutual, WPHC and Bergvliet.

Umpires: are once again being organised by the Umpires' Union with "Husky" Huskisson in charge.

Lunch is your own affair, but the usual fires will be provided. Snacks, in the form of pies, sausage rolls, peanuts and chips will of course be on sale too for the lame and lazy.

Refreshments will be available in the usual (d)effective form.

reserves although no prospecting has yet been done. However, it is situated between farms on which there are two operating chrome mines.

The first is the Marico Mineral Company which is managed by Anglo American and the second Zeerust Chrome Mines which is owned by Anglo Transvaal and which supplies its ferrochrome plant at Machadadorp with chrome ore.

Mr J Abbot, managing director of the mining division of Vereeniging Refractories, said yesterday that he welcomed the new partners but had not known of their identity till after the auction.

He added that his company had held half the rights to the farm for the past nine years but because of legal problems concerning the winding up of the estate, had not been able to gain title to the farm.

However, following the sanctioning of the auction by the court, title could now be registered and prospecting started.

Mr Abbot said that any mining operations would be on a small scale and nothing like that carried on in the Eastern Transvaal.

However, as Vereeniging Refractories is a subsidiary of Amcoal and accordingly an associate of Anglo, it is possible that any reserves proved on the farm could be added to those of the Anglo-owned Marico Mineral Company and thus create a much larger operation. The connection with Armco would provide a captive market.

Men
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August

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Bates snoer kragte met VSA-saak

62

EEN van die voorste Amerikaanse maatskappye op die gebied van verkoopsbevordering in die kleinhandel, het kragte gesnoer met 'n Johannesburgse advertensie maatskappy, Bates Wells Rostron, om aan sekere vervaardigers 'n omvattende bemarkingsdiens aan te bied.

Die Amerikaanse maatskappy, Retail Decisions Incorporated, is in Amerika besig om van die grootste kleinhandelaars van advies te bedien.

Die grootbaas is M. „Sek” Seklemian, wat 'n groot naam vir hom opgebou het. Hy borg ook die jaarlikse Seklemian-toekennings, wat as die Oscars vir advertensies in die kleinhandel beskou word.

Die maatskappy is reeds

21/1/77
Bates-...
twee jaar lank in Suid-Afrika bedrywig. Greatermans is sy bekendste klant en het ook die eerste Suid-Afrikaanse organisasie geword om 'n internasionale toekenning vir advertensies in koerante te verower. Dit was in 'n kompetisie wat deur die Amerikaanse National Retail Merchants Association en die Newspaper Advertising Bureau georganiseer word.

Die plaaslike maatskappy, wat ook onder die naam Retail Decisions Incorporated sake doen, sal deur die dertigjarige Brian McDonald bestuur word, wat nog tot die einde van aanstaande maand hoofbestuurder van Greatermans se sentrale bemarking- en verkoopsbevorderingafdeling is.

Retail Decisions se doelwit is om aan kleinhandelaars hulp te verleen op die gebied van bemarking, uitstalling, verkoopsbevordering, advertensies en marknavorsing. Dit bied ook 'n diens aan vir die ontwerp van advertensiebiljette, katalogusse en verpakking.

Die maatskappy is ook beskikbaar om vervaardigers te help en is bereid om veral uitvoerders te help wat hul produkte na Amerika wil uitvoer.

SA is 'less attractive' for U.S.

ARBUS
2/9/77

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SEVEN out of 52 leading American corporations are considering pulling out of South Africa and nearly 30 others have no plans to increase their investment in the next years, according to a survey by Professor Meyer Feldberg, director of the Graduate School of Business at UCT.

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This is a direct con-
trast to an earlier survey
conducted in 1974. he
told a Graduate School of
Business Association lunch
in Cape Town today.

Professor Feldberg, who
declined to name the
companies or their field of
operations, said there was
strong evidence that
United States corpora-
tions believe the Carter
Administration may use
the American business
community and economic
sanctions as a lever for
bringing about change in
South Africa.

TWO-TERM

Many American execu-
tives believe that Carter
could well be a two-term
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policies for eight years.

This fact, combined
with the 1976 urban un-
rest and general insta-
bility in Southern Africa,
has made the Republic a
less attractive area for
United States investment.

Professor Feldberg said
one encouraging sign
about American invest-
ment in South Africa is
the strongly independent
position taken by Ameri-
can companies when faced
by what they see as un-
reasonable government in-
terference in the free
enterprise system.

ADEQUATE

As long as South Africa
offers American capitalists
a stable political and
social environment they
will probably continue to
invest here provided the
returns are adequate.

Five factors most fre-
quently mentioned by
companies in giving their
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investment here:

- Political and social
unrest in South Africa;
- Financial returns not
adequate in South Africa;
- Isolation of South
Africa by the rest of the
world;
- Threats of black states
against South Africa;
- Negative attitude by
the Carter administration.

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U.S. firms look harder at 'pay back' in S.A. 62

Mercury Correspondent

JOHANNESBURG — American businessmen were now looking harder at the "pay back" period of any investment in South Africa than they were at the return on these investments, the director of the UCT Graduate School of Business, Professor Meyer Feldberg, yesterday told businessmen here.

Addressing graduates of the school he said this was one indication of a significant change in attitudes on investment in the republic.

A recent survey he had conducted showed that seven U.S. corporations were actively contemplating withdrawal from South Africa and nearly 30 companies indicated they had no plans to increase investment here during the next five years.

Political actions taking place in South Africa could not be justified in the U.S. "It's an absolute fallacy to suggest that a big campaign is needed to improve the country's image." The country was not marketable as it existed and no campaign could change this.

There was strong evidence that American corporations believed the Carter administration would use economic sanctions as a lever for bringing about change in South Africa. Developments in Europe also pointed in this direction.

FIN MAIL
30/9/77

62

SA's 'club' for US firms

A drive is under way among US firms in SA to persuade them to join a new American Chamber of Commerce (Amcham).

The aim of Amcham (which will probably be formally set up before the end of the year) will be to promote business contacts between the US and SA, and to provide a focal point for American companies operating in SA to discuss matters of mutual interest.

Some 360 US firms have branches in SA and according to latest US Department of Commerce figures, their investment here is worth almost R1 500m (see *Finance*).

Moreover, the number of issues affecting the American business community as a whole is mushrooming. For instance, Amcham could prove a useful forum for discussing investment policies, labour practices and trade restrictions.

Judging however by the accolade given by 600 American businessmen to PM John Vorster on Monday evening, Amcham's relations with Pretoria may be as warm as those it has with Washington!

Preliminary discussions on the formation of an American chamber of commerce were started several months ago, and a 'steering committee' was formed. Among the leading lights: Cliff Lyddon of Esso (the committee's current chairman), Sandy Henschel of Bulova and Chase Manhattan's Steve Pryke (the executive secretary).

Other firms closely involved in the groundwork include Lilly Laboratories, Royal Baking Powder and Envirotech.

The magnetism of SA

US companies operating in SA account for almost 40% of American investment in Africa. So says the US Department of Commerce in a survey of corporate investment in Africa to be published in its official *Survey of Current Business*.

The survey (based on a sample of US companies with over \$100 000 invested abroad) reveals that the book value of direct American investment in other countries totalled \$137 244m at the end of last year. Of this \$4 467m was invested in Africa and \$1 665m in SA. The latter figure is 1,2% of the total and 37,3% of US investment in Africa.

Other African countries lag far behind. US investment in Libya at the end of 1976 was only \$362m, in Liberia \$348m and in Nigeria \$341m.

But there was only a \$9m increase last year in the equity (other than re-invested earnings) and intra-company loans of US subsidiaries in SA, compared with a \$256m rise for Africa as a whole. These companies' reinvested earnings (earnings net of gross dividends) last year amounted to \$73m, as against less than \$30m in Liberia and Nigeria and a total of \$584m for the continent.

Another interesting figure is what the survey calls "balance of payments income" — net dividends of incorporated subsidiaries, net interest on inter-company debt and the earnings of unincorporated affiliates. Remittances from SA were proportionately far lower than those from some other African countries — \$125m, compared with \$177m from Libya and \$174m from Nigeria.

Does that mean the relative attractiveness of SA to foreign investors is fading?

Bank-Rapport 2/10/77

62

Eerste Yanks

belê

in Transkei

DIE Transkei-Ontwikkelingskorporasie het 'n ooreenkoms met die groot Intermagnetics Corporation van Amerika gesluit vir die vervaardiging van magnetiese bande en bandkassette in die Transkei.

Dit behels 'n belegging van R1 miljoen deur die eerste Amerikaanse nywerheid wat in die Transkei belê.

Die fabriek sal op Umtata opgerig word en die maatskappy sal bekend staan as Intermagnetics Transkei (Edms.) Bpk. Mnr. Frank Goodchild, 'n chemiese ingenieur van Engeland, is as besturende direkteur aangestel.

Voorsitter

Mnr. Franko Maritz, voorsitter en besturende direkteur van die TOK, en mnr. Terrance Wherlock, uitvoerende vise-president van die Intermagnetics Corporation, is die ander direkteure.

Mnr. Maritz sê die onder-

tekening van die ooreenkoms met 'n Amerikaanse maatskappy — die eerste vir die Transkei — is 'n belangrike deurbraak vir die Transkei in die VSA.

kaanse vennote af te handel.

Mnr. Goodchild sê Intermagnetics Transkei is voornemens om nie net met die goedkoper bande van Hongkong mee te ding nie, maar sal ook verskillende kwaliteite vervaardig wat met dié van Japan, Amerika en Duitsland sal meeding.

Transaksie

Die voorsitter van die Intermagnetics Corporation, mnr. Irvin Katz, het die Transkei onlangs besoek om die transaksie te beklink. Sy maatskappy spesialiseer in sleutel-in-die-hand-vervaardigingsondernemings vir magnetiese bande op feitlik elke plek in die wêreld, en is die grootste in sy soort.

Die huidige Suid-Afrikaanse mark beloop 3,5 miljoen kassette jaarliks. Dit sluit nie bande in met opnames wat vooraf gedoen is nie. Die groot invoerders en verbruikers van bande het reeds laat blyk dat hulle baie belang stel in die Transkei-onderneming.

Volgens mnr. Goodchild sal die fabriek op Umtata jaarliks 20 miljoen kassette kan vervaardig. Hulle is hoofsaaklik vir die uitvoermark bestem en sal waardevolle buitelandse valuta vir die Transkei verdien.

Die maatskappy sal hoofsaaklik bande vervaardig wat op die tienermark gemik is. Hy kan ook enige band volgens 'n klant se spesifikasies vervaardig.

Honderde

Die fabriek sal nuwe werkgeleenthede vir honderde Transkeiers verskaf.

Die Intermagnetics Corporation het onderneem om 70 persent van die produksie te koop.

Die fabriek op Umtata sal na verwagting in Januarie 1978 voltooi wees. Mnr. Fred Fehrson, 'n ontwikkelingsbeampte van die TOK, het intussen na Londen vertrek om die finansiële reëlins met die Ameri-

ET 19/10/77

Row over SA company and R36m US contract

Own Correspondent
NEW YORK. — Controversy has greeted the disclosure that a South African company is set to win the major portion of a R36m contract intended to boost black American business.

The contract is for 1.2 billion concrete rail ties (sleepers) for use in a R1.5 billion track improvement programme on lines between Washington and Boston.

Grinakar Precast, a Transvaal group, has joined forces with the black-owned Smoot Construction of Columbus, Ohio.

The contract is only "the tip of the iceberg", according to industry sources, because the winner will become the only large-scale manufacturer of heavy rail ties in the US.

Last year the Ford administration announced that

the order would be used as an opportunity for minority (ie black) business to break into an important growth industry.

The issue threatens to split wide open the congressional black caucus. The chairman, Mr Parren Mitchell of Maryland, is in favour of the deal, while influential black Democrats, Mr Charles Rangel and Mrs Shirley Chisholm, both from New York, have fired off protests to the Transportation Secretary, Mr Brock Adams.

A spokesman for Mr Adams said no decision had been taken and the South African involvement was being studied. Department sources said there was great secrecy surrounding the deal because of its political sensitivity and long-range implications.

b2

NOTES

May 22/10/77
Huge mine deal signed

- a. History can only be taken after completion of either Economics I I.
- b. can only be taken after the completion of one of the following languages Intensive, Ancient History & Classical Archaeology, Economics I, Economic History I, Geography I, History I, Political Anthropology I, Sociology I.
- c. counted as well as Afrikaans en Nederlands I as a qualifying
- d. can only be taken after the completion of Maths.I; and Maths be completed before taking Appl.Maths.III (refer Science
- e. Senior courses can only be taken after the completion of
- f. can only be taken after the completion of Physics I.
- g. can only be taken after the completion of Mathematics I.
- h. Government & Law I can only be taken after the completion of
- i. Western Europe III can only be counted as a major course
- j. at least one of the following courses is included in the curriculum: Nederlands II, Economic History II, English II, French II, Hebrew II, History II, History & Appreciation of Music II, Art II, Italian II, Latin II, Philosophy II, Religious Studies
- k. can only be taken after the completion of Speech & Drama.
- l. course for students who do not intend to take Economics II.
- m. can only be taken after the completion of an approved course in
- n. English I admission to English I is limited. Students will be admitted to English I when this course is required either by University regulations or by statutory requirements. All other students will be admitted on merit.
- o. Geology III can only be taken after the completion of Chemistry I and Physics I.
- p. Mathematics I can consist of either Maths. Ia and Ib, or Maths.Ia and Statistics Ia.
- q. Mathematical Statistics I can only be taken after the completion of Mathematics I, and Maths.Stats.II after completion of Maths.II.
- r. Physics II can only be taken after the completion of Mathematics I.
- s. Physiology I can only be taken after the completion of Chemistry I.
- t. Public International Law should not be taken in the first year.
- u. Roman Law I can only be taken after the completion of Matric Latin or equivalent⁺
- v. Roman Law II can only be taken after the completion of Latin I, and either after the completion of, or at the same time as, Roman-Dutch Law I.
- w. Roman-Dutch Law I can only be taken after the completion of Matric Latin or equivalent,⁺ and either after the completion of, or simultaneously with, Roman Law I.
- x. ⁺ An elementary Latin course is offered at the University for this purpose.
- y. Law: If you are proceeding to the LL.B.degree you are strongly advised to take Latin I and II. A working knowledge of Afrikaans is desirable. If you intend practising as an ADVOCATE, or, after having obtained the LL.B.degree, as an ATTORNEY, in the Republic or in South West Africa, you must include in your curriculum ENGLISH I AND AFRIKAANS or AFRIKAANS EN NEDERLANDS I.
- z. Zoology II can only be taken after the completion of Chemistry I.

The giant American mining corporation — Phelps Dodge — has signed an agreement with Gold Fields of SA to develop an R181-million mining project in the north-western Cape.

The project will win copper, lead, zinc and silver from the mineral deposits in Namaqualand held by Phelps Dodge's South African subsidiary, Black Mountain Mining Development Company. The American mining house has already spent R15-million on initial work.

In terms of the agreement signed yesterday, Phelps Dodge will retain a 49 percent interest in the project while Gold Fields, together with its associated company Vogelstruisbult, will buy the rest for R15-million.

The balance of the R150-million needed for financing has been borrowed — R13 million of it from overseas.

(62)

Aggenys in sak

2/1/17
Saks - Comfiscat

Deur DAVID MEADES

DAAR is geen planne dat die algemere publiek ook die reg sal kry om 'n regstreekse belang in Suid-Afrika se jongste mynbou-projek, die ontwikkeling van Aggenys se skatte in Namakwaland, op te neem. En dit is effe jammer. Hier gaan groot geld gemaak word.

Die finale planne vir die ontwikkeling van Aggenys se lood, silwer, sink en koper is Vrydag afgehandel. Al die nodige dokumente is onderteken en daar is vir die sowat R100 miljoen reëlings getref om die nuwe myn vroeg in 1980 in produksie te kry.

Die myn sal deur Black Mountain Mineral Development Company bedryf word, wat nou ook 'n filiaal van die Goudvelde-groep

geword het. Black Mountain was vroeër 'n filiaal van die groot Amerikaanse myn-groep Phelps Dodge, wat 'n belang van 49 per sent in Black Mountain sal behou.

Goudvelde van Suid-Afrika sal 'n belang van 49,98 persent hou en 'n ander Goudvelde-lid, Vogelspruitbult, 'n belang van 1,02 persent. Teen die huidige pryse van die onderskeie metale sal Black Mountain R50 miljoen per jaar kan verdien.

Maar dit kan maklik R70 miljoen per jaar beloop wanneer produksie begin, sê mnr. Adriaan Louw, voorsitter van Goudvelde. Hy meen ook dat die myn binne vier tot ses jaar na produksie sy eerste dividende sal begin betaal.

Hy sê dat die publiek nie

die kans sal kry om aandele in Black Mountain te kan opneem nie, maar dit wel deur Goudvelde of Vogels kan doen.

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Luyt's big backer

FM 28/10/77

62

Louis Luyt's Triomf Fertiliser Investments is apparently negotiating borrowing facilities with a major US oil company.

Triomf MD Phillip Clarke declines to comment. "I can't say anything," he says.

We understand, however, that the company concerned is none other than Occidental Petroleum of Los Angeles. Occidental, it is believed, is prepared to make available bank guarantees by which Triomf can raise cash locally as and when the need arises. Sum mentioned is \$25m.



Louis Luyt . . . sorting out the cash problems

If the deal goes through it should certainly see Luyt and his associates through the short-term cash problems facing them. TFI is currently struggling under the burden of its Richards Bay phosphoric acid plant (FM October 10). The proposed rights issue, with a target of R7m, should be completed by the end of the year.

Big question is why would anybody, least of all Occidental, put up guarantees for the highly geared, loss-making Triomf? The answer might lie in the fact that Occidental controls Interore which has taken over from Gazocéan, the French shipping and marketing group

which is about to go to arbitration with Triomf over their sales contract. Luyt says he hopes for a ruling before the end of the year.

Interore is presently selling P205 from Richards Bay at world prices (\$225/t or thereabouts). These, incidentally, are hardening and have moved over the \$250/t mark.

It would make sense for Occidental to put up the guarantees in return for some marketing arrangement for Interore with Triomf at good prices if the Americans can see phosphoric acid prices rising steadily in the future. At the same time, to tie Richards Bay production to fixed prices would not be good for Triomf, and there is general feeling in the trade that this is not the deal being done.

In the absence of comment from Triomf, the market will just have to wait and see.

You need us, Horwood tells US

JOHANNESBURG. - The Minister of Finance, Senator Owen Horwood, said here yesterday he found it incomprehensible that the head of state of one sovereign independent nation should presume to pronounce on the moral standing and standards of another sovereign independent nation - "and one which, indeed, goes out of its way not to interfere in the domestic affairs of other countries".

Speaking at the American Businessmen's Club, Senator Horwood said it would be idle to pretend that relations between the United States Government and the South African Government "are perfectly normal and free of strain.

Unacceptable

"It is quite unacceptable to South Africa to be told that its government - or its people for that matter - has a lesser awareness or appreciation of 'human rights' than the President of the United States.

"Powerful and productive economic and financial links have been forged over the years between our countries. At a time when the United States is experiencing a record trade deficit with the rest of the world, the USA's favourable balance of trade with South Africa has increased more than five-fold in the last 10 years (from R157.6 million in 1966 to R816.2m in 1976).

"What is more - and this is not generally known - American exports to South Africa, now approaching R1 300m per annum, are now greater than either British or German exports - hitherto the biggest to this country. This ought to give some idea of the importance of the South African market for American exporters.

"It may seem presumptuous of me, but I sincerely believe that you need us just as we need you. We need you because, in the last analysis, you, as the leaders of the free world, are the great bulwark against communist enslavement of Africa and indeed of the world. But in this same context you need us too, for though smaller, we equally are a bastion against communism, as our record proves.

"You need us because of our vast mineral resources. We have rightly been called the mineral store-house of the world. These are of strategic importance because in the case of some essential minerals Southern Africa is the only source of supply in the free world, and in many other cases it is at least a major source. Without our minerals the free world would, at the very least, be severely weakened both economically and strategically."

Withdrawn

"You need us because of our geographical position astride one of the great routes of the world. It has been estimated that two-thirds of the oil supplies of the West, and more than one quarter of its food, are transported around the Cape of Good Hope.

"In a world where Western influence has largely been withdrawn from the Indian Ocean, and where a communist presence has been established on both the eastern and western coasts of Africa, the strategic position of South Africa and its importance to the free world needs no emphasis.

"You need us because no settlement of the problems of Southern Africa is conceivable without the participation of our country, not only because of our economic and strategic importance but also because of our long experience of conditions in that part of the globe. And a peaceful settlement in Southern Africa is as important to America as it is to us, because strife and chaos can only benefit the men of Cuba and the Kremlin." Senator Horwood said. - Sapa

● SA should 'attain capital inflow target' - page 16.

MULTI-NATIONAL US COMPANIES LAY LOW ON S.A. ISSUE

A. J. ...
30/10/77
(62)

From JEANNETTE REDDISH

NEW YORK: While President Carter publicly chastised South Africa at his Press conference on Thursday, the major American multi-nationals generally laid low.

Mostly, those corporations seem to be caught uncomfortably in the middle. To date only one, Control Data Corp, a computer company, has publicly reacted negatively to South African developments. It espoused a temporary policy of non-expansion there. It employs 150 people in South Africa.

The other 300 or so American companies with operations in South Africa generally maintained as low a profile as possible. A survey of 50 companies made by the United Church Board for World Ministers, which exhorts companies to withdraw from South Africa, found that all the surveyed com-

panies — without exception — refused. That study was made before the recent South African distress.

Last week, a prestigious American university concluded after a lengthy study that it would not liquidate its holdings in American companies doing business in South Africa. Such a move would be too costly and economically unwise for the school, said Stanford University.

Stanford owns securities in 59 U.S. corporations doing business in South Africa and it concluded that to divest these holdings would imbalance its portfolio and cost the university at least dollars 14 million outright and likely much more.

The report recommended against divestiture of the stocks, a move which had been suggested by some protesting students.

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Sunday Times

Business

Sunday Times, November 6, 1977

Its business as usual with the United States as political dust settles

By JIM SRODES

WASHINGTON. — If you are waiting for the 436 American corporations that operate in South Africa to pull up stakes and leave, forget it. If you have been braced for the sudden rush of dollars out of the country as Wall Street calls in the \$1.6-billion in investments it has made in SA over the years, relax.

Putting aside the sharp words being exchanged between Pretoria and the White House these days is hard to do. And it is hard to ignore the unprecedented arms embargo the United Nations has just imposed.

But the hard fact is that on the economic front at least, the Western powers in general and Jimmy Carter in particular have done about all they can to put a squeeze on the Vorster government's race policies via the South African pocketbook.

All-out war

Simply put, whatever damage can be done has been done — short of all-out war.

The most important damage that the West has done to South Africa's economic prospects has been to cut off its sources of private, government and bank credit in Frankfurt, London and New York. This credit was important while it financed the growing volume of heavy capital goods imports. But now that these imports have been cut back, the need is less.

"We find the political situation in South Africa is such that while we will continue to provide loan guarantees — we have not loaned directly for some time — we must insist that the term be reduced from five to three years," said John Moore, Chairman of the US Export-Import Bank.

What Moore is saying in the oblique language of an American bureaucrat is that if a South African businessman wants short-term money only, he might be able to get it. But the purchase probably shouldn't be for anything important like computers or energy-related technology.

"We talked last month with Senator Owen Horwood and he said South Africa did not

have any present need for long-term balance of payments financing," reports a senior official of Citibank in New York — long the leader of the banking consortium that lent for SA projects. "I am glad he didn't ask. We would have had to turn him down, even though he has turned that economy around on every point we raised a year ago."

Or listen to David Rockefeller, chief executive of Chase Manhattan Bank: "Chase's policy is to pay strict attention to the legal and moral and social implications of all its decisions. In the case of South Africa this specifically excludes loans that, in our judgement, lend support to the SA Government's apartheid policies or reinforce discriminatory business practices."

"Conversely, we are willing to consider loan proposals for projects which we believe will result in benefits for all South Africans."

But beyond this limp-wristed embargo of South Africa's credit, there is not much that the US Government or its business community could do, even if it wanted to.

Black takeover

Listen again to the top Citibank official who spoke privately to the Sunday Times this week:

"Why should we want to ruin South Africa's economy? Between the United States and the \$7-billion Britain has there, we could do it, you know. But why bother? Just assume the worst case and imagine that a black takeover of South Africa resulted in a Marxist government," the banker argued.

"What does that mean to Citibank, or to Mobil, Caltex, General Motors or Ford in their South African operations? It means the same thing as it did to Gulf Oil in Angola — some interruption and then business as usual."

R500 000 investment

Sunday Times 20/11/77

Reporter

NASHUA South Africa says it is to invest R500 000 in a new division being created to obtain a bigger share of Government and national contracts for plain paper photocopying machines.

According to Terry McLintock, marketing director of the company which is a sub-

sidiary of Nashua Corporation US, this new facility will increase its share of the plain paper copying market from a claimed 20 per cent to about 35 per cent.

He values the plain paper copying market in South Africa at R40-million a year. This includes rentals, leasing, outright purchases, spares and paper.

62

Giant US firm pulls out of SA

RDM 23/11/77
62

By PAUL BELL

POLAROID, the giant United States camera and film manufacturer, yesterday pulled out of South Africa after sacking its distributor for selling film and equipment to the SA Defence Force, and "Bantu Reference Bureau."

It is the first major US corporation to withdraw completely from SA on grounds of principle. It had been under great pressure in Boston, its home

city. The decision, announced in Cambridge, Massachusetts, follows allegations of secret sales by Frank and Hirsch to the SA Government. These were published in Monday's Boston Globe.

The withdrawal came in a formal statement in which Polaroid said it was "shocked" to learn that their SA agents Frank and Hirsch had not followed an "understanding" not to sell to the Government.

Polaroid said it did not plan to find another agent in SA.

Mr Helmut Hirsch, joint managing director of Frank and Hirsch, told the Rand Daily Mail last night he would meet Polaroid president Mr Bill McKuen in Boston next week to "consider every I

"I cannot accept that they would make a decision like that without consulting us. They have been wonderful people, but they have now been pushed into a corner by certain groups in the US," Mr Hirsch said.

Two top Polaroid executives, one of them Mr Hans Jensen, the company's export sales manager, flew to Johannesburg yesterday to investigate the "secret sales" allegations, and returned to the US last night.

Mr Hirsch told the "Mail" his company had had no dealings with the SA Defence Force, the Security Police or "Bantu Reference Bureau".

But in a transatlantic telephone interview with the Boston Globe yesterday afternoon he admitted Mr Jensen's investigation had identified transactions with the Defence Force and the reference bureaux — three sales in 1975, two in 1976 and 12 so far in 1977.

Mr Hirsch said his company had had dealings with many other Government and provincial departments.

The sales contravened what Mr Peter Wensberg, vice-president of Polaroid, described as an "oral agreement" between his company and Frank and Hirsch in 1971 that there would be no further sales to the SA Government. On-the-spot checks were made annually by Polaroid.

The agreement resulted from a furore over the use of Polaroid film in identity passbooks for blacks.

Material evidence of the "secret sales", published by the Boston Globe, consists of a September 1975 Frank and Hirsch delivery note to the Bantu Reference Bureau at Impala Buildings in Pretoria. A copy of the order was reproduced in the Globe.

Questioned by the "Mail", Mr Hirsch said, "I'd rather you did not ask me any further questions. Frank and Hirsch did not supply the SA Government."

Then he said: "What Polaroid has known about for months we only knew yesterday."

Mr Hirsch said his company had offered the Polaroid investigators the fullest cooperation and gave them access to all the information they wanted.

PHOTOGRAPH BY GUY AROW

Star 23/11/77

US companies 'won't follow Polaroid out'

(62)

Executives flying to Boston

Labour Reporter

Frank and Hirsch (Pty) Ltd, remain the distributors of Polaroid products until the end of December.

After that, the contract may not be renewed owing to the American company's decision to stop sales in South Africa, Mr Helmut Hirsch, joint managing director of Frank and Hirsch, said today.

He said the only Polaroid products being distributed in South Africa were Polaroid film, cameras and sunglasses.

Mr Hirsch confirmed that there was no substitute for the instant pictures produced with Polaroid film which is used extensively for identification and security cards in South Africa.

INSTANT FILM

Kodak recently came out with a form of instant picture film but this was not interchangeable with the film used in Polaroid cameras.

Mr Hirsch said a substantial part of his business was affected by the Polaroid move, but he still was trying to get the decision reversed.

For this purpose he and another executive would fly to Boston at the end of this week or early next week.

Asked about possible lay-offs, he said: "We'll try to avoid hardship but it's too early to say anything."

American firms at large are not going to be frightened out of South Africa by Polaroid's decision to stop sales of its products here.

Mr Lou Wilken, boss of General Motors in South Africa, said today there were no United States laws to prevent General Motors or other motor companies from trading with the South African Government, provided the arms embargo was not breached.

General Motors intended to remain in the country.

"We believe in trying to achieve change within the framework of the current regulations and in keeping with our 'guest philosophy,'" he said.

"We feel that this is far better than leaving and throwing rocks from a distance."

SPELLED OUT

Mr Wilken said Polaroid apparently had no fixed investments in South Africa. This made its case "rather different" from that of many other US companies, which had large local investments.

In a coincidental but unrelated move, more than 100 American companies intend to form an American Chamber of Commerce in South Africa today.

This indicates a desire to "maintain economic ties," said a spokesman for a leading American company involved in the project.

A spokesman for Coca-Cola Export Corporation for Southern Africa said the company's policy was recently spelled out by Mr C Halle, president of Coca-Cola (Europe and East Africa).

Mr Halle said the company would continue its South African operations despite any boycott that might develop.

ush and Demand pull in R.J. Ball and Peter Doyle inflation, chap. 9 (Penguin).

er Essays in Monetary Economics chap. 13. ation: H. MONETARIST VIEW in H.G. Johnson,

The Polaroid Corporation announced from Boston yesterday that it was abandoning trade worth up to R3,5-million a year by ending its distribution agreement with Frank & Hirsch (Pty).

STATE SALES

Polaroid said it ended the business relationship because the Johannesburg-based distributor sold some of its film to the South African Government — a fact first revealed by the Boston Globe newspaper.

The manufacturers of instant photographic systems said they had no plans to appoint a new distributor.

A Polaroid spokesman in Boston said: "They have sold to the South African Government, and while we regret ending the agreement, we felt we had to make a stand."

A Frank and Hirsch executive will fly to Boston this week or next to try to reconcile the differences between Polaroid and the Johannesburg distributor.

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'Pull-out' puts a stop to the great Polaroid experiment

Barbara Luhnman Polaroid's announcement this week that it was pulling out of South Africa obscured the fact that it has never been in South Africa.

Its film and cameras are manufactured abroad. They are distributed here by a South African com-

pany Frank & Hirsch (Pty) Ltd, which also runs an assembly plant for Polaroid sunglasses. Its SA trade means R35-million annually to Polaroid, according to a company spokesman. But unlike most of the multi-nationals trading here, Polaroid apparently has no fixed assets in South Africa.

"Pulling out" means failing to renew its contract with its distributors — a contract due to expire at the end of December.

It will also mean the end of the "Polaroid experiment," hailed for years in the US as an

example of the way American companies operating here could bring about social change by serving as good examples.

Polaroid was the first US giant pressured by its employees to end its South African connection. The campaign to "get Polaroid out of South Africa

was mounted in the early 1970s.

And although the company's internal hassles were its own affair, Polaroid represented an important part of Frank & Hirsch's business. So when the US company sent its Young Turks out to investigate the situation in

1971, they met joint managing director Mr. Helmut Hirsch and began working out changes to keep everybody happy.

Polaroid, after working through South African groups, established its own foundation — called ASSFT — and annually handed out 50,000 dollars

for bursaries.

For its part, Frank & Hirsch began upgrading its black staff. It brought in training programmes and a policy of equal pay for equal productivity.

In 1971, when Polaroid called black staff worked at low-level jobs only. They were packers,

drivers and filing clerks, working under white supervision.

But, by early this year, there were blacks employed as computer operators, supervisors, bookkeepers, highly skilled clerical staff. Average black salaries had increased 301 percent in

six years.

The Polaroid experiment was hailed in the US and in South Africa as living, working proof of the theory that US companies could do more to promote social change by staying in SA.

The experiment worked

until Tuesday when Registrar said it would end its relationship because its distributor had sold some of its film to the South African Government.

While we regret ending the agreement," said a spokesman, "we felt we had to make a stand."

Polaroid pull-out

saves cash

By RENNIE BOTHA

SOUTH African medical experts produced a cheap and effective substitute for X-ray plates formerly bought from Polaroid, the American photographic giant which this week announced it was pulling out of the country.

Mr Dave Epstein, opposition spokesman on hospital affairs in the Transvaal Provincial Council, said yesterday: "The EMI scanners in our hospitals used Polaroid X-ray plates.

"We foresaw the company's action and prepared for the use of other plates by a minor modification of the unit. Each costs about R300.

"We have found that X-ray plates can be made in South Africa at one-sixth of the price of the Polaroid plates, saving us hundreds of thousands of rands.

"The plates are now being locally produced. "The overall results are, in fact, better than the Polaroid system."

Polaroid announced its pull-out after sacking its South African distributors Frank and Hirsch. It accused the firm of selling equipment valued at about R3,5-million a year to the Government.

Mr Helmut Hirsch, joint managing director, said yesterday: "We never supplied the Government directly. We supplied retailers, who in turn supplied various Government departments. Polaroid was fully aware of this.

"A large percentage of Polaroid cameras and film is bought by blacks. Polaroid's action will not only affect South African blacks, as well as whites, but black states in and around South Africa.

"Thousands of people have bought expensive Polaroid cameras. Now they won't be able to get any film."

Mr Hirsch was speaking before leaving for America to discuss the matter with Polaroid executives.

He said: "When I meet them I will try to explain the true picture in South Africa. I believe there is a lack of knowledge of what really goes on here.

"I will tell them that they are about to hurt the people they initially tried to help, our blacks.

"If I am not successful in having the embargo withdrawn, the effect on our company will be substantial.

"There is no racial discrimination in our company whatever. Our black employees are among the highest paid in the country.

"Black members of Polaroid have given me gifts as a token of thanks for what we are doing for the blacks in South Africa. Now the company turned its back on us."

Mr Hirsch said Polaroid had not withdrawn its grant of R43 000 a year to a trust fund



MR DAVE EPSTEIN
"He saw it coming."

for the improvement of the lives of black people in South Africa. It had been contributing to the fund for eight years, and is committed to continue until 1978.

A spokesman for Fran. and Hirsch said it will continue advertising Polaroid products until the end of the year because it still has big stocks.

Handwritten scribbles and the number 62.

Cape Times 3/12/77 62

The Cape Times, Saturday

Polaroid prices plunge, but no guarantees of more supplies

Staff Reporter

NO GUARANTEE of supplies of Polaroid film for longer than a few months could be given yesterday by camera agents and retailers in a snap check carried out by the Cape Times.

The film, together with the complete range of cameras supplied by the Polaroid Corporation of America, has been barred to the South African agents by the makers as a protest against the Republic's internal policies.

Since the announcement by Polaroid last month, the prices of their cameras have fallen. Yesterday, a city chain store slashed their price range of Polaroid cameras by half in an effort to get rid of surplus stocks.

Mr Derrick Stayne, a director of Frank and Hirsch, the

South African agents for Polaroid, said in a telephone interview from Johannesburg that film stocks would be available "until well into the new year".

"I can't give a guarantee on supplies but they may well be endless. At present, the situation is that we do have stocks on hand," he said.

Mrs June Krizinger, marketing director for Clicks Stores, said future supplies of film were not guaranteed but a complete stoppage of supplies was "very unlikely".

"Whether Polaroid likes it or not they have little control over who sells their stocks and we can always get supplies from jobbers in America or elsewhere."

Prices could be "slightly higher" but "not too much", she said.

Mrs Krizinger admitted her company was not re-ordering Polaroid cameras and would not be replenishing stocks once present supplies were exhausted.

"But that has no bearing on film supplies. We will meet these as long as there is a demand from the public," she said.

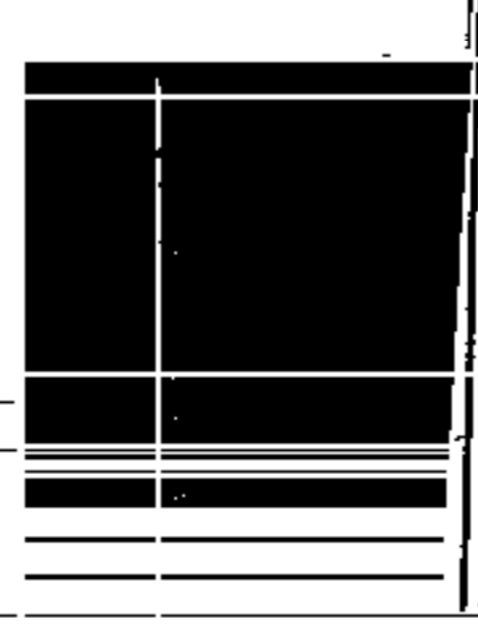
Mr C. M. Halle, marketing manager of Rave Stores in Johannesburg, said he could not personally guarantee supplies of Polaroid film but his company had large stocks.

"Most of the film comes from German manufacturers and not from Polaroid directly so American sanctions will have little effect."

"I understand the agents have someone in America having talks with Polaroid in the hope of reversing the decision. This is useful but I don't think people need be alarmed that the film will disappear off the market — there will always be someone willing to sell to us," Mr Halle said.

A spokesman for Makro in Cape Town said: "The only people likely to suffer from this ban are the agents — it virtually means that the market is thrown open to anyone to buy from anywhere."

Asked if they could guarantee continuity of supplies he said the company would "do its utmost because it is in our own interest to sell the customer what he wants".



Copy Times 3/12/77 62

US giant stops SA investment

Own Correspondent
NEW YORK. — The giant Gulf and Western Corporation yesterday formally announced a stop to all further investment in South Africa and cited Pretoria's policies as a reason.

These "make investment there increasingly unattractive," it declared.

Gulf and Western is a R3.1 billion-a-year conglomerate with eight operating divisions and interests ranging from film company Paramount Pictures to mining.

It said it had already rejected "a number of opportunities" to invest in the Republic "and has no intention of expanding in that country in the future".

The company emphasized that its main involvement was less than 11 percent of the R300 million Richards Bay mining and smelting project, through a minority holding in

Quebec Iron and Titanium Corporation.

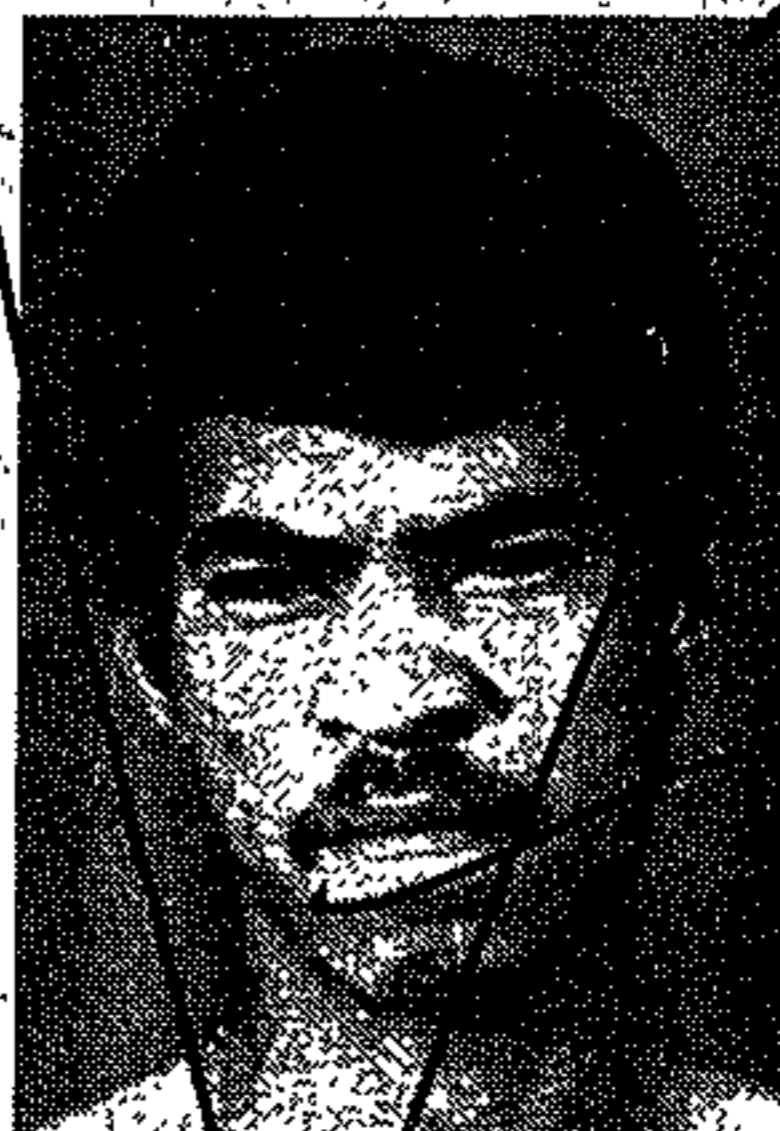
This "in no way constitutes an endorsement of the country's social policies," it said.

Early in 1975 it had refused to act as co-guarantor of loans for the project, it said, and added that it was not involved in its management.

"Although a minority owner of the project, Gulf And Western will continue to voice its concern for a more enlightened attitude and respect for the rights of all South Africans," it said.

The group has been under pressure from the National Council of Churches, but it said this had not influenced its decision.

Yesterday, the NCC withdrew a resolution it had tabled for the next shareholder meeting, calling for a halt to expansion in the Republic.



Moegsien Davids, 24, a convict who has escaped three times is still at large after a break from the Caledon Square police cells this week. Davids escaped with a cell mate. Earlier this month — after an escape from Pollsmoor Prison where he was serving a five to eight year prison sentence — he was arrested in the City by a detective. During the arrest he grabbed the policeman's firearm, fired four shots, missing every time, and was arrested after a scuffle. Anyone able to assist must contact the nearest police station.

Ch. 38: Section: Balanced growth and industrialization.

- (2) Lipsey & Steiner: "Economics" (2nd ed.)
Ch. 34: A, B, C on Fiscal Policy.
Ch. 45: Growth and Underdeveloped Economies
(Nothing on Allocative and Distributive functions)

- ✱ (3) O. Eckstein: "Public Finance"
Ch. 1: The Scope of Government Activity

- ✱✱ (4) R.A Musgrave: "The Theory of Public Finance".
Ch. 1: A multiple theory of the public household.

- (5) R.A. Musgrave: "Fiscal Systems"
Ch. 1: The Issues

- (6) J. Robinson & J. Eatwell: "An Introduction to Modern Economics".
Book II, Ch. 7.3: The Public Sector.

Note: Musgrave's "Theory of Public Finance", Ch. 1, is by far the best reference and students should consider organizing photostat copies if getting hold of the book proves too difficult.

US companies plan to be in SA for long time to come

Anti-SA
ARBUS 5/12/77
demo hits
Escom's
chateau

The Argus Bureau
NEW YORK.—Dozens of America's most prestigious corporations, under mounting attack for manufacturing and selling products from computers to Cokes in South Africa, are digging in their heels.

General Motors Corporation, which last year sold more than 200-million dollars (R174-million) worth of cars and trucks in South Africa.

Abouit 350 American companies, composing a virtual American business, operate in South Africa, with an aggregate direct investment of nearly \$1.700-million (R1 478-million) — an estimated 17 percent of the total foreign investment there.

United States banks, including the nation's three largest, have outstanding loans and credits of at least 2200-million dollars (R1 913-million) in South Africa, much of it in Government projects. By some estimates, the American banks have supplied, either directly or indirectly, as much as one-third of the money borrowed from any source by Government bodies and corporations in South Africa.

Some unions and universities, charging that the big American companies and banks are supporting apartheid by their presence in South Africa, have sold their stocks in these companies and have withdrawn their money from the banks.

A few companies operating there have pulled up stakes, though usually they say for business reasons. Many of the remaining American companies and banks have issued public statements attacking apartheid. But there are few signs that the companies plan

to retrench, in fact, quite the contrary. The American business community in South Africa inaugurated a new American Chamber of Commerce in Johannesburg last month.

Refineries
The Caltex Petroleum Corporation, which is owned 50-50 by Texaco Inc and the Standard Oil company of California, is spending 134-million dollars (R116-million) to increase its refining capacity in South Africa. We're doing it because of an expanding market, said a Caltex representative here.

A week after David Rockefeller, chairman of the Chase Manhattan Bank, told its shareholders that Chase would not make loans that tended to support apartheid, Mr Stephen Ryke, Chase's senior official in South Africa, said: "We're just carrying on as before, and we'll soon be moving to bigger premises. Most of the American companies are standing pat," said Mr James Green, international management

specialist for the Conference Board, a research organization supported by United States Corporation's. "They feel that whatever political entity survives will want them there."

To reinforce such resolve, the South African Government has accelerated its lobbying and public relations programme in the United States.

Interviews with dozens of American businessmen indicate that most of them still consider South Africa to be an excellent market for their products and a prime source of raw materials.

An official of the Goodyear-Tyre and Rubber Co, which employs 2,590 South Africans, said he could foresee nothing that would lead us to withdraw from South Africa.

The General Electric Company, which has extensive operations in South Africa, said its presence there could be influenced by a number of things — a change in United States Government

policy, for example, or a change in worldwide markets. But one thing would not influence it, a GEC spokesman said: "The requests of activist groups to get out because they say our presence supports apartheid."

Echoing a theme sounded by virtually every company that does business in South Africa, GEC said it felt it could do more for its black employees in that country by remaining than by leaving. Jobs for blacks in an money in their pockets and a higher standard of living than they would otherwise enjoy, according to the corporate argument.

Several American companies and banks that do business there have publicly deplored the repressive nature of the Vorster Government and have vowed not to support apartheid. The Polaroid Corporation halted all sales in South Africa two weeks ago following disclosures that its distributor was selling him to the Government in violation of a 1971 agreement.

HOLIDAY HOME
Escom thought of lodging the South Africans and their families — more than 100 people — in the chateau run by an association as a family vacation home, cultural centre and complex for training engineers.

May this association went bankrupt with one million francs (R200-000) in debts. The Escom contract looked like a lifebuoy as it spanned 18 months from January 1.

But there were political problems. The society's board was split, local councillors protested violently on anti-apartheid grounds. Tracts and petitions appeared and anti-South African graffiti was daubed on the chateau walls.

FELL THROUGH
The sources said that on November 10 the deal fell through. It seems the right thing about the climate which was building up around the arrival of the South African engineers, said Andre Grange, the board's chairman, who originally backed the contract with Escom.

It is now likely that the chateau will be sold off to a private buyer.

Few leave

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Polaroid: Bid to stop pull-out

ARGUS 62
5/12/77

The Argus Correspondent JOHANNESBURG. — Two directors of the South African distributor of Polaroid products returned to Johannesburg at the weekend after apparently futile efforts to get the ban on Polaroid sales in South Africa revoked.

But certain obligations will be met, Mr Helmut Hirsch, joint managing director of Frank and Hirsch, said today.

He and another director, Mr O J Berman, flew to the United States the previous weekend to discuss Polaroid's decision to pull out of South Africa.

In a statement Mr Hirsch confirmed that Polaroid is honouring its contract until its expiration at the end of this month.

Outstanding orders will be executed in accordance with its terms, Mr Hirsch said.

I will continue to pursue with Polaroid possibilities for minimising hardships to owners of Polaroid equipment.

In that connection, Frank and Hirsch will fulfil warranty obligations on Polaroid products.

He added that it was Polaroid's policy to review annually its charitable contributions in South Africa.

Agent's letterbox shattered

The Argus Correspondent DURBAN. — A letterbox at the Umhlanga home of a Durban Polaroid agency official was blown to pieces by fireworks late last night.

The blast took place at the home of Mr D Els, at 41 Campbell

Drive, about 11 pm. It was heard by Mrs Veronice Els, who told police she had heard a car drive away fast after the blast.

Mr Els, who is branch manager of Frank and Hirsch (Pty) Ltd, agents for Polaroid, could not be contacted, and Mrs

Els refused to discuss the incident.

Mrs Els told the police she had heard the blast about 11 pm and then heard a car drive away.

About 5.30 am today, she went outside and found that the letterbox had been blown to pieces.

public

US firms in SA are digging in'

RDM (62)
6/12/77

By RICHARD WALKER

NEW YORK. — American companies in South Africa "are digging-in their heels" and mean to stay, according to a report published in the New York Times.

The report, by business writer Michael Jensen, puts direct US business investment in South Africa at close to R1.5-billion and outstanding American bank lending at R2-billion. It quotes an estimate that the US has supplied a third of all South African Government and company borrowings.

Jensen says: "The overall condition is still one of relative stability." He

credits South Africa's costly lobbying operation in New York with helping to encourage this impression.

He says Polaroid was only a "bit player" and sees no major significance in the few other companies who have quit.

Virtually every company questioned in this report said it believed it could do more for blacks by staying in South Africa than by leaving.

A General Electric spokesman told Jensen the one thing that would not influence it was requests from activist groups to get out because "your presence supports apartheid".

General Motors said: "We have been there for more than 50 years and we plan to be there for a long time to come."

Goodyear said it could foresee nothing that would lead them to withdraw.

Jensen found banks more sensitive to the impact of protests and picketing, but noted that no large bank had flatly stated that it would not loan to South Africa. There was, however, an indication of reduced exposure through shorter term loans.

The First National Bank of Boston, for example, said it had reduced the terms of prospective South African loans from five years to three.

the

of labour, by persuading employers

1. A union can attempt to control the supply of labour.

between jobs. different, wage differentials would compensate for non-money differences value of the marginal product of labour. If people were alike but jobs wages would be determined by supply and demand. Wage rate will equal the if all men and jobs were exactly alike.

5. Wage differentials under perfect competition would be non-existent, i.e. productivity theory. Low of diminishing returns implicit in this process. productivities in particular fields. Long-run nature of marginal The marginal product of a factor. Difficulty of knowing marginal $Q=F(L,K)$. Connection between production function and distribution theory. problem. What is the production function? A technical relationship Need for the production function concept to help solve the imputation

4. The problem of separating the productive contributions of each factor when products are jointly produced by factors.

Nov 10 12 57

Polaroid 'snappers' getting grace

Polaroid "snappers" — whether for pass books or pleasure — will be able to produce their three-minute snaps for a few months yet despite the decision of the giant American photographic and sunglasses group to halt supplies of its products to its South African distributors.

But no further supplies will be sent out from the end of this month, and local stocks can only be expected to last a few months.

Polaroid cameras are being offered at discount prices by many firms, with special offers of free film, but there appears to be no guarantee that the cameras will be of any use to purchasers within a few months.

Mr Helmut Hirsch, joint managing director of Polaroid's sole southern African agents, Frank and Hirsch, flew back from Cambridge, Massachusetts, this week after talks with Polaroid executives.

ANOTHER TRIP

"Everything was very friendly, but I am afraid the embargo will start on December 31 and they appear determined to maintain it while the political situation is as it is.

"We are not too badly off at the moment. Companies are trading normally in Polaroid products because we had ordered heavy supplies for the Christmas season demand in any case and all orders up to December 31 will be honoured. So there are still substantial orders on the way," he said.

"There is certainly still enough to keep us going for several more months and I will be going over to Cambridge again in March to see if I can change the situation."

His company would also fulfil its warranty obligations on Polaroid pro-

HOPEFUL SIGN

A hopeful sign, said Mr Hirsch, was that Polaroid had decided to continue for the coming year at least, its annual contribution of R40,000 to the American-South African Study and Educational Trust (Asset).

"In fact, we got on as the best of friends — it is mainly that as a US company they are subjected to considerable pressure.

"I am still hopeful that we will be able to come to some solution."

A major issue which was still being discussed, he said, was the fact that Frank and Hirsch have been distributing Polaroid products throughout Southern Africa — to countries such as Zambia, Lesotho, Botswana and Swaziland, apart from South Africa.

"We have still to iron out the question of our future supplies to these countries." — Sapa.

John Deere

Rapport 11/12/77

kom met

4 nuwe ⁽⁶²⁾ trekkers

OM tred te hou met sy jarelange tradisie om voortdurend die landbou met gevorderde uitrusting te voorsien om boere in staat te stel om meer ekonomies en produktief te boer, het John Deere so pas vier nuwe trekkers in Suider-Afrika bekend gestel.

Hulle is die: 4240 94kW (SABS 013); 4440 117kW (SABS 013); 4640 131kW (SABS 013) en die 4840 153kW (SABS 013). Besondere kenmerke van die nuwe ysterperde uit die stal van John Deere is:

★ Groter trekkrag. 'n Magdom-enjin- en onderstelveranderings is aangebring

kringloop om die 3-punt-haak se hysvermoë aansienlik te vermeerder.

★ Groter enjins — almal is John Deere-geboude 6-silinder-dieselenjins wat vir langdurige, betroubare werkverrigting ontwerp is.

★ Groter brandstofte — verseker langer werkskifte en kan tot tien uur swaar werk in die geval van

Landbou - RAPPORT

om selfs klein kilowatt-toenames te versterk.

★ Groter hysvermoë by 3-punt, vermeerder met nuut ontwerpte tuimelaars met sterker onderdele en 'n gewysigde klepstelsel en

die groter trekkers lewer.

★ Langer asafstande — beteken 'n stabielere trekker in die meeste toestande en dra by tot groter operateursgerief.

★ Meer bruikbare hidrou-

liese krag.

★ Bykomstige wrinkragreserwe — soortgelyk aan die wrinkragreserwe wat in die maatskappy se vierwiel-aangedrewe trekkers ingebou is.

★ Nuwe „Sound-Gard“-kajuitmonterings — dra by tot groter operateursgerief.

Die nuwe trekkers is by die maatskappy se hoofkantoor op Nigel aan sy netwerk van 100 handelaars in Suider-Afrika bekend gestel.

Met die bekendstelling van die nuwe trekkers het die maatskappy se bemarkingsdirekteur, mnr. Bill Pascoe, gesê hulle is die gevolg van die maatskappy se wêreldwye beleid deur sterk ondersteuning te verleen vir die ontwikkeling van sy produkte wat gebaseer is op 'n navorsing- en ontwikkelingsprogram wat ongeëwenaard in die industrie is. Dit behels tussen vier en vyf persent van die maatskappy se dollarverkope, ongeveer dubbel die twee persent wat die motorbedryf spandeer. Verlede jaar het John Deere R104 miljoen op navorsing en ontwikkeling bestee.

Die maatskappy het meer as 3 000 persone dwarsoor die wêreld in ingenieursondernemings in diens. Ongeveer 1 000 is professionele persone waarvan baie erkende gesaghebbendes in hul onderskeie gebiede is.

Meer as twee-derdes van die maatskappy se produkte wat nou bemark word, is sedert 1968 hersien en bekend gestel. Uit 400 van die maatskappy se huidige landbouprodukte is 258 in die afgelope ses jaar hersien en bekend gestel.

THE POLAROID FIXER

By KEVIN JACOBS

NEW YORK: A former saboteur who spent 10 years on Robben Island blew the whistle on the Johannesburg firm which has lost \$5 million dollars in business with the Polaroid Corporation for doing secret deals with the South African Government.

Indrus Naidoo, who was fired by the firm — Frank and Hirsch — in 1976, told an intriguing story of Polaroid products being sold to Government agencies through a Johannesburg pharmacy, which avoided Government payments directly to Frank and Hirsch.

Defiance

He also told how consignments of photographic supplies were packed in unmarked cartons and delivered to military headquarters and other addresses by unmarked vans.

Frank and Hirsch lost the Polaroid business when the corporation ended an 18-year relationship following disclosures of sales to the Government in defiance of a 1971 agreement drawn up to prevent Polaroid products from

Camera giant's deals exposed by saboteur of Robben Island

getting to the Government. Polaroid came under heavy fire from its own black employees at the time because its products were being used by the Government to produce passports, seen as a symbol of oppression.

Managing director Mr Helmut Hirsch returned to Johannesburg this week after failing to persuade Polaroid executives to restore the distribution contract.

The row blew up when a photostat copy of a 1975 delivery note confirmed the sale of photographic goods to the Bantu Reference Bureau in Pretoria.

The note had been copied by Indrus Naidoo — who fled South Africa earlier this year — and sent to the American Committee on Africa, based in New York.

Kept quiet

Paul Irish, a committee official, kept it quiet for almost two years for fear of endangering Naidoo while he was still in South Africa. But recently it was brought to light when a Boston Globe reporter spoke to Irish about whom American corporate policies in South Africa. Confronted with the delivery note copy, the Polaroid Corporation hastily dispatched a senior ex-

ecutive from its headquarters in Cambridge, Massachusetts, and an auditor from London to probe the issue on the spot in Johannesburg.

They apparently uncovered details of several other deals with Government departments, including the sale of sunglasses to the Air Force.

Cartons

Naidoo told the Boston Globe that Frank and Hirsch charged Government shipments through Muller's Pharmacy in Johannesburg. The consignments were delivered in unmarked cartons and unmarked vans.

He spoke of regular deliveries to Voortrekkerhoogte and said charges were done through Muller's Pharmacy, avoiding records of Government payments, directly to Frank and Hirsch.

The Globe spoke to Naidoo by telephone in almost two years for fear of endangering Naidoo while he was still in South Africa. But recently it was brought to light when a Boston Globe reporter spoke to Irish about whom American corporate policies in South Africa. Confronted with the delivery note copy, the Polaroid Corporation hastily dispatched a senior ex-

Sum Tob
11/12/77
62

Polaroid just covering up, UN is told

62

STAR
13/12/77

Hugh Robertson

NEW YORK — The Polaroid Corporation was accused at the United Nations yesterday of trying to cover up its continued co-operation with the South African Government by making "empty public gestures" about withdrawing from the country.

A former employee of the company, Miss Caroline Hunter, who led the first protest against Polaroid's involvement in South Africa and who brought the issue before the UN in 1971, made the allegations in a statement to the UN Committee against Apartheid.

"Polaroid used the same tactics in 1970 when the Polaroid revolutionary workers' movement exposed its role as the sole supplier of pass book film and equipment and demanded its withdrawal from South Africa," she said.

"Then, as now, Polaroid responded with empty public gestures and a cover-up of its continued trade with the South African pass system and government."

Miss Hunter claimed that Polaroid had "secret dealings" with the South African military establish-

ment and used "clandestine methods" to continue dealing with Bantu reference book authorities.

"Polaroid is unique in that it is the only company that can fulfil South Africa's need for instant identification systems — whether pass books or race identity cards.

"The Vorster plan for new identity documents challenges the effect and the truth of Polaroid's alleged withdrawal and cover-up," Miss Hunter alleged.

Polaroid also had research and manufacturing experience with many war materials involving polarisation and night seeing devices and this was an example of serious questions posed by United States companies with investments in South Africa.

Miss Hunter claimed that a new system of identification was being introduced in South Africa based on IBM computers and "computer-compatible Polaroid identification cards," and that it was essentially the same as the old system insofar as it would be used to enforce "the same dehumanisation and control under the same police powers."

Kodak urged: ban SA sales

ROM 16/12/77

By BRIAN O'NEILL

THE WORLD'S largest photographic corporation, Eastman Kodak, will be asked to ban sales to South Africa.

A group of shareholders plan to submit a resolution to the giant United States corporation asking it to stop dealing with South Africa.

Last year the corporation's South African subsidiary, Kodak, totalled sales of about R20-million. Eastman Kodak's world-wide sales totalled over R4,000-million.

In South Africa yesterday Kodak's public relations officer, Mrs Cecilia Polden, said the company's present policy was "opposed to" withdrawal from South Africa.

"We have not been in contact with Eastman Kodak about the resolution and we only expect to hear something when the resolution is submitted."

She said Kodak supplied the full range of their products to "a large number of South African Government departments".

These products include amateur and professional products, sheet film, photographic paper, chemicals, graphic arts products, plan reproduction film, X-ray films and processors, audio-visual aids, projectors and microfilm.

Force

United Press International reports from Boston that the move by Kodak shareholders is the latest in a series aimed at forcing 400 US corporations to pull out of South Africa because of "the white minority government's refusal to grant equal rights to the black majority".

The move comes only three weeks after Polaroid, the giant US camera and film manufacturer, pulled out of South Africa.

UPI reported that an article in the Boston Globe on Wednesday said the Board of National Ministries of American Baptists, which holds 900 Kodak shares, planned to submit the resolution, ask-

Although the board's holding represents a tiny part of the 360 million shares on issue there is a strong possibility that the movement could snowball.

Ms Martha Savio, spokeswoman for the Baptists, said she hoped the resolution would be debated at the shareholders meeting in April next year.

Millions

Polaroid, whose SA trade was worth R3 to R4-million, pulled out of the country last month, after sacking its local distributors for selling film and equipment to the Bantu Reference Bureau for use in identity passbooks for blacks.

The Baptist resolution pointed out that the SA Government might look to Kodak to supply it with the equipment after the Polaroid pull-out.

However Mrs Polden said: "We have no products which are comparable with Polaroid equipment. Our instant camera and film is designed for amateur use and could not be used for passbook pictures."

Kodak has been in South Africa since 1913 and employs 470 people — half of them black.

62

Cape Times 20/1/77
Ford to spend
extra R7m (62)

PORT ELIZABETH. — The Ford Motor Company intends to increase its investment at the Port Elizabeth plant by R7m to a total of more than R10m. Mr Brian Pitt, general manager of Ford, said yesterday.

The increased investment was being made in spite of United States pressure on American companies to suspend plans for new projects in South Africa or withdraw them altogether.

~~Foreign~~

FOREIGN FIRMS - UNITED STATES

~~1978~~ 1978

JAN — DEC.

Henry Ford kom kyk self in SA

HENRY FORD II, kleinseun van die legendariese Henry Ford, kom Donderdag in Suid-Afrika aan. Hy sal 'n week hier wees, meestal by die Ford-motormaatskappy in Port Elizabeth.

Dit is Henry Ford se tweede besoek aan Suid-Afrika en is deel van 'n wêreldreis na al die Ford-filiale.

Dit is bekend dat Ford in Amerika onder kwaai druk verkeer oor sy bedrywighede in Suid-Afrika. Ford sal waarskynlik op sy besoek aan die land homself persoonlik op die hoogte bring van toestand hier en veral in sy

fabriek in Port Elizabeth.

Toe Ford van Amerika onlangs aankondig hoeveel hy vanjaar in sy filiale in ander wêrelddele gaan belê, is daar geen melding gemaak van enige verdere beleggings in Suid-Afrika nie.

Ford Suid-Afrika het egter later in 'n oorsig oor sy planne vir die nuwe jaar onder meer bekend gemaak dat hy vanjaar R7 miljoen hier sal bestee. Daar is later hierop uitgebrei en dit is duidelik gestel dat hierdie belegging net normale instandhoudings- en vervangingskoste verteenwoordig.

Cape Times 11/11/78 (62)

Henry Ford to meet Vorster

Political Correspondent

THE chairman of the Ford Motor Company, Mr Henry Ford II, is to have discussions with the Prime Minister, Mr Vorster, in Cape Town next week.

This was confirmed yesterday by a spokesman for the Prime Minister's office. The meeting will take place on Monday, January 16, and is scheduled to last about 1½ hours.

Mr Ford, one of the world's highest paid executives, arrives in South Africa today for a visit lasting eight days. His private company aircraft will touch down in Port Elizabeth this afternoon on a direct flight from Nairobi.

The managing director of Ford South Africa, Mr Brian Pitt, yesterday said that Mr Ford last visited South Africa ten years ago. His itinerary would include plant tours, discussions with the company's South African management in Port Elizabeth and a meeting with the company's dealer body in Johannesburg.

Mr Ford will arrive in Cape Town on Friday afternoon and is expected to spend the weekend with friends. He became chief executive officer of the company when his grandfather, Henry Ford, retired in 1945.

Henry Ford visits PE factories

ARGUS
12/11/78

62

The Argus Bureau

PORT ELIZABETH. — The chairman of the Ford Motor Company, Mr Henry Ford II, is visiting the Port Elizabeth plants today at a time when the local company is facing one of its most challenging years.

When he stepped out of the company's private jet after flying from Nairobi he said: 'It's nice to be back in South Africa and to see developments at our plants.'

The South African Company has returned to a normal working week after working a four-day week at irregular intervals during 1977.

Against this positive factor must be mentioned the growing international call to isolate South Africa and threats to withdraw overseas investments in South Africa.

One of the biggest problems facing Ford South Africa in 1978 will be to satisfy its critics overseas,

which the company is already doing to some extent through its policy of non-discrimination, equal pay for equal work and upliftment of black workers.

R7 MILLION

Officially, Mr Ford is visiting South Africa as part of the celebrations in 1978 to commemorate Ford's 75th anniversary worldwide and South Africa's 55th anniversary.

Ford South Africa will spend an extra R7-m on its Port Elizabeth operations this year so that the company's total involvement in its four Port Elizabeth plants will be more than R110-m.

Henry Ford's visit 'focused on blacks'

62
Star 14/1/78

The Star Bureau

NEW YORK — Mr Henry Ford is being "carefully vague about the purposes" of his visit to South Africa, says a report in The New York Times written by a staff correspondent from Port Elizabeth, where Mr Ford this week toured his company's factory.

Mr Ford is quoted as saying: "It's been 10 years since I've been here, so I thought I'd see how everything was going."

But Ford company officials, says The New York Times report, "said pri-

vately that the status of the black employees would be the major topic of Mr Ford's discussions with his executives here, ahead of the profit problems faced by the South African operation in a recession."

The report quotes differing views among black workers as to the effectiveness of Ford's policy of giving black employees a fair deal.

Mr Arthur Shipalana, the most senior black in Ford's South African operation, a university graduate, and an organisa-

tion planning analyst earning R6 000 a year, is quoted as saying that blacks had no cause for grievance and "I think Ford is doing tremendously."

Other black employees are described as being dissatisfied. Complaints focused on issues such as segregation, wages and job opportunities which the "Sullivan Manifesto" had sought to redress. The Manifesto is a document setting out guidelines for American companies operating in South Africa

One black employee told the Times: "When the manifesto was announced, there was a general feeling of 'Good, this will force those white people in the management to do something for us.'

"But nothing has happened. Now there is a lot of disappointment."

● The US Federal Trade Commission accused the Ford Motor Company yesterday of selling cars with faulty engines without disclosing the problem to its customers. The company was also cited for failing to disclose to customers their right to have the engines repaired at company cost.

The alleged defect, "piston scuffing," is attributed to an inadequate lubrication system employed by the manufacturer to save production costs.

62

Henry 2's here—and living in style



HENRY FORD 2 at Hout Bay harbour today.

Weekend Argus Reporters
WHEN Henry Ford 2 spends a day relaxing he does so in style.

Following his arrival in Cape Town last night, the 60-year-old chief executive of the Ford Motor Company today boarded the ultra-luxurious fishing vessel Marauder at Hout Bay for a morning 'pleasure cruise.'

The Marauder costs more than R1 000 a day to charter, but Mr Ford was welcomed aboard as a guest by Mr Jack Ovenstone, chairman of the Ovenstone business empire and owner of the vessel.

Before the arrival of Mr Ford's entourage in a fleet of new Ford cars, the Marauder had been stocked with food and drink.

A case of vintage wine, a case of champagne and several antique silver ice-buckets were some of the items brought on board.

THE PASSENGERS

Among the passengers were Mr Ford's host, Mr Olive Menell, Anglo-Vaal chairman, Mr Ed Molina, vice-president of Ford's Latin-American division, Mr Ovenstone and Mr Don Peterson, executive vice-president of Ford International.

Mr Ford, one of the world's wealthiest men, arrived in a manner befitting the rich and important.

Travelling in one of the several private jets Ford has in its 'air fleet', a BAC III, executives made sure that no ordinary citizen could get near enough to touch him.

At D F Malan Airport rules had been relaxed to allow Ford executives to take a car fleet on to the tarmac. But these arrangements were changed at the last minute. Instead, Mr Ford and his entourage of 13 execu-

tives and friends were whisked through the VIP lounge to cars and chauffeurs outside.

Ford travelled in a luxury Granada Ghia. Beautiful widow Mrs Catherine du Ross was his companion.

Details of her background are top-secret, though it is believed that she has become a confidante of Mr Ford, who is separated from his Italian-born wife Cristina Vettore.

After their arrival the party was whisked off to the President Hotel, where most are staying until Monday, when they leave for Johannesburg.

Ford:

We

ARGUS

16/1/78

will

62

stay

in SA

The Argus Political
Correspondent

MR HENRY FORD II told the Prime Minister, Mr B J Vorster, in Cape Town today that Ford Motor Company would remain in South Africa.

The meeting, which took place in Mr Vorster's office in the H F Verwoerd Building in Parliament Street, lasted an hour.

Mr Ford, head of Ford Company, was accompanied by Mr Donald E Petersen, executive vice president of international automotive operations of the Ford Company.

After the meeting Mr Ford said he had a 'most enjoyable' general conversation with Mr Vorster.

They discussed business and economic matters.

POLITICAL ASPECTS

They spoke about the Ford operation in general but not about specific details.

'We are staying in South Africa. We are not moving out. We are continuing our operation here and we hope it will grow.'

Mr Ford said they discussed political aspects of the economy in general.

Mr Ford, who arrived in South Africa last week, flew to Johannesburg this afternoon. He is due to leave the country on Thursday.

STAR 19/11/78
New deal
for black
workers
at Ford

Harvey Thomas, Motor
Editor

The chairman of the Ford Motor Company, Mr Henry Ford II, announced a new deal today for his black South African workers.

Mr Ford, speaking in Johannesburg, admitted that his "We-will-stay-in-South-Africa" statements could run into flak in the United States.

The better deal for Ford's black employees include:

- Greater emphasis on training.

- Improved educational facilities to groom possible management candidates.

- And when these candidates were available an open door into Ford's local management.

Referring to his R110-million investment in this country, Ford's only direct investment in Africa apart from Egypt, Mr Ford said:

"We believe that we have not done as much as we could for the education and training of our employees. But this has been an international problem, a mistake of management and of mine."

EQUAL CHANCES

"We have made specific inquiries into the progress achieved by Ford South Africa in affording every chance to all our employees, particularly in the areas of training and education which we regard to be the key elements in opening the doors to equal opportunity."

"We are very pleased with the results to date and with the programme laid down for the future. We have budgeted significantly increased sums for 1978 (in excess of R1-million) for all our employees. We are putting more money into educational support and housing amenities."

"Equal pay for the same work is a firm policy of ours."

STAR 20/11/78 (62)

US firms told: quit SA

The Star Bureau

NEW YORK—The National Association for the Advancement of Coloured People has called for the total withdrawal of American businesses from South Africa.

It said that where immediate withdrawal does not occur, it would apply forceful pressure on American firms to provide black employees with housing, transportation and

for their children, education assistance, equal pay for equal work and equal advancement opportunity to management.

Among some of the other recommendations adopted by the board were:

- Revoke landing rights for South African Airways in the United States until SAA integrates its flights personnel.

cline all privileges, amenities and accommodations not routinely afforded the black and coloured residents of South Africa.

Nine months ago a number of major American corporations agreed to support a set of fair employment practices.

But US officials say the companies have fallen far short of fulfilling their pledges.

MORE TOURISM

- Call on congress to bring total and immediate pressure on South Africa and on America's allies to end the supply of oil, armaments and other non-humanitarian forms of support to Rhodesia.

- Encourage more tourism by Americans to Africa to reinforce cultural ties. At the same time, black Americans visiting South Africa should de-

Penalties planned for US firms

The Argus Bureau

WASHINGTON.—The Carter administration is expected to come under direct pressure from the United States Senate actively to discourage new investment and financial involvement in South Africa.

This follows recommendations made by Sen-

ator Dick Clark that the administration should end activities which promote the flow of capital and credit to South Africa and eliminate tax credits for United States firms co-operating with Vorster-Government policies.

Demand

The report is expected to be approved by the powerful committee and eventually get full Senate backing.

This new and powerful pressure on the administration to take tougher action against South Africa comes after a de-

mand from the National Association for the Advancement of Coloured People for a total withdrawal of American business.

But Senator Clark, chairman of the committee, said he did not feel that more extreme measures — such as broad trade sanctions or full disengagement of United States investments — were wise or possible at this time.

He warned, however, that stronger measures may be advisable in the future if these policies do not have their desired effect.

Much depended on events in South Africa and the willingness of all participants there to accept constructive formation.

The Clark report coincides with the completion of the administration's review of its economic links with South Africa.

expressed doubts over how long President Carter can withstand mounting pressure from congressional, black and Church sources.

A top-ranking official also conceded that the Canadian Government action had put additional pressure on the Carter administration at least to bring its policies into line.

Senator Clark said the findings contained in the report indicate that United States economic interests in South Africa have been pivotal in directly assisting the South African Government.

Not immediate

But while State Department officials have made it clear that no immediate action is contemplated, they have also

expressed doubts over how long President Carter can withstand mounting pressure from congressional, black and Church sources.

A top-ranking official also conceded that the Canadian Government action had put additional pressure on the Carter administration at least to bring its policies into line.

Senator Clark said the findings contained in the report indicate that United States economic interests in South Africa have been pivotal in directly assisting the South African Government.

The effect

The report says instead that the net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's apartheid regime — undermining the fundamental goals and objectives of United States foreign policy.

Senator Clark said these findings made the United States policy of neither encouraging nor discouraging new United States investment in South Africa no longer tenable.

He emphasised, however, that the new policies he was recommending represented a moderate approach to the situation. They were virtually identical to policies adopted by the Canadian Government last month.

The recommendations are aimed at 'fostering specific and meaningful changes in the role which United States corporate interests have traditionally played.

Firms 'tax' on equal opportunities

The Argus Bureau

WASHINGTON.—The data in the survey of American business interests in South Africa is based on the replies of 75 companies, or 30 percent of the 260 firms which were sent questionnaires by Senator Dick Clark.

More than half the firms stated they had an equal employment opportunity policy specific to South Africa but generally they indicated a 'tax and highly selective' application of this policy in their operations.

There was little evidence that US firms deliberately adopted a policy of avoiding support of the South African Government or apartheid.

In fact, only one company, Control Data Corporation, specifically stated that it had a self-imposed restriction on business transactions which might support the continuation of apartheid.

Seven companies admitted they did not give equal pay for equal work, nearly all citing inexperience of black workers as the major obstacle.

The companies are Kellogg Co, NCR Corp, Norton Co, Richardson-Merrell, Inc, Smith Kline and French Laboratories, TRW Incorporated, Valvoline Oil Co, Monsanto and Carborundum Company did not have answers for questions on equal pay and difficulties encountered in giving equal pay.

Among various difficulties encountered four of these firms cited high wages for whites' three

folded high demand for whites' and only one cited 'strength of white unions'.

But of those 63 firms that did offer equal pay for equal work, indicated they had no difficulty doing so.

NO DIFFICULTY

The report notes on the subject of wages that some firms such as the Ford Motor Company, which had fairly progressive policies in equal work opportunities, black training, or other fields, were among the 25 firms paying the lowest level of wages.

Worker representation constitutes the most contentious subject of US corporate activity. Although not legally prohibited, black unions are not officially recognised by the South African Government, which fears the political conse-

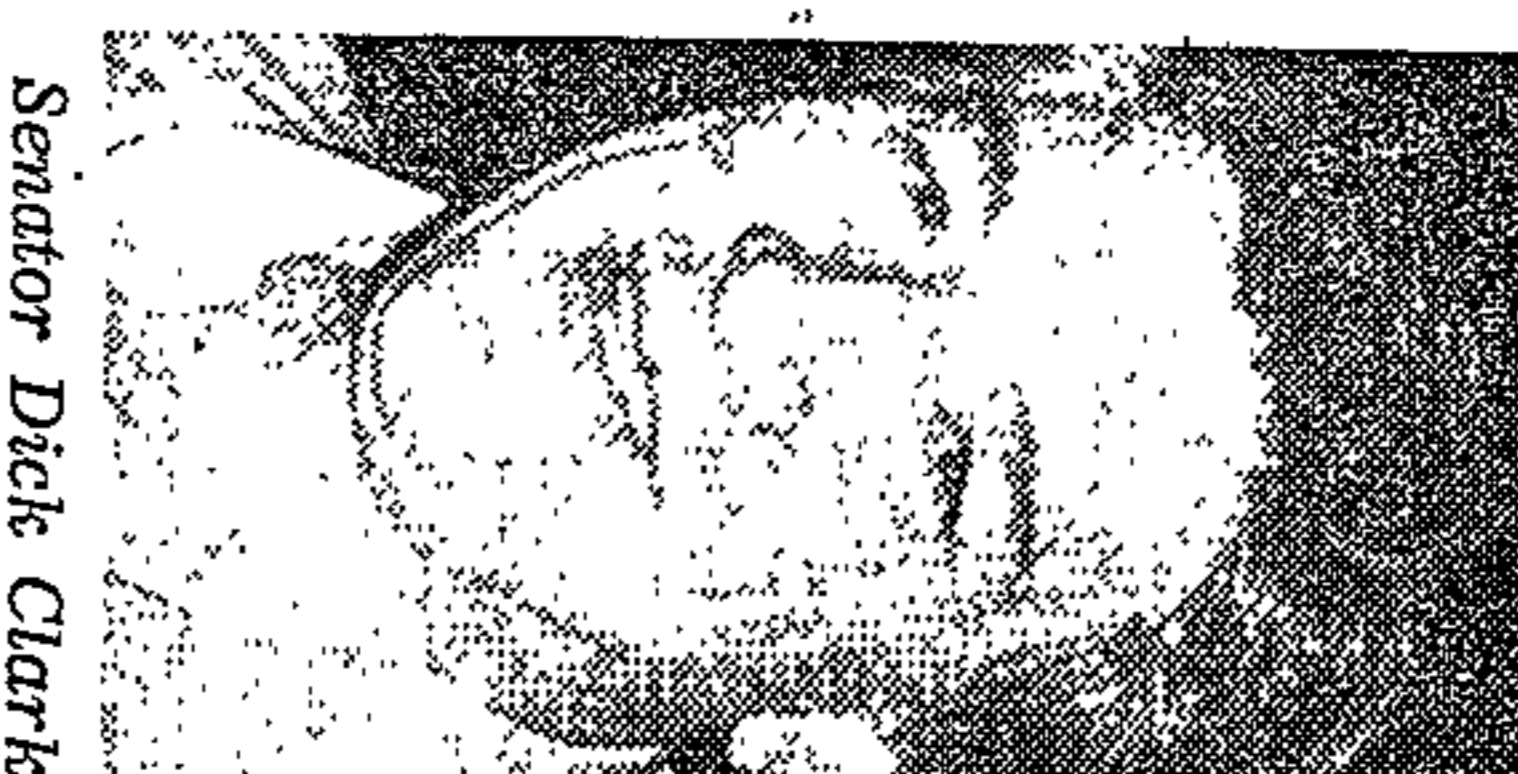
quences of a black labour movement in a society in which 70 percent of the labour force is black, states the report.

Foreign firms are reluctant to encourage their development because they may ultimately diminish corporate profitability.

Hence not a single US firm recognises or negotiates with an African trade union. The report notes, however, that Ford Motor Company has recently announced its intention to recognise a black union following a similar announcement by Volkswagen.

Sixteen firms indicated they had no worker representation at all and 45 firms said they had partial representation consistent with Government-supported worker/union committees.

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Senator Dick Clark

Withhold credit from SA, US group urges

The Argus Bureau

WASHINGTON. — A Senate report on American investment in South Africa says that continued access to international credit has become a grave issue for the South African Government.

On this basis it suggests that this could become an instrument of United States policy in its attempts to bring about change in South Africa.

'The economy is moving into its fourth year of decline and investor confidence is likely to be further reduced if international credit is withheld,' it says.

ECONOMIC GROWTH

The report, by Senator Dick Clark, goes on to say that foreign direct investment — the principal force behind economic growth — has all but ceased.

In 1977 there was the immediate need to repay 3.4-billion dollars (R2.95-billion) in maturing international bank claims, but in spite of this need US commercial banks and reportedly some European banks, did not extend term loans to South Africa.

'Private bank sources state their decision to hold term-lending in abeyance is due almost wholly to the political risk association with apartheid rather than to concern about the South African economy which is considered fundamentally strong,' the report says.

REDUCED

'International credit is a potential instrument of US Government policy at this time because the 1974—77 economic recession and the 1976—77 political demonstrations in South Africa have reduced its political insularity and its economic vitality.

'It has therefore made access to international credit an important ingredient in creating the conditions and confidence which the Government needs to support viable solutions to its political and economic difficulties.'

NOT DECISIVE

The report says US economic interests in South Africa may not be decisive in bailing the country out of its economic woes.

'But there is no question that it has been pivotal in directly assisting the South African Government during its worst economic difficulties in the past, and, if permitted, could do so in the future.'

✓
ningful changes in the role which US corporate interests have traditionally played in SA."

Together with this, he advocates measures to make it more difficult for US firms to operate in SA. In short, Clark appears to want to encourage those US firms who want to promote change in SA, and to make operating here difficult for those who don't.

Down the middle

While his proposals will no doubt be received with horror by many US businesses in SA, they are in effect an attempt to steer a middle course between the pro- and anti investment lobbies. Clark himself acknowledges this: "Some will say the recommendations go too far; others will say they do not go far enough."

His specific proposals include:

- Ending Eximbank insurance and loan guarantees; withdrawing US embassy commercial attachés; ending SA visits by Commerce Department officials; and ending the supply of economic data and advice to potential US investors.

THE FACTS ABOUT US FIRMS

Clark's committee has certainly succeeded in digging out a wealth of information about US companies in SA - although his report does point out that only 30% of his researchers' sample (or 75 firms) responded to the questionnaire and that not all responded in full. Respondents do, however, include most of the biggest US firms in SA.

Clark estimates that out of \$7.6bn owed by SA borrowers to foreign banks at end-1976, US banks claimed some \$2.2bn, or 29%. The largest lenders are Bank of America, Citibank, Chase Manhattan, Manufacturers Hanover, Morgan Guaranty and Chemical Bank.

International credit to SA as a percentage of total foreign investment jumped from 15% in 1974 to 32% in 1976.

Eximbank guarantees and insurance on exports to SA climbed from \$38.2bn in 1972 to \$82.4m in 1975 and \$141.7m in 1976. Total exposure to SA in mid April last year was \$205m. Finance for US commodity exports to SA from the Commodity Credit Corp has grown from \$9.7m six years ago to \$12.2m in mid 1976.

Clark estimates that there are 300 US firms operating in SA, employing about 100 000 people. The dozen biggest account for roughly 75% of the US investment here, \$1.7bn at book value in 1976.

US firms account for 43% of the SA petroleum market, 70% of computer

- Denying tax credits to companies which invest in SA government projects, the Bantustans or in border areas. Here Clark recommends the drawing up of a code of "fair labour practices" -- probably similar to the EEC code -- and denying tax credits to firms which violate it or participate in SA military projects.

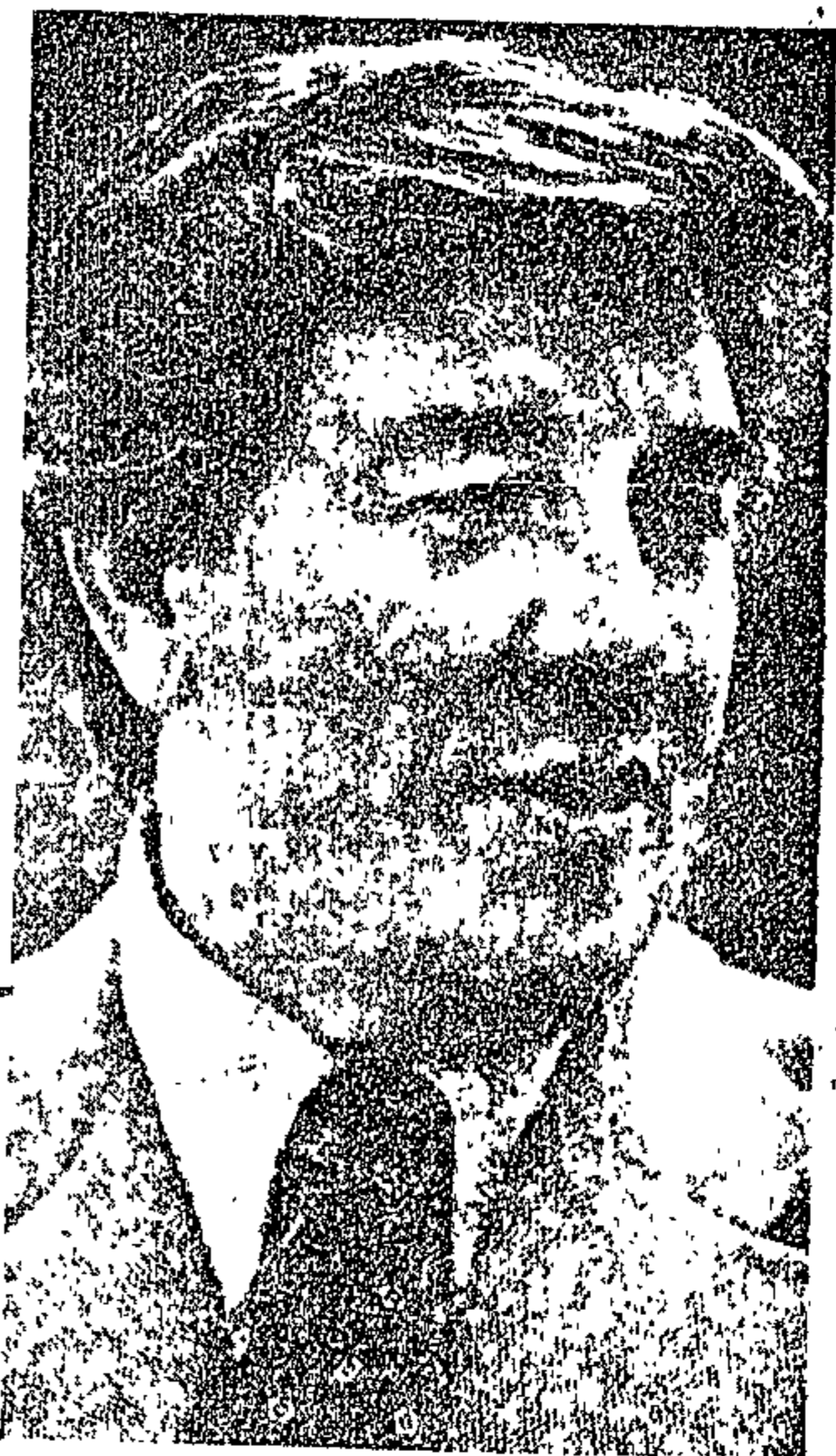
The code would be drawn up in consultation with US businessmen and would probably be monitored by US labour attachés. In this way, Clark hopes to give employment codes the "teeth" which they have not had up to now.

- Withholding recognition of private groups which promote US investment in SA unless they "satisfactorily support" the US government code.

In short, the proposals do not set out merely to punish US firms for doing business in SA. Rather, they seek to nudge firms in the direction of a better deal for their workers and to make it clear to Pretoria that their continued presence here depends in large measure on progress towards racial equality.

Clark stresses he doesn't expect US companies to break SA law. What he

does want from them is an aggressive stand against apartheid and a more energetic application of moves towards racial equality. If his proposals are accepted, US firms here might find compliance with these principles a business necessity rather than the public relations exercise it has been up to now.



Dick Clark . . . trying to promote meaningful change

Hill, Colgate-Palmolive and Gillette.

Asked to name major obstacles to promoting black workers, 41 firms cited legal restrictions, chief among which were the Industrial Conciliation Act and restrictions on integrated shops and offices.

Surprisingly few (seven) laid the blame at the door of white unions, although 25 claimed opposition from white workers and 15 opposition from white customers.

The vast majority saw the answer to the promotion and wage problems in "greater productivity" and many cited the "inexperience" of black workers as a problem in implementing black advancement. However, few seem prepared to translate this view into action. Only one-third had training programmes adequate enough to qualify for SA government tax concessions.

Asked if civil unrest in SA had affected their operations, 29 firms said it had. Only eight, however, may change their plans as a result and the effects appear to have been minimal.

Clark report — not as drastic as it seems

FIN MAIL
3/2/78 (62)

Tough though Senator Dick Clark's call for Washington to "actively discourage" US investment in SA is, it is not as radical as it seems.

True, Clark is extremely critical of the role US firms have played in SA up to now. He argues that almost all pay only "lip service" to black trade union recognition, do little about black training (see box) and that "the net effect of US investment has been to strengthen the economic and military self-sufficiency of SA's

apartheid regime."

He is also sceptical of US multinationals' claims that they are promoting change in SA: "US firms are not conducting their business operations in a manner which would indicate clear or active disapproval of the apartheid system, nor are they creating any obvious leverage in the system for change."

But Clark is no supporter of a total withdrawal of US business. He does *not*

call for a trade and investment boycott, the blanket withdrawal of tax credits from companies doing business with SA or the withholding of visas from SA businessmen wanting to enter the US — measures advocated by some witnesses at his sub-committee hearings.

What Clark *is* advocating is a US government role in persuading firms to comply with US foreign policy objectives — a carrot and stick approach which would aim to "foster specific and mea-

Don't quit SA pleads American

WASHINGTON — An American businessman, Mr W. C. Norris, chairman and chief executive of Control Data of Minneapolis, who has interests in South Africa, took a strong stand here yesterday against the pressure exerted on United States businesses by American organisations and agencies to withdraw from South Africa.

He was the only United States industry leader testifying against proposed legislation which would prohibit export/import financing for South Africa.

Giving testimony to the United States House of Representatives banking committee's sub-committee on international trade, he said: "I am greatly concerned that the legislation before this sub-committee can be detrimental to the best interests of black, Coloured and Asian — in fact, to all — people in South Africa."

He said Control Data's philosophy was that a job was fundamental. This provided the means to feed and clothe the family, educate the children, raise the standard of living and in the timeless tradition, be a full human being.

The withdrawal of United States companies, imposition of economic sanctions, or other means of slowing economic activity in South Africa would deepen the poverty of the underprivileged and if carried far enough, eventually force an uprising and many millions of people needlessly killed.

Control Data could not even consider withdrawal or any role in economic sanctions or supporting actions to slow down economic activity.

The appropriate role in

South Africa for his and other American companies was to remain there, as viable business organisations and as a force for positive change.

But there were well-meaning people looking for macrosolutions — almost at any cost or threat to the lives of South Africans. Those who thought in terms of macrosolutions — whether such solutions be economic sanctions, boycotts or total isolation of South Africa in the community of nations, were flirting with the creation of an environment that could hasten revolution, Mr Norris said.

"We believe that when it comes to jobs — meaningful, uplifting, skilled jobs for impoverished Africans — it is the micro-level that must be worked, as we are doing, and the process must be evolution, not revolution."

On the American front, Mr Norris said: "All of us who are deeply concerned about human rights need to remember constantly the sorry plight of many unemployed in our own country, particularly minority youth. The right to a job is fundamental in my book and those youths without one are being denied the most basic of human rights."

"This is shameful and we can and must do better."

"Here again there are those seeking a macrosolution and there isn't one. We are down to virtually one job at a time."

Exports to South Africa meant jobs in the United States — not measured in millions of jobs, but in thousands — and financing should be available to assure as many jobs as possible. — SAPA.

Cape Times 11/2/78 (62)

US withdrawal will harm all in SA — businessman

WASHINGTON. — An American businessman, Mr W C Norris, chairman and chief executive of Control Data of Minneapolis (Minnesota), who has interests in South Africa, took a strong stand here yesterday against the pressure exerted on US businesses to withdraw from South Africa.

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economic sanctions, or other means of slowing economic activity in South Africa would deepen the poverty of the under-privileged and if carried far enough, eventually force an uprising and kill many millions of people.

Control Data could not even consider withdrawal or any role in economic sanctions or supporting actions to slow down economic activity. This would violate the covenant it had with all of its employees world-wide — a covenant contained in Control Data's corporate policy on social justice.

The appropriate role in South Africa for Control Data and other American companies was to remain there, as viable business organizations and as a force for positive change.

Control Data, South Africa, has 19 non-white employees who occupied a growing number of skilled positions opened to non-white people as part of the company's effort to be a positive, constructive force, he said. — Sapa

V.S.A.-boikot: S.A. se motorbase praat

DIE BURGER 20/2/78
Van Ons Korrespondente

62

DIE topbestuur van Suid-Afrika se twee grootste motorvervaardigers — General Motors en die Ford-motormaatskappy — vergader vandag in Port Elizabeth om die implikasies te ondersoek van die jongste verbod deur die Amerikaanse regering op die lewering van enige burgerlike toerusting aan die Polisie en die Weermag. Die boikot is ook in Suidwes van krag.

Terselfdertyd sal die aankondiging van die Amerikaanse departement van handel in die naweek in Washington dat Amerika sy verbod op die lewering van wapens en vliegtuie aan Suid-Afrika uitgebrei het tot burgerlike toerusting, ook na verwagting vanoggend op I.B.M. se gereelde weeklikse bestuurskonferensie bespreek word.

I.B.M., Amerika se grootste vervaardiger van kompers, word reeds sedert die Ford-regering verplig om voorskrifte te volg vir die lewering van kompers, onderdele en programme aan Suid-Afrikaanse staatsdepartemente. Die formule waarvolgens dit in die afgelope veertien maande gedoen is, is in die naweek herroep.

Die Minister van Polisie en Justisie, mnr. J. T. Kruger, het gister gesê die jongste stap van Amerika sal die polisiemag nie pla nie. „Boikotte van dié soort toerusting sal nie die Polisie skade berokken nie,” het hy gesê.

Die Polisie sal waarskynlik

nie regstreeks geraak word nie. 'n Woordvoerder van General Motors het gister in Port Elizabeth gesê die verbod het waarskynlik net betrekking op voertuie wat uit Amerika ingevoer word, en nie voertuie wat in Suid-Afrika gebou word nie, ongeag die Amerikaanse inhoud daarvan.

Die uitbreiding van Amerika se boikot is in die naweek in Washington deur die Amerikaanse direkteur van handel, mnr. Rauer Meyer, aangekondig. Hy het dit beskryf as veel ingrypender as wat tot dusver van krag was, berig ons korrespondent in Washington.

DRUK OP SUID-AFRIKA

Mnr. Meyer het verduidelik dat, hoewel 'n algemene wapenboikot teen Suid-Afrika sedert 1963 van krag is, die nuwe boikot betrekking het op onder meer vragmotors en motors en „die hele veld van burgerlike toerusting dek” wat deur die Polisie en die Weermag gebruik kan word.

Die Washington Post het in die naweek geskryf: „Die optrede is nog 'n stap van die Carter-regering om druk op Suid-Afrika uit te oefen om van sy apartheidsbeleid af te sien en die swart inwoners volle politieke en ekonomiese regte te gee. Maar die trefkrag van die boikot sal waarskynlik gering wees omdat die soort toerusting waarteen dit gemik is, sonder veel moeite elders verkry kan word.”

As voorbeeld van die burgerlike toerusting wat nie nou meer na Suid-Afrika uitgevoer sal word nie, het mnr. Meyer verwys na 'n komper wat die Polisie bestel het vir die vingerafdrukkeenhed, en gesê sulke aansoeke sal nou van die hand gewys word.

ARGUS 2/12/78
R $\frac{1}{2}$ -m gift (62)
to Urban
Foundation

The Argus Bureau

PORT ELIZABETH. — A R500 000 grant has been made to the Urban Foundation by the Ford Motor Company of South Africa. The grant follows a visit to South Africa last month by Mr Henry Ford II, who during his stay, met directors of the foundation and visited the organisation's home improvement project at Sebokeng. The grant will be paid to the foundation over five years. The first R100 000 instalment was handed today to Mr Justice Jan Steyn, executive director of the foundation, by Mr Brian Pitt, managing director of Ford.

(62) 22/2/78
MO

US firms urged to stop SA investments

NEW YORK — A multi-pronged assault on big business links with South Africa was launched yesterday with the United States Senate's African Affairs chief calling for "active discouragement" of investment and a trio of American specialists tabling a flood of allegations before the United Nations.

The same techniques used to leap-frog Rhodesian sanctions are now being used to dodge the arms embargo against the Republic, Prof Anne Seidman of Boston told the UN Apartheid Com-

mittee when she distributed "linkage charts" purporting to expose in detail the way American technology and arms are pumped into South Africa through third nation licensing deals

A team of American academics now plan to pool their information on the most sensitive areas of the Republic's trade. They will prepare "depth research" papers for a special meeting in May.

The International Monetary Fund also came under attack when Washington-based consultants James Morrel

and David Gisselquist released to the UN the minutes of confidential IMF meetings in 1976 that resulted in loans of just over R400 million to 1977.

At the same time, Sen Dick Clark, chairman of The Senate's Africa panel, went public with a call on the Carter Administration to take the Western lead and hit South Africa with all investment curbs Sweden supports.

"Financial support of apartheid should no longer be tolerated," he urged in an article prominently displayed in the New York Times. — DDC.

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'AXE LINKS WITH S.A.' U.S. URGED

Natal May 27/21/78

Mercury Correspondent

WASHINGTON — America's top trades unionist, the doughty octogenerian Mr. George Meany, has called on the Carter Administration to sever diplomatic ties with South Africa and urged U.S. business to boycott the Republic over apartheid.

He spoke after hearing from Mr. Donald Woods, the exiled former editor of the East London Daily Despatch.

The alternative to ending apartheid, he maintained, was violence "in two to three years" in South Africa.

Mr. Meany, who is usually conservative in foreign policy matters — he supported the American war effort in Vietnam almost to the bitter end — told the semi-annual convention of the American Federation of Labour-Congress of Industrial Organisations (AFL/CIO) of which he is president:

"The oppression in South Africa must be viewed with particular alarm since it is committed under the guise of parliamentary democracy. But subjugation and repression of the non-White citizens of South Africa by a White minority Government has escalated, as demonstrated by wholesale banning, jailing and killing of individuals who only wish to exercise their inherent political, economic and human rights."

Mr. Meany insisted that the U.S. Government must take the lead in helping end

the "vicious policy of apartheid."

Referring scornfully to American business firms who trade with or operate subsidiaries in South Africa he went on "I am sure the profit-hungry corporations of America will cry crocodile tears" if they are called on to halt business with the Republic. He conceded that to do so might cost some American jobs. But he maintained it was worthwhile.

"In the final analysis the big job is to bring human decency to South African workers," he said. "Maybe the South African workers would understand and be willing to make whatever sacrifice is involved to avoid the catastrophe of violence."

The trades union executive council subsequently issued a call to the Carter Administration to halt all export-import bank insurance, credits and loan guarantees that promote the flow of capital and trade with South Africa and to start the severing of diplomatic relations between Washington and Pretoria.

They urged a halt in all participation in "social, cultural, athletic and other activities" with South Africa

and they urged support for United Nations "disciplinary actions" against South Africa.

The idea that a selective boycott should be applied to exports from South Africa to the United States would however require further study, the council found.

LENDING FM 3/3/78 (12)

Bankamerica stays put

Bank of America, the largest US bank, announced this week it would continue to lend in SA.

Like other major American multinational banks, Bankamerica has been under increasing pressure from anti-SA groups in the US to cut off its lending activities in protest against SA race policies.

A bank spokesman told the *FM* that an anti SA church group, the Interfaith Council on Corporate Responsibility had placed a resolution on the bank's stock proxy statement to shareholders that, if approved, would end the bank's lending activities in SA. Bank officials however give the resolution little chance of passage.

In its statement the bank also noted that "the extension of credit under our procedures never implies support for a particular political philosophy or government of a foreign country."

Financial Mail March 3 1978

Publisher appalled by pressure on US firms

7/3/77
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JOHANNESBURG — The American publisher, Mr John McGoff, said here yesterday he was appalled that the United States Senate Sub-committee was applying pressure on American business to withdraw from South Africa.

Speaking to the American Businessmen's Club, Mr McGoff said anyone with any sense should know withdrawal would have a devastating effect on blacks — not only in South Africa, but elsewhere in Africa.

"I know Americans in business in South Africa, including myself, are unanimous that we must increase co-operation with South Africa," Mr McGoff said.

He asked how anyone could speak of majority rule in the light of knowledge that most governments in Africa were either one-party

regimes or military dictatorships, and political persecution and ethnic discrimination were everyday occurrences.

Mr McGoff said there was no advantage to America or the West in isolating South Africa further from the international community.

"Despite all the difficulties South Africa had faced in the past and despite the increasing difficulties it is facing today, it has proved to be a great nation determined and motivated to develop into what can rightly be described as the gateway to Africa," Mr McGoff said.

On the question of the arms embargo, Mr McGoff asked: "Does not this heighten the danger that we force them into developing tactical nuclear weapons to defend themselves?"

He realised apartheid

was an internal matter and as an American, he would resent most bitterly any outside interference in America's internal affairs.

Nevertheless, he felt that if a movement away from apartheid gathered momentum, it would strengthen the country's hand in America. — SAPA.

Nashua mik nou hoog

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DIE Nashua Corporation van Amerika het die bestuur van sy plaaslike filiaal heeltemal ver-Suid-Afrikaans. Die voormalige bemarkingsdirekteur, mnr. Terry McLintock, is as besturende direkteur aangestel.

Die Korporasie het ook grootskaalse ontwikkelingsplanne vir Nashua SA aangekondig, 'n nuwe belegging van R500 000 bevestig en laat weet dat hy voornemens is om 'n sterk bemarkingsveldtog in Suidwes te loods.

Nashua Corporation behou egter al die aandele in die plaaslike filiaal, hoewel vooraanstaande Suid-Afrikaanse sakelui uitgenooi sal word om in die direksie van Nashua SA te dien. Die maatskappy gaan binnekort twee nuwe produkte bekend stel en beoog ook die plaaslike vervaardiging van elektrostatiese papier.

Wat Suidwes betref, het Nashua SA 'n alleenreg verspreidingsooreenkoms met Fast Kopi van Windhoek aangegaan. Tot op hede was Fast Kopi die enigste maatskappy ter wêreld wat die agentskap van Rank Xerox gehad het. Die maatskappy versprei sy produkte alleenlik deur middel van sy eie takkan-

tore. Wat die toekoms betref, sê mnr. McLintock dat hy 'n groei koers van 11 persent vir sy maatskappy vanjaar verwag. Die verkope van eenhede sal tot ongeveer 28 500 styg en hy verwag 'n totale omset van sowat R9 miljoen.

spanne (2)

n nie, gaan u terug huistoe

Wanneer gaan u werk op elke plaas?

Van die jaar bring u deur by die huis?

Van u woonplek na die plaas?

plaas na die ander?

1 vervoer?

de lone?

de bepaal?

e boere hierdie lone?

g bepaal per skaap, per uur, per dag?

Weklikse betaling - kontant (per uur betaling x ure x dae/
per skaap betaling x skape, ens.)

ander betaling

22. Wanneer was die laaste verandering in u kontantbetaling?

Wat was die verandering?

Hoe het dit gekom dat u betaling verander het?

23. Watter probleme ondervind u met die werk?

Wat doen u gewoonlik om die probleme op te los?

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Cape Times 21/3/78

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Political Staff
PORT ELIZABETH. — The Prime Minister, Mr Vorster, is due to meet a group of prominent Americans in PE today.

The Americans, believed to number 31, include the chief executives of large companies, some with large holdings in South Africa. They are on a two week "exposure tour" of the world's "hotspots", said Mr Donald Wilson, vice-president of Time Magazine in Johannesburg yesterday, according to a Sapa-Associated Press report.

Vorster to meet top US executives

Spokesmen close to the Prime Minister in the Eastern Cape, however, last night declined to confirm the nationality of the people Mr Vorster would be meeting. They were reluctant to say anything.

But it is reliably understood that the Prime

Minister will travel specially from his holiday home "Nigel" at Oubosrand — the isolated seaside resort south of PE — for a private gathering scheduled for 10am.

Mr Vorster has been resting at Oubosrand since Parliament went into recess at

the weekend for a 10-day break over Easter.

It is not known whether the entire party of Americans will see the Prime Minister in PE today, since the Rhodesian Government is reported to have confirmed in Salisbury that the group is "expected" to spend two days there from today.

Mr Wilson, according to Sapa-AP, yesterday refused to divulge the names of the businessmen and others on the tour. The participants, he said, had specially requested no publicity.

3. What sort of work (if any) would you rather do - either on a farm or somewhere else?

4. What jobs would you like your children to do?

Why?

5. If worker has not been to school: Why didn't you go to school?

If worker began but did not complete schooling: Why didn't you finish your schooling?

Problems

1.. What would you most like to see changed in your working conditions? (wage, payment in kind, hours, holidays)

In your living conditions? (housing, recreational facilities)

Cape Times 23/3/78

(2) 62

SA links put banks under fire

LONDON. — The Nigerian Government has ordered withdrawal of public funds from Barclays Bank of Nigeria Limited and a reduction of its foreign staff, in protest at what it called the bank's policy of collaboration with South Africa.

Lagos Radio said all public sector agencies had been told to withdraw their accounts from the bank, and one-third of its expatriate staff had been told to leave Nigeria within a month.

It said this was a reaction to a statement last week by Mr Anthony Tuke, chairman of Barclays Bank Limited, the British parent company.

In the statement he told shareholders that the bank's policy was to "stay in South Africa and use all the influence we have to try to bring about a happier and fairer society".

He said Barclays did not believe the under-privileged majority would be helped by the withdrawal of foreign investment.

Lagos Radio said the Nigerian Government noted that Barclays policy had turned out to be that of collaboration with the apartheid system in South Africa, a policy completely at variance with Nigeria's declared stand.

A Barclays official in London said that Barclays of Nigeria had about 80 branches and about 30 expatriate employees there.

The Nigerian Government owned 60 percent of the Nigerian bank.

Last night Britain's High Commissioner in Lagos, Sir Sam Falle, confirmed the Nigerian order.

● In San Francisco the Bank of America, the world's largest privately owned bank,

yesterday rejected demands by opponents of apartheid to end its involvement in South Africa.

The bank said it condemned the policy of racial segregation, but reasoned that ending its involvement in South Africa would not be in the best interests of the black majority.

● From Ottawa it is reported that groups representing labour unions, churches and students have announced support for a campaign to withdraw accounts from four Canadian banks making loans to South Africa.

Group spokesman Mr Donald Montgomery, secretary treasurer of the Canadian Labour Congress (CLC), said at a press conference that it would not be possible to estimate how many millions of dollars would be withdrawn from the four banks named — the Royal Bank of Canada, the Toronto-Dominion Bank, Bank of Nova Scotia and the Imperial Bank of Commerce.

In Halifax a group of about 50 people demonstrated outside offices of the banks.

● And on Tuesday in New York two American banks took opposite stands on loans to South Africa.

Chemical Bank of New York, the sixth largest American bank, defended short-term trade financing and loans to business in South Africa. It said an economic boycott of South Africa could have "an extremely harsh effect" on all South Africans.

Chemical said, however, that it opposed apartheid and barred any loan transactions with the government of South Africa.

farmers

kilometres):

percentage of farm income due to each

inutton:

employed:

men

women

"

"

"

employed

In Minneapolis, the North-Western National Bank, which ranks 57th among US banks, said it would make no further loans to South African companies which supported apartheid or which would strengthen the government in Pretoria. Sapa Reuter AP

To lend, or not to lend

That is the question facing American banks with SA links. But it's not clear who's winning

Until now, the campaign to force "disinvestment" by US banks and corporations in SA has generated more heat than action. But ominously, at least two potential Democratic presidential rivals for Jimmy Carter have seized on the disinvestment issue as a way of burnishing their images with their liberal constituencies.

What is at work here is politics pure and simple. As an incumbent president, Jimmy Carter even at his lowest ebb will be a formidable candidate for re-election. And one has to assume that by 1980, he will have notched up more successes like Camp David.

So if you are Senator George McGovern, the Democratic Party standard bearer in 1972, and Senator Edward Kennedy, viewed as the inheritor of the liberal-Kennedy wing of the party, you have to begin early to pry away a base of support that will lend strength to your opposition to a Carter re-election bid. To win constituents, you must take stands on issues. To win the hearts and minds of the far left of the Democratic Party, there is no more compelling issue to come down hard on than South Africa.

Hence veteran anti-apartheid leaders — like Senator Dick Clark and Congressman Charles Diggs — are now faced with having to grin and bear it while Teddy Kennedy and George McGovern muscle in on the publicity and political virtues of demanding a complete business evacuation of SA by American concerns.

McGovern and Kennedy are both set to begin their own separate (and competitive?) hearings on disinvestment in SA. McGovern has already stolen a march on his colleagues and rivals by seizing hold of a private study of US bank lending in SA which suggests that the spread of American bank commitments in SA is both broader and larger than previously reported.

The study was prepared by a private liberal think-tank in New York called Corporate Data Exchange and it takes sharp issue with the findings of a previous study conducted by Senator Dick Clark, which has been the focus of most of the disinvestment debate since last January.

What is particularly intriguing about the CDE study is that it challenges the common wisdom that US banks for all practical purposes have halted direct loans to SA for the last 18 months. The commonly held view is that the \$2 200m in direct bank loans outstanding at the end of 1976 (when the last \$110m rollover was completed by several New York banks) has not expanded.

To the contrary, the CDE study argues, American bank lending was not only larger than previously believed, but actually may have risen to at least \$3 000m in the intervening months by the use of subterfuges to cover the lending activity.

Small wonder then that Senator McGovern said the report's allegations "will play a critical role in the congressional effort to re-examine our trade relations with South Africans."

One of the subterfuges singled out by the CDE study is that major New York banks which have formed the basic lending pool for SA financings over the years have parcelled their business off to smaller regional banks around the US. The report named fully 19 American banks that previously had never been identified as having outstanding SA loans. One of the subterfuges used by these smaller banks, the group alleges, is to disguise direct loans to the SA government as export financings that can be defended as contributing to the US balance of trade accounts.

Citicorp in the hot seat?

Another assertion is that even Citicorp, New York's largest bank and the lead bank for most of the traditional SA lending consortia, has boosted its outstanding loans to SA ventures from the \$900m level most observers have believed it to be, to a total of \$1 278m at the end of 1977. Citicorp officials have refused to confirm or deny the new numbers, repeating instead the bank's standard stockholder response issued last March, that the bank "is not making balance of payments loans or loans to the SA government. Instead Citicorp is limiting its credit selectively to constructive private sector activities that create jobs and which benefit all South Africans."

In all, the CDE group charges that more than 100 US "controlled and related" financial institutions have participated in bond issues, trade credits and other direct lending to SA this year. This is a sizeable increase from the 60 banks and perhaps a dozen underwriting firms that were publicly believed active in SA credits.

The study further alleges that bank loans as a single category rose by \$270m to \$2 300m in last year's June-December period when all bank lending to SA was supposed to have ceased. Moreover, the report states that despite a drop in public and private sector borrowing, loans made by the Americans to SA banks through inter-bank credits in the last half of 1977 "show an astounding tenfold leap."

The flow of US credit, the study concludes, "is on the rise, but is shifting to the less detectable channels of inter-bank lending and trade financing." And it is this trend that McGovern and his aides intend to root out before the television cameras.

He is not alone, of course. Senator Kennedy has taken a more expedient route by simply taking over an issue already developed by another lesser known congressional foe of apartheid. The so-called Harkin Amendment (after representative Tom Harkin) would require US banks to disclose the amount of loans and investments made to countries found by the State Department to be consistently violating human rights. Kennedy has decided to sponsor an identical bill of his own and through the better known forum of his Senate committee to dominate the anti-SA bank lending issue.

There are other barriers being thrown up as well. Congressman Charles Rangel is bidding to take over the role of apartheid-baiter from Congressman Charles Diggs (who is in a spot of trouble over his office finances at the moment). The Rangel bill would reduce tax credit for companies "found to be in violation of certain principles of fair employment (the Sullivan standards) in South Africa."

The bill also would force the US government to monitor American employment practices in SA and deny tax credits to firms not complying. The powerful House ways and means committee is already studying the legislation.

Then there is Congressman Stephen Solarz's bill, mentioned earlier in this survey, to further tighten up economic links with SA.

Meanwhile, on the other hand, there are signs that American bankers are getting over their initial horror of public controversy over SA lending. Perhaps it is because the anti-apartheid forces have been so successful in stampeding banks like Chase Manhattan and Citicorp into



San Francisco protest against apartheid . . . but money talks louder than megaphones

vague statements of limitation on loans, first to the SA government, and ultimately to the broader financing of ordinary business deals. Whatever the case, many US bankers are speaking with greater firmness about how they see their bank's role in SA. Particularly, they are taking pains to argue against total disinvestment or any kind of corporate evacuation.

Some take a harder line. The Bank of America, for example, has consistently refused to join its other large US competitors in banning direct loans to the SA government.

But most bankers are voicing arguments such as those advanced recently by Chase Manhattan's David Rockefeller, who told newsmen, "I cannot agree with those who advocate a complete cessation of lending and other economic activities (in SA). It seems to be based on the conviction that the prospect for

peaceful, social, economic and political change no longer exists, a thesis which I do not accept.

"By maintaining our economic ties to South Africa, we are in a position to work towards the twin objectives of improving the economic prospects of disadvantaged South Africans while, at the same time, encouraging individuals and groups who are working towards the removal of the apartheid system. I am deeply convinced that for US banks and businesses to pull out of South Africa would serve only to eliminate whatever influence we may presently or in the future possess. A total embargo on lending would not, in my judgment, advance the cause of the non-white population of South Africa. Quite the contrary, such action could further aggravate the economic and social condition of the very people whose situation we are working to improve."

Copy Times 3/4/78. 62

NY Times joins calls for SA disinvestment

NEW YORK. — Americans should slowly withdraw investments from South Africa to protest against the Republic's white supremacist policies, the New York Times said yesterday.

Examining widespread campus opposition to South Africa's policies and the "profits extracted from such a system", the newspaper said, "we support it".

While South Africa was not the only racist nor the only oppressive nation on earth, it said: "No other contemporary government — and certainly none that stands for the culture of the West — has dared to define itself as the embodiment of white supremacy.

"To Americans, now, such doctrine is simply unacceptable. Gradually, so that there is time for the message to sink in, Americans should be heading for the exit."

A problem arose for trustees of non-profit institutions and corporate executives, however, in trying to meet the demands of protesters that the corporations should cease their operations in South Africa or risk losing the investments of the institutions.

Trustees of a university were required to invest their endowments in the most productive and prudent ways it said.

"They find it extremely difficult to manage that money nowadays without acquiring some stock in some of the 350 firms with operations in South Africa, or in the other 6 000 who traded there," said the New York Times. — Sapa-Reuter

EMBARGO: 6 APRIL 1978 AT 12h00

ADDRESS DELIVERED BY THE HONOURABLE J.C. HEUNIS, MINISTER OF ECONOMIC AFFAIRS AT THE OPENING OF SMITH-BOART PLANT, SPARTAN, KEMPTON PARK ON 6 APRIL 1978

Mr. Davies, executives of Smith-Boart, distinguished guests from the United States, ladies and gentlemen

It is indeed an honour and a privilege for me to address you on this auspicious occasion - the opening of Smith-Boart's plant here at Spartan, Kempton Park, today.

Smith-Boart was formed in Johannesburg in 1971. Today it is the main base of operations in Southern Africa for all Smith International divisions. It is of interest to know that Boart is a wholly-owned subsidiary of the Anglo/...

-2-

Anglo American Corporation of South Africa. In fact, the Boart International Group pioneered and developed the use of diamonds and later, tungsten carbide for drilling.

Of particular importance to us is the fact that Smith-Boart is in partnership with Smith International Incorporated of California, USA, and Boart International, Johannesburg, and that they are sharing equally in this investment of some millions of Rand in South Africa.

This investment from abroad is welcomed as evidence of the confidence of foreign entrepreneurs in the industrial potential and future of this country. The

fact/...

fact that this project has been developed at a time when South Africa has been experiencing the deepest economic recession since the nineteen thirties, suggests that Smith-Boart took a long term view of the economic development potential of South Africa and looked beyond the short term problems which the country is experiencing at present when taking the decision to embark on this project.

This approach is, indeed, worth mentioning especially since, over the past year or two, public discussion of economic events in South Africa has tended to be dominated by a short term perspective. In view of the difficult and immediate problems raised by the serious economic recession both for the public management of the economy and/...

and for the private management of business enterprises, this is understandable.

However, we should take care not to lose sight of our longer term economic objectives. In fact, in such difficult times as we have been experiencing lately, it is especially important that we should keep in mind the resources that we have at our disposal and the market opportunities that are likely to be available to us, and that on the basis of this information we should form a realistic assessment of our economic strengths and weaknesses. Only by doing so will we be in a position to ensure that the policies we adopt to meet short term situations,/...

#

situations, both in the public and private sectors, will not permanently divert us from the pursuit of such basic longer term objectives as the creation of jobs for our rapidly growing work force, improving the living conditions of all sections of our population, and reducing the strategic vulnerability of our economy.

It is common cause that the basic ingredients for a country's economic development are sufficient raw materials, manpower resources, capital and entrepreneurial skills. South Africa is fortunate in that it has at its disposal a wealth of natural and human resources which enabled the country to achieve a remarkable rate of economic growth during the post-war period. This achievement was attained

mainly/...

- 6 -

mainly by our own people, but foreign capital and technical skills also made a major contribution towards South Africa's economic development. It is not surprising, therefore, that it is the Government's declared policy that it welcomes foreign capital and technical skills, particularly if these are employed in the form of joint ventures with South African capital, enterprise and management.

From a point of view of foreign investors, the South African market has, in general, always constituted a very lucrative investment area, in that investors could earn an attractive return on their investments here. I should also point out that, with one exception, namely the restriction which is being imposed by our monetary authorities

on/...

- 1 -

on the freedom of foreign companies operating in South Africa to finance expansions of their activities by means of capital borrowed in the local market, there are no official policies in operation in South Africa which discriminate against overseas companies established in this country. Furthermore, there are no restrictions whatsoever on the transfer by foreign companies domiciled in South Africa of the current proceeds of their investment in this country.

As a result of the application of this policy of promoting foreign investments by the South African Government, there are many examples of foreign investors embarking on joint ventures, together with local interests, in the establishment/...

- 2 -

establishment of manufacturing industries such as the one which we are witnessing here today. All these projects have not only made positive contributions towards South Africa's economic progress, but have at the same time also served to further the financial interests of those foreign investors who have been willing to transfer their funds and skills to the country and to invest them in manufacturing and other concerns here.

During the eight years from 1970 to 1977 total fixed investment in the South African economy amounted to R47 459 million of which R5 414 million, or 11,4 per cent, was financed by long term foreign capital. These figures

serve/...

serve to illustrate the extent to which South Africa is dependent on foreign capital for its economic development. In view of the fact that foreign capital has played, and is still playing, an important role in South Africa's economic development, it is clear that this development process would be retarded if such capital were no longer forthcoming. However, it is also clear that the country's economy would, in such an event, by no means grind to a standstill but that the continued availability of foreign capital would enable the country to maintain a faster rate of economic expansion than would otherwise be the case.

For many years commerce has succeeded in bridging
geographical/...

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geographical and cultural boundaries. As a result of the communication channels which have been established in this manner wealth and prosperity have generally been increased throughout the world. In spite of the material benefits which have been derived over many years from constructive co-operation between nations in the economic field, politically inspired persons, organisations and governments are now, to an increasing extent, interfering with the freedom of individuals to decide for themselves with whom it would be advantageous for them to do business, both inside and outside their particular countries.

This/...

This attitude towards world trading has already assumed an extent where it is not only effecting the right of individual governments to decide for themselves the principles upon which their foreign trade policies are to be founded, but has also resulted in the creation of an entirely new situation in international trade in which the observance of contractual obligations assumed freely and in good faith between the citizens of individual countries no longer constitutes an integral part of international relationships.

No private entrepreneur could ever hope to gain for himself a permanent place in world markets unless his ability and reliability to carry out his legal commitments towards his overseas clients were at all times beyond dispute. Participation in international business must be founded securely on the only universally recognised principle of continuous performance, and cannot be conducted

as/...

as a stop-and-go process. It is nothing but a fallacy, and indeed an injustice to the basic objectives of multilateral and non-discriminatory world trading to which all the Western Powers have committed themselves, if those of them who so consistently plead in the meetings of the G.A.T.T.-organisation in Geneva for the expansion and liberalisation of international trade, at the same time propagate the adoption of trade embargoes against South Africa as a means of achieving political objectives.

It is generally known that South Africa is a valuable and dependable trading partner which not only provides a rapidly expanding market for the goods of other countries but which is also a leading producer and exporter of a great variety of strategic raw materials which are essential requirements for the continued industrial operations of other countries. I firmly believe that none

of/...

of the leading nations of the world could afford the luxury of cutting off their trade ties with South Africa for purely ideological reasons, thereby depriving themselves not only of their already sizeable share of the South African market, but also of the continued availability to them of our large variety of raw materials and other essential commodities which we are able to supply to them on a highly competitive basis as far as prices and quality are concerned.

Considering the investment which Smith-Boart has made in this plant, I am convinced that they undoubtedly share my view that it would be foolish for South Africa's trading partners/...

partners to sever, in response to this politically inspired ideology, their mutually beneficial economic links with my country. It is for them and other foreign investors in South Africa to make their views known in their own countries.

I am informed that Smith-Boart had its sights set long ago on supplying the South African mining industry and that the company has already succeeded in manufacturing a diversified range of products required by this industry. The local manufacture of roller-cone blast-hole drill bits in this plant of Smith-Boart for the South African mining industry will result in a substantial

saving/...

saving of foreign exchange. I understand that the relevant drill bits and related requirements all of which will be manufactured locally, cost the country an amount of approximately R20 million per annum. The initial local content of drill bits to be manufactured here will be between 40 and 50 per cent which will continue to be increased by the introduction of additional manufacturing stages as the volume of production increases.

In conclusion I would like to extend my heartiest congratulations to the directors, the shareholders, the management and the staff of Smith-Boart on the attainment of this very important milestone in the history of the company.

I/...

I trust that Smith-Boart will be rewarded handsomely for its wise decision to invest the funds needed to build this plant.

Mr. Davies, ladies and gentlemen, I have pleasure in declaring this plant open.

Thank you.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST
OF THE MINISTRY OF ECONOMIC AFFAIRS

CAPE TOWN

6 APRIL 1973

Dié komper

RAPPORT 9/4/78

nou ook

vir SA

62

Computer Sciences het die Suid-Afrikaanse agent-skap verkry van die ITT 3280 van STC South Africa Limited.

Ooreenkomste is tussen Computer Sciences, STC en ITT geteken.

Die betrokke partye was dit almal eens dat die bekwaamheid van Computer Sciences in die dataverwerkingsbedryf dit sal verseker dat ITT 3280-gebruikers en voornemende gebruikers in Suid-Afrika die heel beste diens sal geniet.

„Die ITT 3280 is 'n uitstekende toevoeging tot ons produktereeks wat nou die hele front dek, behalwe groot hooframe,” sê mnr. Bill Stroman, besturende direkteur van Computer Sciences.

R.Dim: 13/4/78 (2)

US university to limit stake in SA

LOS ANGELES. — Stanford University trustees this week opposed expansion of US firms in South Africa and loans to the Government.

The trustees, voting by proxy, backed proposals by shareholders against further US corporate investment in South Africa until the Government ends apartheid.

The main issue involved two companies, US Steel, in which Stanford holds 2400 shares, and Union Carbide, 59700 shares.

The trustees voted to abstain on the Bank of

America shareholder proposals to oppose new loans or renewal loans to the South African Government. Stanford owns 99500 shares in the bank.

They opposed proposals from Citicorp bank shareholders calling for detailed information on South African loans. The bank, the trustees, pointed out, had already announced a policy of making no balance of repayment loans to South Africa and no loans to the Government or its agencies.

The university's commission on investment responsibility, comprising stud-

ents, academic staff, past students and staff, unanimously opposed Stanford's divestment of R106-million in US firms doing business in South Africa.

At Cornell University yesterday, the University president, Mr Frank Rhodes and several top administrators were jostled by a crowd of students protesting against racist policies on black studies and investments in South Africa.

Mr Rhodes was allowed to pass through the crowd after agreeing to meet students within a week. No injuries were reported.

"Cornell and Purcell think racism swell", the students chanted, a reference, in part, to Mr Robert Purcell, chairman of the Cornell board of trustees who said recently that he might consider switching his R850 000 endowment from the Africana Studies and Research Centre to Financial Aid for Minorities.

The students protested too against Cornell's investments in US Corporations operating in South Africa.

During a trustees meeting the Cornell executive committee voted to abstain

from voting on a shareholder proposal that would have required Taxaco Inc to withdraw from South Africa.

In Washington, the US labour leader, Mr George Meany, called on the Carter Administration to advance the cause of human rights through its actions, and not just in words.

"Words alone will not convince an international outlaw like South Africa to abandon its immoral apartheid policy," Mr Meany said at a dinner held by the National Conference of Christians and Jews. — Sapa-AP.

18/4/78 Stan

84 US firms in pact to end apartheid

(62)

Sieg Hannig,
Labour Reporter

The originator of the Sullivan principles of non-discriminatory employment practice wants to include equal treatment for black labour unions in additional guidelines for South African employers.

The move is in line with the swing of the American labour movement towards support for black trade unions in South Africa and was announced by the Rev Leon Sullivan, a member of the board of General Motors.

Mr Sullivan said 84 companies had become signa-

tories of the Sullivan statement of principles. Most of these are leading American corporations with investments in South Africa.

He said he had organised a "series of task forces," composed of signatories to develop guidelines and objectives.

"I have instructed the leaders of each of these groups not to limit their efforts simply to the elimination of petty apartheid matters but also to deal with substantial issues such as equal treatment for black labour unions," he said.

They had also been instructed to use lobbying efforts to push for the elimination of all discriminatory labour laws and an end to the apartheid system, he said.

US bill may bar SA investment

Cape Times 21/4/78

062

WASHINGTON. — Legislation to be introduced in the House of Representatives next week would bar all new investments in South Africa by American firms if it is passed.

The bill is being introduced by New York Democrat Mr Stephen Solarz, a member of the international relations committee, and is supported by 28 other members of the house.

Mr Solarz said yesterday the legislation was intended to give a strong signal to the South African Government to make changes in its racial policies.

In another action yesterday on South African investment, the house banking committee put off final action on a bill to bar credit by the United States Export-Import Bank — which helps finance US exports for South Africa until significant progress is made toward black majority rule.

An amendment to strike a South African provision in the bill was pending when the committee adjourned until

April 26. It will be voted on at the next meeting.

The Export-Import Bank has not made any direct loans to South Africa since 1964 but it does guarantee and insure loans for South African firms.

Mr Solarz's bill would bar new investments by American firms, except those made from earnings of an existing enterprise in South Africa.

US firms already in South Africa would have to comply with American civil rights and fair employment standards under the penalty of losing export licences, government credits and tax benefits.

● A confidential cable from Pretoria, sent by the US Ambassador in South Africa, Mr William Bowdler, has been leaked in New York. The cable warns of increasing black hostility to US investment in South Africa.

It was sent in March 1977 and it cited a Soweto source that claimed even 50 percent of the black business community was antagonistic.

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Americans monitor black labour

ARGUS 24/4/78

62

The Argus Correspondent

JOHANNESBURG. — Americans — now facing the threat of legislation against new investments in South Africa — have taken the lead in assessing 'what employers are doing' for blacks in South Africa.

Three separate bodies are engaged in surveys or plans to monitor progress towards non-discriminatory labour practice.

The United States Regional Labour Office for Southern Africa is co-ordinating a survey designed to enable it 'to speak more authoritatively when asked what American firms are doing in the field of labour.'

Another survey is being conducted by the American Chamber of Commerce in South Africa — 'simply to find out what American companies are doing.'

WIDE FIELD

Black advancement was one element, but the survey covered a wide field, said the chamber's president, Mr Cliff Lyddon.

The third effort is that by the American originator of the Sullivan principles on non-discriminatory employment to establish 'a mechanism for periodic reporting and evaluating' of progress.

The only significant South African effort in this direction is a current survey by a Johannesburg consultancy.

But it is thought likely that at least one major employer organisation may follow suit soon in an effort to establish progress made in the light of the Urban Foundation's code of employment practice.

SHORTCOMINGS

It is thought unlikely that all the findings of such surveys will be published, because there are bound to be many shortcomings.

However, the indications are that the surveys will show up much progress, which will strengthen the arguments for continued foreign investment.

Observers of the labour scene believe that the surveys themselves will promote progress by drawing employers' attention to the improvements which are expected of them.

RECEIPTS

GENERAL FUND 1976

1277 Balance in hand - January 1- 1977
 1351 Church Dues
 103 p Pledge
 1261 Donations
 726 General colle
 5477 Special effor
 373 Other sources
 109
 45
 80
 900
 117-02

FOREIGN FIRMS (62) FM 28/4/78
Pressure v pressure

New York Congressman Stephen Solarz's proposal that American corporations be barred from expanding their investments in SA (FM April 7) has drawn strong protest from the 69 000-strong US Chamber of Commerce. The Chamber is also taking steps to co-ordinate the response of American business to anti-apartheid initiatives.

In a letter to Solarz, the Chamber's international manager, John Caldwell, argues that "the one predictable result of efforts to make American firms serve as agents of US foreign policy in the way proposed would be to inhibit, and not foster, the progressive elements already at work in SA." Though the Chamber claims it supports moves to end apartheid, it believes that a ban on new investment would not produce any significant decline in economic activity in SA; instead, it could prompt Pretoria to tighten up on the repatriation of earnings by US-based companies -- which amounted to \$116m in 1976.

"We firmly believe," adds Caldwell, "that American business has an important opportunity to strengthen the forces for peaceful change in SA by serving as a model for progressive employment practices. It would therefore be counter productive to inhibit their contribution in this area."

Regarding Solarz's proposal for a code of conduct for US firms in SA (which would include an obligation to allow black workers to organise and bargain collectively through representatives of their own choice), Caldwell says: "It does not seem reasonable to require US firms to encourage the organisation of unions (in SA) when this is not even US government policy in the US."

It is likely to be some time before the Solarz bill becomes law. One of Solarz's staff tells the FM that the chances of the bill being passed this year are remote. It is also possible that some of its provisions will have to be watered down.

1076-30
 1602-60
 60-00
 825-89
 888-63
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EASTER OFFERING:

1976 - not paid over
 27 1977

CAPITAL PURPOSES A/C.

305 Balance in hand

VARIOUS PURPOSES

Amount in hand 1.1.1
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 U.S.P.C
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 59-53
 222-42
 129-08
 9-81
 18-48
 2-56
 102-88 485-23
 15281-38

Banke in mynbou

14/5/78

(62)

DIE banke wat die konsortium gevorm het om 'n lening van R90 miljoen voor te skiet vir die ontwikkeling van die nuwe myn vir die ontginning van lood, koper, sink en silwer by Aggenys in Noordwes-Kaapland teen 'n totale koste van R180 miljoen, is Barclays, Standard en Nedbank.

Dit is die eerste keer dat Nedbank op so 'n skaal aan 'n mynontwikkeling deelneem. Soos reeds bekend, word die myn deur Goudvelde van Suid-Afrika en Phelps Dodge van Amerika ontwikkel. Goudvelde het die beherende aandeel van 51 persent in die nuwe myn.

Nedbank se deelname aan hierdie projek is deur mnr. Rob Abrahamsen, senior hoofbestuurder van Nedbank, as „hoogs betenisvol” bestempel. Weens gesonde en bestendige groei deur die samesmeltings is Nedbank nou in 'n posisie om op 'n werklik groot skaal in die finansiering van mynbouprojekte deel te neem, het hy gesê.

Die konsortium se lening sal oor 'n tydperk van twee jaar (1979 en 1980) toegestaan word en dit sal oor 'n periode van vyf jaar terugbetaal word, wat in 1985 sal eindig. RAPPOORT 14/5/78

US Govt banks loans

Seen. Times (Bus. Times) 30/11/78 ① 62

Support for SA loans

WASHINGTON. — An American Congressional committee has voted a ban on Export-Import Bank loan guarantees for South African business deals.

However, opponents of the move have vowed to renew efforts tomorrow to have the credit ban deleted from a Bill dealing with the broader funding requirements of the bank, a Government agency.

They concede, however, that their chances have been hurt by the disclosure of a 1977 study by the US Embassy in Pretoria that showed a growing number of South African blacks favoured a withdrawal of US corporations from that country until the Vorster Government's race policies were abandoned.

It appeared in a New York based magazine, Southern Africa, published by a liberal group that has been pressing US corporations and banks to withdraw their investments from SA.

If they are unsuccessful and the Bill eventually receives House and Senate ratification, the ban will forbid the bank to make any new loan guarantees until South Africa has begun to make progress toward black majority rule.

The United States banned direct Ex-Im Bank loans to South Africa in 1964 but the Bank has backed private financing for deals there and has more than \$200-million outstanding in this regard.

Despite opposition from the Carter Administration, undecided committee members swung over to the anti-SA group after copies of the magazine article containing

By JIM SRODES

a 1977 US Embassy cable on South African black opposition to US corporations was circulated.

Opponents of the ban say they will introduce an amendment on Monday that will allow Export-Import Bank guarantees to South African projects that meet "basic human needs" guidelines set by the World Bank.

The State Department has so far refused to confirm or deny the authenticity of the cable, a detailed study of black attitudes towards foreign investment as it helps, or hinders, their "liberation struggle".

The cable is dated March 1977, just before the death of SA activist Steven Biko. Among the highlights of the lengthy report, Ambassa-

sador William G. Bowdler notes:

● US direct investment in South Africa is only 16 per cent of total foreign investment in SA — about the same size as West Germany's presence there — far less than the British share, which is estimated as at least 50 per cent of the total. Yet, because of "our predominant economic strength and influence and our professed belief in democracy and racial equality," SA blacks view the American presence as being more important in both real and symbolic terms.

● US Embassy surveys of black opinion turned up a division among the "still relatively few" blacks who held definite opinions. Older wage earners and black

businessmen generally favoured a continued American corporate presence as a source of revenue. But "racialised blacks, most often of young, urban sector, see foreign investors as deliberately blind to iniquities of the SA social system.

● "Disinvestment advocates have a ready answer to arguments that blacks would be first to suffer if foreign firms withdraw. They maintain that the black man in SA is already suffering and the number who might lose jobs is insignificant in terms of the total black work force. They assert that acceptance of foreign capital on a conditional basis simply means that, once established in SA, management will be unprepared to violate law or custom and will accommodate itself to apartheid," the cable reports.

● The Ambassador's assessment included the report of an Embassy officer's visit to Port Elizabeth where Ford, General Motors, Volkswagen and various US tyre firms have manufacturing plants. "While conspicuous presence of foreign subsidiaries naturally tends to sharpen black attitudes, US affiliates feel they are doing a good job and are well respected in black community.

"However, confidential meetings with members of workers' liaison committees suggest otherwise. Most of these workers complained of inadequate training, job reservation, lack of union status . . . abuse by SA foremen . . . most agreed that company action basically like a SA creative despite best intentions. "American management."

TABLE 20. NUMBER OF MEN LICENCED TO BE IN THE DIVISIONAL COUNCIL AREA

Area	Number of men
1. Bellville Municipality Parow Municipality Goodwood Municipality Durbanville Municipality	41 7 50 68
2. DURBANVILLE DISTRICT-	
SA/US TRADE	100
Hard lines	65
Proposed tough curbs on US Export-Import Bank financing of SA business deals were watered down this week by the full US House of Representatives. The House thereby temporarily routed liberal anti-SA forces. But the liberals have one last shot at getting tougher language included when a final vote of the 435-member chamber is called in a fortnight.	40
Durbanville Municipality)	42
Durbanville Municipality)	160
Durbanville Municipality)	605
3) liberal anti-SA forces. But the liberals have one last shot at getting tougher language included when a final vote of the 435-member chamber is called in a fortnight.	178
4) 435-member chamber is called in a fortnight.	80
Financial Mail, June 9, 1978	90
5) River	46
6)	8
7. Hout Bay	45
S.A. Sea Products Compound	340
Rest	71
8. TOKAI & CONSTANTIA - (domestic, single)	
Union Dairy Farm	75
Rest in small numbers	421
9. Elsie's River Dairies	60
1) The irony is that, even with the softer amendments bill, the White House is likely to be more inconvenienced than any SA businessman seeking a deal in the US. The full impact of the new amendments is to place a genuine burden on the current and future US administrations to certify SA good behaviour on the race front or risk a limiting of US-SA trade that could be perceived by Pretoria as a <i>de facto</i> trade embargo. The Carter administration is not at all pleased with the bill but has got itself into a corner of sorts with its hard line on SA and cannot do much about it.	21
The new version of the Export-Import Bank Appropriations Bill would bar the bank from providing loans, credit guarantees or insurance of US sales to the SA government unless Carter, or his successors, find Pretoria is making "significant progress" toward eliminating apartheid. The amendment also restricts Eximbank financing of private US-SA sales unless the State Department certifies that buyers there are implementing the so-called Sullivan principles of good corporate behaviour and — this is a specific point — that they are engaging in collective bargaining with black SA unions.	120
But the White House has no desire to be stuck with the administrative burden of certifying each business deal that seeks Eximbank aid for what, as one aide put it to the <i>PM</i> , would be the "racial kosher-	216
ness" of the transaction.	100
The liberals who had the first, tougher, version of the restrictions passed through the committee stage some weeks ago believe they can regain their lost ground during the final debate in two weeks. Their argument is that the White House lobbyists will agree to the tougher restrictions rather than be saddled with the politically disastrous burden of vetting US-SA trade in public, deal by deal.	48
services, Philippi	100
Association, Philippi	66
ages, country fair, farms, etc.)	63
S I O N A L C O U N C I L	75
	49
	287
	49
	18
	3 804

RAPPORT 11/6/78 62

Dermsnaar nou in SA gemaak

ETHICON, die Suid-Afrikaanse filiaal van die reuse-Amerikaanse Johnson & Johnson-Korporasie, gaan 'n aanleg in Suid-Afrika bou vir die vervaardiging van chirurgiese dermsnaar en daar sal plaaslike grondstowwe gebruik word.

Die besluit om voort te gaan met die bou van die aanleg volg kort op die publikasie van die bevindings van die Staatspresident se ondersoekkommissie na die farmaseutiesebedryf (Januarie 1978), wat die noodsaaklikheid van so 'n aanleg ten sterkte beklemtoon het aangesien dit „Suid-Afrika strategies selfonderhoudend sal maak

wat betref hierdie onontbeerlike produk”.

Die ondersoekkommissie het ook bevind dat so 'n aanleg „'n geraamde besparing van R500 000 sal meebring wat tans bestee word aan die invoer van verwerkte linte”.

Mnr. George Luber, Ethicon se bemarkingsdirekteur, het gesê dat die belegging van meer as R500 000 'n aanduiding is van sy

maatskappy se vertroue in die toekoms van hierdie land en dat dit ook sal lei tot die invoer van tegniese kundigheid na die Republiek.

Die aanleg, wat by Brits opgerig gaan word, sal na verwagting reeds teen November vanjaar in werking gestel word.

Die ingewande van Suid-Afrikaanse beeste van hoë gehalte is besonder geskik vir die vervaardiging van suture. Dit sal gelewer word deur slagpale onder beheer van die slagpalekommissie.

Die suture wat op Brits vervaardig gaan word, sal goed vergelyk met die beste wat enige plek ter wêreld vervaardig word en uiters moderne toerusting word uit die Verenigde Koninkryk, Italië en Australië, ingevoer.

Die gehalte van die suture sal beheer word deur unieke rekenoutomaatmeetuitrusting, wat 'n gelykvoermige deursnee tot binne 0,0254 mm sal verseker. Hulle sal in die Pelindaba-atoomkragaanleg gesteriliseer word deur middel van Kobalt 60-gammastraling.

Die totale waarde van die suturemark in Suid-Afrika word geraam op R8 miljoen, met Ethicon as leier in die mark. Die belangrikste kopers van suture is die Regering en die provinsiale administrasies, wat die meeste van die ongeveer 700 hospitale in die Republiek beheer.

Mnr. Luber het gesê dat die nuwe aanleg nie noodwendig sal lei tot 'n onmiddellike afname in die prys van suture nie. Pryse sal op die duur egter geheel en al plaaslik beheer word, met klaarblyklike voordele vir die land. Die aanleg sal sekerlik die volgehoue voorsiening van strategiese mediese materiaal verseker. Die Brits-aanleg sal nie slegs die hele Suid-Afrikaanse vasteland van suture voorsien nie, maar uitvoer na lande soos Japan en Australië word ook oorweeg.

Ethicon is 'n afdeling van Ethnor, wat verantwoordelik is vir die vervaardiging en bemarking van farmaseutiese, mediese, veeartsenykundige en diagnostiese produkte in Suid-Afrika. Ethnor is op sy beurt 'n filiaal van die Johnson & Johnson van Amerika. Ethnor se hoofkantoor is geleë by Halfweghuis, aan die Johannesburg/Pretoria-snelweg.

GBS kry

Wang

13/6/78
Rapport vir (62)

vir

R2,5 milj.

Deur ALPHONS DU TOIT
WANG Laboratories, een van Amerika se voorste vervaardigers van kompers, met sy hoofkantoor in Lowell, Massachusetts, het sy plaaslike volfiliaal, Wang Computers (SA), aan 'n nuwe maatskappy wat geheel en al deur Suid-Afrikaners besit, word verkoop.

Die nuwe maatskappy, General Business Systems, het Wang Computers (SA) se bates teen boekwaarde (2,5 miljoen) oorgeneem. Die nuwe maatskappy is 'n voortsetting van Wang Computers (SA). Daar sal geen verandering van personeel wees en dieselfde takke word behou.

Die voormalige besturende direkteur van die filiaal mnr. Martin Hammer-schmidt, is nou besturende direkteur van GBS. Hy het aan Saka-Rapport gesê: „Afgesien van myself is die ander direkteure mnr. Paul Bladergroen, (Bemarkingsdirekteur), en dr. Jan. S. Marais, L.V.

„Wang Laboratories se besluit om sy Suid-Afrikaanse filiaal aan ons te verkoop is grotendeels as gevolg van Amerika se toenemende inmenging in Suid-Afrika se huishoudelike sake.

„Die lawaai in Amerika is hoofsaaklik gemik teen direkte Amerikaanse belegging in Suid-Afrika, en nie teen handel as sulks nie. Nou kan Wang voortgaan om sake te dryf met General Business Systems sonder die inmenging van agitators in Amerika.”

19/6/78

62

THE CASE FOR DOING BUSINESS IN SOUTH AFRICA

by HERMAN NICKEL

For some 350 American companies, doing business in South Africa has become much more than that. Whether they like it or not, they have become key actors in one of the more harrowing national dramas of our time.

At these companies, there is hardly a shareholders' meeting at which the chairman doesn't have to respond to cross-examination and criticism, mainly from church and university groups, pressing them to explain why they are still in South Africa. Some harassed university trustees, confronted by the most vocal political-protest movement on American campuses since the Vietnam war, have begun selling off the shares of such companies, often with heavy losses. Other universities, led by Harvard, have taken the line that they will look at their portfolio case by case, to make sure the companies in which they own shares meet their exacting standards of corporate responsibility. Major American banks are being threatened with the withdrawal of accounts unless they stop lending to the South African government, and even to private South African firms.

The anti-South African campaign has also been making steady progress in Washington—particularly since the rioting in Soweto in 1976 and the explosion of worldwide outrage over the case of Steven Biko, the leader of the "Black Consciousness Movement" who failed to survive South African police "questioning" last September. In January, a staff report of the Foreign Relations subcommittee on Africa, chaired by Senator Dick Clark (Democrat-Iowa) charged that the "abysmal" record of American employers in South Africa threatened to undermine "the fundamental goals and objectives of U.S. foreign policy." In the House of Representatives, a move to bar the Export-Import Bank from providing loan guarantees and insurance for transactions with South Africa has passed the Banking Committee. The Carter Administration has not yet supported such extreme judgments or actions, but potential investors seeking advice are being warned about the labyrinth of problems they might be getting into.

U.S. investment is a needed force for peaceful change—but its long-term future inevitably depends on how much change the Afrikaner government allows.

In the public forum, the critics of American companies charge flatly that whatever helps the South African economy also helps apartheid. So long as these companies go on conducting business as usual, so too will the South African government, with its politics of repression. For according to the indictment, this is a government so immune to persuasion that it can understand no language milder than an American economic withdrawal.

Frightened or fatigued by all such pressures, a few American companies—notably those for which South African business is only a marginal item anyway—have found it easier to wash their hands of the whole nettle-

some affair. After all, business in South Africa is not nearly as profitable today as it used to be, with the once-fabulous returns (a record 29.9 percent in 1973) sharply down to 8.5 percent in 1975. In these circumstances, the temptation can be strong to give withdrawal some moral gloss. When Polaroid recently announced its withdrawal, for example, it won applause from those who had been castigating the firm for supplying the government with the photographic equipment to make the hated passbooks that keep South African blacks from moving around freely in their own country. In fact, Polaroid conducted its South African business through a local distributor. Its products are still on sale. As for the passes, which existed well before Polaroid arrived on the scene, they are still issued as before.

This comparatively trivial instance merely hints at the massive difficulty besetting any grand design for American economic disengagement: the true nature and impact of any such withdrawal would bear little if any similarity to the avowed objective of its ardent advocates. And this essentially is why the vast majority of companies—after sober weighing of all risks and uncertainties—have chosen to stand their ground.

To be sure, one self-serving consideration plays its role in this decision. The fact is that any "heading for the exit" is not nearly as simple an exercise as some of its propo-



nents seem to assume. For while South African foreign-exchange regulations allow the free repatriation of profits, this does not apply to capital. There is thus no way of packing up the plant and shipping it home. If an American corporation found a South African buyer, the proceeds would first have to be invested for at least seven years in low-yield South African government securities—a solution as unattractive politically as it is financially. The alternative of selling out to another foreign enterprise would merely give the buyer the competitive break of being able to pick up a plant at a knockdown price—and without any obvious gain for South Africa's blacks.

But going beyond these practical reasons, most American companies cast their decision to stay in South Africa in more positive terms. By their continued presence, they argue, they not only provide jobs for their 90,000 employees, including some 60,000 blacks; they also can serve as catalysts of peaceful social change. For them, the crucial question is: would U.S. withdrawal bring the desired human, practical, and political rewards? And this is precisely where the case for withdrawal, flawed with many oversimplifications and half-truths, breaks down.

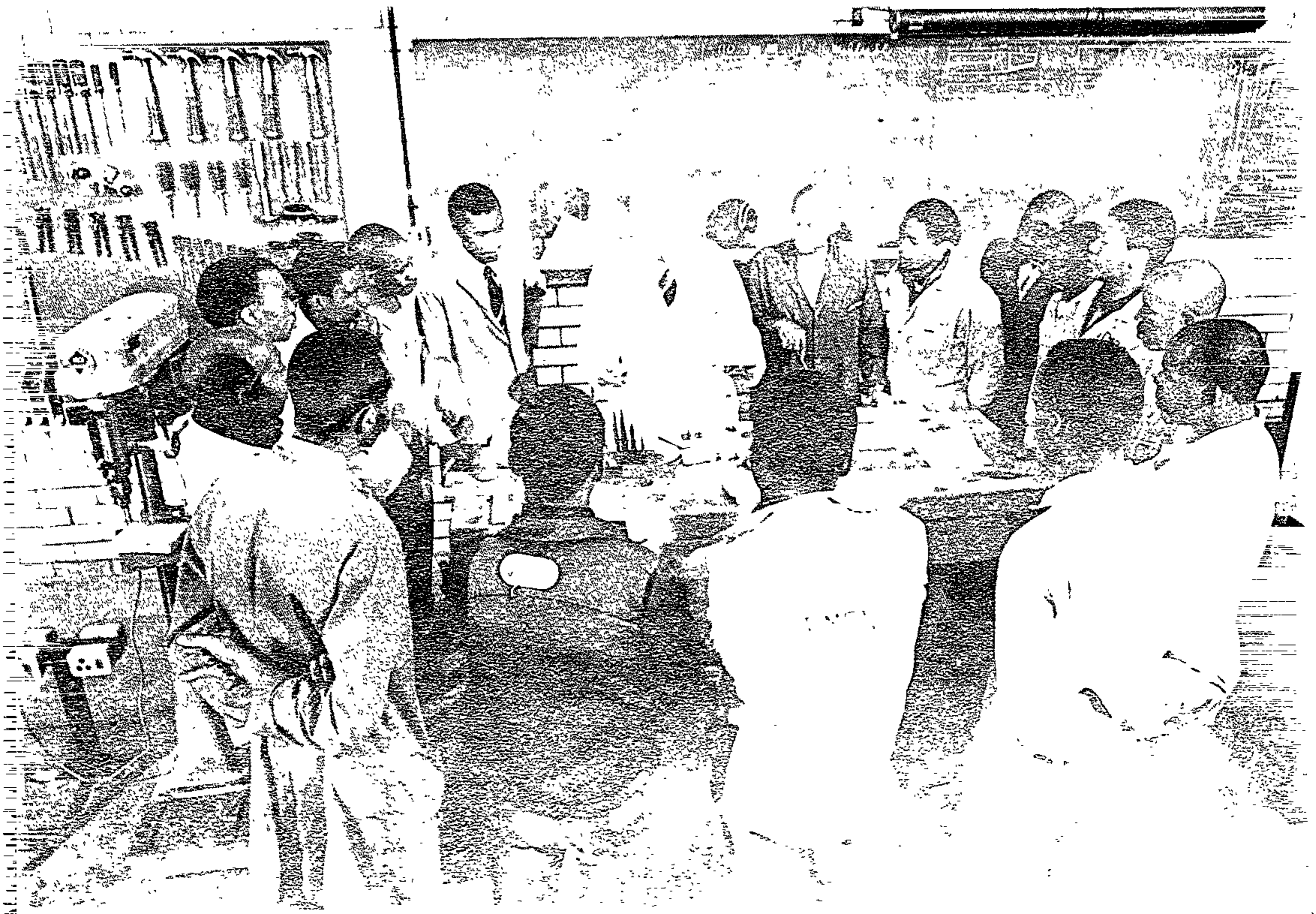
To begin with, one has to confront a truth that Americans often prefer to ignore in foreign relations: there is a clear limit to American power and leverage. While continued U.S. investment, credit, and trade are important to

The shortage of white labor has made the advance of blacks into semi-skilled and skilled jobs a matter of urgent necessity for industry in South Africa. At Ford's Struandale engine plant near Port Elizabeth, a black tool-setter goes about an exacting task that was once a white monopoly.

South Africa, they are not a matter of survival. At least on this point, South Africa's Finance Minister Owen Horwood and U.S. Ambassador to the United Nations Andrew Young are in perfect agreement. "South Africa will certainly not be forced to its knees by disinvestment of American capital, whatever that vague notion may mean and however it is supposed to be brought about," Horwood told me when I questioned him in his spacious Cape Town office. "South Africa is one of the most self-sufficient nations in the world," said Young in a recent interview. Even the staff report of Senator Clark's subcommittee on Africa, with its strong disengagement bias, concedes that U.S. economic interests in South Africa "may not be decisive" after all.

In purely quantitative terms, the \$1.6-billion (book value) U.S. direct investment in South Africa represents 16 percent of total foreign investment there. This is dwarfed by the 57 percent stake of the European Community countries and amounts to only 4 percent of the total capital invested in the South African economy. It is true that in some sectors the American role is critical, probably the most important being computer technology, where U.S. companies,

Photographs by Alon Reininger—Contact



led by I.B.M., control 70 percent of the market. But South Africa is by no means defenseless. Thanks to its near-monopoly in some critical metals (including 83 percent of the world's reserves of platinum and 74 percent of the chrome), it is quite capable of retaliating if the U.S. refused to deal in terms of quid pro quo. "Without South African platinum for catalytic converters, the U.S. government would have to call off the entire emission-control program," a G.M. executive warns.

Since South Africa's economic relationship with Europe is so much more important to both sides than its relationship with the U.S., a fully effective investment boycott would need the support of the EEC. But precisely because the European stake is so much greater, the chances for that are very remote. Britain's Foreign Secretary David Owen recently voiced concern that Britain's huge £5-billion portfolio and direct investment in South Africa, 10 percent of all British investment abroad, makes his country "dangerously vulnerable" and urged that this exposure be reduced. But successive Labor governments have been far too worried about the 70,000 jobs allegedly dependent on British economic ties with South Africa to move decisively toward economic disengagement.

A new and increasingly vital factor in this equation is Western Europe's reliance on South Africa as a major supplier of processed uranium. The restrictive conditions that have been put on the export of U.S. and Canadian uranium in effect increase this dependence. Though no official figures are published, South African and Namibian uranium is estimated to account for at least 50 percent of Western Europe's supplies. As soon as ten years from now, top South African officials expect uranium (even excluding Namibian sources) to surpass gold in importance to the South African economy.

Even South Africa's reliance on foreign credits, while serious, has not made it vulnerable to an ultimatum from the outside world. The fact that the South African government managed to turn a balance-of-payments deficit running at an annual rate of 2,592 million rand (\$2,976 million) early in 1976 into an annual surplus of 1,277 million rand by mid-1977 shows that the government is prepared to slow domestic expansion to make up for the reduced net capital inflow (from 989 million rand in 1976 to 211 million rand in 1977). Largely as the result of the mid-1970's recession, which hit South Africa about eighteen months late, the economy's real growth rate has nose-dived from 7 percent in 1974 to 0.5 percent in 1977.

Chamdor Training Center in Transvaal is a joint venture sponsored by private companies and the government to give blacks the training needed to make "equal pay for equal work" more than an empty slogan. But more such centers are needed.

Here one comes to the crux of the matter. Stopping the flow of foreign capital cannot bring South Africa "to its knees," in Finance Minister Horwood's phrase. But it does spell the difference between adequate and inadequate growth. The government acknowledges that South Africa's normal growth rate of about 6 percent would be halved if the flow of foreign capital came to a halt. Independently, academic analysts such as Professor Arnt Spandau of the University of Witwatersrand have come to the same conclusion. Of course this is a "worst case" assumption, but even a substantial decline in the capital inflow—and it reached 6 to 7 percent a year during the "golden Sixties"—could slow growth to below the level that is necessary to accommodate the 3 percent birth rate in the non-white population. South African blacks would thus face the prospect of growing unemployment, without the benefits of welfare checks and food stamps. That would be the harshly ironic result of a policy designed to help them.

The prospect worries most blacks deeply. In the blunt words of Freddy Sauls, a battle-seasoned organizer for colored and black workers in the Port Elizabeth auto industry: "It's all very well for people to urge disinvestment who sit in safe comfort in some nice office 8,000 miles away. But if the American auto plants here closed down, I'd have thousands of men looking for work and literally wondering where the next meal would come from." I found the same sense of realism echoed in scores of conversations I had with black workers. Whatever specific grievances they might have, the vast majority rejected any notion of foreign economic boycott of their country. And this simply confirmed the estimate of black leaders who told me that a poll of urban blacks would find 75 percent opposing any withdrawal by U.S. companies.

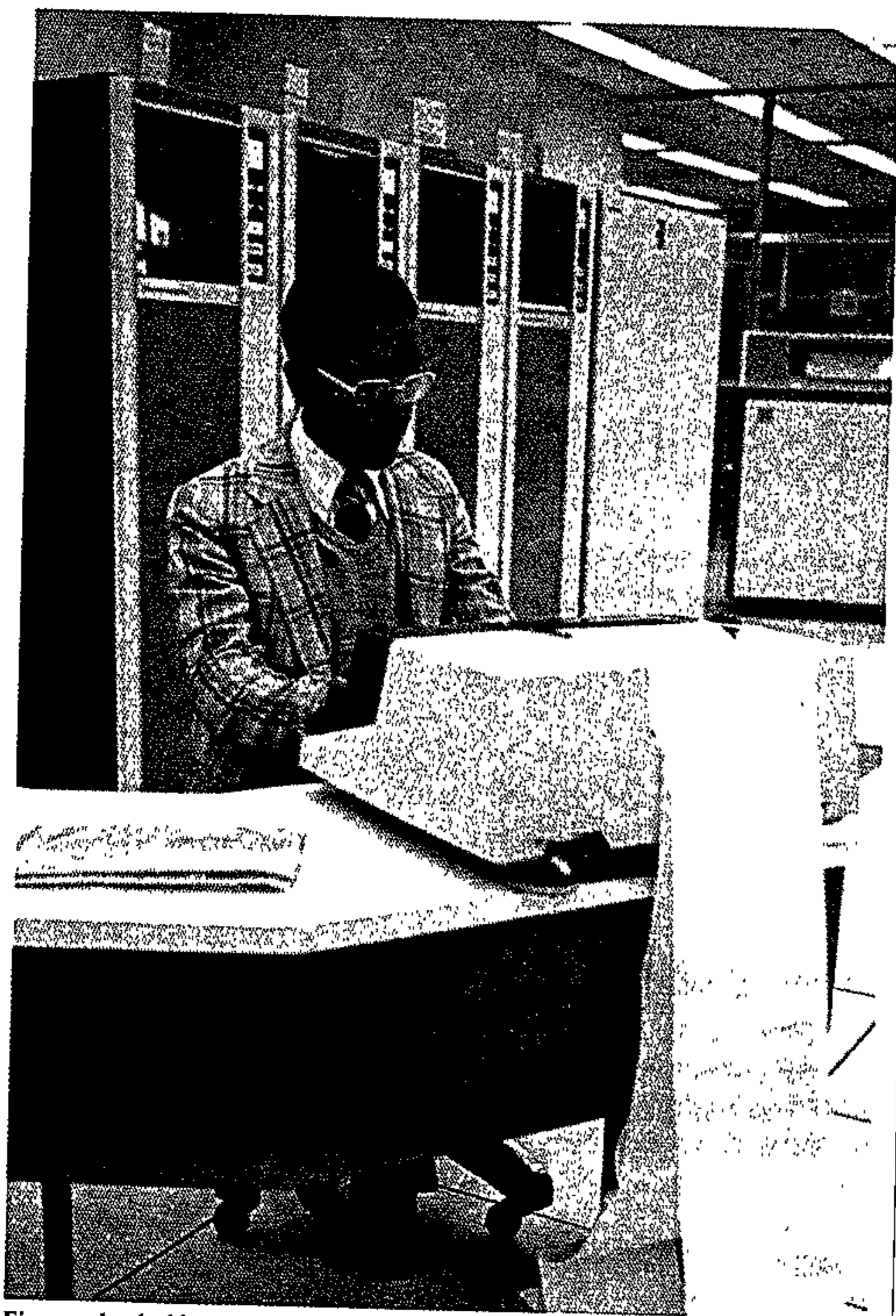
In broad historical terms, there appears to be little logic or reason in the idea that economic stagnation provides a better backdrop for the peaceful transformation of South Africa from institutionalized racism into a multiracial society. The notion would seem all the more bizarre when put forward by Americans, for the whole history of racial progress in the U.S. points in the opposite direction. Practically every major step forward was linked with economic progress. Just as the hardheaded interests of Yankee businessmen helped to pave the way for the abolition of slavery, so the emergence of the "new South" and the opening up of equal opportunities for black Americans one hundred years later could have happened only against a background of growth, while they would have been unthinkable during the Depression. Economic growth did not strength-

en the system of institutionalized racism in the U.S.; it effectively destroyed it.

When Andrew Young first drew parallels between the role business eventually played in the civil-rights struggle in the American South and the role it might play in South Africa, his critics were quick to cite the essential differences: the reversed ratios between blacks and whites, the much wider cultural gaps, and the fact that South Africa has no U.S.-type constitution in place. All these differences make the South African problem much more difficult—a fact some Americans should recall before unleashing their moralistic rhetoric. Nevertheless, this criticism should not obscure a central point in Young's thesis that applies to segregation and apartheid with equal force: institutionalized racism is plainly incompatible with the func-

These workers at the Struandale engine plant are two out of 1,863 blacks now working at Ford, in a total work force of 4,877. As recently as 1968, the number of blacks was only 165.





Five and a half percent of Ford supervisors—like this computer-center shift supervisor—are nonwhite. Ford's goal is 10 percent by 1980.

unskilled blacks. (Although, grotesquely, there still are no official statistics on black unemployment, the estimates run as high as 12 percent.)

The effect of this transformation has been to make an empty shell of the old system of "job reservation," conceived originally to shield poor whites from black competition. Last year the remaining twenty-five "reserved" job categories were reduced to a mere five, and even these are expected to be abolished soon. The only obstacle to this reform would be the fear of a prolonged depression, which could stir up opposition from some reactionary white unions. But if the South African economy could get back on its normal pre-recession growth path of almost 6 percent, it would require 3.8 million more skilled workers by 1980, of whom more than half would have to be nonwhite.

This structural transformation of the labor market has already had significant effects on the real earnings of black industrial workers. At least since 1970 their wages have been rising not just absolutely, but also in relation to those of whites. According to a survey by the Bureau of Market Research of the University of South Africa, average incomes of black households in the Johannesburg area rose 118 percent between 1970 and 1975, as compared with 58 percent for white households. Between 1975 and 1980, black per capita income is expected to rise 29.5 percent, as against only 7.3 percent for whites.

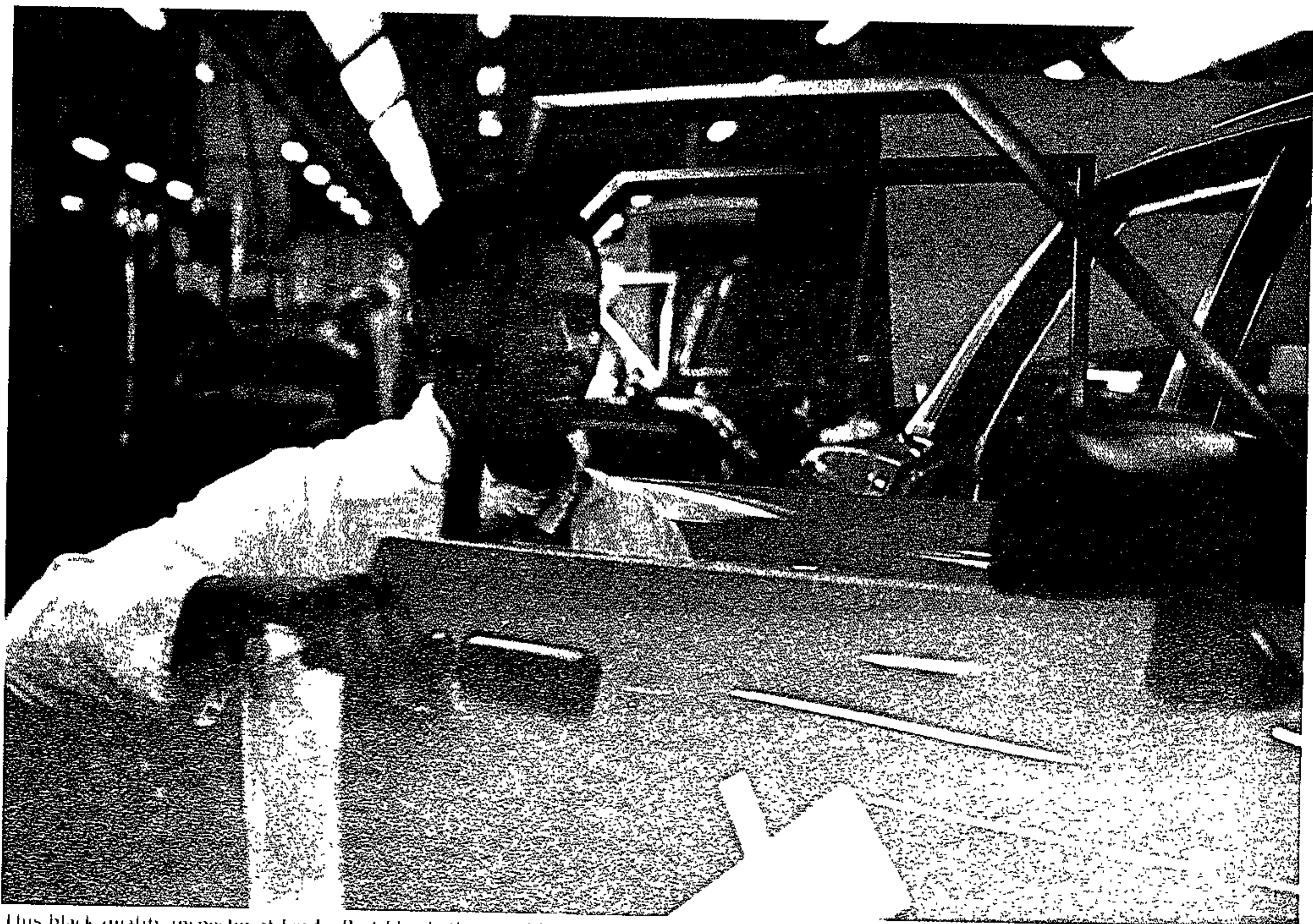
In contrast to what has happened in many independent black African countries, the gap between black and white incomes has been narrowing steadily. Between 1970 and 1976, the gap in industry narrowed from 1:5.85 to 1:4.44; among employees in the central government, from 1:5.31 to 1:3.10; and in construction from 1:6.60 to 1:5.20. The most dramatic—and the most necessary—improvement occurred in the mining sector, where the gap shrank from 1:19.79 to 1:7.69. This is still by no means satisfactory, but it sharpens the point made by Economics Minister Chris Heunis when he observed that foreign critics can't reasonably demand, at one and the same time, an investment boycott and the narrowing of income disparities. In a new study, to be published later this year in the U.S., Professor Spandau documents a significant reallocation of racial incomes in South Africa since 1970. Between 1970 and 1977 the white share of total incomes declined steadily at a rate of one percentage point a year, from 70 to 63 percent. In another paper, economist Erich Leistner predicts that by the end of the century the black market will be twice the size of the total consumers' market in South

tional requirements of an expanding industrial society.

The same point is made in a different way by Harry Oppenheimer, chairman of the huge Anglo-American minerals empire and a persistent critic of the government. As the political philosophy of poor rural Afrikanerdom, he observes, apartheid could possibly have worked only in the context of a poor agricultural subsistence economy. Against the background of an industrial revolution that turned the Witwatersrand into the "only real industrial complex south of Milan" (FORTUNE, December, 1966), the contradictions of the system were bound to become ever more glaring, even to many of its Afrikaner supporters.

This is exactly what has been happening. The first consequence of industrial growth was the full enlistment of the country's limited supply of white labor for semiskilled and skilled jobs, and, accordingly, the necessity of proceeding to train nonwhite labor. Even though South Africa has yet to emerge from its deepest postwar recession, the unemployment rate among whites is less than 1 percent. The real burden of the recession has been carried by

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This black quality inspector at Ford's Port Elizabeth assembly plant is one of twenty-three nonwhite foremen. Despite the wide mix of models

coming off one production line in South African auto plants, assembly quality is rated by some as ahead of British and U.S. standards.

Africa today. All these figures would seem to dispose of those baleful predictions that in a capitalist society like South Africa, growth can only make the rich whites richer and the poor blacks poorer.

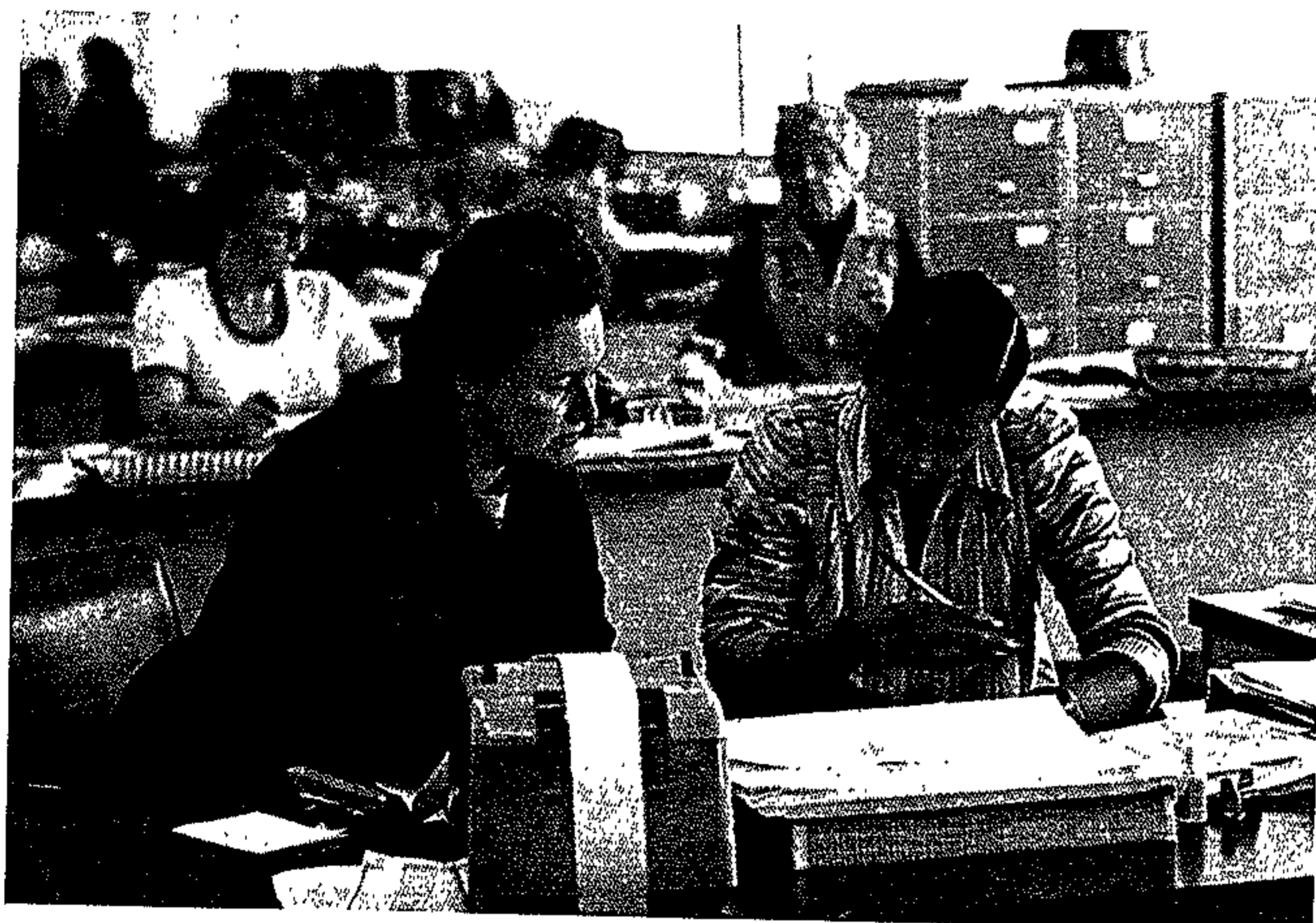
The most important political consequence of these economic changes has undermined the central aim of apartheid, which was the effort to overcome the numerical disadvantage of the country's 4.3 million whites by decreeing the 18 million blacks to be citizens of ten fragmented, pseudo-independent tribal "homelands" (occupying just 13 percent of the land area of South Africa). The theory of apartheid regarded the urban townships as little more than dormitory towns for transient workers who—rather like Turks in Germany—were not supposed to stay forever and would have political rights only in their "homelands." Hence the reluctance to improve the townships to a point where people might want to stay for good and others would be attracted to move in from the impoverished homelands. Hence also the resistance to giving blacks in the townships property rights, as well as the insistence that no one be allowed to move to the urban areas without a passbook.

But the gravitational pull of the urban industrial centers has proved too strong for all such barriers. The huge, sprawling township of Soweto outside Johannesburg—home for as many as one million people, including 300,000 to 400,000 unauthorized "squatters"—became the dramatic symbol of apartheid's failure to face up to the reality of the urban black.

When Soweto erupted into violence in 1976, this failure could no longer be masked, and there is now a virtual consensus that the status quo will no longer do. Moreover, this failure is no longer discussed just in private. Among *verligte* (enlightened) Afrikaners, the reliance on repression to cope with the system's contradictions is perceived as not only ruinous to South Africa's desire to be recognized as a member of the Western world: it would also be blindly defiant to the real needs of the economic future. The ferment of this "agonizing reappraisal" contrasts with the outside world's popular perception of the Afrikaners as one monolithic and immutable bloc.

It is not surprising that Afrikaner businessmen, themselves a fairly recent product of economic growth, should be playing a prominent part in this reappraisal. It is, after all, in business's own interest that the status of the ten

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Integration of the clerical work force is going smoothly at the 3M plant in Elandsfontein. Here an accounts-receivable coordinator compares figures with a credit-control coordinator.

million urban blacks be improved and given full recognition, for they are the indispensable workers. There is little point in spending time and money on training migrants, as distinct from a stable work force living with their families under decent conditions. It was simple recognition of this that led in 1976 to the forming of the Urban Foundation, an effort by businessmen to mobilize the resources and influence of private enterprise to improve the quality of life in the townships. Having raised 14 million rand, even in the midst of a recession—including a million each from Barclays and Standard banks, half a million from Ford, and a quarter million from Mobil—the foundation is now embarked on a variety of projects to improve housing in the townships and set up community centers, kindergartens, early-learning centers, and recreational facilities.

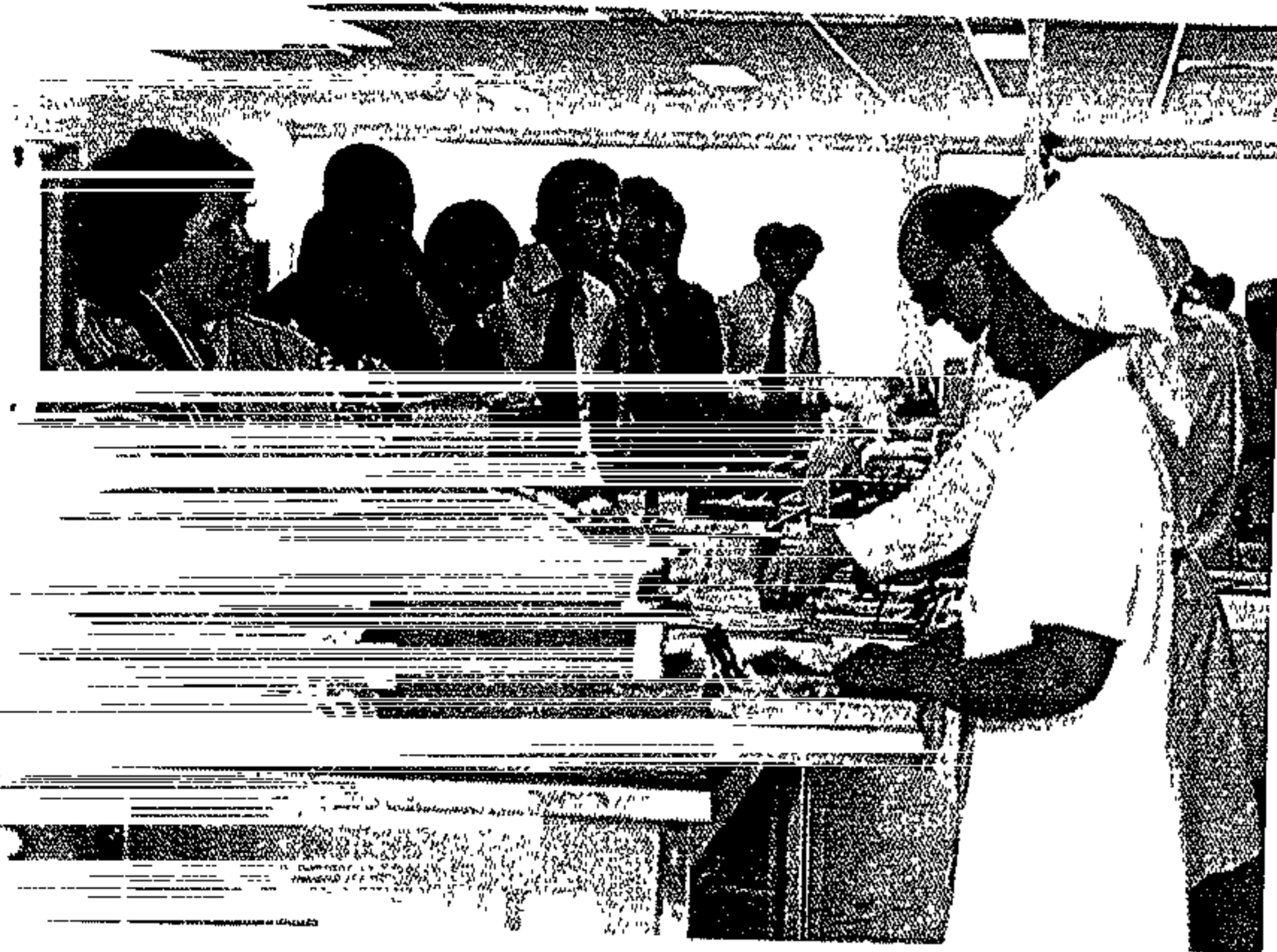
The success of this enterprise still hangs in the balance. As the foundation's executive director, Justice Jan Steyn, concedes, its biggest problem is to overcome suspicion and hostility among urban blacks toward still another white-sponsored effort to improve their lot within the political straitjacket of the apartheid system. He acknowledges that "without securing their involvement, the changes we seek will be beyond our reach." Steyn hopes that the foundation's credibility was enhanced by its role in prodding the government to drop the fiction of the "transient" urban blacks, at least to the extent where they can now acquire permanent leaseholds on which they can borrow money and which they can sell and bequeath. On the employment front, the foundation has gained the endorsement of more than 700 South African employers for a code of practices that commits them to abolish job discrimination, train their black employees, and give them equal pay for equal work. Whatever its limitations, the Urban Foundation symbolizes the emergence of the Afrikaner businessman as a force for

change. Andrew Young has aptly noted that South Africa is one country where the business community stands to the left of the government. As the politicians of the ruling National party try to dodge the new realities—with contorted schemes to recognize the economic role of the urban black without letting him share in political power—they have succeeded only in disenchanting the intellectuals at Afrikaner universities, such as Stellenbosch, who used to serve as the party's brain trusters. The ranks of the estranged include even the current head of the legendary Broederbond, the secretive fraternal society that is the watchdog over 300 years of Afrikaner heritage. Professor Gerrit Viljoen is now quietly prodding the government to face the facts by accepting urban blacks as permanent residents and to move on from separate development toward a multiracial federation, with even eventual political integration not ruled out. Coming from the head of the Broederbond, this is a quantum leap forward.

Unfortunately, this kind of *verligte* thinking continues to come up against the *verkrampte* (uptight) hardliners in the National party. The result of their inertial resistance is to slow the evolutionary process to a pace that is not nearly brisk enough for the outside world—and what is much more critical—for a new generation of politicized blacks in South Africa itself. Inadequate reforms, grudgingly made, help to create the tensions that Alexis de Tocqueville described in his classic account of the end of the Ancien Régime in France: "Patiently endured so long as it seemed beyond redress, a grievance becomes intolerable once the possibility for removing it crosses men's minds." Such is the situation in Soweto today. The most militant talk comes not from the downtrodden poor but from members of an intellectual and professional elite who have already achieved their economic takeoff and are now insisting on the political rights to go with it.

Yet there is little doubt that, however erratic and confused, an evolutionary process is at work. The striking mark of this process is that the forces for change in the political sector receive their strongest thrust from progress in the economic sector. In the light of this fact, it hardly seems sensible to argue that political redemption can be accelerated by a full-scale American retreat from the economic arena.

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The modern, fully integrated 3M cafeteria at Elandsfontein has become a showpiece and has set a standard for other U.S. companies. Though many are still held back by fear of racial incidents, none happened at 3M.

The constructive question is what role American companies have been playing in the past—and what they should be doing in the future—to speed profounder change.

If the prospects can now be viewed more positively than in 1972 when FORTUNE first examined them (July, 1972), much credit is due to the Reverend Dr. Leon Sullivan, the civil-rights activist who is minister of Philadelphia's big Zion Baptist Church and a member of the board of General Motors. It is an ironic fact that the Reverend Dr. Sullivan has never erased his own reservations about the presence of U.S. companies in South Africa. But a brief visit there in 1975 quickly persuaded him that, so long as the companies were doing business, they should at least pioneer principles of fair-employment practices and equal opportunity, rather than simply blend into the apartheid scenery, as many had been doing with embarrassing ease. In March, 1977, Sullivan's meetings with the top level of major U.S. companies produced a carefully drafted code of conduct based on six principles:

- Nonsegregation of races in all eating, comfort, and work facilities
- Equal and fair employment practices
- Equal pay for comparable work
- Training programs to prepare blacks and other nonwhites for supervisory, administrative, clerical, and technical jobs in substantial numbers
- More blacks and other nonwhites in management and supervisory positions
- Improving employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation, and health

Today the number of signatories to this code has risen from the original twelve companies to ninety-eight, and task forces—one for each point—are meeting regularly to compare notes and develop new approaches. The code, to be sure, is hardly revolutionary; and with the sole reservation that it should not apply just in South Africa, the

South African government has even given it approval—a fact that, in the view of some militants, automatically renders it suspect or meaningless.

It is no such thing. The code has provided both a forum for discussion and a criterion for judgment where none before existed. Fully aware that the Reverend Dr. Sullivan has ready access to the top levels of U.S. corporate management—and that failure to perform can lead to damaging publicity and nasty scenes at shareholders' meetings—the local managers of American companies in South Africa now have to address themselves seriously to each of the six principles, report back to the home office what they have been doing, and spell out concrete objectives for the future. The result has been to inspire a new kind of corporate competition. The fact that Ford has now established itself as a leader in implementing the Sullivan principles may well be as painful to G.M.'s ears as the fact that Ford is No. 1 and G.M. No. 5 in South African car sales.

The reputation of American companies is now much better than it used to be—and deservedly so. Freddy Sauls, who organizes nonwhite auto workers in Port Elizabeth and is not given to easy flattery of any bosses, grants that "most of the American firms now are pretty good, certainly a hell of a lot better than the British firms." Henry Chipeya, a young black union organizer in Johannesburg, pays the U.S. companies a backhanded compliment by complaining that many of them try to keep black unions out by providing above-average wages and benefits. In 1972, twelve out of fifteen companies examined by FORTUNE turned out to be paying starting wages below the minimum subsistence level of the government's Poverty Datum Line. All the firms visited this time paid starting wages above the higher standards of the Household Subsistence Level, as set by economists of the University of Port Elizabeth, with average wages usually 50 percent and more above that level. In Port Elizabeth, the coastal city with the biggest concentration of American factories, the average monthly cash income of black workers at Ford this March was 216.02 rand, compared with a Household Subsistence Level of 132.84 rand. Even the lowest unskilled starting wage encountered this time—.80 rand an hour at Firestone—worked out to 105 percent of H.S.L.

Since the principle of equal pay for equal work means nothing so long as there is no equal work, a training program is as crucial to blacks as their pay scale. Most major American companies recognize this now and are either supporting industrial-training centers like Chamdor in the

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For many black workers, the training programs in American companies represent a major part of their entire education.

Transvaal (see the photo on page 63) or running their own programs. For example, Ford is spending \$1.1 million on job training this year, an increase of 70 percent over 1977, despite the fact that it lost \$8 million in its South African operations last year. This is one of the advantages of a large multinational that smaller South African companies envy.

The programs offered by the companies range all the way from courses for tool-setter and foreman positions to literacy and language training. For many blacks these company courses represent a major part of their entire education. More concretely, the blacks are gradually making inroads into skilled and supervisory positions that used to be all-white monopolies. One major limitation remains—an anachronistic law that still prohibits blacks from becoming apprentices (except in the homelands). But companies like Ford have got around this by providing the essential training under a disguised name.

Compared with the importance of training for a good job, the better pay to go with it, and the opportunity for advancement, the right to use the same lavatory and to sit in the same cafeteria with the white supervisor ranks rather low on the list of priorities of the average black worker. By itself, says one black leader, "it doesn't mean a damn thing." But it does mean a great deal to whites. Perhaps this is why white management devotes enormous care to implementing the Sullivan code in ways that will prevent a "white backlash" incident. But this sometimes produces nervous exercises in gradualism that trigger a black backlash against mere tokenism.

A prime example of this, ironically, comes from the company on whose board the Reverend Dr. Sullivan sits—G.M. In line with the Sullivan code, G.M. duly removed the offending written signs from the lavatory doors in its Port Elizabeth plant, only to replace them with color-keyed doors: blue for whites and Chinese (the latter considered honorary whites for lavatory purposes), orange for blacks and coloreds. Far from "lessening the insult," as one G.M. official in Detroit tried to explain to FORTUNE, it infuriated a number of black trade unionists, for it seemed to confirm their worst suspicions that G.M. was using the code as mere window dressing. "Who do they think we are?" fumed one black shop steward. The fact that black hourly workers at G.M. eat in a segregated cafeteria, while white hourly workers are allowed to use the cafeteria for salaried employees (pending the planned construction of a new, integrated facility), has built up further resentment, which threatens to obscure G.M.'s good record in training and upgrading black employees.

The episode illustrates the gap in perception and communication that plagues South Africa generally and its paternalistic industrial relations in particular. Ford has found that its channels of communication were much improved by establishing a good working relationship with the black United Automobile Workers Union. This is something that G.M. has not managed to achieve so far.

The white-backlash problem is by no means entirely a figment of a timid management's imagination. Earlier this year, when Borg-Warner began to integrate its white cafeteria, a recent emigrant from Yorkshire stirred up a boycott, backed by the white union, to force re-segregation. The South African government reacted not by sternly enforcing the law requiring separate facilities, but by quietly dispatching an aide to the Minister of Labor to calm the scene. Taking the Yorkshireman aside, the official expressed puzzlement about why he was making such a fuss when he should have been used to sharing facilities with colored immigrants in Britain. "Why did you think I came here in the first place?" came the reply. The problem is now straightened out, but the incident throws light on the government's awareness that if it wants American companies to stay, it is in its own interests to see the Sullivan code put into effect—a clear hint of the bargaining position of American firms in nudging the government toward change.

As a rule of thumb, the Borg-Warner kind of trouble tends to disappear the higher up one goes on the educational and social ladder. Integration of facilities poses few problems, if any, at banks, white-collar operations, and in companies like I.B.M. and 3M, and others that deal with more sophisticated technologies. The task is much harder in auto plants and such hot, dirty, and dangerous operations as the Firestone and Goodyear tire plants, where fewer and fewer whites are prepared to take jobs as production workers. For the same reason, the opening of South Africa's top hotels to the tiny number of blacks who can afford to patronize them poses no problems, while the down-market establishments remain strictly limited to "whites only."

What can American companies collectively contribute to progress in a political environment so strange and snarled? In the view of moderate black leaders, it is possible—and necessary—for American business to deliver, in effect, a message to the South African government. This message would not be a hostile threat, but simply a statement of the facts of life. Beneficial as continued foreign investment may be for peaceful change, such investment will simply not

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American companies should have the influence to "deliver a message" to the government.

happen to any adequate degree so long as the prospect for long-term political stability does not improve. But this improvement can only be achieved by reform and not by repression. Already new U.S. investment has slowed to a trickle, and most American companies now in South Africa are essentially in a holding pattern. Another Soweto, another Biko case, would not only further inhibit investment but also would greatly strengthen the pressures for sanctions and the withdrawal of American firms. If U.S. companies are to stay, they need tangible evidence that their presence does indeed contribute to change. This means more than formal abandoning of the more obnoxious remainders of "petty apartheid" (some of which, like the Immorality Act making sex between the races a crime, are no longer being strictly enforced anyway). It means above all facing up to the necessity of starting a dialogue between the races. What formula for sharing power this dialogue should devise is not up to the outside world, but for black and white South Africans to work out among themselves.

It may well be that the South African government will ignore this message, as it has other messages in the past, for the forces of fear and inertia within the ruling Nationalist party are still all too strong. But at least the chance of American business getting a hearing will be better than that of foreign polemicists from afar, including those of the Carter Administration. After all, as Professor Willie Esterhuysen of Stellenbosch University puts it, "You rather take advice from a friend than from an enemy." Unfortunately, all the Carter Administration has managed to achieve with its rhetoric so far has been to stiffen the will of the forces of resistance and complicate the task of black leaders struggling for reform.

An outstanding figure among these leaders is forty-year-old Percy Qoboza, South Africa's foremost black journalist. An articulate and dedicated believer in the principles of non-violence, he has long been recognized as one of his country's most courageous black foes of apartheid. During five months of detention, which ended only last March, he agonizingly reviewed the dilemmas besetting South Africa and his own convictions. Qoboza has found himself confirmed in his belief that the American—and other foreign—companies have at least the potential of becoming "one of the most vital links in bringing about peaceful change." But today he attaches important conditions. The foreign companies must, he says, "put their money where their mouth is" and do those things that give blacks a sense of dignity. This means the training to be productive workers earning the wage they deserve; equal opportunity for work and

in the process, the liberation from pride-killing, paternalist charity.

An essential part of the process, he insists, is to let black workers deal through their own unions. In a country full of institutions created by whites for blacks, black unions have a very special role to play, he argues. In the present South African context, multiracial unions are unions dominated by whites. Concerned that the educational efforts of American companies tend to be concentrated either at the doctoral or the literacy training ends of the spectrum, Qoboza urges multinationals to stress the middle level—"the production manager who can keep the factory running while the boss is away." And if this kind of training cannot be carried out in South Africa, he asks, "Why not do it in America or somewhere else abroad?"

In the office of his new paper, the *Johannesburg Post*, Qoboza sits at his work under a picture of Martin Luther King and a framed certificate of his Nieman Fellowship at Harvard in 1975-76. Here he talks darkly about the lengthening shadows that are falling on his naturally beautiful, richly endowed, and politically imperiled country. "Today people like myself can still say 'cool'—but how much longer?" he asks. Persecuted as a radical by the government, under mounting attack from young militants who detest his moderation and dedication to nonviolence, he briefly considered moving himself and his family to safety in the U.S. after his release. It was his fourteen-year-old daughter who dissuaded him, telling him that by staying he might be able to save more lives than just his family's.

While Qoboza's great inspiration, Martin Luther King, had a dream, Qoboza today has a nightmare. It first came to him in detention, and it is the vision of his children standing over his grave and demanding angrily, "Why didn't you do more to stop the holocaust?" Qoboza knows that a racial war would be the ultimate South African tragedy—staggering in its human suffering, with incalculable international ramifications—and in the end inconclusive. Just as Arabs cannot push Israelis into the sea, so the white Afrikaner tribe would still be there when the killing stopped, and Afrikaners and blacks would have to face up to the same test they are facing now: the historic task of living together and sharing power in their common country.

These are events that American business cannot, of course, control. But it can influence them. This is why the searing question in Percy Qoboza's nightmare is addressed to them, too. ■

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THE CASE FOR DOING BUSINESS IN SOUTH AFRICA

by HERMAN NICKEL

For some 350 American companies, doing business in South Africa has become much more than that. Whether they like it or not, they have become key actors in one of the more harrowing national dramas of our time.

At these companies, there is hardly a shareholders' meeting at which the chairman doesn't have to respond to cross-examination and criticism, mainly from church and university groups, pressing them to explain why they are still in South Africa. Some harassed university trustees, confronted by the most vocal political-protest movement on American campuses since the Vietnam war, have begun selling off the shares of such companies, often with heavy losses. Other universities, led by Harvard, have taken the line that they will look at their portfolio case by case, to make sure the companies in which they own shares meet their exacting standards of corporate responsibility. Major American banks are being threatened with the withdrawal of accounts unless they stop lending to the South African government, and even to private South African firms.

The anti-South African campaign has also been making steady progress in Washington—particularly since the rioting in Soweto in 1976 and the explosion of worldwide outrage over the case of Steven Biko, the leader of the "Black Consciousness Movement" who failed to survive South African police "questioning" last September. In January, a staff report of the Foreign Relations subcommittee on Africa, chaired by Senator Dick Clark (Democrat-Iowa) charged that the "abysmal" record of American employers in South Africa threatened to undermine "the fundamental goals and objectives of U.S. foreign policy." In the House of Representatives, a move to bar the Export-Import Bank from providing loan guarantees and insurance for transactions with South Africa has passed the Banking Committee. The Carter Administration has not yet supported such extreme judgments or actions, but potential investors seeking advice are being warned about the labyrinth of problems they might be getting into.

U.S. investment is a needed force for peaceful change—but its long-term future inevitably depends on how much change the Afrikaner government allows.

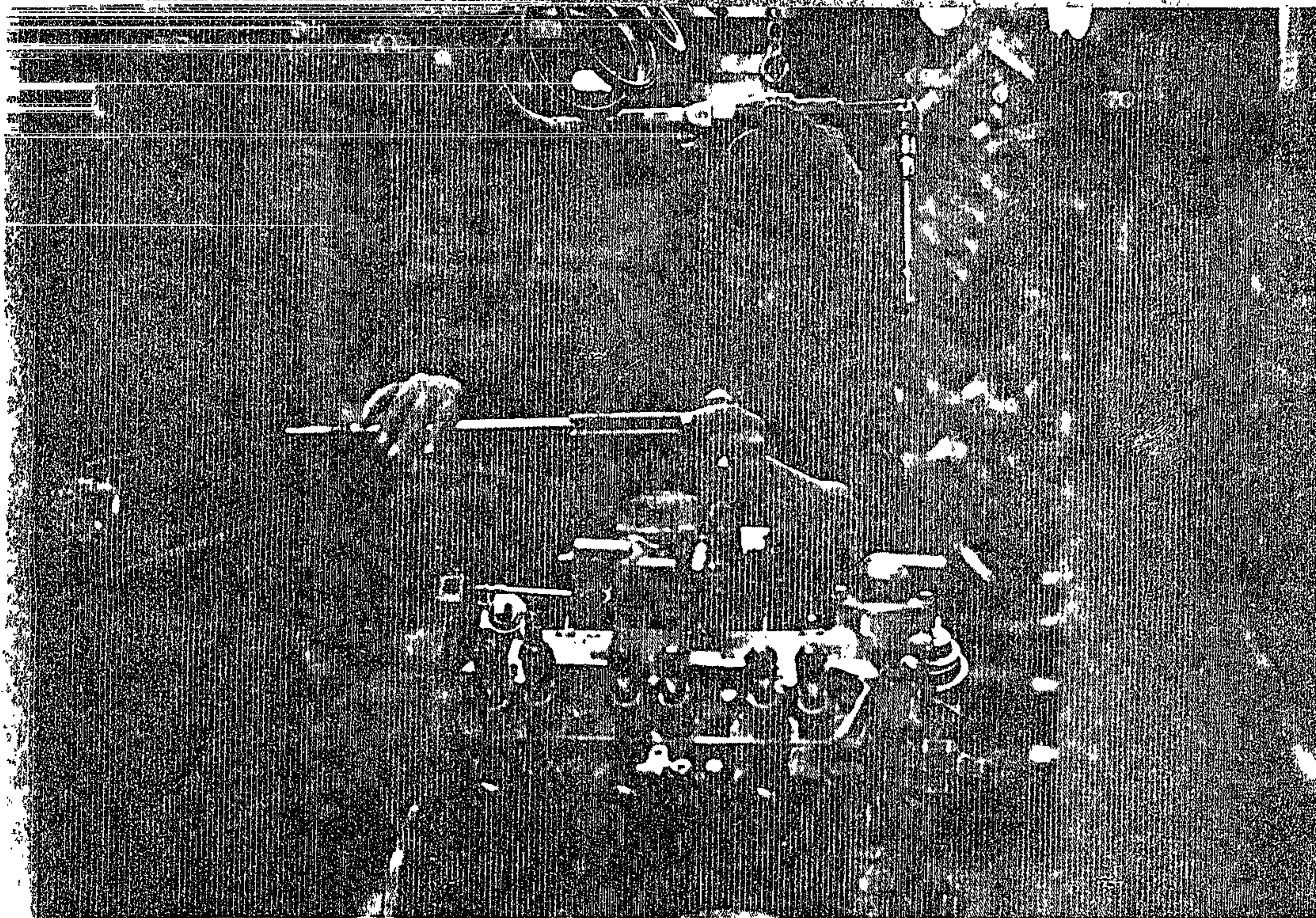
some affair. After all, business in South Africa is not nearly as profitable today as it used to be, with the once-fabulous returns (a record 29.9 percent in 1973) sharply down to 8.5 percent in 1975. In these circumstances, the temptation can be strong to give withdrawal some moral gloss. When Polaroid recently announced its withdrawal, for example, it won applause from those who had been castigating the firm for supplying the government with the photographic equipment to make the hated passbooks that keep South African blacks from moving around freely in their own country. In fact, Polaroid conducted its South African business through a local distributor. Its products are still on sale. As for the passes, which existed well before Polaroid arrived on the scene, they are still issued as before.

This comparatively trivial instance merely hints at the massive difficulty besetting any grand design for American economic disengagement: the true nature and impact of any such withdrawal would bear little if any similarity to the avowed objective of its ardent advocates. And this essentially is why the vast majority of companies—after sober weighing of all risks and uncertainties—have chosen to stand their ground.

To be sure, one self-serving consideration plays its role in this decision. The fact is that any "heading for the exit" is not nearly as simple an exercise as some of its propo-

In the public forum, the critics of American companies charge flatly that whatever helps the South African economy also helps apartheid. So long as these companies go on conducting business as usual, so too will the South African government, with its politics of repression. For according to the indictment, this is a government so immune to persuasion that it can understand no language milder than an American economic withdrawal.

Frightened or fatigued by all such pressures, a few American companies—notably those for which South African business is only a marginal item anyway—have found it easier to wash their hands of the whole nettle-



nents seem to assume. For while South African foreign-exchange regulations allow the free repatriation of profits, this does not apply to capital. There is thus no way of packing up the plant and shipping it home. If an American corporation found a South African buyer, the proceeds would first have to be invested for at least seven years in low-yield South African government securities—a solution as unattractive politically as it is financially. The alternative of selling out to another foreign enterprise would merely give the buyer the competitive break of being able to pick up a plant at a knockdown price—and without any obvious gain for South Africa's blacks.

But going beyond these practical reasons, most American companies cast their decision to stay in South Africa in more positive terms. By their continued presence, they argue, they not only provide jobs for their 90,000 employees, including some 60,000 blacks; they also can serve as catalysts of peaceful social change. For them, the crucial question is: would U.S. withdrawal bring the desired human, practical, and political rewards? And this is precisely where the case for withdrawal, flawed with many oversimplifications and half-truths, breaks down.

To begin with, one has to confront a truth that Americans often prefer to ignore in foreign relations: there is a clear limit to American power and leverage. While continued U.S. investment, credit, and trade are important to

The shortage of white labor has made the advance of blacks into semi-skilled and skilled jobs a matter of urgent necessity for industry in South Africa. At Ford's Struandale engine plant near Port Elizabeth, a black tool-setter goes about an exacting task that was once a white monopoly.

South Africa, they are not a matter of survival. At least on this point, South Africa's Finance Minister Owen Horwood and U.S. Ambassador to the United Nations Andrew Young are in perfect agreement. "South Africa will certainly not be forced to its knees by disinvestment of American capital, whatever that vague notion may mean and however it is supposed to be brought about," Horwood told me when I questioned him in his spacious Cape Town office. "South Africa is one of the most self-sufficient nations in the world," said Young in a recent interview. Even the staff report of Senator Clark's subcommittee on Africa, with its strong disengagement bias, concedes that U.S. economic interests in South Africa "may not be decisive" after all.

In purely quantitative terms, the \$1.6-billion (book value) U.S. direct investment in South Africa represents 16 percent of total foreign investment there. This is dwarfed by the 57 percent stake of the European Community countries and amounts to only 4 percent of the total capital invested in the South African economy. It is true that in some sectors the American role is critical, probably the most important being computer technology, where U.S. companies,

Photographs by Alon Raiminger-Contact



led by I.B.M., control 70 percent of the market. But South Africa is by no means defenseless. Thanks to its near-monopoly in some critical metals (including 83 percent of the world's reserves of platinum and 74 percent of the chrome), it is quite capable of retaliating if the U.S. refused to deal in terms of quid pro quo. "Without South African platinum for catalytic converters, the U.S. government would have to call off the entire emission-control program," a G.M. executive warns.

Since South Africa's economic relationship with Europe is so much more important to both sides than its relationship with the U.S., a fully effective investment boycott would need the support of the EEC. But precisely because the European stake is so much greater, the chances for that are very remote. Britain's Foreign Secretary David Owen recently voiced concern that Britain's huge £5-billion portfolio and direct investment in South Africa, 10 percent of all British investment abroad, makes his country "dangerously vulnerable" and urged that this exposure be reduced. But successive Labor governments have been far too worried about the 70,000 jobs allegedly dependent on British economic ties with South Africa to move decisively toward economic disengagement.

A new and increasingly vital factor in this equation is Western Europe's reliance on South Africa as a major supplier of processed uranium. The restrictive conditions that have been put on the export of U.S. and Canadian uranium in effect increase this dependence. Though no official figures are published, South African and Namibian uranium is estimated to account for at least 50 percent of Western Europe's supplies. As soon as ten years from now, top South African officials expect uranium (even excluding Namibian sources) to surpass gold in importance to the South African economy.

Even South Africa's reliance on foreign credits, while serious, has not made it vulnerable to an ultimatum from the outside world. The fact that the South African government managed to turn a balance-of-payments deficit running at an annual rate of 2,592 million rand (\$2,976 million) early in 1976 into an annual surplus of 1,277 million rand by mid-1977 shows that the government is prepared to slow domestic expansion to make up for the reduced net capital inflow (from 989 million rand in 1976 to 211 million rand in 1977). Largely as the result of the mid-1970's recession, which hit South Africa about eighteen months late, the economy's real growth rate has nose-dived from 7 percent in 1974 to 0.5 percent in 1977.

Chamdor Training Center in Transvaal is a joint venture sponsored by private companies and the government to give blacks the training needed to make "equal pay for equal work" more than an empty slogan. But more such centers are needed.

Here one comes to the crux of the matter. Stopping the flow of foreign capital cannot bring South Africa "to its knees," in Finance Minister Horwood's phrase. But it does spell the difference between adequate and inadequate growth. The government acknowledges that South Africa's normal growth rate of about 6 percent would be halved if the flow of foreign capital came to a halt. Independently, academic analysts such as Professor Arnt Spandau of the University of Witwatersrand have come to the same conclusion. Of course this is a "worst case" assumption, but even a substantial decline in the capital inflow—and it reached 6 to 7 percent a year during the "golden Sixties"—could slow growth to below the level that is necessary to accommodate the 3 percent birth rate in the non-white population. South African blacks would thus face the prospect of growing unemployment, without the benefits of welfare checks and food stamps. That would be the harshly ironic result of a policy designed to help them.

The prospect worries most blacks deeply. In the blunt words of Freddy Sauls, a battle-seasoned organizer for colored and black workers in the Port Elizabeth auto industry: "It's all very well for people to urge disinvestment who sit in safe comfort in some nice office 8,000 miles away. But if the American auto plants here closed down, I'd have thousands of men looking for work and literally wondering where the next meal would come from." I found the same sense of realism echoed in scores of conversations I had with black workers. Whatever specific grievances they might have, the vast majority rejected any notion of foreign economic boycott of their country. And this simply confirmed the estimate of black leaders who told me that a poll of urban blacks would find 75 percent opposing any withdrawal by U.S. companies.

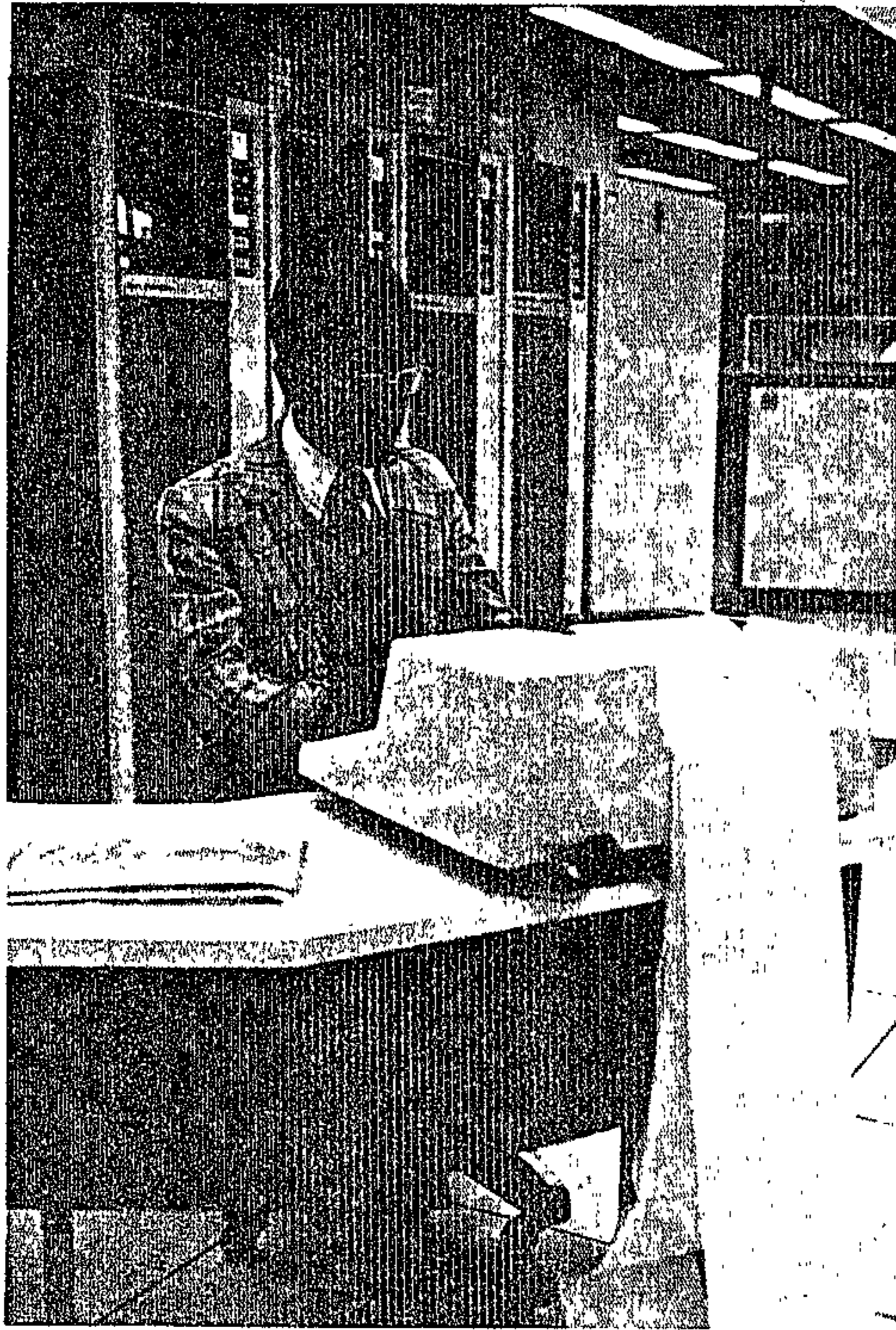
In broad historical terms, there appears to be little logic or reason in the idea that economic stagnation provides a better backdrop for the peaceful transformation of South Africa from institutionalized racism into a multiracial society. The notion would seem all the more bizarre when put forward by Americans, for the whole history of racial progress in the U.S. points in the opposite direction. Practically every major step forward was linked with economic progress. Just as the hardheaded interests of Yankee businessmen helped to pave the way for the abolition of slavery, so the emergence of the "new South" and the opening up of equal opportunities for black Americans one hundred years later could have happened only against a background of growth, while they would have been unthinkable during the Depression. Economic growth did not strength-

en the system of institutionalized racism in the U.S.; it effectively destroyed it.

When Andrew Young first drew parallels between the role business eventually played in the civil-rights struggle in the American South and the role it might play in South Africa, his critics were quick to cite the essential differences: the reversed ratios between blacks and whites, the much wider cultural gaps, and the fact that South Africa has no U.S.-type constitution in place. All these differences make the South African problem much more difficult—a fact some Americans should recall before unleashing their moralistic rhetoric. Nevertheless, this criticism should not obscure a central point in Young's thesis that applies to segregation and apartheid with equal force: institutionalized racism is plainly incompatible with the func-

These workers at the Struandale engine plant are two out of 1,863 blacks now working at Ford, in a total work force of 4,877. As recently as 1968, the number of blacks was only 165.





Five and a half percent of Ford supervisors—like this computer-center shift supervisor—are nonwhite. Ford's goal is 10 percent by 1980.

tional requirements of an expanding industrial society.

The same point is made in a different way by Harry Oppenheimer, chairman of the huge Anglo-American minerals empire and a persistent critic of the government. As the political philosophy of poor rural Afrikanerdom, he observes, apartheid could possibly have worked only in the context of a poor agricultural subsistence economy. Against the background of an industrial revolution that turned the Witwatersrand into the "only real industrial complex south of Milan" (*FORTUNE*, December, 1966), the contradictions of the system were bound to become ever more glaring, even to many of its Afrikaner supporters.

This is exactly what has been happening. The first consequence of industrial growth was the full enlistment of the country's limited supply of white labor for semiskilled and skilled jobs, and, accordingly, the necessity of proceeding to train nonwhite labor. Even though South Africa has yet to emerge from its deepest postwar recession, the unemployment rate among whites is less than 1 percent. The real burden of the recession has been carried by

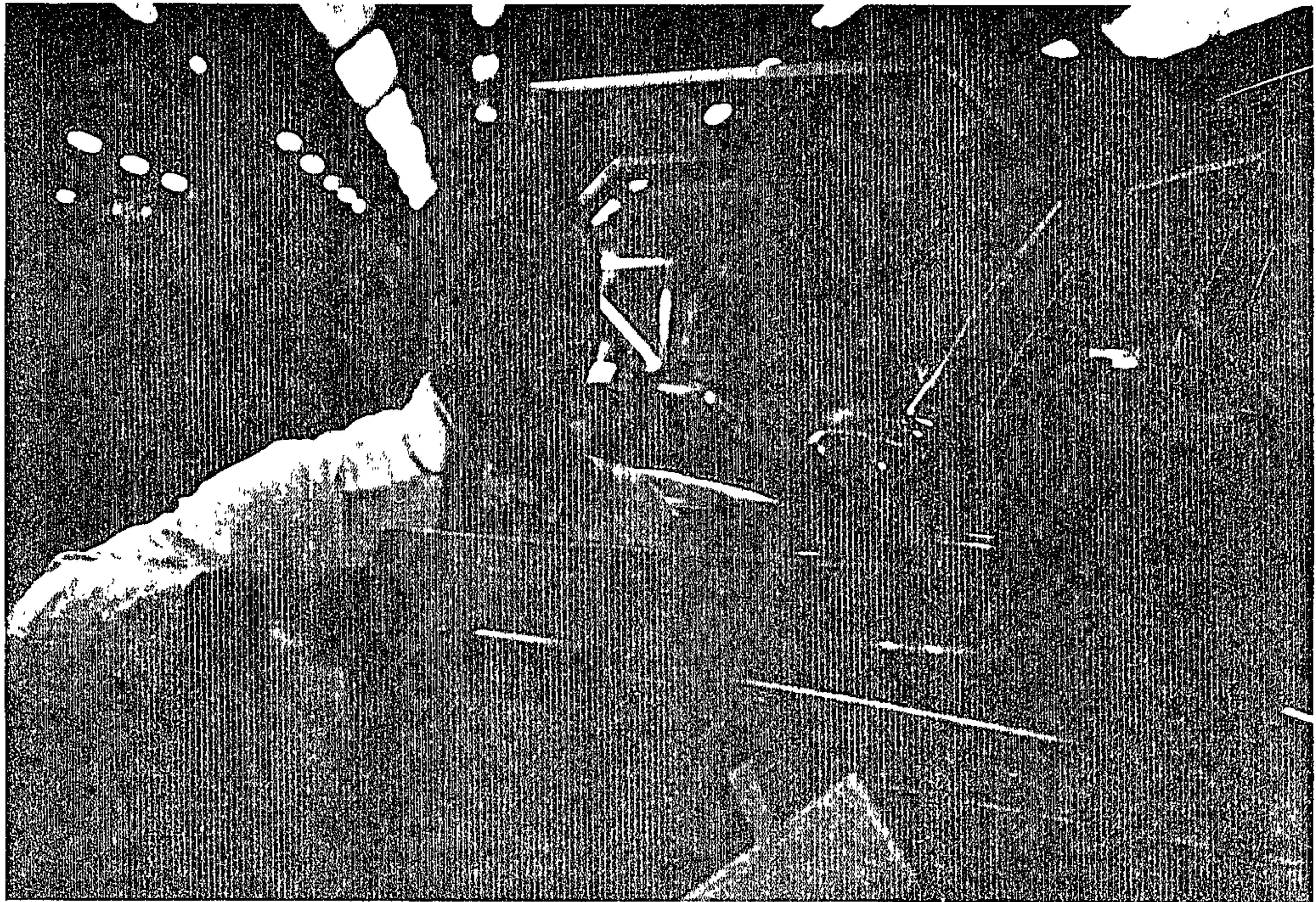
unskilled blacks. (Although, grotesquely, there still are no official statistics on black unemployment, the estimates run as high as 12 percent.)

The effect of this transformation has been to make an empty shell of the old system of "job reservation," conceived originally to shield poor whites from black competition. Last year the remaining twenty-five "reserved" job categories were reduced to a mere five, and even these are expected to be abolished soon. The only obstacle to this reform would be the fear of a prolonged depression, which could stir up opposition from some reactionary white unions. But if the South African economy could get back on its normal pre-recession growth path of almost 6 percent, it would require 3.8 million more skilled workers by 1980, of whom more than half would have to be nonwhite.

This structural transformation of the labor market has already had significant effects on the real earnings of black industrial workers. At least since 1970 their wages have been rising not just absolutely, but also in relation to those of whites. According to a survey by the Bureau of Market Research of the University of South Africa, average incomes of black households in the Johannesburg area rose 118 percent between 1970 and 1975, as compared with 58 percent for white households. Between 1975 and 1980, black per capita income is expected to rise 29.5 percent, as against only 7.3 percent for whites.

In contrast to what has happened in many independent black African countries, the gap between black and white incomes has been narrowing steadily. Between 1970 and 1976, the gap in industry narrowed from 1:5.85 to 1:4.44; among employees in the central government, from 1:5.31 to 1:3.10; and in construction from 1:6.60 to 1:5.20. The most dramatic—and the most necessary—improvement occurred in the mining sector, where the gap shrank from 1:19.79 to 1:7.69. This is still by no means satisfactory, but it sharpens the point made by Economics Minister Chris Heunis when he observed that foreign critics can't reasonably demand, at one and the same time, an investment boycott and the narrowing of income disparities. In a new study, to be published later this year in the U.S., Professor Spandau documents a significant reallocation of racial incomes in South Africa since 1970. Between 1970 and 1977 the white share of total incomes declined steadily at a rate of one percentage point a year, from 70 to 63 percent. In another paper, economist Erich Leistner predicts that by the end of the century the black market will be twice the size of the total consumers' market in South

continued



This black quality inspector at Ford's Port Elizabeth assembly plant is one of twenty-three nonwhite foremen. Despite the wide mix of models

coming off one production line in South African auto plants, assembly quality is rated by some as ahead of British and U.S. standards.

Africa today. "All these figures would seem to dispose of those baleful predictions that in a capitalist society like South Africa, growth can only make the rich whites richer and the poor blacks poorer.

The most important political consequence of these economic changes has undermined the central aim of apartheid, which was the effort to overcome the numerical disadvantage of the country's 4.3 million whites by decreeing the 18 million blacks to be citizens of ten fragmented, pseudo-independent tribal "homelands" (occupying just 13 percent of the land area of South Africa). The theory of apartheid regarded the urban townships as little more than dormitory towns for transient workers who—rather like Turks in Germany—were not supposed to stay forever and would have political rights only in their "homelands." Hence the reluctance to improve the townships to a point where people might want to stay for good and others would be attracted to move in from the impoverished homelands. Hence also the resistance to giving blacks in the townships property rights, as well as the insistence that no one be allowed to move to the urban areas without a passbook.

But the gravitational pull of the urban industrial centers has proved too strong for all such barriers. The huge, sprawling township of Soweto outside Johannesburg—home for as many as one million people, including 300,000 to 400,000 unauthorized "squatters"—became the dramatic symbol of apartheid's failure to face up to the reality of the urban black.

When Soweto erupted into violence in 1976, this failure could no longer be masked, and there is now a virtual consensus that the status quo will no longer do. Moreover, this failure is no longer discussed just in private. Among *verligte* (enlightened) Afrikaners, the reliance on repression to cope with the system's contradictions is perceived as not only ruinous to South Africa's desire to be recognized as a member of the Western world; it would also be blindly defiant to the real needs of the economic future. The ferment of this "agonizing reappraisal" contrasts with the outside world's popular perception of the Afrikaners as one monolithic and immutable bloc.

It is not surprising that Afrikaner businessmen, themselves a fairly recent product of economic growth, should be playing a prominent part in this reappraisal. It is, after all, in business's own interest that the status of the ten

continued



Integration of the clerical work force is going smoothly at the 3M plant in Elandsfontein. Here an accounts-receivable coordinator compares figures with a credit-control coordinator.

million urban blacks be improved and given full recognition, for they are the indispensable workers. There is little point in spending time and money on training migrants, as distinct from a stable work force living with their families under decent conditions. It was simple recognition of this that led in 1976 to the forming of the Urban Foundation, an effort by businessmen to mobilize the resources and influence of private enterprise to improve the quality of life in the townships. Having raised 14 million rand, even in the midst of a recession—including a million each from Barclays and Standard banks, half a million from Ford, and a quarter million from Mobil—the foundation is now embarked on a variety of projects to improve housing in the townships and set up community centers, kindergartens, early-learning centers, and recreational facilities.

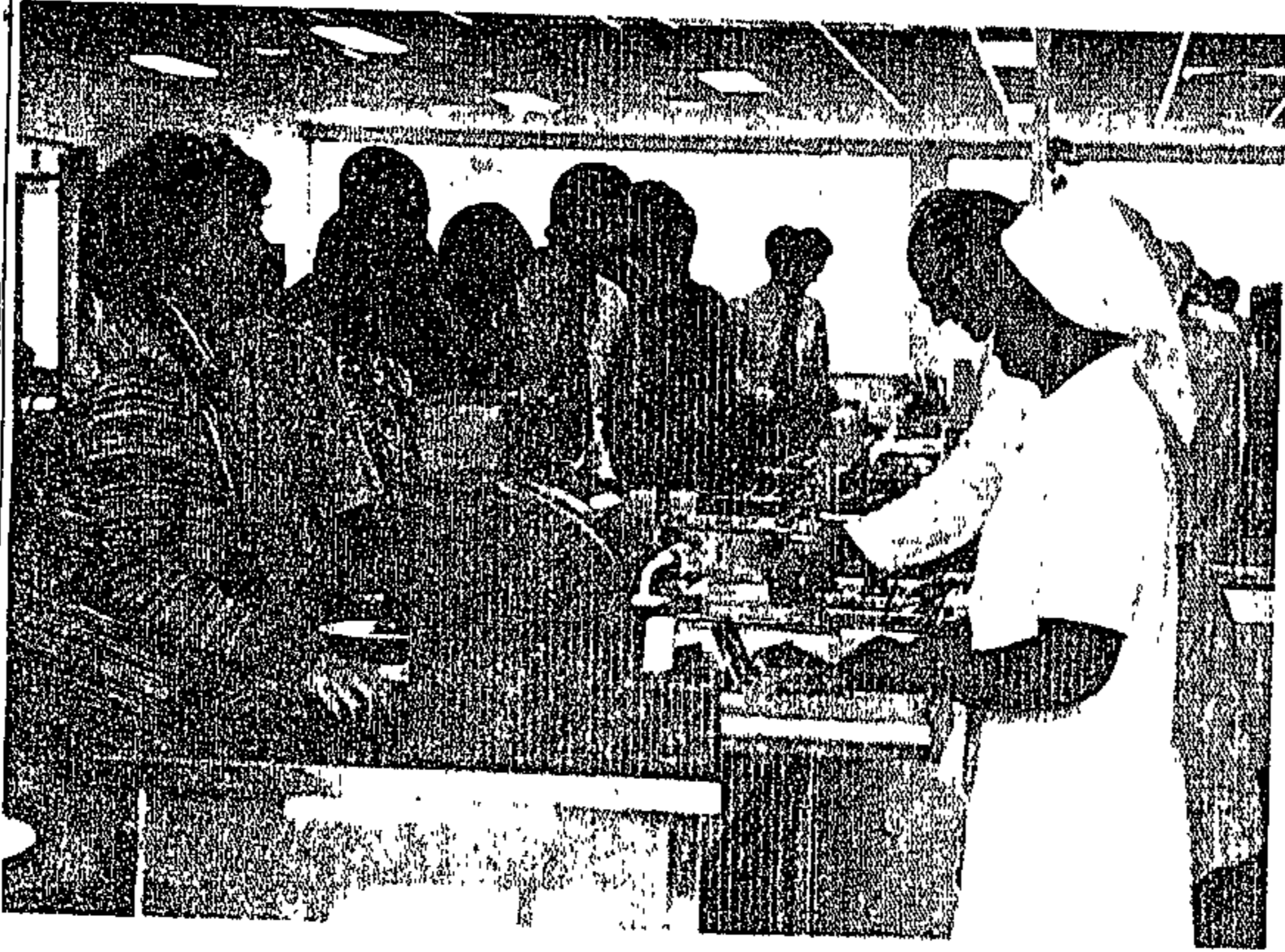
The success of this enterprise still hangs in the balance. As the foundation's executive director, Justice Jan Steyn, concedes, its biggest problem is to overcome suspicion and hostility among urban blacks toward still another white-sponsored effort to improve their lot within the political straitjacket of the apartheid system. He acknowledges that "without securing their involvement, the changes we seek will be beyond our reach." Steyn hopes that the foundation's credibility was enhanced by its role in prodding the government to drop the fiction of the "transient" urban blacks, at least to the extent where they can now acquire permanent leaseholds on which they can borrow money and which they can sell and bequeath. On the employment front, the foundation has gained the endorsement of more than 700 South African employers for a code of practices that commits them to abolish job discrimination, train their black employees, and give them equal pay for equal work. Whatever its limitations, the Urban Foundation symbolizes the emergence of the Afrikaner businessman as a force for

ty's brain trusters. The ranks of the estranged include even the current head of the legendary Broederbond, the secretive fraternal society that is the watchdog over 300 years of Afrikaner heritage. Professor Gerrit Viljoen is now quietly prodding the government to face the facts by accepting urban blacks as permanent residents and to move on from separate development toward a multiracial federation, with even eventual political integration not ruled out. Coming from the head of the Broederbond, this is a quantum leap forward.

Unfortunately, this kind of *verligte* thinking continues to come up against the *verkrampte* (uptight) hardliners in the National party. The result of their inertial resistance is to slow the evolutionary process to a pace that is not nearly brisk enough for the outside world—and what is much more critical—for a new generation of politicized blacks in South Africa itself. Inadequate reforms, grudgingly made, help to create the tensions that Alexis de Tocqueville described in his classic account of the end of the Ancien Régime in France: "Patiently endured so long as it seemed beyond redress, a grievance becomes intolerable once the possibility for removing it crosses men's minds." Such is the situation in Soweto today. The most militant talk comes not from the downtrodden poor but from members of an intellectual and professional elite who have already achieved their economic takeoff and are now insisting on the political rights to go with it.

Yet there is little doubt that, however erratic and confused, an evolutionary process is at work. The striking mark of this process is that the forces for change in the political sector receive their strongest thrust from progress in the economic sector. In the light of this fact, it hardly seems sensible to argue that political redemption can be accelerated by a full-scale American retreat from the economic arena.

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The modern, fully integrated 3M cafeteria at Elandsfontein has become a showpiece and has set a standard for other U.S. companies. Though many are still held back by fear of racial incidents, none happened at 3M.

The constructive question is what role American companies have been playing in the past—and what they should be doing in the future—to speed profounder change.

If the prospects can now be viewed more positively than in 1972 when FORTUNE first examined them (July, 1972), much credit is due to the Reverend Dr. Leon Sullivan, the civil-rights activist who is minister of Philadelphia's big Zion Baptist Church and a member of the board of General Motors. It is an ironic fact that the Reverend Dr. Sullivan has never erased his own reservations about the presence of U.S. companies in South Africa. But a brief visit there in 1975 quickly persuaded him that, so long as the companies were doing business, they should at least pioneer principles of fair-employment practices and equal opportunity, rather than simply blend into the apartheid scenery, as many had been doing with embarrassing ease. In March, 1977, Sullivan's meetings with the top level of major U.S. companies produced a carefully drafted code of conduct based on six principles:

- Nonsegregation of races in all eating, comfort, and work facilities
- Equal and fair employment practices
- Equal pay for comparable work
- Training programs to prepare blacks and other nonwhites for supervisory, administrative, clerical, and technical jobs in substantial numbers
- More blacks and other nonwhites in management and supervisory positions
- Improving employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation, and health

Today the number of signatories to this code has risen from the original twelve companies to ninety-eight, and task forces—one for each point—are meeting regularly to compare notes and develop new approaches. The code, to be sure, is hardly revolutionary; and with the sole reservation that it should not apply just in South Africa, the

South African government has even given it approval—a fact that, in the view of some militants, automatically renders it suspect or meaningless.

It is no such thing. The code has provided both a forum for discussion and a criterion for judgment where none before existed. Fully aware that the Reverend Dr. Sullivan has ready access to the top levels of U.S. corporate management—and that failure to perform can lead to damaging publicity and nasty scenes at shareholders' meetings—the local managers of American companies in South Africa now have to address themselves seriously to each of the six principles, report back to the home office what they have been doing, and spell out concrete objectives for the future. The result has been to inspire a new kind of corporate competition. The fact that Ford has now established itself as a leader in implementing the Sullivan principles may well be as painful to G.M.'s ears as the fact that Ford is No. 1 and G.M. No. 5 in South African car sales.

The reputation of American companies is now much better than it used to be—and deservedly so. Freddy Sauls, who organizes nonwhite auto workers in Port Elizabeth and is not given to easy flattery of any bosses, grants that “most of the American firms now are pretty good, certainly a hell of a lot better than the British firms.” Henry Chipeya, a young black union organizer in Johannesburg, pays the U.S. companies a backhanded compliment by complaining that many of them try to keep black unions out by providing above-average wages and benefits. In 1972, twelve out of fifteen companies examined by FORTUNE turned out to be paying starting wages below the minimum subsistence level of the government's Poverty Datum Line. All the firms visited this time paid starting wages above the higher standards of the Household Subsistence Level, as set by economists of the University of Port Elizabeth, with average wages usually 50 percent and more above that level. In Port Elizabeth, the coastal city with the biggest concentration of American factories, the average monthly cash income of black workers at Ford this March was 216.02 rand, compared with a Household Subsistence Level of 132.84 rand. Even the lowest unskilled starting wage encountered this time—.80 rand an hour at Firestone—worked out to 105 percent of H.S.L.

Since the principle of equal pay for equal work means nothing so long as there is no equal work, a training program is as crucial to blacks as their pay scale. Most major American companies recognize this now and are either supporting industrial-training centers like Chamdor in the

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For many black workers, the training programs in American companies represent a major part of their entire education.

Transvaal (see the photo on page 63) or running their own programs. For example, Ford is spending \$1.1 million on job training this year, an increase of 70 percent over 1977, despite the fact that it lost \$8 million in its South African operations last year. This is one of the advantages of a large multinational that smaller South African companies envy.

The programs offered by the companies range all the way from courses for tool-setter and foreman positions to literacy and language training. For many blacks these company courses represent a major part of their entire education. More concretely, the blacks are gradually making inroads into skilled and supervisory positions that used to be all-white monopolies. One major limitation remains—an anachronistic law that still prohibits blacks from becoming apprentices (except in the homelands). But companies like Ford have got around this by providing the essential training under a disguised name.

Compared with the importance of training for a good job, the better pay to go with it, and the opportunity for advancement, the right to use the same lavatory and to sit in the same cafeteria with the white supervisor ranks rather low on the list of priorities of the average black worker. By itself, says one black leader, "it doesn't mean a damn thing." But it does mean a great deal to whites. Perhaps this is why white management devotes enormous care to implementing the Sullivan code in ways that will prevent a "white backlash" incident. But this sometimes produces nervous exercises in gradualism that trigger a black backlash against mere tokenism.

A prime example of this, ironically, comes from the company on whose board the Reverend Dr. Sullivan sits—G.M. In line with the Sullivan code, G.M. duly removed the offending written signs from the lavatory doors in its Port Elizabeth plant, only to replace them with color-keyed doors: blue for whites and Chinese (the latter considered honorary whites for lavatory purposes), orange for blacks and coloreds. Far from "lessening the insult," as one G.M. official in Detroit tried to explain to *FORTUNE*, it infuriated a number of black trade unionists, for it seemed to confirm their worst suspicions that G.M. was using the code as mere window dressing. "Who do they think we are?" fumed one black shop steward. The fact that black hourly workers at G.M. eat in a segregated cafeteria, while white hourly workers are allowed to use the cafeteria for salaried employees (pending the planned construction of a new, integrated facility), has built up further resentment, which threatens to obscure G.M.'s good record in training and upgrading black employees.

The episode illustrates the gap in perception and communication that plagues South Africa generally and its paternalistic industrial relations in particular. Ford has found that its channels of communication were much improved by establishing a good working relationship with the black United Automobile Workers Union. This is something that G.M. has not managed to achieve so far.

The white-backlash problem is by no means entirely a figment of a timid management's imagination. Earlier this year, when Borg-Warner began to integrate its white cafeteria, a recent emigrant from Yorkshire stirred up a boycott, backed by the white union, to force re-segregation. The South African government reacted not by sternly enforcing the law requiring separate facilities, but by quietly dispatching an aide to the Minister of Labor to calm the scene. Taking the Yorkshireman aside, the official expressed puzzlement about why he was making such a fuss when he should have been used to sharing facilities with colored immigrants in Britain. "Why did you think I came here in the first place?" came the reply. The problem is now straightened out, but the incident throws light on the government's awareness that if it wants American companies to stay, it is in its own interests to see the Sullivan code put into effect—a clear hint of the bargaining position of American firms in nudging the government toward change.

As a rule of thumb, the Borg-Warner kind of trouble tends to disappear the higher up one goes on the educational and social ladder. Integration of facilities poses few problems, if any, at banks, white-collar operations, and in companies like I.B.M. and 3M, and others that deal with more sophisticated technologies. The task is much harder in auto plants and such hot, dirty, and dangerous operations as the Firestone and Goodyear tire plants, where fewer and fewer whites are prepared to take jobs as production workers. For the same reason, the opening of South Africa's top hotels to the tiny number of blacks who can afford to patronize them poses no problems, while the down-market establishments remain strictly limited to "whites only."

What can American companies collectively contribute to progress in a political environment so strange and snarled? In the view of moderate black leaders, it is possible—and necessary—for American business to deliver, in effect, a message to the South African government. This message would not be a hostile threat, but simply a statement of the facts of life. Beneficial as continued foreign investment may be for peaceful change, such investment will simply not

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American companies should have the influence to "deliver a message" to the government.

happen to any adequate degree so long as the prospect for long-term political stability does not improve. But this improvement can only be achieved by reform and not by repression. Already new U.S. investment has slowed to a trickle, and most American companies now in South Africa are essentially in a holding pattern. Another Soweto, another Biko case, would not only further inhibit investment but also would greatly strengthen the pressures for sanctions and the withdrawal of American firms. If U.S. companies are to stay, they need tangible evidence that their presence does indeed contribute to change. This means more than formal abandoning of the more obnoxious remainders of "petty apartheid" (some of which, like the Immorality Act making sex between the races a crime, are no longer being strictly enforced anyway). It means above all facing up to the necessity of starting a dialogue between the races. What formula for sharing power this dialogue should devise is not up to the outside world, but for black and white South Africans to work out among themselves.

It may well be that the South African government will ignore this message, as it has other messages in the past, for the forces of fear and inertia within the ruling Nationalist party are still all too strong. But at least the chance of American business getting a hearing will be better than that of foreign polemicists from afar, including those of the Carter Administration. After all, as Professor Willie Esterhuysen of Stellenbosch University puts it, "You rather take advice from a friend than from an enemy." Unfortunately, all the Carter Administration has managed to achieve with its rhetoric so far has been to stiffen the will of the forces of resistance and complicate the task of black leaders struggling for reform.

An outstanding figure among these leaders is forty-year-old Percy Qoboza, South Africa's foremost black journalist. An articulate and dedicated believer in the principles of non-violence, he has long been recognized as one of his country's most courageous black foes of apartheid. During five months of detention, which ended only last March, he agonizingly reviewed the dilemmas besetting South Africa and his own convictions. Qoboza has found himself confirmed in his belief that the American—and other foreign—companies have at least the potential of becoming "one of the most vital links in bringing about peaceful change." But today he attaches important conditions. The foreign companies must, he says, "put their money where their mouth is" and do those things that give blacks a sense of dignity. This means the training to be productive workers earning the wage they deserve; equal opportunity for work and

in the process, the liberation from pride-killing, paternalist charity.

An essential part of the process, he insists, is to let black workers deal through their own unions. In a country full of institutions created by whites for blacks, black unions have a very special role to play, he argues. In the present South African context, multiracial unions are unions dominated by whites. Concerned that the educational efforts of American companies tend to be concentrated either at the doctoral or the literacy training ends of the spectrum, Qoboza urges multinationals to stress the middle level—"the production manager who can keep the factory running while the boss is away." And if this kind of training cannot be carried out in South Africa, he asks, "Why not do it in America or somewhere else abroad?"

In the office of his new paper, the *Johannesburg Post*, Qoboza sits at his work under a picture of Martin Luther King and a framed certificate of his Nieman Fellowship at Harvard in 1975-76. Here he talks darkly about the lengthening shadows that are falling on his naturally beautiful, richly endowed, and politically imperiled country. "Today people like myself can still say 'cool'—but how much longer?" he asks. Persecuted as a radical by the government, under mounting attack from young militants who detest his moderation and dedication to nonviolence, he briefly considered moving himself and his family to safety in the U.S. after his release. It was his fourteen-year-old daughter who dissuaded him, telling him that by staying he might be able to save more lives than just his family's.

While Qoboza's great inspiration, Martin Luther King, had a dream, Qoboza today has a nightmare. It first came to him in detention, and it is the vision of his children standing over his grave and demanding angrily, "Why didn't you do more to stop the holocaust?" Qoboza knows that a racial war would be the ultimate South African tragedy—staggering in its human suffering, with incalculable international ramifications—and in the end inconclusive. Just as Arabs cannot push Israelis into the sea, so the white Afrikaner tribe would still be there when the killing stopped, and Afrikaners and blacks would have to face up to the same test they are facing now: the historic task of living together and sharing power in their common country.

These are events that American business cannot, of course, control. But it can influence them. This is why the searing question in Percy Qoboza's nightmare is addressed to them, too. [E]

Background



William Raspberry

'So when people talk glibly about disinvestment, I think they ought to realise that they are saying — from 500 miles away, from the safe security of distance "let the blood flow, and maybe then we'll have a just society".'

Qoboza

Qoboza's view contrasts perfectly with that of another thoughtful black professional, who had this to say:

'I am for disinvestment. Whites have benefited from investments. But they have refused to train blacks for real economic participation. Blacks have benefited nothing. They remain unskilled labourers. As a result, investment underpins apartheid.'

But again and again — particularly from those who work regularly, even in marginal jobs — one hears a virtual plea against disinvestment.

It would hurt the whites, they say, but it would hurt the blacks first — and worst.

Even self-styled radicals are not agreed that disinvestment is the best course. One group of South African youths, members of a student underground, told me they thought it might have a good effect, by creating an economic situation in which whites would be forced to institute major change.

DISINVESTMENT, disengagement. Getting American business out of South Africa. By whatever name, it has not been much of a dilemma for 'right-thinking' Americans who long ago concluded that South Africa was not about to change and, therefore, was ripe for being drummed out of the family of nations, political and economic.

South African blacks who are thoroughly disgusted with this country's policies and unafraid to say so will, surprisingly often, stop short of urging the pullout of American-based multinationals.

Perc Qoboza, the black editor of the World newspaper, who has become something of an international hero for his outspokenness, declined an offer to discuss disinvestment on an off-the-record, not-for-attribution basis, saying flat out that he did not favour it.

Pack up

'If you want a complete transformation of this society,' he said, 'the easiest thing to do is get everybody packing up their bags, taking their money out of the country and resisting all forms of investment in the country.'

'But of course the moment you do that, you create economic chaos. And that is a sure guarantee for a fullscale bloody racial confrontation, which would unleash a

SHOULD Americans withdraw investments in South Africa? The Washington Post's black journalist William Raspberry asked South African blacks this question and this is his report.

Should US invest in SA?

ARGUMENTS
21/6/78
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But another group of Marxist-leaning students at the predominantly coloured technical college take the opposite view. As one put it, 'We are at the bottom already. With disinvestment, there would be more unemployment, and the majority of blacks would be hit hardest, whereas the whites would still survive for another 15 years or so.'

Then there is Sonny Leon, the leader of the Labour Party of South Africa.

He said: 'I went to the States and told your people. "You are a lot of double-standard bastards. You are propping up the apartheid edifice in South Africa by investing in South Africa and then using the apartheid system as a shield for preventing you from

uplifting and upgrading blacks."'

Disinvestment would produce an economic crisis, Leon feels certain, but more of a crisis for whites than for blacks. 'Blacks are quite used to buying bones and getting what they can out of the ground. But whites are not used to this.'

Whatever their differences on disinvestment, blacks in South Africa are unanimous on one thing: Americans who are concerned about black South Africans should bring maximum pressure on American-based companies to end their discrimination.

As one student put it: 'If you make these companies know that they will get trouble from you unless they change their policies here, then that's the solution to our problem.'

SA Druggists koop groot

62

Deur ALPHONS DU TOIT 25/6/78

Die Amerikaanse farmaseutiese reus American Hospital Supply Corporation het sy vervaardigingsaanleg in Suid-Afrika aan S.A. Druggists vir ongeveer R2 miljoen kontant verkoop.

Die aanleg, die enigste in sy soort in die Suidelike Halfmond, vervaardig hipodermiese naalde, hipodermiese spuite, plastiese bloedbuise, perti-bakke, toetsbuise en monsterbuise. Tot op hede moes soortgelyke produkte deur S.A. Druggists van die buiteland, hoofsaaklik Japan, ingevoer word.

Die aankoop van die aanleg gee vir SA Druggists nog 'n verdere stoot ná sy onlangse oorname van Alumina. SAD se vervaardigingspotensiaal is nou baie groot. Beheer van SAD is nou feitlik heeltemal in die hande van Fedchem, in die Federale groep.

Vir Suid-Afrika verteenwoordig die aankoop 'n aansienlike besparing in buitelandse valuta, asook 'n nuwe potensiaal op die gebied van uitvoer.

American Hospital Supply Corporation, met sy hoofkwartier in Chicago, sê hy het sy vervaardigingsaanleg verkoop bloot om verstandige handelsredes.

Hy behou die oorblywende helfte. Dit behels veral die verspreiding van 'n groot reeks van sy eie

mediese produkte in Suid-Afrika.

Onderhandelinge tussen AHS en SAD is deur Standard Aksephank aangeknoop. Die bestuurder, m a a t s k a p p y-makelaarsbedryf, mnr. Martyn Coffee, het aan Sake-Rapport gesê: „As aksephank kon ons die voordele vir beide AHS en SAD insien. Die betrokke maatskappye het saamgestem en die transaksie is beklink.

Myns insiens is dit 'n uiters belangrike stap vir SAD.

Die mening is deur 'n woordvoerder van SAD bevestig.

Mnr. Coffee het aan Sake-Rapport gesê SA Druggists is nou baie beslis op die vervaardigingspad. Daar is 'n paar transaksies in die pyplyn waaroor hulle later sal kan gesels.

● American Hospital Supply Corporation is een van die grootste vervaardigers van mediese produks ter wêreld. Sy wêreldomset in die huidige boekjaar beloop 1,600 miljoen dollar.

● Die geraamde omset van SAD in die huidige boekjaar beloop tussen R140 en R160 miljoen.

1870 DITTS Race Riots

Men discrimination could be removed within the next five years.

The survey, conducted by the Board (John B. ... of ...) ...

... out of 10 ...

Senior level

More than half the 166 companies surveyed reported that they had white and workers of other races working at the same level.

Many companies have races other than white ...

About two-thirds reported an integrated pay structure for all races and ...

Minimum wage

The average reported minimum wage was 43¢ a month, excluding fringe benefits ...

Most companies would like state belonging to a not stand in the way of trade union ...

Executives

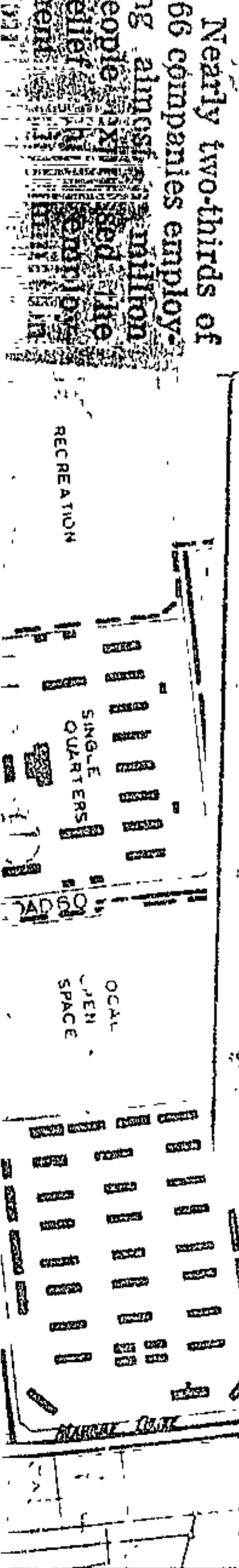
More than 81 percent of senior executives in the 166 participating firms said they were prepared to have somebody other than white as a superior.

An important finding is that the objections expressed from whites to mixing or dealing with workers of other races do not occur when this actually happens.

The survey was conducted on a confidential basis. More than half the firms were South African-owned, 28 percent had strong links with Britain and 15 percent with the United States. The Argus Correspondent. Warning by O.P.P. Reimer — Page 4.

STITVAVY
JOHANNESBURG. — A big swing towards black advancement and the elimination of labour discrimination is disclosed in the first comprehensive survey conducted on this subject.

Nearly two-thirds of 166 companies employing almost a million people ...



COPY TIMES 30/6/78
**Ford at
closed** *62*
**SA trade
seminar**

Own Correspondent

NEW YORK. — Former President Mr Gerald Ford went before a closed-door, South Africa-boosting business seminar yesterday to hit out strongly at his successor's strategy.

"He's obviously not pleased with the Carter administration's policy and he's making that clear," his spokesman said.

"He feels they should be dealing with those groups that would search for a solution by ballots rather than bullets."

Mr Ford's appearance was a major coup for the event at Houston's Woodland Inn, to which hundreds of top-level American business executives were invited.

"He has confidence in the group he was addressing," the spokesman said and emphasized that Mr Ford was there as a guest of the SA Foreign Trade organization and not the SA Government.

Dr Connie Mulder, South African Minister of Plural Relations, was the other key speaker, and the meeting was organized by the Sydney S Baron, the Madison Avenue publicist retained by his ministry. Also attending was Mr V W Schoeman, acting director-general of the new Bureau for National and International Affairs.

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POLAROID BAN

62

FM 30/6/78

Finding an aperture

Is SA still getting Polaroid photographic equipment despite the ban on sales to the Republic announced last November?

Polaroid assures the FM that all shipments to SA were "totally" stopped by the end of 1977. A spokesman reckons that local stocks "should be running out shortly. We've an explicit policy not to sell in SA because we feel that our distributor there, Frank & Hirsch, violated our mutual agreement by selling film to the SA government."

But Johannesburg retail outlets quizzed by the FM report that local stocks of cameras and film seem to be as

last, and what orders remain in the pipeline? Hirsch isn't telling: "I don't know whether it's in anyone's interests to be told. But at the moment we can provide as much as they need whenever they need it."

Hirsch goes on to point out that even if his company's stocks do run out, "there are no restrictions on retailers importing equipment themselves."

And there's always the possibility, he continues, of purchasing Polaroid equipment from elsewhere in the world. "I don't think that there will be any shortage of Polaroid equipment in SA."

Polaroid's US officials concede that there is nothing to stop enterprising distributors from purchasing the company's products for resale to SA.

Talk in the marketplace is that that's what's happening at present.



Hirsch's Hirsch . . . still smiling

plentiful as ever. "We're having no difficulty at all in getting Polaroid equipment," says Etkinds' regional director Mel Stamelman, "and Frank & Hirsch have given us no indication that supplies are running out. At the time of the sales ban, we received an indication that there was no reason for concern."

Helmut Hirsch, joint MD of Frank & Hirsch, agrees that there's no shortage of Polaroid equipment. "We see no shortage this year," he says. Moreover, he continues, while the ban took effect at the end of last year, "orders in the pipeline were not affected."

The US firm concedes that "we have no control over what products are in the pipeline, nor do we know what dealer inventories are. But," it continues, "they should be running out shortly."

How much longer will local stocks

Financial Mail June 30 1978

TRANS-MISSISSIPPI ROUTES TO THE FAR WEST (FROM ABOUT 1820'S)

Vertical text on the left side, partially obscured and difficult to read, possibly containing route information or a list of locations.

Vertical text on the right side, appearing as bleed-through or mirrored text from the reverse side of the page, containing various words and phrases.

**Polaroid grant
to continue**

Cape Times 7/17/78
(62)

JOHANNESBURG
Polaroid Corporation, which last year publicly declared it would stop supplying South Africa with its products, has decided to continue its annual donation to the Institute of Race Relations' bursary fund.

The corporation has notified the institute that it will make its annual grant of R43 000 available for bursaries for blacks again next year, Dr Fred van Wyk, director of the institute, said yesterday.

Young backs disinvestment campaign

CAP Times
10/7/78
62

Own Correspondent

NEW YORK. — The US Ambassador to the United Nations, Mr Andrew Young, has urged church, student and civil rights groups to step up their campaign for disinvestment from South Africa — even though he stressed the idea was impractical and would not work.

"If I were not in government I would be leading the charges," he said on a black-orientated TV programme.

"I think they ought to work against our official position even, and I think they have a responsibility to keep all the pressure on the government that they possibly can . . . they hold up the moral absolute. If they were not doing that we probably would not be able to do anything for South Africa."

Mr Young said an embargo against South Africa would be impossible without a naval blockade and warned that "realistically it's going to be very difficult for the people that are advocating the closing down of about a billion and a half dollars of investment.

"All that I'm saying is that there are other means that can work quicker than a boycott to bring about the progressive transformation to majority rule in South Africa."

That was to demonstrate that whites could live peacefully under black majorities in Rhodesia and SWA/Namibia. He predicted this would be proved within a year to 18 months.

"The final bastion of racism is South Africa, but if you try to jump over Rhodesia and Namibia to get to South Africa, you end up dispersing the limited power that you have and get nothing accomplished."

Mr Young said his job was to advance a "creative and positive" policy that protected US interests in Africa by keeping in tune with African interests.

He said he had so much confidence in the benefit of the US system "that I don't worry about the Cubans and Russians."

In their discussions, he and President Carter "basically agreed" on broad policy issues, though there were some instances where "we probably disagreed".

At another point Mr Young noted: "It's hard for us to know what's going on in our government."

62

Ban will harm SA's blacks, say US firms

The Star Bureau
 WASHINGTON — Four major American companies operating businesses in South Africa today voiced their opposition to proposed legislation on the withdrawal of US investment from South Africa. Testifying before the Africa sub-committee on Capitol Hill, the directors

of Ford, the National Cash Register Corporation, Control Data Corporation and General Motors expressed their abhorrence of apartheid. However, all four directors said that if the Bill proposing the prohibition of new American investment in South Africa was passed, blacks would suffer most of the consequences. The directors said their

companies were committed to the training and education of blacks. All four companies, they said, adhered to a policy of equal employment opportunities for all, regardless of race. They were committed to striving to improve conditions for the blacks in their organizations, they said.

Mr. William Norris, chairman of the Control

Data Corporation said. "To create the atmosphere for true affirmative action in South Africa, the training and educational needs of the blacks must be fulfilled and more jobs created. Limiting the investments by US companies in South Africa would hinder the progress in both areas."

Further hearings will take place later this month.

30. "Capital" in economics means:



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- 64. Price (1) (2) (3) (4) (5)
- 65. If the then 20% abo
- 66. If (the market supply) (1) (2) (3) (4) (5)
- 67. Given two (neither of price) (1) (2) (3) (4) (5)

... ..

- 36. The population explosion:
 - (1)
 - (2)
 - (3)
 - (4)
 - (5)
- 37. Which of the following was not a feature of the 1970s?
 - (1) Abolition of 10% surcharge on direct taxation.
 - (2) 5% reduction in the personal tax rate.
 - (3)
 - (4)
 - (5)
- 38. Which constitutes the largest and most important source of government revenue?
 - (1)
 - (2)
 - (3)
 - (4)
 - (5)
- 39. When we say that a price in a competitive market is "too high for equilibrium" we mean that it is:
 - (1) No producer can cover his costs at that price.
 - (2) Quantity supplied exceeds quantity demanded at that price.
 - (3) Producers are leaving the industry.
 - (4) Consumers are willing to pay more for the good.
 - (5)
- 40. A drought would probably:
 - (1) Cause wheat suppliers to move up their supply curves to a higher price.
 - (2) Induce greater demand for wheat, yielding a higher price.
 - (3) Cause people to reduce their demand for wheat.
 - (4) Induce an upward shift in wheat's supply curve.
 - (5)
- 41. A price at which the amount people wish to buy exceeds the amount they wish to sell is called:
 - (1)
 - (2)
 - (3)
 - (4)
 - (5)
- 59. A

-8-

-21-

POLAROID
Out of the shade

FM 11/7/73

(62)

SA may face the 1979/80 summer glare without the help of Polaroid sunglasses, once Polaroid's agreement with its SA distributor, Frank & Hirsch, expires next June.

Polaroid is now honouring a two-year cancellation clause with Frank & Hirsch, which is why you can still buy those sunglasses. But the US company tells the FM that as of July 1 1979 sunglasses bearing Polaroid's brand name will no longer be manufactured in SA.

Nevertheless Frank & Hirsch's Helmut Hirsch is hopeful that the licence will be renewed. "There is no good reason why Polaroid should not sell sunglasses in SA." He concedes, however, that "a lot of water could come down in the meantime."

Polaroid banned sales of Polaroid cameras and film to SA last November, when it discovered that Frank & Hirsch was selling film to the SA government.

But Hirsch believes that the same

motivation (ie disapproval of SA government policies) 'does not hold good for sunglasses. "Sunglasses are harmless," he says.

3.2.3. Forward and backward linkages

(a) Forward linkages - The forward linkages from agriculture are difficult to evaluate due to the lack of information Brand concludes (41) that they have been small.

(b) Backward linkages - Of the inputs into agriculture of products of other industries, metal-chemical products would seem to be the most important. Since 1946, white agriculture has become increasingly mechanised due to credit and tax incentives.

US wages report denied by embassy official

Staff Reporter

Carl Thomsen 20/7/78 62

THERE was no truth in a recent newspaper report that 24 million Americans were earning less than the minimum wage laid down for employees of American firms in South Africa, a US Embassy official in Pretoria said this week.

The denial followed a reported speech at a seminar in Houston, Texas, by Mr Robert E O'Brien, president and executive officer of Moore McCormack, a US company in regular trade with South Africa.

Mr O'Brien, when dealing with political pressures against South Africa, asked: "If wage levels in South Africa are so unattractive, why are there hundreds of thousands of foreign blacks working voluntarily in that country, with more waiting to take jobs there, given the chance?"

There were 24 million Americans earning less than the minimum wage laid down for employees of American firms in South Africa.

When approached for comment, the American official said that based on statistics available, the minimum American wage was three times more than the subsistence level in South Africa.

"This minimum wage, which is permitted by law in the US, amounts to R2 an hour, giving a minimum monthly salary of about R350. One must also remember that there are social security allowances available to people in this group as well.

"In fact, in some cases, unions in the US have negotiated from about R16 an hour for their members. In the light of all this it seems absurd to compare the minimum wage levels," the official said.

3.3.1 Labour

Coloured, White and Asian
While the flow of labour from capitalist agriculture is easily ascertained from the available statistics, flows of African labour from the homelands and from white farms are extremely difficult to assess because of the unavailability of accurate statistics, and because of the large numbers of temporary migrants moving between the sectors.

No job reservation exists on farms so that whites and Asians who have responded to the rural-urban wage differential have been more than compensated for by an increase in the employment of Africans up to 1971. Despite increased mechanisation since 1946, the labour force in capitalist agriculture did not decline absolutely until 1971, so that capital intensification has been yield increasing

(41) Brand (1969), p. 186 ff (42) Lipton (1975), p.5
(43) du Plessis, p. 22-23 (44) du Plessis & Swanepoel, p.6

3.3

3.2.2 Agricultural exports

In S.A., mineral discoveries initiated a process of export led growth. Moreover, given that S.A. is not naturally well-endowed agriculturally, it seems unlikely that agriculture has made a significant contribution to export led growth. In the previous section, it was shown that food imports have been small so agriculture has not been a lagging sector. The proposition that this sector has played an important supporting or balancing role by providing foreign exchange without which a serious constraint on growth would have undoubtedly become operative (39) will be examined.

The net contribution of agriculture to the current account of the balance of payments is shown in Table 6. While the overwhelming importance of mining (gold and other minerals) is clearly visible, it appears that agriculture has also made a significant contribution. Total net negative contributions are accounted for largely by secondary industry. From this, Brand concludes that "agricultural products have performed an essential permissive function by obviating foreign exchange constraints, which in their absence may well have inhibited development. If agricultural exports cannot claim to have been S.A.'s engine of growth during the twentieth century, at least they have helped to provide the lubricant without which the engine may have ground to a halt." (40)

TABLE 6 - Absolute and relative net contribution of agriculture, forestry and fishing to the current account of South Africa's balance of payments, 1948 to 1964

Year	Total positive net contributions ¹⁾ R million	Net contribution of agriculture, forestry and fishing		Total negative net contributions R million	Total R million
		Absolute value R million	Percentage of total %		
1948	..	11	..	..	..
1949	..	60	..	..	..
1950	..	80	..	..	..
1951	..	108	..	..	..
1952	..	142	..	..	..
1953	..	133	..	..	..
1954	..	153	..	..	..
1955	..	152	..	..	..
1956	669	161	24.1	-669	0
1957	738	178	24.1	-749	-11
1958	635	129	19.7	-808	-153
1959	779	144	18.5	-613	166
1960	781	129	16.5	-760	21
1961	888	182	20.5	-685	203
1962	982	222	22.6	-674	308
1963	1,033	237	22.5	-905	148
1964	1,115	249	22.3	-1,171	-56

Sources: For 1948 to 1955, Swanepoel, op. cit., p.254; for 1956 to 1964, J.C. du Plessis, op. cit., pp. 329-30.
1) In addition to agriculture, forestry and fishing, contributions here are mainly from mining, which in turn receives mainly gold mining.

Source: Brand (1968) p.15

(39) Brand (1968), p.8 (40) Brand (1968), p.15

ARGUS 8/8/78

Boraine back home after TV 'trial' in US

62

DR Alex Boraine, MP for Pinelands, has urged American companies operating in South Africa to demand that their black male employees be allowed to have their families living with them.

Speaking on the US television programme *The Advocates*, which was recorded in Boston on Thursday night and televised live to the New England states, Dr Boraine said the time had come when American companies in South Africa could no longer adhere to laws which denied the right of family life.

The topic of the programme, which will eventually reach the homes of millions of Americans throughout the US, was

the withdrawal of American investment in South Africa.

The programme was conducted along the lines of a court trial with an advocate and two witnesses representing each side. Dr Boraine was a witness on the side arguing for continued US investment in South Africa.

In an interview on his arrival in Cape Town yesterday, Dr Boraine warned that the disinvestment lobby in the US was becoming an increasingly influential pressure on the administration and had representatives in all the key organs of government as well as the United Nations.

REAL CHANGE

Unless there were signs of real political change in South Africa the pressure on the US to withdraw investment from South Africa would become intolerable.

'If political instability continues in South Africa American corporations will find it difficult to continue here. The US administration will decide that the constant criticism and the risk involved are no longer worth it,' Dr Boraine warned.

The witnesses advocating disinvestment in South Africa included former South African Miss Jennifer Davis, an economist on the Africa-American committee, Professor Dennis Brutus of North Western University, who is banned in South Africa, also took part in the programme.



Dr Alex Boraine

Disinvestment witnesses were defended by 'advocate' Randall Robinson, a former aide of Congressman Charles Diggs and an outspoken critic of South Africa.

The other witness on the pro-investment side was Professor Chester Crocker, director of African studies at Georgetown University. The 'advocate' appearing for him and Dr Boraine was Professor Roger Fisher of the Harvard Law School.

Dr Boraine said the argument of the disinvestment team was likely to have had a powerful impact on TV viewers because it was simple and direct. The line of attack was that South Africa was a totalitarian State which silenced its critics and denied the majority of its people a say in decisions affecting their own lives.

It was therefore incomprehensible that American companies should have anything to do with such

an immoral system. As the conflict in Southern Africa escalated the US would be seen more and more to be supporting the wrong side. The sooner it pulled out all investment the better.

Dr Boraine said he thought his team had been able to some extent to blunt such simplistic, although effective, arguments. He had argued that because South Africa badly needed foreign investment and capital it put US corporations here in a powerful bargaining position to affect and accelerate the pace of change.

STRICTER

They could do this by stricter enforcement of the Sullivan code of conduct towards black workers and much bolder action in effecting change in their operations.

Dr Boraine also pointed out that US investment in South Africa represented only four percent of total investment in the country and therefore was not likely to have a dramatic impact on the economy. The other problem was the impracticability of withdrawing fixed assets such as factories and plants.

Dr Boraine also argued that on moral grounds it would be indefensible for the United States to wash its hands of South Africa and walk away.

Dr Boraine has returned with a video-tape recording of the one-hour programme and hopes to make it available to the public and to SATV in an edited form.

Ford

RAPPORT 13/8/78

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trekkers

FORD Suid-Afrika, wat verlede jaar die grootste vervaardiger van trekkers in die land was, het sy leiersposisie teruggegewen en is volgens die hoof van die groep se trekkerafdeling, mnr. Wally Rautenbach, vol vertroue dat hy vanjaar weer die leier sal wees.

Ford was in Julie die tweede agtereenvolgende maand die grootste vervaardiger en dit het hom in staat gestel om met 'n kortkop by Massey-Ferguson verby te gaan.

Net soos in die motorbedryf, het die afset van nuwe trekkers ook in Junie 'n baie sterk styging getoon. Aankope met die oog op die verkoopbelasting het die syfer tot 1 766 eenhede laat styg, waarvan Ford 24,6 persent verkoop het.

In Julie het die syfer tot 996 teruggesak en het Ford 259 eenhede of 26 persent verkoop.

Vir die eerste sewe maande beloop die totale verkoopsyfer nou 7 282 eenhede, waarvan Ford 1 650 of 22,7 persent verkoop het.

Mnr. Rautenbach raam die trekkermark op sowat 13 500 eenhede vanjaar, teenoor verlede jaar se 14 500.

ARGUS 21/8/78 (62)

Investment dilemma — Buthelezi

The Argus Correspondent

DURBAN. — The crucial issue affecting South Africa in the United States was the current debate on whether to invest or disinvest in South Africa, Zulu Chief Minister, Chief Gatsha Buthelezi, said at the weekend.

On his arrival at Louis Botha Airport after a visit to the US, Chief Buthelezi said pressures on US firms to pay just wages were mounting.

Three Bills before Congress urged careful scrutiny of American companies operating in South Africa or active disinvestment.

SPONSORED

The three Bills were sponsored by Congressmen Bingham, Solsar and Charles Diggs.

The Solarz Bill seeks to amend the US Export Administrative Act, which contains export control regulations administered by the Commerce Department. The Bingham and Diggs Bills amend the International Emergency Economic Powers Act, which contains provisions for assets control to be administered by the US Treasury.

Chief Buthelezi said he had told audiences during

his visit that he had, as yet, no mandate from his people to encourage disinvestment in South Africa.

"The matter has been discussed in the KwaZulu Legislative Assembly for two consecutive years and each time, with the welfare of my people at heart and the wider issues involved, they have rejected disinvestment."

Chief Buthelezi said the people who criticised him for not urging disinvestment in South Africa were over-simplifying the position.

PREACH

"The fact is that while Botswana, Mozambique and other countries preach disinvestment in the United Nations, South Africa is maintaining the Mozambique railways and up-holding the economy of Botswana. Other surrounding countries would also not survive without South African aid."

Buthelezi back from ^{CAPL Times, 21/8/78. (62)} 'useful' visit to US

JOHANNESBURG. — Chief Gatsha Buthelezi of Kwazulu returned home from the United States at the weekend after an intense round of meetings with top officials including the Vice-President, Mr Walter Mondale.

Discussions concerning the chief's policy of pressuring companies to enforce labour codes formed a part of his tight schedule.

"I had a most useful discussion with Dr Leon Sullivan on the monitoring of employment practices of American companies," the chief said in a statement released at Jan Smuts Airport.

The Sullivan Code of Employment Practices was one of the codes the Inkatha movement recently endorsed and pledged to implement in this country.

The issue of US disinvestment loomed large in the chief's discussions. He spoke to three congressmen — Mr Charles Diggs, Mr Bingham and Mr Solarz — prominent in the debate. They showed him their draft bills on the investment issue.

Buthelezi and Eglin joint call

Own Correspondent
DURBAN — Mr Colin Eglin, leader of the Progressive Reform Party, and Zulu leader Chief Gatsha Buthelezi yesterday made a joint call for a national convention involving all race groups to solve South Africa's problems.

Mr Eglin, Mr Ray Swart, PFP national chairman, and Mr Graham McIntosh, Natal chairman, yesterday went to Ulundi for a day-long session with the Zulu leader and his Cabinet.

A joint statement signed by Mr Eglin and Chief Buthelezi said: "Our overriding view is that conflict can be avoided by negotiation but, to be successful, negotiation must start before it is too late."

Chief Buthelezi said he wanted to impress on all people that Inkatha believed in a black-white future for South Africa.

Star 24/8/78

US firms plan job changes for blacks

Own Correspondent
DURBAN—Top men from seven major United States corporations will meet Zulu leader Chief Gatsha Buthelezi at Ulundi tomorrow to set out their multimillion-rand plan to improve the lot of black employees in their South African subsidiaries.

They are the chairmen of the Sullivan Principles subcommittees, charged with making massive improvements in black living standards.

The committee heads are top businessmen representing Ford Motor Company, General Motors, Mobil Oil, Goodyear Rub-

ber, IBM, Union Carbide and 3M.

They intend to discuss with Chief Buthelezi the implementation of principles of employment proposed by Dr Leon Sullivan and supported by many large American firms operating in South Africa.

The businessmen believe that greater investment in South Africa is necessary to create further opportunities for all. At a cost of what they acknowledge will amount to millions of rands, the US companies intend to implement massive changes in their South

African subsidiaries for the welfare of black employees.

Their principles are: non-segregation of the races in all eating, comfort and work facilities, equal and fair employment practices, equal pay for all employees doing equal or comparable work for the same period of time.

They intend to start a training programme to prepare large numbers of blacks for supervisory, administration, clerical and technical jobs, and increase the number of blacks in management positions.

Buthelezi to meet U.S. companies

NM

25/8/78

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African Affairs Correspondent

THE representatives of seven American corporations will meet Chief Gatsha Buthelezi in Ulundi today to explain their multi-million-rand plan to improve wage and working conditions for Blacks in their South African companies.

Each of the seven men is a chairman of a Sullivan Principles sub-committee and they represent Ford Motor Company, General Motors of which Dr. Leon Sullivan is a director, Mobil Oil, Goodyear Rubber, IBM, Union Carbide and the Minnesota Mining Company.

These men believe greater investment in the Republic is necessary to provide greater opportunities for all.

The American companies have said changes will cost millions and they have agreed to undertake changes which will include the de-segregation of all eating, comfort and work facilities.

They also intend to implement equal employment practices and equal pay for equal work.

They have promised, too, to start a massive training scheme for Blacks in positions ranging from supervisor to manager.

Cape Times 25/8/78

US big 7 talk to Buthelezi

62

DURBAN. -- The representatives of seven American corporations will meet Chief Gatsha Buthelezi in Ulundi today to explain their multi-million rand plan to improve wage and working conditions for blacks in their South African companies.

Each of the seven men is a chairman of a Sullivan Principles sub-committee and they represent Ford Motor Company, General Motors, of which Dr Leon Sullivan is a director, Mobil Oil, Goodyear Rubber, IBM, Union Carbide and the Minnesota Mining Company.

These men believe greater investment in the Republic is necessary to provide greater opportunities for all, and today they will discuss, with Chief Buthelezi, the implementation of the Sullivan employment code, which Inkatha recently endorsed.

The Star

Friday August 25 1978

The answer to disinvestment

à R.

THE United States companies which plan to spend millions of rands to improve the lot of black workers in their South African subsidiaries give the answer to the apostles of disinvestment. The US firms now offer constructive change, where the others offer only chaos and confrontation.

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The seven multinationals intend increasing investment to abolish racialism, improve skills by training, demolish the wage gap for equal work and improve the quality of life for blacks outside their work environment. These are all highly desirable goals which should give the black man a stake in an ordered economy and sharpen his incentive and productivity.

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The application of the Sullivan principles should dispel fears that white South Africans

would return to their bad old ways if the threat of economic disaster were removed. Indeed South African companies would be obliged to follow the American example in a competitive labour market which a stimulated economy would bring about.

Ironically, the move by the multinationals represents a turn-about, for South African employers were the frontrunners in improving conditions for their black workers. Now they are being left behind, ignoring even a Government lead.

Only at their peril can they continue to stay in the rear when the American companies prove that fair treatment will not cause the sky to fall in. And fair treatment will require, not merely passive acquiescence, but much training and effort by local businessmen.

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nageant dans la mer ?

Pour l'instant, Prouhèze, l'Epée retirée du coeur de Rodrigue, gît toute ensanglantée. La mort du sacrifice, dit-elle, est tout ce qu'elle peut donner à Rodrigue (Th II, 779) et ce n'est que quand tout le sang aura coulé de cette blessure, quand Rodrigue crucifié par elle connaîtra son "vide impitoyable", qu'elle pourra le donner à Dieu découvert et déchiré pour que Dieu le remplisse dans un coup de tonnerre, c'est alors " [qu'elle aura] un époux", et qu'elle verra "sa joie" (Th II, 780). C'est ainsi que parle Prouhèze, et la Lune lui "baise le coeur".

Cette même lune contemple aussi Rodrigue dans son bateau qui, l'Epée retirée de son coeur :

(...) dort (...),
Le sommeil sans bords d'Adam (...).
Car comme Adam dormait quand la femme lui fut enlevée
du coeur, n'est-il pas juste que de nouveau il
Dorme en ce jour de ses noces, ~~il~~ ?

HISTORY HONOURS

HISTORIOGRAPHY

1978.

- 2 -

1. (a) Why are Herodotus and Thucydides considered the 'first historians'?
- (b) Compare the contributions to historiography of Livy and Tacitus.

Texts:

P. Gay and G.J. Cavanaugh, Historians at Work, vol. I.
 Herodotus: The Histories
 Thucydides: The Peloponnesian War
 Livy: The Early History of Rome
 Tacitus: The Annals of Imperial Rome
 Tacitus: The Histories

Secondary Reading:

1; 2; 4; 13; 14; 15; 16; 17.

2. (a) 'Ibn Khaldun, in critical spirit, in depth and penetration of thought, perhaps equals any western historian.' (J.W. Thompson, A History of Historical Writing, vol. I). Is this somewhat patronizing judgment an adequate assessment of Ibn Khaldun's contribution to historiography?

Texts:

Ibn Khaldun: The Mugaddimah, trans. by E. Rosenthal
 P.A. Sorokin et al., A Systematic Source Book in Rural Sociology, vol. I, pp. 53-68

Secondary Reading:

See hand-out prepared by Mr H. Phillips

3. (a) 'The historian's purpose determines the history he writes.' Identify the 'purposes' that underlay historical writing in medieval Europe, and discuss the limitations which they imposed on the historiography of the period.

Texts:

P. Gay and G.J. Cavanaugh: Historians at Work, vol. I

Secondary Reading:

2; 4; 18; 19.

4. (a) According to Gay and Cavanaugh, the age beginning with the Renaissance...

...with the Renaissance... was in the field of history.

P. Gay and G.J. Cavanaugh Historians at Work, vol. II.
 E. Gibbon, The History of the Decline and Fall of the Roman Empire, vols. I and VII.

Secondary Reading:

2; 3; 4; 20 - 28; 38; 39; 41.

26/8/78
62

JOHANNES DE POGG. ... had not visited Africa could not understand the ... situation, Mr ...

... without the knowledge ... obviously im- ...

... P. Gay and G.J. Cavanaugh ...

... T. B. Macaulay; ...

... F. Stern;

... Secondary Reading: ...

... 8; 9; 38; 43;

... The Varieties of History, ch. 5.

la-

Better deal or sanctions' threat

NM 2/21/78

(250)

(62)

African Affairs Correspondent

A SOURCE close to the Kwazulu Government said yesterday the Sullivan team of American industrialists had made it clear to South African leaders that sanctions were possible if Blacks were not given a better deal.

The team, in South Africa to implement a multi-million rand programme to improve conditions for Black workers in U.S. subsidiaries here, will issue a report every six months on the progress of the implementation of the employment code.

This was disclosed after a meeting yesterday at Ulundi between the team and the Kwazulu Cabinet. Chief Gatscha Buthelezi said Inkatha would have an informal monitoring role in the programme.

Inkatha last month endorsed the code of employment developed by Dr. Leon Sullivan, the church and civil rights leader who is also a director of General Motors.

Though the team, led by Mr. James Rawlings of the Union Carbide Corporation, was reticent with the Press it was learned later that its members had not pulled their punches with people they have seen since arriving in the country last week.

Mr. Rawlings said the team had spoken to South African leaders all over the country.

They had told them of "the opinions of American groups critical of South Africa generally, and specifically of American firms with South African operations."

Though the team would make no further comment, the source said it had made it plain that the American disinvestment campaign was strengthened "by every new racial incident."

Though the U.S. Government was opposed to "any sort of trade restrictions" at present, the team told the Zulu Cabinet, if no progress toward bringing Blacks into the political mainstream was detectable, "then some sort of sanctions would become

Sympathy

The source said the team had told the Cabinet that considerable sympathy existed in legislative circles for a law enforcing a code of employment conduct on American businesses here.

A visiting professor of political science, Professor Peter Grothe, said in Durban yesterday that if South Africa wanted to ensure disinvestment by the U.S. all she had to do was "now down Crossroads."

Professor Grothe, who has been in the country for a month, said he had visited the squatter camp outside Cape Town three times.

"I'm certain it will become an international issue," he said, adding he had never seen such a "beautiful example" of Black and White working together.

"It is a model of what could be," he said.

Motor firm plans to train blacks

AK645
3/18/78

Motoring Editor

62

TRAINING facilities for black apprentices will be one of the benefits derived from the R3 900 000 which will be made available to its South African subsidiary by the General Motors Corporation in the United States.

ging director of GM South African, told me today that the money would be spent to 'facilitate further integration of the South African operation to improve economic opportunities for African and other non-white employees in the greater Port Elizabeth area.'

Mr Lou Wilking, mana-

area.
It would be used to upgrade and integrate dining, locker and 'comfort' rooms, as well as to build a block of air-conditioned lecture rooms. These would form part of new training facilities which would triple the capability for in-plant employee training.

'There is an urgent need to prepare a greater number of African and non-white employees for supervisory and management positions,' Mr Wilking said. He added that there were no training facilities at present for black apprentices in the Port Elizabeth area.

Cape Times 2/9/78 (62)

The Cape Times, Saturday, September 2, 1978 3

Ford leads on equal jobs

Railway police probe arms theft

By BRIAN GROEBLER
Motoring Editor

FORD MOTOR COMPANY had been maintaining a non-white advancement program in South Africa for the past five years and, through its efforts, had gained a leadership position in this field, Mr Brian Pitt, managing director, said yesterday.

Mr Pitt was asked to comment on the fact that their American-based rival, General Motors South Africa, was, on instructions from the United States, embarking on a program of equal opportunities for all at the Port Elizabeth manufacturing operation.

He said that historically Ford had observed equal and fair employment practices for all employees including equal pay for equal or comparable work.

Ford was the first company to recognize and negotiate with a black trade union which represented a majority of its black workers.

In the education and training sphere, Ford operated a number of different in-company training programs on a non-racial basis. Trainees underwent full-time training during company time.

Mr Pitt said Ford was a founder signatory to the Sullivan principles and its commitment was reflected by

the fact that it had appointed a full-time co-ordinator to ensure meaningful implementation of these principles.

Ford was committed outside its plant operations to community projects and was contributing R500 000 to the Urban Foundation.

Since 1974 the company financed a R1m loan to provide better housing for blacks. The company grants interest-free home purchases and improvement loans.

Ford was also involved in various other projects to improve community life, sport and recreation. It also supported black teacher training programs.

JOHANNESBURG.— South African Railways police are investigating an arms theft from the state warehouse at Jan Smuts Airport.

According to other sources, 55 powerful weapons were stolen.

The weapons, imported from Spain and awaiting clearance, had been transferred from a South African Airways strongroom into the state warehouse. The warehouse has no strongroom, the sources said.

It is understood the weapons were stolen on Wednesday night. — Sapa

Pretoria-based ad-firm wins US links

Finance Reporter

THE world's eighth-biggest advertising agency, D'Arcy MacManus and Masius, has firmly tied itself into the local advertising market with an association with Pretoria-based Adverto.

The announcement, made today, stresses the fact that this multinational South African investment is to take place, despite the pressures on US firms to pull out.

Heading up the new DM&M will be the present Adverto head, Peter de Klerk, who will be chairman and managing director.

David Wright, a DM&M import from their Norwegian office, will act as number two.

The new South African DM&M is expecting to increase the present Adverto billing of R12 million. And the international co-opera-



Peter de Klerk

tion of the 600 million dollar a year agency is expected to strengthen the new agency's service to multi-national clients, and to its South African customers, too.

The merger, announced simultaneously in Pretoria and America today, ties what was Adverto into a 19 country link-up with the DM&M chain.

Research As

DELTA HENDRIE

Yours sincerely,

Your help.

union membership for o

Thank you very much for

Dear

The Secretary,

RESEARCH DIVISION,
SCHOOL OF ECONOMICS,
BEATTIE BUILDING,
UNIVERSITY OF CAPE TOWN,
RONDEBOSCH,
7700.



TELEPHONE 69-8531 (EX 453 440)

SOUTHERN AFRICA LABOUR AND DEVELOPMENT RESEARCH UNIT



FOREIGN FIRMS

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62
~~62~~

Rustenburg ahoy

13	-----	Building a new factory in SA is in itself a bold move these days. When the investor is a US-controlled firm and the site of the new plant a decentralised border area, it is not surprising that the venture attracts some attention.	Table 13. Total number of passes in the RSA and 1970 Census -
12	-----	Minnesota-based L&M Radiators hopes to open its R0,6m facility outside Rustenburg by early next year. It will then manufacture locally the radiators	Table 12. Matriculation passes in trad
12	-----	(mainly for the mining and construction industries) which have been imported since mid-1977, when L&M first entered the SA market.	Table 11. Enrolment at A
11	-----	L&M hopes to reach an annual turnover of R1m, and may boost its investment to R1m. The company, which already has plants in the US, Australia, Canada and Mexico, currently sells about \$6m worth of radiators worldwide each year.	Table 10. Technical Educat
11	-----	But why choose SA? How about all those anti-investment lobbies back home? "SA is the only stable country in Africa," avers L&M vice-president Dick Braun: "We have faith in the future here." He points out that L&M is a privately-owned company -- "That helps keep the pressure groups away."	Table 9. Passes at Africar
10	-----	But the main reason why L&M is opening up here is, not surprisingly, the prospect of doing good business. Braun reckons that since L&M products were first sold in SA, sales have been "excellent."	Table 8. NTC 1-111 passes, and
9	-----	National Diplomas for Technicians by subject awarded 1958-197	Table 7. Enrolment of full
8	-----	National Diplomas for Technicians by subject awarded 1958-197	Table 6. Matriculation and
8	-----	National Diplomas for Technicians by subject awarded 1958-197	Table 5. Enrolment of full
7	-----	National Diplomas for Technicians by subject awarded 1958-197	Table 4. National Diplomas
6	-----	National Diplomas for Technicians by subject awarded 1958-197	Table 3. National Diplomas
6	-----	National Diplomas for Technicians by subject awarded 1958-197	Table 2. NTC 1-V passes, 1970-1974
5	-----	National Diplomas for Technicians by subject awarded 1958-197	Table 1. Enrolment of full - and part-time students at Colleges for Advanced Technical Education, Technical Colleges and Technical Institutes, 1969-1973.

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More from Uncle Sam

Who says US investment in SA is falling? Not the US Commerce Department. According to the Department's latest *Survey of Current Business* American investment south of the Limpopo has in fact risen in the past two years.

In 1975 direct investment in SA totalled \$1,578 billion. It increased to \$1,668 billion by the end of 1976, and to \$1,791 billion last year. Income from these investments amounted to \$197m during 1977.

The *Survey* gives a breakdown of investments in certain sectors, as follows (1977 figures): food products \$115m; chemicals and allied products \$102m; primary and fabricated metals \$53m; machinery - \$186m; transport, communications and public utilities \$2m; trade - \$199m. Figures for the mining, oil and transport equipment sectors have been suppressed to avoid disclosure of individual companies' data.

US union leader urges ashcan for apartheid

062
CPL-
TIMK
16/10/78

Professor Feldberg: On February 24, 1978, the AFL-CIO Executive Council issued a policy statement on SA which endorsed the following action: "US corporations should immediately divest themselves of South African affiliates and sever all ties with South African corporations. Every effort should be made to influence the corporations of other democratic states to do likewise." I would like to discuss this statement with you.

Mr Lee: The statement covers our position very well. It says:

- US corporations with investments in Southern Africa must immediately recognize bona fide trade union organizations, regardless of their racial composition, and begin treating their employees on an equal basis, commencing with such fundamental issues as wages and working conditions.
 - Full recognition and registration of all bona fide trade unions.
 - South African support for the position in United Nations by withdrawing from Namibia.
 - A halt for all South African nuclear co-operation and for the US observance of the 1963 UN arms embargo resolution on South Africa.
 - Support of the Geneva Accord on Free International Travel, especially as it relates to blacks entering and leaving the Republic of South Africa.
- In addition:
- Export-import bank insur-

In the last of his interviews with prominent Americans, Professor MEYER FELDBERG, director of the Graduate School of Business at the University of Cape Town, talks to Mr ERNIE LEE, director of international affairs of the American Federation of Labour - Congress of Industrial Organizations (AFL-CIO). Previous interviews appeared on this page last Tuesday and Wednesday



Professor Feldberg

ances and loan guarantees for SA as well as other US government operations which promote the flow of capital or credit to SA should end.

- US corporations should immediately divest themselves of SA affiliates and sever all ties with SA corporations. Every effort should be made to influence the corporations of other democratic states to do likewise.
- Aid and assistance should be provided to free trade union organizations in South Africa which are operating under repressive conditions.
- Should results not be forthcoming — that is, abolition of apartheid as a policy — then withdrawal from all participation with South Africa in social, cultural, athletic and oth-

er activities, withdrawal of diplomatic relations and US support of UN disciplinary actions against SA.

The international committee of the AFL-CIO is continuing a study mandated by the convention for further positive courses of action including selected boycotts against South Africa exports.

Clear

Right, the statement is very clear.

It is quite clear, and it is of course directed solely and wholly at the governmental policy of apartheid. Should that policy itself be abolished with the schedule a programme of planned governmental initiative to transition from one policy to a free and open society, multi-racial, multi-party, etc, then I am certain that by and large the entire resolution could be scrapped.

Would such a move necessitate one man, one vote?

What is your concept of democracy?

Well, I am thinking in terms of the South African policy of establishing independent states within the borders for the various black tribes or population groups.

I have nothing to say about the establishment of enclaves which are truly independent, if

that is what the people in those territories wish. I look on all of them as citizens of South Africa until they decide to disassociate themselves from South Africa, but it would not be a situation in which they have local autonomy but as far as their outside activities are concerned — their trade, their foreign representation — I wouldn't look on them as being free and independent if they didn't have those prerogatives as well.

So you would wish to see a clear plan or strategy that would, over a period of years, phase the total black population into the overall fabric of SA life with no restrictions at all?

That's right, but beginning with the absolute abolition of apartheid.

Disturbed

Could you comment on a couple of points that South Africans have become extremely disturbed about in recent years? Whether they are right or wrong is not for me to say

Are you really objective? I mean, are you neutral or objective?

I hope I am objective. There appears to be a set of double standards adopted by the US Administration, Senate, Con-

INSPECTORATE	POSTS ALLOCATED	POSTS FILLED	FACTORIES	EMPLOYEES
Johannesburg	14	4	5713	268299
Benoni	4	2	2058	132454

US investment in SA set to leap 20 pc

(b2)
26/10/78
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By Hugh Robertson
WASHINGTON—American companies in South Africa plan a significant increase in capital expenditure next year, according to a new United States Government survey.

The projected upward trend is seen as an important sign of confidence in the South African economy after two years of politically-inspired uncertainty and declining investments.

The survey was conducted by the Bureau for Economic Analysis, a specialised agency of the Commerce Department, and is based on projected capital expenditure by 325 of the largest US multinational companies.

It shows that the total capital expenditure by American companies in South Africa in 1979 is expected to be 277m dollars, which is more than 20 percent higher than the 1978 estimated expenditure of 230m dollars.

Of the projected higher capital expenditure for next year, 100m dollars will be in the manufacturing sector, which economists said today was a reliable indicator of renewed confidence in the South African economy.

In 1978, American companies are estimated to have had a total capital expenditure in the manu-

facturing sector of 82m dollars.

Major new expenditure is also expected in the mining sector where, according to the US Government survey, a 22 percent rise is projected for next year in a grouping of three countries — South Africa, Australia and Canada — which are major suppliers of raw materials and minerals to the US.

An estimated 1400m dollars will be spent on mining in the three countries next year, the survey shows.

Most of the higher capital expenditure on mining in South Africa is expected to involve uranium operations, according to American mining executives.

While American companies in South Africa appear to be regaining their confidence in the South Africa economy, their projected capital expenditure for 1979 is still a great deal lower than the "historic peak" year of 1976 when capital expenditure soared to 309m dollars.

But, company executives point out, in the current economic, monetary and political climate, the projected rise next year is impressive.

It follows declining ex-

penditure in 1977 and 1978, brought on largely by political uncertainty and the confrontational relationship between Pretoria and Washington.

Survey officials cautioned that revisions to their projections could be expected over the coming months, though they said there would not be any major change in the overall projection unless there were some special political or economic development not foreseen by the companies surveyed.

Officials also warned that the projections had not been adjusted for inflation or dollar devaluation.

But, again, they said this did not alter the generally upward and optimistic trend shown for South Africa.

Significantly, the survey was conducted before news broke of the Carter Administration's efforts to work towards "a more normal relationship" with the Republic.

Company executives say this development could have a further positive impact on American capital expenditure plans, especially if there were progress towards internationally acceptable settlements in SWA/Namibia and Rhodesia.

Through neutral state agencies a common standard of protection can be achieved and maintained. This standard will be acceptable to both workers and management.

The reason that the principle is wrong is because, like everything else in the factories, adequate protection is not an agreed constant standard plucked from the mutual desire of employers and workers to have good conditions. The status of industrial health in the factories is a result of the bargaining process over time. As possible to show that high standards of industrial production process has demanded this and does represent a significant cost to management or some of the more technical engineering processes, workers organisations have been strong enough to on over a period of time. Where the production is highly dangerous and very clearly industrial health hazards will be poor.

statutory bodies, adequate protection can be established in the factories.

tend to reduce profits. Both wages and working conditions can only be significantly improved by collective bargaining, not by reliance on the

of certain minimum standards to be laid down by here and in other countries are a result of the better working conditions and of the recognition continue to bear the heavy financial and social management.

ing conditions, they must be seen as one aspect of the process. Clearly, wages and health and safety (e.g. good protective clothing, safety guards on machinery, etc.) are a cost to management which tend to reduce profits.

Both wages and working conditions can only be significantly improved by collective bargaining, not by reliance on the

It is possible to remedy the problems simply by hiring and training them better. It is clear that at this rate to leave the enforcement of industrial health in the hands of statutory bodies. It is wrong in most intimately concerned in the maintenance of are excluded from the setting and maintenance wrong in practice because the statutory agencies and undertrained.

CAPE TIMES 31/10/78 (62) X



Mrs Tina Swart tries on a pair of Polaroid sunglasses from a large range that was displayed in a central city store yesterday.

Polaroid continues SA trade

By GORDON KLING

SOUTH AFRICANS will again be shielded from the harsh summer sun this year by Polaroid sunglasses and instant photography will record the season in spite of a ban on sales to the Republic by the United States corporation last year.

The reason is: Polaroid is honouring a two-year cancellation clause with its distributors, Frank & Hirsch, which will not expire till next June.

And the distributors yesterday told the Cape Times that they believed the ban, imposed in November when Polaroid discovered its cameras and film were being used by the government, may never be applied to the sunglasses.

Even the prices of the company's products have been unaffected by the ban. Polaroid product manager with Frank & Hirsch, Mr Oscar Berman, yesterday said in an interview from Johannesburg that there had been no escalation in prices since the beginning of the year.

Any changes would be limited to varying currency rates. Not all the company's products were manufactured in the United States so the rand's link with the dollar would not insure against price fluctuations.

Mr Berman said sales had returned to normal after a significant drop in November and December following the announcement of the ban as it was realized it would have no affect. There had been no further pressure from Polaroid, he added.

Stockists of the company's products yesterday confirmed adequate supplies were available and pointed out that replacements could always be purchased through intermediaries if the cut-off were strictly applied. This, however, would probably mean higher prices ... and a loss to competitors.

years. This "International ...

Off campus, we undertook a very interesting tour during which we visited the Port Cocharne basins. We were also privileged on the Container Basin while the "City of ...

Our tour of two wine farms was also very interesting. We were blessed with very good wine and activities, as we have learnt to our advantage and so was our proposed Shipwreck ... that response to activities of a most enthusiastic as one may wish, especially an Historical Society. We shall be glad that we can stimulate a positive response ...

Another dark cloud on our horizon is the Sunday evening films - a regular but unreliable source of revenue! With a poor response has forced us to abandon this. We have compensated for this by offering three lunch-hour films per week instead of two. Included in our programme have been the World at War, Civilisation, America and Arab Experience series.

Scheduled lunch-hour speakers for the Third Quarter include Associate Professor C.J. Greshoff who will talk on 'Paris and the Provinces': The Unification of France, and Dr. Michael Biddiss of the University of Leicester, who will talk on 'Nazis on Trial': The Nuremberg Tribunal, 1945-6. Dr. Biddiss is being brought out to South Africa by the Students' Visiting Lecturers Organisation at the recommendation of the History Department and our Society.

I am most indebted to my committee for the hard work that they have done this year. Their dedication to their task is evidenced by the smooth running of the Society. Their suggestions have been useful, their interest has been keen, and we wish those of them who are leaving the portals of this university a successful and stimulating future. We are also very sad to bid adieu to one of our most respected and well-loved members, Robin Hallett, who, as a lecturer vitally interested in the history of Africa in general and of Cape Town in particular, has stimulated out interest in the world around us immeasurably. To this founder of the African History course we are pleased to extend Honorary Membership this year. We hope that he will often return to these shores to avail himself of his privileges as a life member of our Society.

Sydney Petersen
Chairman

US firms show way to drop race bars

star

29/11/78

(12)

Chapter 1 : Mining

1. Goldmining e
2. Employment i
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12. Total employ

By Hugh Robertson, The Star Bureau

WASHINGTON — American companies in South Africa are making progress in breaking down racial barriers and improving the working conditions of blacks, according to an independent survey conducted among 57 of the firms.

Chapter 2 : Employment Projections

1. Introduction
2. The Plewman Projections
 - 2.1 Output projections
 - 2.2 Mining technologies and technical change
 - 2.3 Employment projections
3. Assessment of the Plewman projections
 - 3.1 Output projections, 1970-1980
 - 3.2 Assumptions about (or projections of) technical change in mining, 1970-1980
 - 3.3 Employment projections
 - 3.4 Projections 1980-2000

Before the Sullivan principles were drawn up last year, the report noted, only a handful of signatory companies had integrated facilities.

But a year later, three quarters of all these companies had fully integrated their facilities to comply with the Sullivan principles.

Others said they could not integrate because of legal restrictions (an example cited was the mining industry) and the refusal of South African landlords and building managers to allow American tenants to integrate leased facilities.

The survey noted that at least 42 percent of each race group now worked in integrated job categories.

Progress was also made in the advancement of blacks to supervisory and managerial positions.

The survey results were heralded today as being the first convincing evidence that an effective alternative exists to the concept of economic sanctions and the results are likely to have wide political repercussions.

An independent firm of consultants undertook the survey for the Rev Dr Leon Sullivan, a black clergyman and director of General Motors, who drew up the so-called Sullivan principles for American companies in South Africa last year.

More than 100 American companies with subsidiaries in South Africa have adopted the principles and the Carter Administration, backed by many members of Congress, has given the project its support.

TOILETS

In a statement accompanying the report, Dr Sullivan said today: "I am encouraged by the initial response by the majority of signatory companies."

While much more needed to be done to make the Sullivan principles really effective, "a first step has been taken and we are making progress."

The survey covered 81 "reporting units" which constitute the total number of branches in South Africa of the 57 companies involved.

It showed that one of the most important advances was in the field of integrating canteens, wash rooms, toilets, medical facilities and work places.

Report shows firms ditching apartheid

(62) 5/12/78

WASHINGTON — The first report on the employment practices of American firms operating in South Africa under the so-called "Sullivan principles" has been released.

The "Sullivan principles," named after their author, the Rev Leon Sullivan, a director of General Motors, call for desegregation of work facilities, equal pay, equal hiring and promotion opportunities and improved training for blacks.

Of the 81 signatories who responded to the survey, it was found: Three quarters of the companies have already or are about to desegregate their eating, toilet, work and locker

room facilities; Fifty-five of the employers have the same medical, pension and insurance plans for all their employees;

At least 42 per cent of the workers of each race holds jobs that are not restricted by colour;

Of the companies that had no black professionals in 1976, 13 per cent now have them;

Fifty-one per cent of the companies provide financial assistance for housing their black employees while 39 per cent offer subsidies for schooling.

Mr Sullivan, who has taken a moderate line on American business in South Africa on the

grounds it can pave the way toward equal treatment of all workers, is quick to point out this first-year report marks only the first step.

He plans two new measures: the next report will list the progress of individual companies in specific areas of improvement; and

A monitoring system will be established that will no longer be necessary to rely on company's assessments of themselves.

A black columnist, Mr William Raspberry, notes that 25 per cent of the companies who have undertaken to change "have made no effort at all." — DDC.

The aim of the policy is to prevent a

It may well be asked how an employment guarantee scheme would fit with the planning.

Overall control would be vested in the Ministry of Finance and Planning. The Ministry would monitor the programme, undertake concurrent evaluation of the economic and social worth and, perhaps by placing an economist in some or all districts, participate in local government's financial and administrative approach of work's designs and their place within local development planning.

Such an arrangement would underwrite government's capacity to carry beef prices or of a decline in state revenues.

The establishment cost of an employment guarantee programme can be regarded as an extra. It should not cost above 40% of the total cost of the programme since the intention, by labour intensive methods, is to transfer funds into the countryside through wage payments. The support for the establishment cost should be an attractive proposition for foreign aid donors because of the programme's combination of rural construction, local determination and social justice. Such an arrangement would underwrite government's capacity to carry

useful things to do in the countryside if they are to partake in any major way in activity in the countryside. Larger works and maintenance that require strict timetables should be funded through departmental budgets or the regular budget of local government, whichever is the practice.

US firms break race barriers in SA

RJM 7/12/78

(62)

NEW YORK. — More than 100 leading US corporations with operations in South Africa have endorsed the anti-apartheid principles which have been promoted by a Philadelphia priest, the Rev Leon Sullivan.

This is disclosed in the first report on the implementation of the principles prepared by the international consulting firm of Arthur D Little.

Just over a year ago, the Rev Mr Sullivan announced that a group of a dozen leading US corporations including Mobil, General Motors and International Business Machines, had signed the six principles designed to promote racial equality and employment practices in South Africa.

The report contains a list of 78 major US companies who have responded to a questionnaire about their South African operations which is a first step towards attempting to determine how the principles are being applied. Other companies have not yet sent back the questionnaire.

Commenting on the results of the survey, Mr Sullivan said that he was encouraged by the response, but more needed to be done.

The report says it is expected that it will be possible to

evaluate the performance of individual companies.

In general terms, however, according to Mr Sullivan, the questionnaire indicates that significant progress is being made towards ending segregation of races in company facilities. Three-quarters of the 78 companies have ended discrimination at dining, locker-room and medical facilities, for example, in the year since the principles were enunciated.

But the survey also shows that there is a long way to go before the principles are met, a situation which prompts the comment that some will interpret the findings as showing how little progress is being made, while others will argue the opposite.

Thus the report shows that few of the companies, which employ more than 50 000 people, have blacks in managerial or official positions. Thus 68% of those responding to the questionnaire, and who employ blacks, have no blacks in management. Similarly the average income for coloureds and blacks is well below the average for white employees.

On the other hand, the US companies appear to be offering comparable health and welfare schemes for their employ-

ees. A total of 55% of the companies have common health, pension and insurance plans and in the 26 companies where the medical plan is different for blacks it is generally superior to, or at least equal to, that provided for white employees. — Financial Times

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The Plan proposed early studies on migration and on ways to stimulate employment creation and announced the intention to evaluate the building programme funded under the ARDP. Greater allocations are proposed for physical and social infrastructure: "Augmenting social infrastructure (health, education, domestic water supplies) is the main way in which an immediate improvement in rural welfare can be effected". The past difficulties of ensuring both a supply of trained personnel to man these facilities and the gravitation of trained personnel to the towns and larger villages suggests otherwise. Constructing the buildings does pump funds into the countryside but efficient services that reach into the smaller villages and amongst the poorer groups will take some time; probably not within this or the next Plan period. A necessary pre-condition may be that the present top-sided economic power in the countryside be significantly reduced if services are not to be captured by the powerful.

The Plan emphasises the complexity of rural development and that it is the subject of several Ministries. It argues that more effective co-operation is required. In future there is to be stronger policing to see that

New hope for firms in SA

Star 15/12/78

62

About-face on US tax

than regular mining. At any

for the period from 1965 to 1976 (inclu rate of 11,2 per cent per annum.

4.4 It turns out that platinum is the mine similar to that of gold and hence (see small potential for mechanisation of the size of South African platinum re growth of world demand for the metal group), Professor Plewman has argued important place in maintaining (or in mining (see Chapter 2).

Washington

The Secretary of the United States Treasury, Mr Michael Blumenthal, in a remarkable about-face, has told Congress he opposes planned legislation which would deny tax credits to American companies in South Africa.

The debate over the tax credits has been hanging over the head of US companies in South Africa for the past two years.

The planned legislation, which American businessmen have long felt as the most menacing threat to their operations in South Africa, would deny tax credits to companies which do not meet employment standards set forth in the so-called Rangel Bill.

In effect, this would mean the companies would face double taxation — in the US and South Africa — forcing many of them to close down their South African operations.

Under existing law, American companies are credited by the US treasury with taxes they pay on operations in other countries, thus exempting them from taxes in the US.

Championed

The proposed denial of tax credits, which is to be revived when Congress convenes again in January, is being championed by Congressman Charles Rangel, a liberal Democrat from New York, and many other liberals in both Houses.

an increasingly totals in

Mr Blumenthal is the highest-ranking Cabinet member to take a stand against the proposed measure, and his decision is bound to have wide repercussions.

In a letter to Congressman Rangel, a copy of which was made available by the Treasury today, Mr Blumenthal said he favoured taking "appropriate measures" to encourage the South African Government to halt its racist policies.

But, he added, a study of the proposed legislation has led him to conclude it was not an appropriate means of achieving "the objective we both seek".

SA headache for US firms

RD 23/12/78

62

BY SIMON BARBER
WASHINGTON. — Tight controls over the export to South Africa of goods which might end up in the hands of the Defence Force are causing such problems for American businessmen that

the Carter administration has undertaken a review of the regulations.

In February this year, the Commerce Department banned the sale of any products or technology that might be used by South Africa's police or armed services.

and other African themselves managemen

A number of companies then discovered that in order to comply with the regulations, they would have to cancel deals with their South African affiliates which could not guarantee that none of their products would come into military possession.

Rather si pate in s organisat African n

A spokesman for the General Tire and Rubber company said this month that the new rules had cost the firm nearly R1-million a year after tax.

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The vice-president and legal chief of the company, which has its headquarters in Akron, Ohio, Mr Tress Pittinger, said that less than 1% of the sales of its South African affiliate went into military hands.

while 46, certain a responden

Even so, General Tire was banned from exporting its produce to its 25% owned counterpart in South Africa.

About 63% elected fr of office.

The US State Department has agreed to look into the situation which has sharply split liberals and conservatives in Congress, as well as the White House and a number of businesses and trade unions.

held, but a further

findings of the investigation were that in...
...the initiative for establishing the liaison management. In about 9% of the sample the...
...management and its African employees together.
...the initiative on their own. In fact from...
...ar that in only 2 of 326 organisations had this...
...etermining African workers' needs for a liaison...
...sample attributed the main factor to management's...
...had discussed the matter with African supervisors...
...about 18% had held general meetings of all their...
...some 4% of the organisations had African employees...
...on of the establishment of a liaison committee to...
...members of the liaison committee did not partici-...
...of their committee in 81,9% of the participating...
...hand, 79,1% of the respondents reported that...
...committee were elected rather than appointed by...
...16,6% of the firms could candidates be nominated...
...example, as to age or seniority. A representational...
...ants was required by 78,1% of the respondents,
... (seniority) qualifications and 27,3% required a...
...as usually by means of ballot papers (57,1% of the...
...hands (33,4% of the respondents).
...reported that their liaison committees were...
...ear while nearly 28% recorded a two-year period...
...72%, regular monthly committee meetings were...
...every two months and 5% quarterly.

There were 284 organisations which responded to a question as to why they had preferred a liaison to a works committee. The majority of 147 (nearly 52%) gave as their reason that the liaison committee was an 'anti-polarisation' device conferring benefits such as better guidance by management and prompt solution of problems, thus serving both parties' interests and improving two-way communication. In a further 38 instances (about 13%) either the liaison committee

FOREIGN FIRMS IN S.A.

— U.S.A.

JAN — DEC 1979

62

SA-US RELATIONS Cosmetic confusion

Confusion surrounds an anti-apartheid law enacted by Congress last October. The so-called Evans Amendment to the Export-Import Bank Authorisation Act

sought to prohibit the Exim bank from providing credit assistance for exports to any company in SA which had not been certified by the Secretary of State as implementing fair employment practices.

The practices listed by Congress are, in effect, the so-called Sullivan principles enumerated by General Motors director Leon Sullivan nearly two years ago (*FM* March 4 1975). *Inter alia*, they call for non-segregation of work facilities, equal pay for equal work, and increased black training.

Congress also prohibited Exim bank assistance for exports to the SA government and its agencies unless the US President determined that apartheid was being eliminated. Assistance for exports which help enforce apartheid was prohibited altogether.

The *FM* understands, however, that Secretary of State Cyrus Vance whose job it is to "certify" companies before Exim assistance can be obtained has not yet acted on the issue. State Department officials have evidently been wrestling over the legal question of their authority to make such a certification of a company outside US borders.

Sullivan principles

The *FM* has also been told that some would be importers in SA of US goods are finding it difficult to get Exim assistance. On the other hand, Exim facilities are being automatically extended to some companies provided they have signed the Sullivan code. But no inspection is carried out to see whether they are actually adhering to it.

In the meantime, the Sullivan code has itself come under attack from a leading American labour lawyer, Bill Gould, professor of law at Stanford University, told a human rights conference at the University of Cape Town this week that the Sullivan principles were "not enough." They provided for "no effective monitoring and reporting procedures," while the recent expose of discrimination at Anglo American (*FM* last week) had shown how important proper monitoring is.

Gould described as "so bland and general as to be meaningless" the questions circulated last year on Pastor Sullivan's behalf to American companies in SA, in which the companies were asked for information on their labour practices.

Gould also said that the "primacy" which Sullivan accorded the "desegregation" of facilities was the least of black workers' concerns and the least important labour issue. He further criticised the Sullivan principles for failing to address the "all important migratory labour issue" which in many respects is the most vicious instrument of the government's apartheid policy.

He called on the US to follow the lead of the EEC, whose code of conduct for European subsidiaries in SA (adopted in

September 1977) was "the first tentative step down the path of pressure through examination of its own multinational conduct."

Gould, who has himself fought a number of big court cases in the US in short, to remove racism from American factories, added that the Carter administration should introduce its own code for companies doing business in SA. And, unlike the EEC code, it should have the force of law behind it.

Today some key committees have been given the growing complexity of decision making through the

to tackle more complex issues so the need for contact (through the mechanism of committees). As

ment functioning is its openness and the amount of in keeping with their unique place in the economy.

Local Government and Lands, Education, Home and Fore distinguished by having a Ministry of Mineral Resources

governments in terms of Ministries of Planning and Botswana's central government is organised much as m

elements introduced by foreigners.

were to be unduly influenced by the social and the

tunate if the training and early work experience of the work of short-term foreign technicians. Similar

and organisational arrangements which allow local (It is more difficult

to draw upon international experience as a short cut Botswana's willingness to use foreign experts provide

little skilled manpower or institutional capacity to technology suited to her rather extreme agricultural

The long period of benign colonial neglect has left a fraction of the present urban determined rate for

time work at rates below those ruling in the country is suggested below, the strength of which is its ab

work at recently enhanced rates in South Africa.

ments of law and popular expectations set against the small net increase in employment of a full time natu

leadership. The fundamental obstacles, however, are because of its experimental nature and its expensive

necessarily small (250 employees in the first year a construction of Maseru's prestigious international a

Government's apparent insistence that the unit become absorbed in the

Problem for US firms in South Africa

5 TAX
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The debate about universities and the American corporate presence in South Africa, going on now around the country, ought to focus on a practical question: what action is most likely to move the South African Government, to affect its racist policies?

Nothing American institutions do is going to end apartheid tomorrow afternoon. US economic activity does not play a decisive part in South Africa's economy, and the Government is determined to keep power in the white hands. But the difficulty does

not excuse inaction. For one thing, Americans involved in South Africa have their own souls to save. And there is no neutrality: taking no position on apartheid is helping it. For American companies pay taxes to the State, and their very presence lends a certain prestige and legitimacy to the system.

Moreover, symbols are important. If the Ford Motor Company closed or sold its plants in Port Elizabeth, some other car manufacturer would doubt take its place. But the symbol of Ford pulling out would have an impact. South Africans care deeply about American opinion. The Government tries its best to

ANTHONY LEWIS describes the debate now going on in the United States on what course should be taken by American companies in South Africa to fight racism.

suggest that most Americans accept the country as it is, that only a few left-wingers like Jimmy Carter object to apartheid. Ford, in fact, subscribes to the argument against withdrawal: that American business can do more good by staying in South Africa than by leaving. Ford has made major efforts to end racial discrimination among its 5500 employees. Blacks and whites work together, for similar pay, and use the same cafeterias and rest

rooms. There are black foremen, and blacks are trained for skilled jobs. The Ford programme and others like it are not going to shake the system. Blacks treated equally in the plant still step out into a world where they have no rights. But such efforts do benefit a number of individuals, and they set an example. The Government does not interfere when an American company breaks the rules against blacks holding certain jobs or undertaking skilled apprenticeships.

The practice could spread. Which is right, withdrawal or working from within? Blacks in South Africa are themselves divided on the question. I have heard articulate arguments on both sides. For Americans, the necessity is to look at the question without illusions: to look for practical results. The course of action that seems to me most likely to be useful was well described by Michael Walzer, professor of government at Harvard, in a recent faculty discussion of the South African issue. Unless American companies actively and effectively work against racism in South Africa, he said, they should get out. And the burden should be on them to show their

shareholders that they are doing good. Harvard has in fact taken an official position very close to Professor Walzer's. It is that a company doing business in South Africa must produce facts showing a new benefit to racial justice, or Harvard will vote its shares for withdrawal of the business from South Africa. For students to demand a divestiture may represent, Professor Walzer said, "a politics and a morality of convenience, seizing on the nearest target rather than the right target." He expressed an old liberal's preference "for staying in and fighting rather than washing one's hands and walking away." — New York Times News Service.

CENTRE FOR

perhaps never even paralleled by any single economic effort except in war. Nearly every great church of the twelfth and thirteenth centuries belonged to Mary, until in France one asks for the church of Notre Dame as though it meant cathedral; but, not satisfied with this, she contracted the habit of requiring in all churches a chapel of her own, called in English the 'Lady Chapel,' which was apt to be as large as the church but was always meant to be handsomer; and there, behind the high altar, in her own private apartment, Mary sat, receiving her innumerable suppliants, and ready at any moment to step upon the high altar itself to support the tottering authority of the local saint.

all inappropriate haunts for the gentle, courteous, pitying Mary, a field of battle seems to be the worst, if not distinctly blasphemous; yet the greatest French warriors insisted on her leading them into battle, and in the actual mêlée when men were killing each other, on every battle-field in Europe, for at least five hundred years, Mary was present, leading both sides. The battle-cry of the famous Constable du Guesclin was 'Notre-Dame-Guesclin'; 'Notre-Dame-Coucy' was the cry of the great Sires de Coucy; 'Notre-Dame-Auxerre'; 'Notre-Dame-Sancerre'; 'Notre-Dame-Hainault'; 'Notre-Dame-Gueldres'; 'Notre-Dame-Bourbon'; 'Notre-Dame-Bearn'; — all well-known battle-cries. The King's own battle at one time

Be positive businessmen told

EAST LONDON — Think positively — that was the underlying theme of a message addressed to South African businessmen by Mr Lou Wilking here last night.

Mr Wilking, managing director of General Motors South African, was the guest speaker at the annual meeting of the East London Chamber of Commerce.

Following a recent trip to the United States, Brazil and the Argentine, he said he returned to find "so many reported items of gloom it made me feel South Africa was going to crumble and fall off the end of the African continent."

It was essential that kind of pessimism be dispelled "or we as a people are going to be lost."

If account was taken of all the reported gloom, "we run our thoughts into depression as a result of these negative factors."

"It almost seems there isn't a positive factor anywhere and that, I believe, could have a very depressing effect on the outlook for 1979 if we allow it to continue."

Turning to Iran — where the situation was likely to get a lot worse before it got better — Mr Wilking, who was manag-

ing director of General Motors Iran for three years, said the Iranian situation undoubtedly posed problems for South Africa; but Iran was not the only country supplying oil.

"We've got gold, diamonds, platinum, coal and food to sell and because of this some accommodation will be found in the Middle East to sell oil to South Africa."

Emphasising the need for being positive in South Africa, he said there was a shortage of 23 000 houses in Port Elizabeth and probably half a million houses in South Africa.

"If you take our current way of doing things, we'll inundate ourselves with that unsolvable problem."

"However, I look at it the other way — that it is a tremendous opportunity."

"The half-a-million houses could be five or six billion rands worth of opportunity from a business viewpoint."

"And if the housing project was tackled now, it could go a long way to helping another major problem — unemployment."

"We do have an unemployment problem which frightens me when

listening to the Prime Minister's economic advisory council and what they were looking at — projecting 3 per cent annual growth."

"At that rate we'd probably have 19 million unemployed by 1987. If that's the case we've got chaos."

"On the other hand, if we address ourselves to the problems of housing and other projects, we can make a large dent in the unemployment problem."

"And having the people around to do the job is very positive because there are a number of countries in the world that don't have the population and can't do anything about it."

Mr Wilking said South Africa had to get blacks into the system "and that means we have got to take on apartheid head on and the first thing it's going to take is education."

"We're going to have to get these people educated and the country can turn that around into a very positive opportunity."

"I look at our own automobile industry. There are eight cars per 1 000 blacks; 40 per 1 000 Coloureds; 100 per 1 000 Asians; and 400 per 1 000 whites."

"Now I don't know whether we can ever get the blacks up to the whites in the foreseeable future, but all we've got to do is get them to the Coloured level and that's half a million sales to the South African motor industry — a 25 per cent increase."

"And that same kind of thought process applies to the clothing business, food business or anything else."

What was needed was Henry Ford's philosophy

of the 20s of paying everybody \$5 a day so that they could buy the products Ford were producing.

"That's the kind of philosophy I think we've got to be applying to our black people and get by some of the prejudices that we have — prejudices which probably stem from a lack of education more than anything else."

"The business opportunities if you bring that other 18 million people into the economy can be tremendous and we as a company certainly look forward to sharing in all that."

Mr Wilking also exploded the myth that America's sole concern was the future of South Africa, illustrating his point by noting that if you paged through the New York Times you would find China, Vietnam and Russia were front page news, hotly followed by the American economy and new legislation, through to local American football news and then on to Aunt Mabel's cat "and finally, perhaps, on page 59 of the New York Times you might find some sort of reference to South Africa."

"What I am trying to imply is that the United States has its own problems and its own items of newsworthiness and as South Africans you may have tended to over-react to American opinions."

"Contrary to public opinion, President Carter does not get up each morning and decide what he will do to South Africa."

Mr Wilking's parting shot again emphasised the theme of his address: "Think positive. The sun will be up tomorrow, too!"

— Business Editor

group Henkel has been making waves.

Market share, claims local MD Konrad Schweiker, leaped from 3% in 1972 to a current 22% at the expense of both Lever Brothers (down from 62% to 52%) and Colgate-Palmolive (down from 32% to 24%). These figures, however, were obtained from market research, and cannot therefore be taken as wholly authoritative. Henkel SA turnover (more than half from washing powder and other cleaners) went from R2m in 1970 to R17m in 1975, and is expected to top R45m next year.

This is happening in a stagnant marketplace. Because of the state of the economy, real sales have grown only 3% in three years.

Blacks, who provide 70% of total demand, reduce their consumption when in tight times. But that's where the potential lies: and their share of the market is expected to climb to 80%-90% within a decade.

Marketing

The white market is saturated. SA whites use 5,5 kg of washing powder per head annually (about the same as in Europe), while urban blacks use 2,2 kg, and rural blacks 1,5 kg.

With profit margins narrow, volume is essential. "In this game if you don't capture 20%-25% of the market you cannot get the returns you need," says Schweiker.

To achieve this, he says, it is necessary to spend up to 20% of turnover on marketing initially; but this share must be brought to below 10% if viability is to be achieved. Schweiker will not disclose his marketing budget, but admits it runs to "millions of rands" on advertising, special offers, and all forms of promotion.

Henkel's success sparked off a price war in 1977 and, while hostilities only simmer now, Schweiker says prices are still very keen.

"This is a low-priced market by world standards," he says. "The returns are not very good. You cannot rely solely on washing powder for a profitable business, but it provides a good base on which to build your whole manufacturing operation."

There are about 20 washing powders on the market, of which Lever Brothers (declining to discuss figures) produce five (including market leaders Surf and Omo, with a 20% share apiece); Colgate five (its best-seller is Punch); and Henkel three (led by Xtra, third in the market with 13%). The others are mostly house brands.

SOAP POWDER ⁽⁶³⁾ Making waves

In the six years since it entered SA's highly competitive R90m-a-year washing powder market, the German chemical

Background

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How can US move SA?

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What can US institutions do to move South Africa's Government to change its race policies? ANTHONY LEWIS examines the options.

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It is the corporations that must prove the anti-

apartheid character of their activities,' Professor Walzer said. 'We must insist that the standards of proof be very high, and we must recognise that they are unlikely to be met. And then the general policy of the university must be to work for the termination of corporate activity in South Africa. And that means, routinely, to make a fuss at shareholder meetings.'

The well-known standards for American corporate activity are the principles laid down by the Rev Leon Sullivan: Equal pay, fair employment practices, training of non-whites, desegregated work facilities, improved employee housing, recognition of black unions. To those I would add a requirement that companies insist on the right of anyone it hires to have his family with him, in defiance of the iniquitous South African pass laws.

Harvard has in fact taken an official position very close to Professor Walzer's. It is that a company doing business in South Africa must produce facts showing a new benefit to racial justice, or Harvard will vote its shares for withdrawal of the business from South Africa.

Would universities have more effect on South Africa if they sold their shares than if they followed a policy of pressure on corporations? I do not think so. It is the corporate activity or withdrawal that matters to South Africa. The most effective thing a university can do is to use its voice and its vote to influence corporate policy. — New York Times News Service.

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The slope of the consumption function is determined by the: generally the numerically smaller the marginal propensity to consume, the steeper the slope.

12-23. GNP is a measure of changes in standard of living because it includes: (1) Personal income taxes, (2) Transfer payments, (3) Government purchases, (4) Depreciation, (5) Net exports.

13. 24. Given the theory of the firm, the goal of all firms is to maximize profit. This is done by producing where marginal revenue equals marginal cost.

14. It can be argued that the national product is a better measure of the output of an economy than the gross national product because: (1) It includes all intermediate goods, (2) It includes all final goods, (3) It includes all services, (4) It includes all government purchases, (5) It includes all net exports.

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STAR 7/4/79 062

US students act against firms with SA links

The Star Bureau

NEW YORK — Student strikes and boycotts at more than 30 universities and colleges have been planned this week to urge these institutions to combat apartheid by selling their shares in United States firms having trading links with South Africa.

In what is described as a week of "co-ordinated action," student and community activists opposed to South African's policies will call on United States banks to stop making loans to South Africa.

Harvard, Tufts, Boston College and Boston University have all planned events for the week, with Harvard planning an anti-apartheid "teach-in" on April 11 and a major rally on April 16.

In a preliminary move this week, 700 students at Princeton University urged the university trustees to sell an estimated \$125-million in stocks the university holds in such firms as Mobil Oil, National Cash Register and International Business Machines.

In a similar action, Brandeis University students urged the university's board of directors to sell \$5-million shares of stock in firms operating in South Africa.

Most of the universities argue that disinvestment is not an effective means of combating South Africa's policies.

Many US corporations, a Brandeis spokesman pointed out, "are helping to elevate significantly the economic status of blacks in South Africa."

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18. The Federal Reserve Bank of Atlanta has a market share of 15% in the Atlanta market. This is an example of: (1) Monopoly, (2) Oligopoly, (3) Monopolistic competition, (4) Perfect competition.
19. The Federal Reserve Bank of Atlanta has a market share of 15% in the Atlanta market. This is an example of: (1) Monopoly, (2) Oligopoly, (3) Monopolistic competition, (4) Perfect competition.
20. The Federal Reserve Bank of Atlanta has a market share of 15% in the Atlanta market. This is an example of: (1) Monopoly, (2) Oligopoly, (3) Monopolistic competition, (4) Perfect competition.
21. Mining State
22. Ibid.
23. Ibid.
24. Interview
25. Between 1971 and 1977, the number of students at Princeton University who urged the university trustees to sell an estimated \$125-million in stocks the university holds in such firms as Mobil Oil, National Cash Register and International Business Machines.
26. S.A. Mining
27. The value of the demand curve for a good is determined by the marginal utility of that good.
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31. The value of the demand curve for a good is determined by the marginal utility of that good.

26 11/71

US firms get go-ahead to seek oil aid from SA

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WASHINGTON - The United States Government in a dramatic brushing aside of scruple, yesterday decided to allow American firms to seek vitally-needed oil from coal technology from South Africa.

The decision was announced yesterday by the Department of Energy at a House of Representatives subcommittee hearing.

It was immediately welcomed by the committee chairman, Congressman William Moorhead, as the most encouraging news the American public has had in recent weeks.

It comes in the middle of a drive by President Jimmy Carter to bring home to Americans how dangerously dependent they have become on vulnerable foreign oil resources.

Yesterday's announcement was made by the acting assistant secretary of state for energy technology, Mr John M Deutch. The chairman, Mr Moorhead, said the announcement was that American energy companies were now free to make their own arrangements to secure up-to-date technological information.

He described it as the most important first step the united

states could take towards achieving some degree of energy independence.

"The resulting production of hundreds and thousands of barrels of oil from coal - a resource we have in ample quantity - can only mean our homes will be warmer, our industries less threatened by cut-off or reduction of energy, and our sense of strength internationally restored.

Mr Moorhead said the subcommittee would immediately begin examining ways of providing incentives to accelerate the use of oil-from-coal technology.

Yesterday's decision came five months after two staff members of the House of Representatives banking subcommittee on economic stabilization, Mr Norman Cornish and Mr Edwin Webber, visited South Africa to examine the Sasol process.

They returned with a comprehensive report which has been studied by both the Department of Energy and the State Department. On a gross-national product comparison, the US would spend about 155 billion dollars to duplicate the Sasol programme.

WORLDWIDE

Kodak stay in SA

NEW YORK. — Agreeing with Eastman Kodak's official stand that it was "acting responsibly in South Africa", company shareholders have rejected a resolution that would have halted the photographic firm's dealings with South Africa.

The resolution, presented on Wednesday by several national church groups, called for Kodak to stop selling film or equipment to the South African Government.

Before the shareholders' two-hour meeting a few resolution supporters picketed peacefully and distributed leaflets.

Their demonstration was unsuccessful, as about 97% of the shareholders voted against the

resolution, siding with chairman of the board Walter A. Fallon's statement and recommendations.

"We are acting responsibly in South Africa," he said.

"We believe that the overwhelming majority of shareholders will urge Kodak to stay."

Shareholder Martha Savio, of the American Baptist Home Mission, accused the firm of selling the South African military and police products that could be used for oppressive purposes.

"Our policy is to sell Kodak products and services throughout the world within the guidelines of US law," Mr. Fallon countered.

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2000
Frankly, I believe the real issue is not sales to the government, but whether it is appropriate for Kodak to do business in South Africa," Mr. Fallon said.

More than 3 000 persons attended the overflow meeting, held in the firm's hometown, Rochester, for the first time in its 78-year history.

Previous meetings had been held in New Jersey, where Kodak was incorporated in 1901.

"The general consensus among economists is that business activity will slow somewhat this year," Mr. Fallon said.

"Even so, we look forward to good sales." — UPI

Organizing the Marketing Function

The concept of being marketing-oriented has had a substantial effect on the organizational structure of the firm—from both a formal and an informal point of view.

This impact on organization has been duly noted by certain behavioral scientists interested in human organizations such as the business firm. Thus, different philosophies of organization have been brought into clearer perspective as a result of the marketing concept.

Organizational changes within the marketing department must occur if the marketing concept is to be implemented. Changes must also occur between the marketing department and other areas within the firm, although they may or may not be reflected in changes in the formal organization of the firm.

The impact of marketing generally makes itself felt in attitudinal changes that affect the ways in which individuals cooperate with each other and the points of view taken with respect to problem solving. These attitudinal changes ultimately find their way into new procedures which prescribe relationships between departments. Increasingly it is recognized that the marketing department has a greater role to play in more decision areas than ever before.

American giant expands in SA

6/5/79 Sunday Times

62
~~189~~

THE world's largest trackless coal-mining machinery group, the billion-dollar Joy Manufacturing organisation, has agreed to a sizeable injection of new equity into its South African subsidiary, which leads the market in this country.

Together with new long-term loan capital from the parent, the equity funds will pay for expansion which Joy in South Africa expects will help lift its sales to more than R30-million by next year.

help Joy SA increase the South African content in many of its products to virtually 100 per cent. The new funds, which have already received Reserve Bank approval and have been channelled through the financial rand market, are being hailed as a possible straw in the wind of US investor sentiment.

Some R85-million in new foreign fixed investment through the FR market is reported to have been approved by Pretoria since acceptance of the De Kock Commission's two-tier rand recommendations. But the money for Joy SA is thought to be the first significant renewal of US corporate interest. The new funding from the

BY STEPHEN ORPEN

US will increase Joy's investment in South Africa by some 12 per cent to near R20-million.

It was agreed by the board of Joy US after a visit to this country by the chairman early in March.

Joy SA makes coal-cutters, shuttle cars, loaders and continuous miners—the latter worth some R400 000 apiece. Managing director Herby Hadfield estimates annual demand for the miners alone at some R12-million a year, and is sanguine about future sales prospects. "Production of coal in this country is expected to

rise from some 60-million tons annually to around 250-million tons within about 20 years.

"Obviously, that is going to mean a lot more coal-mining equipment. We anticipate a doubling in demand by 1989, and another doubling, or better, by the turn of the century."

The South African subsidiary recorded a phenomenal 65 per cent annual growth in sales in the three years to 1977 and at least as good in value terms is expected in the next few years.

The Joy group claims to have 85 per cent of the world market for trackless coal mining equipment and some 70 per cent of the South African market. Machine tool replacement

and improvement costs are running above R2-million a year in this country and about R700 000 is spent annually on research and development.

In May last year a Joy continuous miner supplied to the South Witbank Colliery on test produced a world record of 84 000 tons of coal.

Hadfield says the new equity tranche took some weeks to be approved by the Reserve Bank, "but I understand that approvals are now being cleared in about seven days flat.

The documentation requires that one intends to spend the money on fixed investment for expansion of productive resources that will benefit South Africa."

(62)

Startling progress in race equality at work

8th 21/5/79

By Sieg Hannig,
Labour Reporter

The names of American companies which have not yet endorsed the Sullivan principles on racial equality and equal opportunity in their South African subsidiaries will be made public.

A listing of the 164 non-signatories is to be included in a report in September.

This report will also include "a more definite categorisation of individual company progress,"

says the drafter of the principles, Mr Leon Sullivan, in a statement issued in Philadelphia.

But the progress reported by 81 of the 116 signatory companies is startling by South Africa standards.

EQUAL BENEFITS

In a survey, breaking the 81 companies down into 177 reporting units, it is revealed that by the end of last year 73 percent had "all facilities common" to workers of all races, non-segregation was scheduled at another 11 percent and only 16 percent did not meet

non-segregation status for various reasons.

More than 90 percent of reporting units provided equal or better benefits to races other than white in the categories of leave, sick leave, medical aid, pension, life insurance, education assistance, Christmas bonus and housing assistance.

INTEGRATED

In 93 percent of reporting units minimum wages and salaries were well above the appropriate minimum living levels — for example, 61 percent were above that of the Johannesburg Chamber of Commerce (which stood at

R168,16 a month last November for a Soweto family of five).

Some 21 percent of the black employees were in non-segregated job categories, sharing rating, grade or level of employment with whites and 29 percent of blacks were working with whites in integrated work places.

In 52 percent of reporting units, blacks were at supervisory or managerial levels and 151 blacks in all reporting units were in managerial positions.

The report covered 50 000 employees, fewer than half of whom were white.

FOREIGN INVESTMENT 2

What pullout?

pm 6/6/79

(62)

In contrast to the plight of Swedish companies in SA, US corporations have had little to worry about from this year's anti-apartheid shareholder resolutions, almost all of which have now been debated at special proxy meetings.

Fourteen of the 26 resolutions, which ranged from calls for withdrawal from SA to proposals to adhere to labour codes of conduct, managed to scrape together more than 3% of shareholders' votes. Nine received sufficient support to qualify for resubmission next year. Among the firms involved: Fluor, Union Carbide and Phillips Petroleum.

Most successful were calls for banks to stop loans to SA. A resolution along these lines to Bank of America pulled in 8.4% of votes cast, while 7.4% of shareholders supported a similar proposal directed at Wells Fargo Bank.

But most resolutions discussed for the second time received substantially less support than in 1978. Examples: A withdrawal call to the mining giant Phelps Dodge brought 3.4% support, compared with 5.3% last year. A motion asking Control Data not to renew government contracts was supported by 3.1% of shares voted (4.7%). Resolutions urging Continental Illinois, Citicorp, First Chicago and J P Morgan to report on loans to SA managed only half the votes they pulled last year.

Three church-sponsored resolutions asking Mobil, Socal and Texaco to help enforce sanctions against Rhodesia/Zimbabwe each received less than 3% support. And withdrawal calls to American Express and Timken drew votes from a meagre 1.1% and 1.5% of shareholders respectively.

Why the falloff? Terry Myers, deputy director of Investor Responsibility Research Centre, which monitors US investment in SA, reckons widespread pressure on American firms to change their policies has eased as Soweto and Biko fade from protestors' memories. But he adds, pointing to the relatively high number of votes cast against California banks,

...the pressure on American firms to change their policies has eased as Soweto and Biko fade from protestors' memories. But he adds, pointing to the relatively high number of votes cast against California banks,

AMERICAN FIRMS — 2
Sullivan sullied (62)

The "Sullivan principles" of labour practice for US subsidiaries in SA have been strongly criticised by the Washington-based Institute for Policy Studies.

"For businessmen and public officials under fire, the Sullivan principles provide the perfect out. They look good and do nothing," the Institute contends in a recent report, written by Elizabeth Schmidt.

Pastor Leon Sullivan, who is a director of General Motors, drew up the principles after abandoning a long but unsuccessful campaign to get American companies to withdraw from SA.

Schmidt maintains that the principles "are moderate reforms with limited scope. They do not begin to confront the SA system. They make no demand for

black political rights. They do not call for the abolition of the migratory labour system, or recognise the destructive nature of the homelands policy."

Nor do they promote "black property rights and the right to live with one's family."

Schmidt is also critical of the assessment of compliance with the principles which was published by an American management consulting firm in November last year.

The assessment was based on answers to a questionnaire sent out some months

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earlier to firms which undertook to adhere
 to the principles. But Schmidt argues that
 the questions themselves were worded "in
 such a way that a meaningful response
 could easily be avoided."

For example, in accordance with the
 first Sullivan principle — non-aggrega-
 tion of the races in all eating, comfort,
 and work facilities" — companies were
 asked whether they had integrated their
 facilities or were in the process of doing
 so. Most of the respondents claimed that
 facilities were common "or in the process
 of changing."

However, says Schmidt, "one cannot
 find out how many companies have actual-
 ly desegregated their facilities, how many
 are 'in the process' of doing so, exactly
 what 'process' means, and how long it will
 ultimately take."

Companies were asked whether they
 had removed discriminatory signs or were
 "in the process of removing them." Ob-
 serves Schmidt, "One wonders how long it
 takes to remove a sign."

Schmidt says that most of the data on
 wages in the report on compliance is
 "lurped together" in such a way as
 to make it impossible to obtain an accu-
 rate picture of workers' incomes. She also
 complains that the report does not show
 whether the job segregation it records is
 the result of law, white trade union agree-
 ment, or 'simply in fact'.

Neither is it mentioned that 'equal pay
 for equal work' is impossible when blacks
 are barred from certain kinds of work and
 prevented from becoming apprentices in
 certain trades."

But Schmidt's main criticism of the
 Sullivan code is more fundamental.
 "If apartheid were simply a matter of
 racial discrimination the Sullivan princi-
 ples might represent a step towards its
 ultimate elimination."

"But racial discrimination is secondary
 to apartheid; dispossession lies at its
 core. It is an extremely complex legal-
 structure that serves to consolidate
 wealth, power and privilege in the hands
 of SA's white minority."

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way to a community. In the discontinuous spread model settlement proliferation
 and the movement of the frontier would have been the same as in the continuous
 spread case. As the density of settlements increased behind the frontier the

density would increase in the central area until all the potential site
 territories were being utilised. In the central area population limiting
 factors would operate to balance recruitment (birth, immigration) and loss
 (death, emmigration).

This simple ecological model has some utility although it has been noted
 that population often appears to be at a lower density than the carrying
 capacity. It has been suggested that social organisation may act as a
 population regulating mechanism (Wynn-Edwards, 1962; Snyder, 1968). In
 Early Iron Age communities individuals would have interacted, and as population
 density grew the number of interactions would have increased. Animal models
 (Cathoun, 1952; Christian, 1955; 1956) suggest that this would have led to
 higher levels of stress which eventually would have led to a split in
 the community and the occupation of nearby site territories by some of the
 newly formed groups. In the continuous spread model it was assumed that the
 population density stabilised behind the advancing frontier and this followed

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US firms in SA 'must be force for good'

62
24/7/79
Start

Own Correspondent

DURBAN — Black American civil rights activist the Reverend Jesse Jackson says United States companies operating in South Africa should stay and expand only if they are to be a "force for good."

If they are to be "partners in apartheid" and oppress people, they should quit, he added.

Mr Jackson was speaking at a Press conference after arriving from Port Elizabeth where he had toured US motor companies.

"We were not impressed with the speed of their affirmative action programmes," he said. "They're still doing too little in proportion to their potential. There are still too few blacks in management, and almost no blacks in major decision-making positions."

Mr Jackson also said US motor companies should not become conduits for military and para-military equipment.

"It would be illegal for them to do so. At this point they are, in fact, manufacturing products which are being used for military and para-military forces."

Mr Jackson, a confidant of President Jimmy Carter, said that when he gets back to the US he intends making "certain judgments and recommendations" to the President and the State Department.

"We are concerned about the relationship of US companies to this country and its people because they have a real moral obligation to be forces for good," he said.

He and his colleagues would continue to meet business leaders in South Africa and later would meet company leaders in the US.

"We must use the sum total of our moral and economic leverage to make sure that they are true to their obligations," he said.

Mr Jackson, who was on his way from the Eastern Cape to Johannesburg, broke his journey at Durban to speak to Chief Gatsha Buthelezi, kwaZulu leader.

He said he intended having more talks with Chief Buthelezi when he visits Ulundi at the

JESSE JACKSON

Dollars and dignity

(62)

~~357~~

FM 27/7/79

The Reverend Jesse Jackson, who is currently visiting SA, is not only the man who campaigned to prevent Kallie Knoetze fighting in the US. Regarded by many as the foremost civil rights activist in the US, he has also been active in opposing new US investment in SA. The FM quizzed him in Johannesburg this week.

FM: What are your impressions of the US companies you have visited in SA?

Jackson: While the lot of individual workers has been improved, the multinationals are still partners in apartheid. The auto companies are still doing government business of which we don't approve and some companies could not give us satis-

factory answers about their role in supplying certain commodities to Rhodesia.

Some of the companies may be performing a good social service, but that does not mean that they are a force for change.

Are you satisfied with the way US com-



Jesse Jackson . . . US companies still intimidate black unions

panies treat black workers?

There has been progress at some companies, but it is too small. Many more blacks are capable of being managers than are employed in management jobs. At Ford, for example, every white could walk out and they would still produce the same number of cars. Yet the top positions there are white.

I have seen a kitchen staffed entirely by blacks with one white there whose only job seems to be to watch over blacks.

I am also concerned about African union rights — US companies are still intimidating African union people.

starts flowing in again — which will only happen when there's change.

Isn't unemployment an argument for allowing as much capital as possible into SA?

No. These businessmen had to admit that there's no dignity for a man if he has a job and can't buy a house, or if he can lose that house by arbitrary government action. As with the multinationals, workers won't trade dollars for dignity and increased foreign capital won't bring those political and human rights that bring

dignity.

The companies also reluctantly admitted that the changes which they have made were largely the result of pressure — which is why we have to keep up the pressure.

How effective are your boycott campaigns in the US?

Not one of the businessmen I spoke to did not concede that pressure is having an effect. Fewer US banks are lending to SA — only one increased its lending portfolio over the last year.

Of course, we are helped by the fact that many US and world businessmen are worried about the safety of investments in SA. As the gold price rises, so too are government restrictions and black dissatisfaction rising — and that's the recipe for an explosion.

How do you view the Carter Administration's policy on Southern Africa?

President Carter has done a great service by raising the human rights issue throughout the world, and US businessmen are now slower to invest in human rights violators.

But the policy does not go far enough. There is still a cosy relationship with apartheid — rhetoric has been substituted for action, and the US is not putting the same pressure on SA as it does on Cuba and Rhodesia, for example. But this will come as the black American vote increases.

SA will eventually become as important to US blacks as Israel is to Jewish voters, and that will lead to a tougher policy. It must have been God's will that we were to end up in the US and have an opportunity of influencing its foreign policy.

Would you urge US firms to leave SA?

I haven't reached a final conclusion, but I would probably not encourage them to leave. They are doing some good here. But I remain opposed to new investment by them or anyone else. We will continue to attempt to stop new bank loans to SA, the sale of Krugerrands, and sporting and cultural ties. All this acts as a pressure for change in SA.

What are your impressions of SA businessmen?

Most of those I met were Afrikaans, and I was pleased with their basic attitude. They realise that apartheid conflicts with free enterprise. People used to say that apartheid can survive because it uses slave labour, but they are realising that it can't.

If the masses aren't educated, business is forced to educate them. If they are unemployed, consumer markets don't grow. It's far better for an economy to have 100 people earning R700 than one earning R70 000. The businessmen also pointed out that your economy can't grow and absorb its unemployed unless capital



. . . pressure helps bring change

So you favour US government restrictions on investment here?

Yes, but I must stress that this pressure can only create a climate for change. The real job of changing SA lies with black and white South Africans. Whites are also not free in this society and many are unhappy but are afraid to say so. All we can do is exert pressure to help South Africans who want change.

Finally, a question on the US. Is black discontent with Carter growing?

There is growing discontent, but it would be unfair to put all the blame on Carter. He's wrestling with immense problems. Job discrimination still exists, and black employment is still double that of whites. Lower-paid people of all races are concerned about the special interest role of the oil multinationals, who must take most of the blame for the crisis.

There is too much capital in the hands of too few, too much waste and not enough development and economic planning. The problem goes far beyond this administration.

62

11/9/79

US firm puts R1m into SA

Financial Reporter

CELANESE Plastics & Specialities Company of America is investing over R1-million in plant in South Africa through its subsidiary, Stein Hall SA (Pty) at Meyerton.

The new complex will continue to concentrate on Stein Hall's existing range of products made from the guar bean. These products are extensively used in the metallurgical, explosives, paper, food, cattle feed and textile industries.

Guar based products are also vital to the mining industry where they are used in extraction processes.

Celanese is investigating expansion of operations in South Africa through investments in other production ventures associated with its worldwide water soluble polymer operations.

"In the American context the expansion of our operations in South Africa can be regarded as an aggressive action," says Mr John Lauer, vice-president of Celanese.

"By applying the standard Celanese policies we are already in keeping with equal employment opportunity and the Sullivan codes. We are also involved in various community programmes."

Celanese has operated successfully in South Africa for 25 years. The company is experimenting with new varieties of guar beans, which are indigenous to Asia, so that the bean can be grown on an economically viable basis in South Africa.

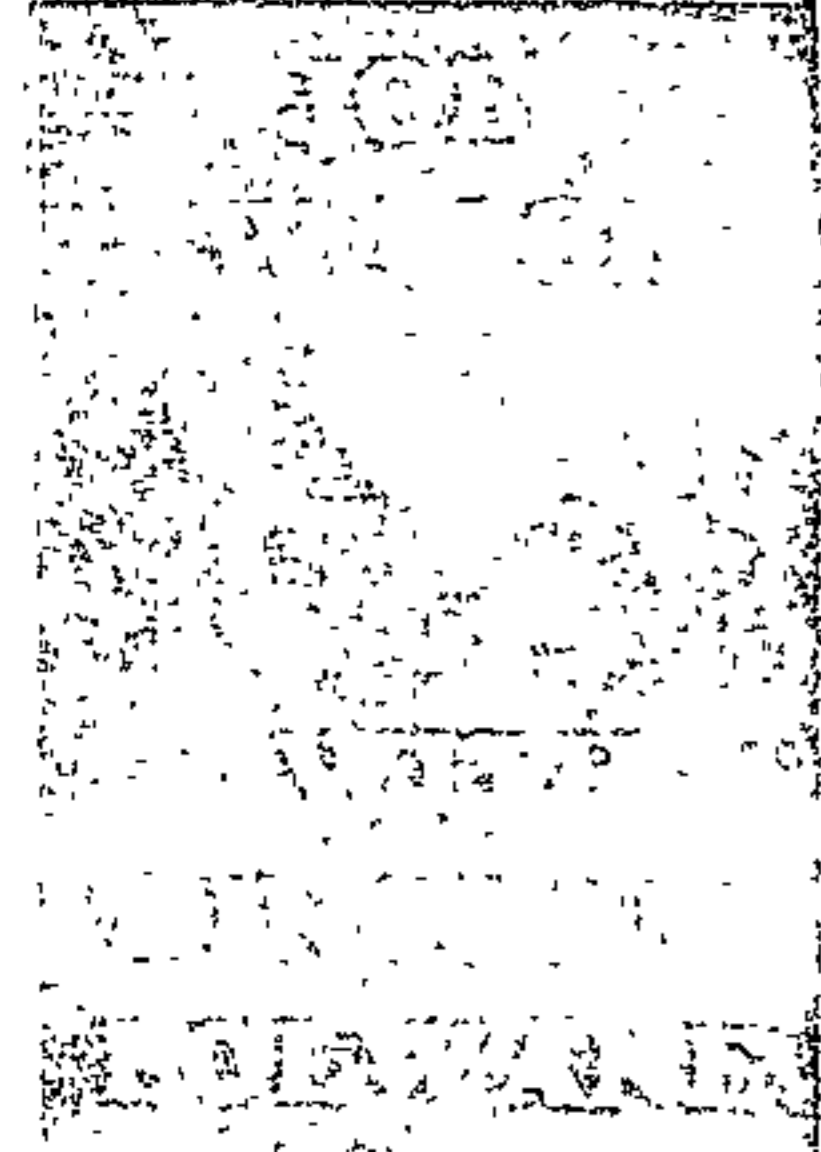
Other projects undertaken by Celanese at the Meyerton factory will include a metallurgical research laboratory for development of metallurgical and mining aids and systems for the South African mining and explosives industries.

At the same time Celanese's research and development division in the US is sharing all the expertise with the SA subsidiary.

62 (149) (110) (115)

Gillette says it is moving away

from apartheid



The Gillette Co., personal manager of Gillette Co. in the Johannesburg manufacturing plant, says his company is pressing for equal pay and equal conditions for South Africa. He says he is responding to questions put to him by P.M.S. on what his company had done so far to upgrade its black staff.

He said he was aware that blacks in South Africa do not enjoy the same status as whites as far as training was concerned and that Gillette was doing something to provide a better training for more senior positions.

The company is currently training 10 blacks as managers and accountants. There is on their team of 10 blacks being trained in clerical and engineering.

In the last year or so, the following positions at the company have been occupied by blacks: wage clerk, factory clerk, personnel clerk, marketing trainee, depot supervisor, library administrator, laboratory technician, machine operator, typing clerk, cook, sharpening operator — blaster and security officer.

This year more blacks at the company went through on-the-job training — over a period of six months.

The company employs 100 Africans, 110 whites, 37 coloureds and seven Indians.

There are two groups of terms of the company — Grade 1 and Grade 2. Grade 1 runs from Grade 3 to Grade 13. Grade 2 runs from Grade 1 to Grade 2 (qualified, unqualified and skilled).

The white staff at the two plants and the number of blacks employed is by grade:

Grade	Blacks	Coloureds and Indians
1	1	1
2	1	1
3	1	1
4	1	1
5	1	1
6	1	1
7	1	1

The committee meets once a month to discuss problems affecting workers.

POST: What is your attitude to trade unions?

Mr Milne: We believe that workers have the right to form unions. But our attitude is to encourage them to form unions with unions unaffiliated with any particular organization. For example, our conditions exceed the minimum in such areas as salaries, annual leave, sick leave, annual bonus, life assurance, provision of health services and pension.

Mr Milne says they were approached by a black trade union for recognition.

"We explained to them that we were neither for nor against them. But we believe they have a great purpose in the world."

Mr Milne says they made it clear to their workers what their attitude is to trade unions.

Trade unions and other facilities in the company are completely integrated.

Mr. J. B. Walsh was in an award the factory. We came across the minimum principles and employed on notice boards.

"We cannot afford to be having all types of factory arrangements separating blacks from whites," Mr Milne says.

Asked if they have not had any hostile reaction from their white workers to integration, Mr Milne says they have had complaints at that time but they were not serious.

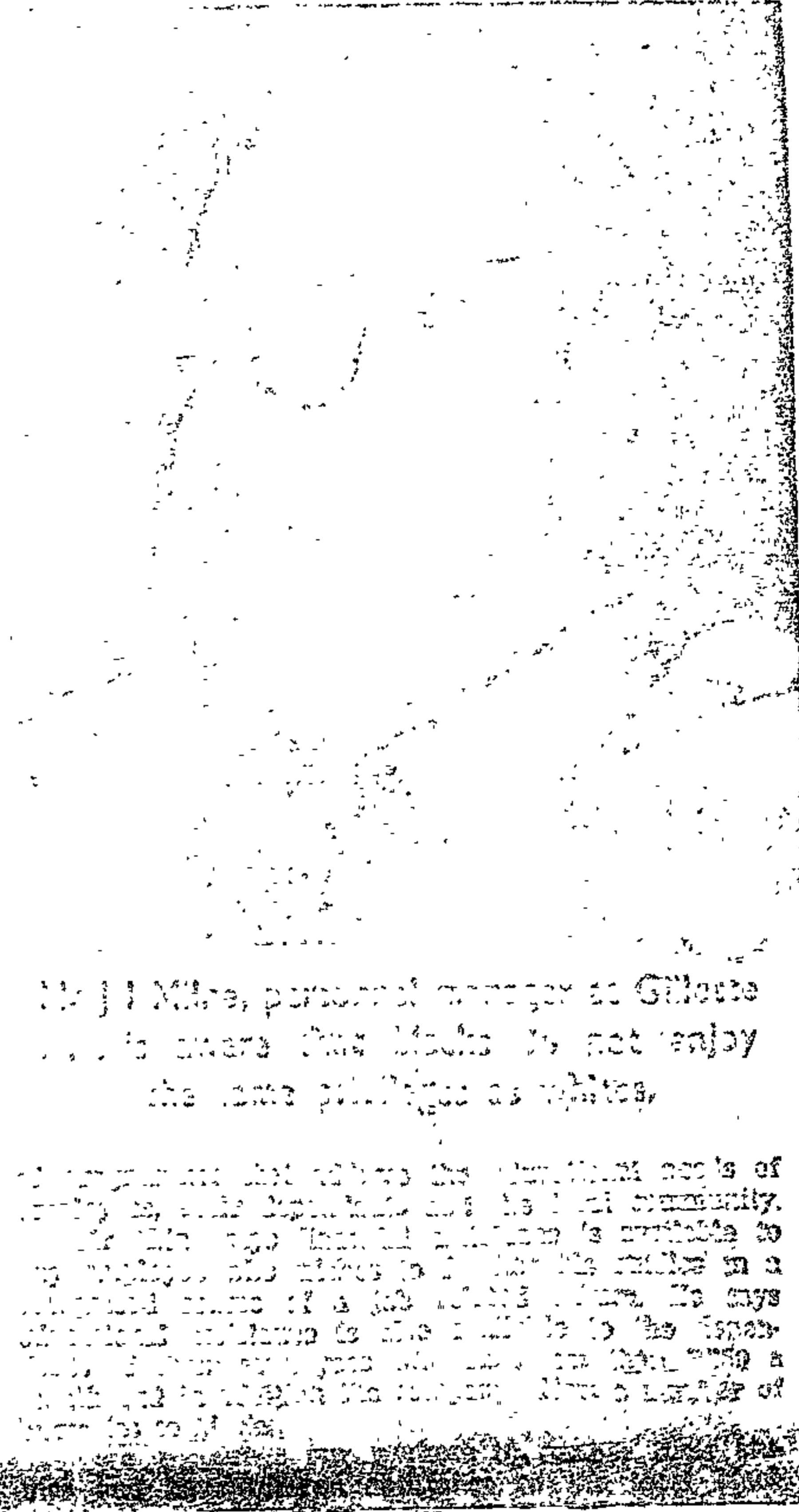
"We told everyone from the beginning that we were moving away from apartheid," he says.

The company has not considered any legal assistance to integration.

What is the company doing towards the improvement of the quality of life in the townships?

Mr Milne says they will have established a committee to determine the needs of blacks in these areas.

The company also participates in the development of Kwa-Tsitsa near Springs and it is our intention to expand the facilities at these areas as they are added.



Mr J. Milne, personal manager at Gillette Co. is aware that blacks do not enjoy the same privileges as whites.

10 — 1
11 — 1
12 — 10
13 — 3

The remaining five grades belong to all the company executives.

Grade	SCALE III		Coloureds and Indians
	Africans	Whites	
1	43	—	10
2	40	1	13
3	35	2	13
4	16	12	1
5	4	6	2
6	—	4	—
7	—	1	—

The remaining two grades — Grad. 8 and Grad. 9 — have 15 whites and no blacks.

Mr Milne admits that there is still a great number of blacks on the lower grades.

The company has no blacks in positions where they supervise whites.

The company is preparing to G. Sultan Prince. This is cash," Mr Milne said.

The minimum pay does not include bonus and subsidised meals, pension and other allowances.

There are nine blacks and no whites on this plant. The last year was 1977 and 1978.

The company is aware of the fact that the people and their minimum pay at the Mountain plant is not considered by the state as a form of discrimination.

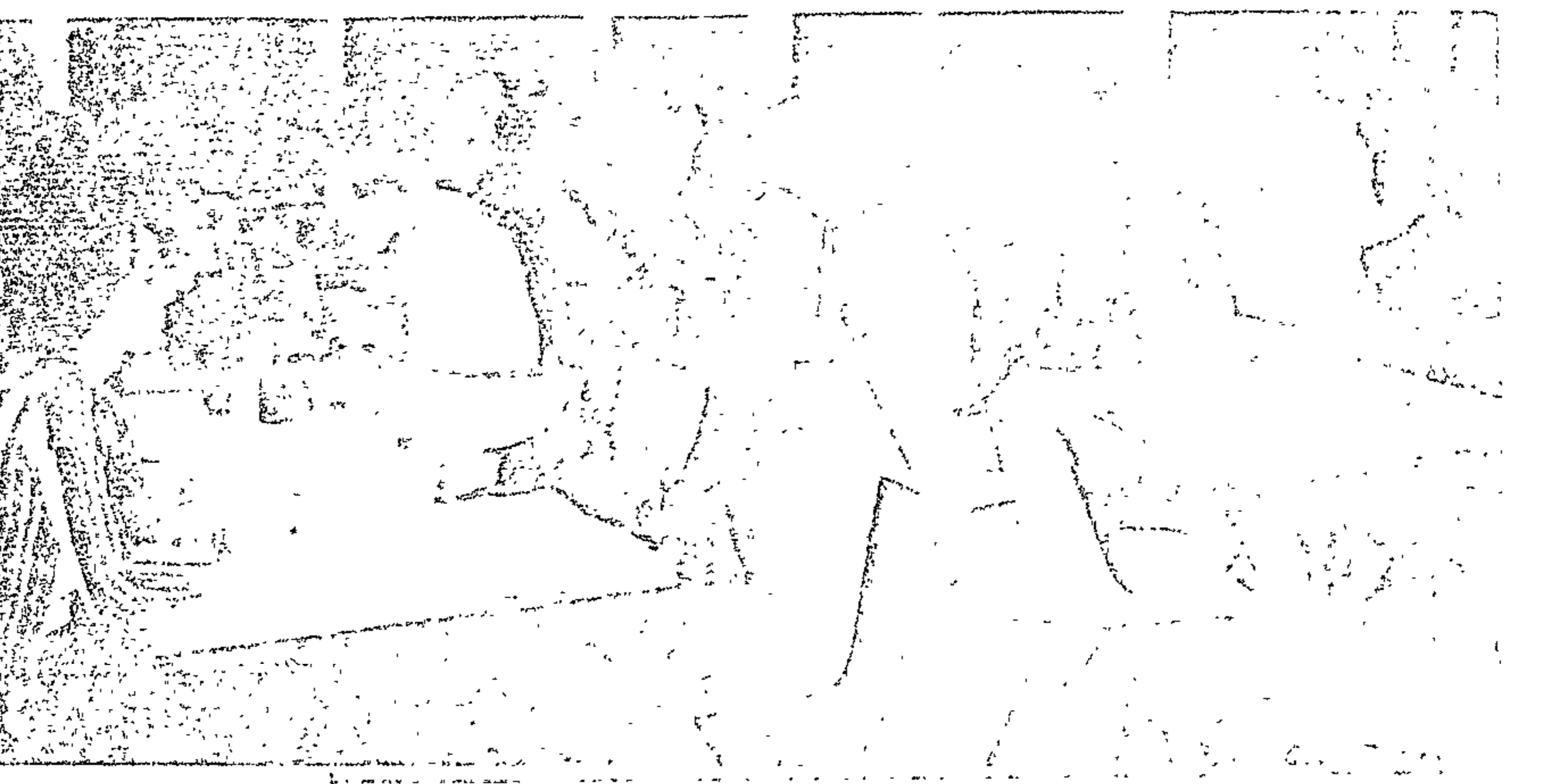
In November last year the minimum pay of five in 8 was reduced to 4 in 8 in 1978.

Mr Milne says they regulate with their workers through a committee or similar committee which consists of six blacks and four white — all worker representatives — and one management representative.

the group in order to determine the needs of blacks in these areas.

The company also participates in the development

of Kwa-Tsitsa near Springs and it is our intention to expand the facilities at these areas as they are added.



Gillette's facilities are integrated.



Workers at Gillette.

c) Ander lede:

- Mnr K. Bosman
- Professor A. Cupido
- Mnr N. Daniels
- Mnr Achmat Davids
- Professor R.J. Davies
- Professor J.J. Degenaar
- Mnr René de Villiers
- Dr I.D. du Plessis
- Professor J.J.F. Durand
- Professor J.B. du Toit
- Mnr A. Fiederman
- Professor R.F. Fuggle
- Mnr G.J. Gerwel
- Eerw. D. Guma
- Professor A. Paul Hare
- Dr Gertrud Heydorn
- Mnr F.A. Jacobs
- Mnr H.M. Jimba
- Mnr H.W. Middelmann
- Eerw. M.T.L. Moletsane
- Professor A.D. Muller
- Sheik A. Najaar
- Mnr Victor Norton
- Professor N.J.J. Olivier
- Mnr I. Phillips
- Professor H.P. Pollak
- Mnr W.J. September
- Mnr Franklin Sonn
- Mnr P.M. Sonn
- Regter J.H. Steyn
- Mnr R. Tobias
- Professor R.E. van der Ross
- Professor J.H. van Rooyen
- Mev. S. Walters
- Professor F.A.H. Wilson

d) Twee Ere-Fellows:

- Professor J.L. Boshoff
- Dr Sheila T. van der Horst

Lede word na die Algemene Jaarvergadering van die Maatskappy uitgenooi en kies elke drie jaar 'n verteenwoordigde op die Beheerraad. 'n Verkiesing is in 1978 gehou en die huidige ampsdraer is Biskop A.W. Habelgaarn. Terwyl geen verpligtinge aan lede opgelê word nie, word hulle geraadpleeg in verband met sake wat die Sentrum se program raak.

NAVORSING

Gedurende die verslagjaar het die navorsing van die Sentrum die volgende behels:

- A. Mobiliteit en Politieke Verandering in Suid-Afrika
Hierdie projek is 'n paar jaar gelede aangepak. 'n Onderzoek onder die kleurling bevolking van die Kaapse Skiereiland is onderneem. 'n Aantal tydelike navorsings-

Friends (Quakers) en van die American Friends Service Committee deurgebring. Hy het 'n aantal konferensies in verskillende dele van die land bygewoon, baie vergaderings toegesprek en senior beamptes van die Carnegie Corporation, van Community Relations Services van die Departement van Justisie van die Amerikaanse regering, van die American Friends Service Committee en kollegas verbonde aan verskeie universiteite besoek.

Gedurende Augustus en September het die Direkteur Engeland, Nederland, Switserland, Swede, Israel en Zambië besoek. Hy het vooraanstaande joernaliste, Suid-Afrikaanse diplomate, senior amptenare van die Suid-Afrika-Stigting

Sun. Times
17/8/79

US car giants slump ⁶²

By JIM SRODES
New York

CHRYSLER Corp is not the only US manufacturer faced with recession-led sales problems. Sales of the three biggest American car makers were 19% lower on average during the August 1 to 10 period than last year.

On a broader front, a government survey of inventories by US businessmen shows a 13% build-up rate in stocks of unsold goods since June.

Chrysler's sales plunge was the deepest of the major producers, a 38% decline to 18 250 cars delivered during the 10-day period. General Motors sales dropped 16% to 122 548 cars and Ford sales were off 18% to 45 832.

American Motors Co, a smaller car producer, enjoyed a 12% rise to 4 000 units sold while Volkswagen's US plant delivered nearly 3 000 cars as it neared the first anniversary of its operation.

Government economists said the 13% monthly rise in inventories in June showed stocks building up throughout the economy from the manufacturing to the retail sectors.

During the month, the value of the unsold stocks rose by \$5-billion to \$406.7-billion and was accompanied by a 1.1% drop in total retail sales during the month to \$284.9-billion.

Jaarlikse Konferensie, Nasionale Uitvoerende Komitee en Raadsvergadering van die Suid-Afrikaanse Instituut vir Rasseverhoudinge, Kaapstad (Januarie).

Suid-Afrikaanse Jaarlikse Vergadering van die Religious Society of Friends, Stutterheim (April).

Negende Wêreldkongres van Sosiologie, Uppsala, Swede. Verhandeling voorgelê in Werkgroep 6 en vergaderings bygewoon van die Raad van die Internasionale Sosio-logiese Vereniging as die amptelike afgevaardigde van Suid-Afrika (Augustus).

BUSINESS

sluit 28/8/79 (1/6/79)

Kellogg recognises black trade union

By Sieg Hannig,
Labour Reporter

The Kellogg Company of South Africa has become the first company since the publication of the Wiehahn Report to announce its formal recognition of a black trade union.

It is also believed to be the first American subsidiary to have reached such an agreement.

Mr Murray Rogers, managing director of Kellogg, said negotiations with the Sweet Food and Allied Workers' Union had been going on for more than 12 months.

They have been concluded with an agreement recognising the right of the union to represent its members and negotiate on their behalf.

The same right has been accorded to shop stewards, while the union

has been granted access to company premises during meal times.

Mr Rogers said the company used a Springs solicitor to verify that the union represented 6 percent of the company's black factory staff.

"They have made no demands for any improvements in wages and working conditions so far," Mr Rogers said. "Anything they come up with we shall negotiate in a fair manner when the times comes."

The union belongs to the Federation of South African Trade Unions.

The American motor companies in the Eastern Cape, Ford and General Motors, gave effective recognition to the black union in their industry some time ago and have been conducting wage negotiations with that union.

AKADEMIESE ADVIESKOMITTEE EN RAAD VAN BEHEER

Die program van die Sentrum staan onder die toesig van 'n Akademiese Advieskomitee wat in 1978 bestaan het uit die

Adjunk-Prinsipaal,

Die hoofdoel van die Sentrum is om navorsing na die onderlinge groepsverhoudinge in Suid-Afrika te bevorder en te lei, in die besonder oor verhoudinge tussen rasse- en taalgroepe.

Handwritten signatures and initials in circles, including '62', 'KBA', and 'VSA'.

Desember 1978

Hendrik W. van der Merwe
Direkteur

Ten slotte is dit met innige genoeë dat ek my verpligting teneor die ere-navorsingsbeambtes van die Sentrum vir hulle bydraes tot die navorsingsprogram, boekstroof en teneor die personeel vir die wyse waarop hulle hulle pligte gedurende die jaar uitgevoer het.

Kampus, waar ons gedurende die laaste vyf jaar gehuiswes was, ontgroei. Daarom is ek besonder dankbaar vir die ekstra ruimte wat ons nuwe kantoor in die Leslie Social Sciences Building op die Groote Schuur Campus aanbied.

(c) Ander lede:

Mnr K. Bosman
 Professor A. Cupido
 Mnr N. Daniels
 Mnr Achmat Davids
 Professor R.J. Davies
 Professor J.J. Degenaar
 Mnr René de Villiers
 Dr I.D. du Plessis
 Professor J.J.F. Durand
 Professor J.B. du Toit
 Mnr A. Flederman
 Professor R.F. Fuggle
 Mnr G.J. Gerwel
 Eerw. D. Guma
 Professor A. Paul Hare
 Dr Gertrud Heydorn
 Mnr F.A. Jacobs
 Mnr H.M. Jimba

Mnr H.W. Middelmann
 Eerw. M.T.L. Moletsane
 Professor A.D. Muller
 Sheik A. Najaar
 Mnr Victor Norton
 Professor N.J.J. Olivier
 Mnr L. Phillips
 Professor H.P. Pollak
 Mnr W.J. September
 Mnr Franklin Sonn
 Mnr P.M. Sonn
 Regter J.H. Steyn
 Mnr R. Tobias
 Professor R.E. van der Ross
 Professor J.H. van Rooyen
 Mev. S. Walters
 Professor F.A.H. Wilson

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Gedurende Augustus en September het die Direkteur Engeland, Nederland, Switserland, Swede, Israel en Zambië besoek. Hy het vooraanstaande joernaliste, Suid-Afrikaanse diplomaate, senior amptenare van die Suid-Afrika-Stigting en verskeie regerings betrokke by Suid-Afrikaanse belang ontmoet. Hy het besprekings gevoer met stigtings, trusts en opvoedkundige verenigings. As gevolg van sy besoek aan Nederland het hy 'n toelae vir die Konstruktiewe Program ontvang van die Algemeen Diakonaal Bureau van die Gereformeerde Kerken in Holland.

American companies that are signatories to the Sullivan Principles under-

says Mr Viljoen, "but we are not pre-

pared to divulge such detailed infor-

code prescribed.

"We are therefore not interested in your survey," he said.

Mr B O van Heerden, industrial re-

lations manager at General Tyre and

Rubber Company, wrote us a letter

saying they send their reports on the

application of the code to their parent

company.

And in spite of the fact that we had

explained to him that the subjects of

the codes — the workers — are igno-

rant of what the company is doing, he

would not allow us an interview.

Sullivan Principles.

"We know we are doing quite well,"

says Mr Viljoen, "but we are not pre-

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Four won't talk on Sullivan Principles

POST, Thursday, August 30, 1979

Page 3

GENTIRE

Yanks go home

62
maly 1/7

It may not have seemed possible, but the tangled web of the Aurochs Group's cross-holdings has been further complicated by the proposed acquisition of the 26.4% of Gentire held by latter's US parent.

That Gentire US would be looking to disinvestment from SA was written on the wall when it severed, for political reasons, its technological agreement with Gentire SA earlier this year. The agreement has been replaced by one with an unnamed European tyre maker (probably Continental Gummiwerke). But the price which the Aurochs Group was prepared to pay will please Gentire minorities, mostly institutions, who now own 40.5% of the 1.92m ordinary A voting shares. E W Tarry, the Aurochs vehicle being used for the deal, is paying R5.4m for the US parent's 507 608 Gentire A shares. This is equivalent to a price of R10.69 per share giving an 11c premium on declared end-December nav and 64.5% on this week's market price of 650c.

The essence of the deal is that Tarry, a subsidiary of Williams.Hunt — which in turn is a subsidiary of Aurochs — is to buy the entire US shareholding. Williams.Hunt has been buying A shares on the open market recently and has increased its stake from 26.4% to 28.6% thus giving it an eventual 55% on consolidation. With Aurochs' own 4.5% in Gentire, the group's effective stake is 59.5%.

At the same time Aurochs and its subsidiaries own 25.3% of the 1.08m non-voting B shares which trade at the same price as the A shares on the JSE.

The US parent will be taking its R5.4m out through the financial rand market. Thus, with the FR currently standing at US 89c, it will remit \$4.8m to the US. Based on last year's 224.5c earnings and 42.5c dividend, that means an exit earn-

NO.	2336	2019	430	282	3270	2588	2858	1951
45-64	1,46	0,92	3,33	1,85	4,88	2,14	2,75	1,72
65+	11,52	7,89	16,51	13,42	20,07	10,49	9,32	6,19
ALL	1,12	0,97	1,22	0,79	2,87	2,22	1,37	1,24

NO.	128	85	26	23	289	164	366	187
45-64	0,0	0,0	0,1	0,0	0,0	0,0	0,0	0,0
65+	0,0	0,1	0,1	0,0	0,0	0,0	0,0	0,0
ALL	0,0	0,0	0,1	0,0	0,0	0,0	0,0	0,0

NO.	9752	7926	1135	804	3114	3140	3200	1001
45-64	42,19	9,75	3,22	2,25	2,74	2,69	1,14	1,20
65	4,70	3,81	3,22	2,25	2,74	2,69	1,14	1,20
ALL	4,70	3,81	3,22	2,25	2,74	2,69	1,14	1,20

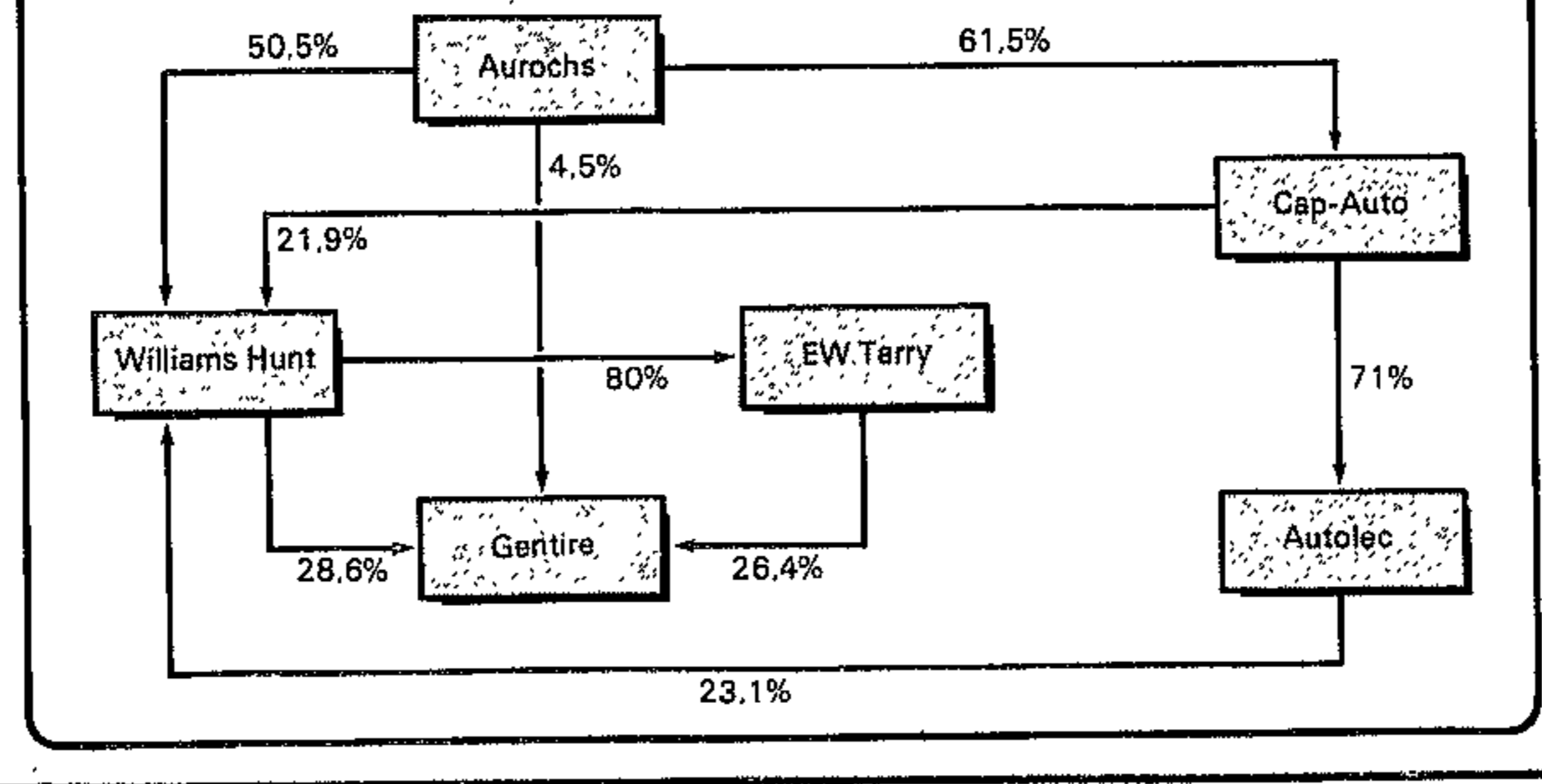
risen 30,4% to 39,9c. Autolec, with its direct stake in Williams.Hunt would have had its earnings pushed up by 28,9% to 64,4c. Cap-Auto Investments, consolidating Autolec, would have gained 21,9% to 42,8c while Aurochs, at the top of the pile, would have gained a slightly watered-down 20,4% to 70,8c. Apart from Autolec, navs for all three move up by 6,3%. Autolec's nav is up only 5,5%.

These figures are based on the corrected information provided this week by Gentire, who told me that a "stupid clerical error" had resulted in the company suggesting Conti-Calan was bought at a discount to nav. Gentire's initial announcement of the purchase of Conti-Calan from West Germany's Continental Gummiwerke said that Gentire's nav would rise by 91c a share. But, Gentire now says, this should have read a nav decrease of 65c a share. So Conti-Calan was valued on assets at R1,7m and bought for R2,9m.

This would put Conti-Calan on a PE of 2, based on a profit target of about R1,5m for the 1979/80 financial year. The Conti-Calan deal promises much for Gentire, with a portfolio of properties last valued in the Sixties and rationalisation promising higher immediate returns.

Both deals taken together suggest a long-term re-rating for the Aurochs group which is so incestuous that not only is it well-protected from takeover attempts but its true value is somewhat obscured. However, the market saw the immediate bene-

THE CONTROL WEB



ings yield of 28,3% and 5,4% exit dividend yield.

That Gentire US sold this investment for nav underlines just how sensitive it has become to having an open relationship with SA. What Gentire US gave up, however, Aurochs has picked up, and the acquisition will have material effect on earnings and nav's throughout the group.

Williams.Hunt, with the biggest single direct stake in Gentire, will benefit most in increased earnings. Based on its year to February 25 1979 earnings would have

fit of a greater stake in Gentire by pushing Aurochs 14c higher to 85c following this week's announcement. The share yields 7,6% on a 1,5 PE. Williams.Hunt, being closer to the action than either Cap-Auto or Autolec, gained 8c to 108c for a 9,3% yield on a PE of 3,5. Both Cap-Auto and Autolec were unchanged at 57c and 85c.

Gentire has a conservative dividend policy, covered 5,1 times last year, which is unlikely to change much in the near term.

Ian Muir

W	M	F	M	F	M	F	M	F
0,01	0,02	0,03	0,02	0,20	0,00	0,06	0,04	0,01
0,01	0,03	0,01	0,20	0,21	0,00	0,06	0,16	0,01
0,01	0,03	0,01	0,20	0,21	0,00	0,06	0,16	0,01

30/9/79
US car
sales (62)
on the ~~30~~
increase

By JIM SRODES
Washington

SALES by U S car manufacturers bounced back sharply during mid-September with a 24% gain over the same period a year ago.

Ailing Chrysler Corporation led the pack with a surprising 36% recovery with dealers and manufacturers for all companies resorting to price cuts and other incentives to attract buyers.

The 10-day period between September 11 and 20 saw the five domestic producers selling 25 422 cars a day.

This was the second best performance by the industry on record. It has been exceeded only by the 27 000 cars per day registered during 1969.

Chrysler achieved its remarkable come-back during a 23-day selling blitz which saw the company offer customers a 400-dollar rebate on sales of more than 150 000 vehicles, almost twice the sales level of the previous period.

As a result the company's dangerous backlog of 1979 model cars and lorries was reduced by 92 000 units and leaves the company with only 25 000 unsold models as it nears the production start-up of its 1980 vehicles.

General Motors, which also had reduced prices sharply, saw its sales decline 3.5% on a yearly basis. At the same time Ford Motor Co., whose incentive programme lasts until its new models go on sale on October 11, enjoyed 2.8% sales increase.

MASONITE Building up

Activities: Manufacturer of hardboard, insulation board, wood and mineral fibre ceiling panels, decorative wall panelling; also forestry developer. US parent, Masonite Corp, holds 64,7% of issued capital.

Chairman and managing director: F J Raubenheimer.

Capital structure: 6,5m ordinaries of 50c. 222 000 ords, 5c paid. Market capitalisation: R5,9m.

Financial: Year to June 30 1979. Borrowings: long-term, R1,1m; net short-term, R921 000. Debt:equity ratio: 20,4%. Current ratio: 1,6. Group cash flow: R2,6m. Capital commitments: R2,0m.

Share market: Price: 90c (1978-79: high, 95c; low, 25c; trading volume last quarter, 122 000 shares). Yields: 10,10% on earnings; 4,4% on dividend. Cover: 2,38. PE ratio: 9,9.

	'76	'77	'78	'79
Return on cap %	8,3	—	8,6	18,0
Turnover (Rm)	16,1	15,0	14,7	16,8
Pre-tax profit (loss) (R000)	520	(1 449)	489	1 881
Gross margin %	7,9	—	7,6	13,4
Earnings (c)	2,7	—	1,3	9,1
Dividends (c)	—	—	—	4
Net asset value (c)	142	123	131	148

Despite no marked improvement in the fortunes of the building construction industry last year, Masonite showed the benefits of organisational rationalisation through well improved operating results. On a relatively small 14,2% turnover improvement, to R16,8m (R14,7m), pre-tax income showed a 285% increase at R1,9m (R489 000). Because of assessed losses in both the company and subsidiaries, no tax was effectively paid, so net income after transfer of R472 000 to deferred tax and investment allowance reserves was 168% up to R1,4m (R526 000).

The rationalisation of production at Estcourt comes as the result of the sale of 143 ha of land and certain fixed properties at Canelands, where the company previously operated a factory. Transfer of plant and equipment from Canelands to Estcourt will continue into 1981, so cash will be retained for this purpose. These moves should constitute the final phase in the reorganisation of the company, which has had a checkered profit record over the past five years. Transferred plant will be installed as the demand for increased capacity becomes evident.

The directors state that total hardboard production capacity was sold last year, despite lower exports. Local demand increased and "caused a corresponding increase in net sales due to the saving in freight and packing expenses on exports." Gross margin as a percentage of sales improved to 16,8% (11,5%), showing the benefits of consolidation of activities and

continued cost restraints.

The demand for woodfibre and mineral fibre ceiling products remained low, as a result of static building activity. The company was successful in its tender for the supply of slag wool to the Sasol 2 oxygen plant, and this may become a more exciting area in the future.

Because it has a foreign parent, Masonite is obliged to keep gearing within prescribed limits. In the past, permission has been granted to exceed this limit, but with debt:equity ratio down to 20%, liquidity problems could be a thing of the past. Last year, a nominal 4c dividend was declared, covered 5,7 times. This was the first payment since 1974, and the good cover allows for further contingencies in respect of consolidation of group activities.

Earnings calculated after writing back tax, amounted to 23,0c, allowing for the good cover. Provided the industry remains reasonably buoyant, the directors estimate that earnings next year will be maintained at current levels. An amount of R950 000 was paid for the Canelands properties, and this should be reflected in this year's accounts. Although the overall 2,4% is low, the company seems well placed to take advantage of its consolidated operating platform. Perhaps investors should wait until the year through to see whether these benefits show in the numbers.

Despite the problems of using mortality data as a means of assessing a community's health status, it is a measurement which has stood the test of time and, to date, is usually the only method of evaluating the health populations, albeit indirectly, since it is frequently the only data which is available. The standard analyses of routinely collected mortality data undoubtedly provide an important indication of the unhealthy problems in the community and, if their limitations are appreciated, they provide an invaluable input into the overall health profile of the community, high-lighting the predominant problems and identifying major trends.

being made to measure the positive aspects of health, these have tended to be applicable for routine use at a national level, leaving health planners little alternative but to make use of measurements which concentrate on the unhealthy aspects of the community. Mortality data is one such measurement. Information about the mortality experience of the community is routinely collected in most countries, the reliability and detail of this data showing considerable variation depending on a number of factors, not the least of which are the resources available for its collection. There are further problems associated with reliability (See Pt. II).

* For details of sources of deaths before 1926, see reference 3, Volume for 1938, page XVIII.

Black urges firms to stay

The Star Bureau
WASHINGTON — The Reverend Ralph David Abernathy said yesterday he opposed the withdrawal of United States businesses from South Africa.

He took this stand at a Press conference after the release of a report on the degree to which United States businesses operating in South Africa were applying fair employment principles.

The Reverend Leon Sullivan, who released the report, said he agreed with Mr Abernathy's views.

DIVEST

Last week Mr. Andrew Young, former United States ambassador to the United Nations, told a Congressional subcommittee that nobody could walk away from three billion dollars in plant and equipment and he opposed federal moves to divest the United States of all relations with South Africa.

And Representative Thomas B. Evans, who sponsored legislation barring the Export-Import Bank from becoming involved in deals with South Africa, said disinvestment would hurt the very people America was trying to help — black South Africans.

Star
2/16/79
(12)

a couple quick oven for 20 sugar, or pile on a hot plate, with ade between them. Time, 26 minutes, average cost, 6 d, seasonable at any time.

---000---

SPATCHCOCK - 1900

- 1 young fowl
- brown bread crumbs
- herbs
- parsley
- onion

Cut the fowl through the back bone, and open out flat. Brush with melted butter. Sprinkle with salt and pepper, chopped onion and chopped parsley on both sides. Sprinkle with mixed herbs. Grill till 1/2 done, then cover with breadcrumbs and continue cooking till well done. Serve with a sharp sauce.

---000---

PLUM PUDDING

May Bennett, Ridgeworth

- 2 cups flour
- 1 t baking powder
- 1 large cup brown sugar
- 1 cup currants
- 3 beaten eggs
- 1/4 t ground spice
- 1 small cup chopped raisins
- 1/2 grated beef suet
- 1/2 pt milk
- 1/2 t salt
- a little mixed peel finely cut

Mix all ingredients together well. Tie in a pudding cloth, and boil for three hours. Serve with hot nutmeg sauce. This recipe was used for Christmas dinner in 1916 by my mother and gran, who says "we used 1 cup of flour and 1 cup of stale breadcrumbs instead of 2 cups of flour. Very successful".

---000---

MUTTON, ROAST SHOULDER OF 1900

- shoulder of mutton
- dripping
- salt
- flour

Put the joint to a bright clear fire, floured well. Baste contin-

ONION RINGS

Peel and slice large onions, and add oil. Dip the rings in mil. and till brown in the hot oil. Drain th and season with salt and pepper.

---000---

Star 21/11/79 (62)

**The Star Bureau
By John D'Oliveira**

WASHINGTON — The powerful American Federation of Labour and Congress of Industrial Organizations has called for American legislation to establish a "binding code of conduct" for United States companies doing business in South Africa.

This call was endorsed unanimously and without discussion at the AFLCIO annual convention in Washington yesterday. It theoretically represents the views of more than 13-million American workers.

The resolution was submitted to the convention

by the organisations' executive council and said recent events in South Africa had done nothing to ease the plight of the majority of the people in the country.

It was time for the Western world to cease its high-minded rhetoric and to begin to implement steps that would demonstrate to the Botha regime that the support of the Western nations for democracy and human rights was unswerving.

"These steps should include the total cessation of US Government support for economic transactions with South Africa. Legislation should be

enacted to establish a binding code of conduct for US companies doing business in South Africa — with severe penalties for non-compliance," the resolution said.

"In addition, the AFL-CIO urges its affiliates to consider severing ties with banks which do business in South Africa and to encourage US companies to recognise and bargain with trade-union organisations which are striving under extremely difficult conditions to give dignity and economic security to their South African members."

The resolution is con-

siderably milder than the one adopted by the executive council at a session in Florida in February 1978 shortly after being addressed by Mr Donald Woods, the exiled former editor of the East London Daily Dispatch.

It called among other things for United States companies to divest themselves of their South African affiliates and to sever all ties with South African companies.

Should results not be forthcoming after this action had been taken, the US should cut all ties — including diplomatic ties — with South Africa.

While the language of the 1978 resolution was tough, the AFLCIO apparently did nothing to see that it was implemented.

Its resolution yesterday was a much milder one, but it is possible that the organisation will try to get it implemented, thus joining a number of individuals and organisations which want US companies operating in South Africa placed under some form of United States legislative sanction.

The milder approach may have been due in part to the activities of the veteran South African trade unionist, Mrs Lucy Mvubelo, who met a number of top AFLCIO members in Washington last month and pleaded against American withdrawal from South Africa.

Mrs Mvubelo attended the congress as an observer along with other black trade unionists from South Africa, including Mrs Mary Nteske of the Black Allied Workers Union, an outspoken advocate of withdrawal.

Unions call for check on US firms here

338 (62) 57 28/11/79 cont

US workers rally behind blacks in SA

WASHINGTON. — Behind the scenes in Washington, pressure is mounting for legislation which will force American corporations operating in South Africa to apply "fair employment" codes.

Last week the American Federation of Labour and Congress of Industrial Organisation — representing more than 13-million American workers — unanimously passed a resolution calling for such legislation.

Yesterday an official of the House of Representatives Africa Sub-committee confirmed that a "concurrent resolution" submitted to the House by a group of 26 congressmen had been referred to the committee.

The resolution is a "sense of congress" motion which is not binding, even if it is passed. But it gives a clear indication of the lines along which a number of congressmen are thinking.

out hindrance the organisation by which the employee wishes to be represented.

⊙ Maintain or enforce segregation of racial, ethnic or national groups in any eating, comfort (ie toilets), recreational or work facility.

⊙ Pay unequal compensation for equal or comparable work carried out during the same or comparable period of time.

DECISIONS

It also requires the companies to accept its black employees decisions on which trade unions they wish to be represented by and to then recognise and negotiate with those trade unions — and to allow trade union officials to carry out their duties within a reasonable time without loss of pay.

Finally American concerns must:

⊙ Initiate, develop and carry out training programmes that will prepare non-whites for supervisory, administrative, clerical and skilled or technical jobs.

cont ↓

PRACTICE

It states that no United States company would, in doing business in South Africa, engage in any unfair employment practice in respect of any of its employees.

"Unfair employment practice" is defined as "any act of discrimination on the basis of race, colour, religion, sex or national origin which is prohibited by America's own Civil Rights Act of 1964.

It also obliges United States businesses operation in South Africa not to:

⊗ Deny any of its employees the right to choose freely and with-

⊗ Increase "on a continuing basis" the number of blacks in management and supervisory positions.

⊗ Make "every effort to improve, on a continuing basis, housing, transportation, schooling, recreational and health facilities for its black employees".

RESOLUTION

This resolution might never emerge from the Africa sub-continent.

However, it is milder than most observers believe the Sub-Committee Chairman, representative Stephen Solarz, views the situation and it might become the nucleus for much tougher action by the Sub-Committee.

When he moved the resolution in the House recently, representative Berkeley Bedell, of Iowa, said it aimed at bringing about improved working conditions for blacks in South Africa. "However, just as important, passage of this resolution will communicate to the South African authorities our willingness to support with official United States policy the dismantling of apartheid."

Moves to force jobs code on US firms in SA

Star
12/14/74

ss. 224-226

STATUTE

24-226

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225. Prohibition
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By John D'Oliveira
WASHINGTON — Behind the scenes in Washin
ton, pressure is mounting for legislation which
will force American corporations operating in
South Africa to apply "fair employment" codes.

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payment

(2) Any provis
than such a contract as aforesaid, or in any reso.
providing for the payment to a director by way
determined in a manner prohibited by subsection
for the payment of that amount without reference

Last week the American
Federation of Labour and
Congress of Industrial Or-
ganisations — represent-
ing more than 13-million
American workers —
unanimously passed a re-
solution calling for such
legislation.

ct other
directors,
nt to be
provided
n thereof.

226. Prohibition of loans to, or security in
and managers.—(1) No company shall directly or

Yesterday an official of
the House of Representa-
tives Africa subcommittee
confirmed that a "concur-
rent resolution" submitted
to the House by a group
of 26 Congressmen had
been referred to the com-
mittee.

, directors

- (a) any director or manager of—
 - (i) the company; or
 - (ii) its holding company; or
 - (iii) any other company which is a

pany; or

- (b) any other company or other bod
directors or managers of the comp
company which is a subsidiary of

one or more
ny or of any

or provide any security to any person in connec
manager, company or other body corporate.

uch director,

(1A) For the purpose of subsection (1)—

- (a) "loan" includes—
 - (i) a loan of money, shares, debu
 - (ii) any credit extended by a comp
able or being paid in accordar
of the payment of debts of th

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- (b) one or more directors or managers:
(1) (b) shall be deemed to control
if—

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corporate only

- (i) such director or manager or
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by such director, manager o
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or their nominees may, by th
consent or concurrence of a
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nominee or such directors,
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The resolution is a
"sense of Congress" mo-
tion which is not binding,
even if passed.

It states that no United
States company may, in
doing business in South
Africa, engage in any un-
fair employment practice.

"Unfair employment
practice" is defined as
"any act of discrimination
on the basis of race, col-
our, religion, sex or nation-
al origin which is prohib-
ited by America's own
Civil Rights Act of 1964.

The resolution also ob-
liges United States busi-
nesses operating in South
Africa not to deny any
employee the right to
choose freely and without
hindrance the organisa-
tion by which the em-
ployee wishes to be rep-
resented.

Firms are also required
not to maintain or enforce
segregation of racial, eth-
nic or national groups in
any eating, comfort (ie
toilets), recreational or
work facility, and must
pay all employees equal
rates for equal or compa-
rable work.

The resolution also re-
quires companies to ac-
cept Black employees' de-
cisions on which trade
unions they wish to be
represented.

American concerns also
would be obliged to ini-
tiate training programmes
to prepare non-whites for
supervisory, administrat-
ive, clerical and skilled or
technical jobs.

ce; or

CHRISTOPHER GOODMAN: HOW SUPERIOR POWERS OUGHT TO BE OBEYED (1558)

And although it appears at the first sight a great disorder, that the people should take unto them the punishment of transgression, yet, when the magistrates and other officers cease to do their duty without officers, yea, worse than if they had none a giveth the sword into the people's hand, and He Hims their head (if they would seek the accomplishment of promised to defend them and bless them.

JUNIUS BRUTUS: VINDICIAE CONTRA TYRANNOS (1579)

We have showed before that it is God that does chooses them, who gives the kingdom to them: now we establish kings, puts the sceptre into their hands, suffrages, approves the election. God would have to the end the kings should acknowledge, that after power and sovereignty from the people, and that it is them, to apply and address the utmost of their care profit of the people, without being puffed with any they were formed of any matter more excellent than sheep, or herds of cattle. But let them remember at of the same mould and condition as others, raised fi voice and acclamations, now as it were upon the shot unto their thrones, that they might afterwards bear the greatest burdens of the commonwealth...

Now, seeing that the people choose and establish follows that the whole body of the people is above thing most evident, that he who is established by another, is less than he from whom he derives his p

But since the kings began to extend their limit impossible for the people to assemble together all of their great numbers, which would have occasioned of the kingdom were established, who should ordinar of the people, in such sort notwithstanding, as who required, the people might be assembled, or at the as might by the most principal members be a represen

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SULLIVAN UNDER SCRUTINY

The third biannual report on the implementation of the Sullivan Principles by the signatory American companies in SA comes in the wake of the climate of change generated by Wiehahn.

The report says there has not only been an increase in the number of signatory companies — up by 19 to 135 — but an overall rise in efforts to live up to the code. Indeed, it claims that a majority of participants, about 80, are "passing" quite well. Of these, 22 belong to the "making good progress" category, including major and relatively labour-intensive firms like Ford, Colgate-Palmolive, and Mobil.

About half the companies, 62, are making "acceptable progress," and in this category are General Motors, Firestone, and Johnson & Johnson. Only nine of the signatories "need to be more active." International Harvester and Carnation Foods are two of these.

Despite this optimistic tone, however, the Sullivan Code still falls short of its main objective of involving American corporations as pressure groups for change. The claim that "The Statement of Principles . . . has become an important force for social change in South Africa" seems over-stated. There have been apparent breakthroughs in bringing down social barriers, such as in multi-racial canteens. The report adds, however, that the data "can only show part of the situation; they miss the nuances of daily behaviour and the significance of attitude changes which could, if collected, provide a more complete and explicit portrayal of development."

On labour relations issues — regarded by many as the crux of the code — the reporting companies have a poor record. Prior to Wiehahn, the Sullivan

Code included the condition that signatory companies must "support the elimination of discrimination against the rights of blacks to form or belong to government registered unions." This could only mean integration of the labour movement since only white unions were legally recognised. Specifically, it urged that companies should "acknowledge generally the right of black workers to form their own unions."

No visible attempt

There has not been any visible attempt to forge or encourage mixed trade unions. Presumably the weight of white unions and the legislative apparatus is still dead set against this. In terms of giving full or substantial recognition to black unions — an issue that is far less subject to restrictions — the signatory companies have made poor headway. Only two companies have thus far effected the principle of acknowledging union rights or representation. Ford has granted substantial *de facto* recognition to the black United Auto Workers' Union, and Kellogs has done the same with the Sweet, Food and Allied Industries Union. Kellogs, incidentally, is rated as a "making acceptable progress" unit, the second best category.

The third report is once again the work of the Arthur Little Foundation, a Boston-based management consultancy. The Foundation monitors the activities of companies based on data supplied by management only. The inadequacy of this procedure is aggravated by its remoteness from the SA situation. The pitfall is that data compiled by management will often give a picture that is remote from the shop floor.

Credibility problems

Employment codes in SA have flourished since Leon Sullivan of the US spelt out his six principles in early 1977. Foreign companies and governments have latched on to such codes to escape disinvestment pressures. But, argue many critics of the codes, their proliferation and the growing number of subscribers doesn't mean very much, since monitoring is either non-existent or ineffective.

The main codes are the Sullivan code (for American firms), the EEC code, the Canadian code, and the local Saccola code. The latter was initiated by the Urban Foundation and Saccola, which claims to represent about 90% of South African firms. Neither the Canadian code nor the Saccola code have any monitoring device. The Canadian government merely recommended to Canadian firms that their subsidiaries in SA adopt its code and report to shareholders.

The monitoring of the EEC and Sullivan codes is based on company reports, often in the form of answers to questionnaires. Since March 1977 the number of signatories to Sullivan has leapt from 12 to 135, and the third progress report is out (see box). The report says seven "task groups" (made up of representatives from signatory companies) have developed "guidelines, objectives and timetables for action programmes." This, it argues, illustrates their commitment to the principles. Nonetheless, relying on company reports is by no means a satisfactory basis on which to monitor. And as long as this is the case, the report's credibility will remain suspect.

The EEC code was adopted two years ago. But its monitoring is only just getting off the ground. Britain and Italy are the only two countries now receiving the sec-

PUBLIC OF SOUTH AFRICA

Employment Codes Act, No. 94 of 1977

Section 13
13 July, 1973.

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German, Dutch, and French subsidiaries submitted reports to their governments for the first time this year. In a month or two, the German government will publish its report. Just over 50% of the Dutch companies have submitted reports, which were put before the lower house of parliament a month ago. By September about half of the French subsidiaries had sent in their reports. The Italian, French, and Dutch reports are unlikely to be published.

These reports to foreign governments will do little to pacify overseas pressure groups. According to one critic, as long as the results of the companies are kept from the public eye, and highly subjective employer reports are relied upon, the assessments will lack credibility.

The ILM learns that the EEC could call on trade unions to comment on the company reports. According to Fosati's Alec Erwin, this is only possible where there is strong union organisation, which SA lacks. Thus, unions could only play a limited role in monitoring. Fosati has in fact prepared reports on those companies where its unions are well organised, and these will be released soon.

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Inkatha claims that it is also monitoring the codes. According to Gibson Thula, Inkatha publicity officer: "Lists of subscribers to the codes have been made available to workers and a few companies have been visited, but we don't have the staff to do this properly." So far, Inkatha has not made any statement on its findings. Thula argues that "we are still finding our way."

Vic Razis, of UCT, is interested in setting up a university-based body which will monitor all the codes. It would serve as an information service, as well as investigate employment practices. Obviously, having a third party to investigate would be better than relying on employers and trade unions. But the codes' effectiveness ultimately depends on the employers, for it is up to them whether a third party can have access to premises, and talk freely with employees.

continued on page 505

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made under section 220 of the repealed Act shall be deemed to be regulations made under section 15 of this Act and shall remain in force until repealed by regulation.

(2) The Third and Fourth Schedules to the repealed Act shall, notwithstanding the repeal of that Act, remain in force and shall be deemed to be regulations made under section 15 of this Act until repealed by regulation.

(3) Any proclamation issued under any law repealed by this Act and in force at the commencement of this Act shall remain in force until repealed by regulation.

17. Proclamations.—(1) The State President may by proclamation in the *Gazette* from time to time amend or add to the provisions of the Schedules to this Act.

(2) Any such proclamation may prescribe different provisions in respect of different types of companies.

(3) The provisions of any such proclamation amending or adding to—
(a) Table A or B contained in Schedule 1 shall not apply in relation to any company in respect of which the provisions of the Table in question applied immediately before the date on which the proclamation took effect;

continued on page 505

Credibility problems

Employment codes in SA have flourished since Leon Sullivan of the US spelt out his six principles in early 1977. Foreign companies and governments have latched on to such codes to escape disinvestment pressures. But, argue many critics of the codes, their proliferation and the growing number of subscribers doesn't mean very much, since monitoring is either non-existent or ineffective.

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Financial Mail November 30 1979

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continued on page 505

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US Ford strikes worry note on row

NEW YORK — The American parent company of Ford in South Africa has not yet received the plea for help which black workers have reportedly sent it.

However, it seems unlikely that the US Ford will agree to be drawn into the matter. And reacting to an appeal by sacked Ford workers in Port Elizabeth for an investigation into the Corina plant in Port Elizabeth, the local company yesterday released a statement largely contradicting the workers' listed grievances.

MEEUWING. At a mass meeting in Port Elizabeth on Wednesday of about 700 workers dismissed from three unrest beset plants those of Ford decided to send a letter to the company's headquarters in Detroit

asking for a commission of inquiry to be sent to the plant.

It calls for an investigation of existing conditions and grievances and to reconsider reinstating dismissed workers.

- The grievances listed included:
- job reservation
- equal pay for equal work
- victimisation based on colour or race
- failure of management to maintain good relations between black and white
- imbalances in the training period of black and white workers, and
- the failure of management to take note of grievances of the workers.

The public affairs director of Ford, Mr. Brian Bucknall, said yesterday morning the only knowledge the company had of the letter to its United States principals stemmed from Press reports.

Therefore it would not

comment on it specifically, except repeating that the company was continuing with investigation of grievances with the full participation of the union.

The company viewed Allied Automobile and Rubber Workers Union as the official channel of communication with workers. It was also prepared to enter into discussions with other bodies representing workers providing the unions participated in those.

"It is a matter of record that the company is prepared to employ workers who re-applied with out preconditions," he said.

The company had in fact displayed a preference for these workers.

By close of work on Wednesday 150 workers had been employed since Monday.

Mr Bucknall confirmed that Mr Chuck Obigren, the United States Consul in Cape Town, and senior labour attaché from the Embassy in Pretoria, visited the company recently. He said it could be assumed that labour problems had been discussed but the visit was a routine one — one of five so far this year.

The employment programme would continue yesterday, he said.

It has been reported from Adams Paper Mill where at least 150 black strikers were sacked early this week that a number of former and new workers had applied since Wednesday and only were being processed.

General The sacked last week report that his recruitment programme was nearly complete with 500 job offers employed this week. They are believed to be active General.

Mr W. B. Priddy, personnel and organisation manager of Ford's Mid-East and Africa Division said in New York last night: "We cannot react fully until we have seen the letter."

WITNESSES

Ford of South Africa has already indicated its willingness to consider and forward answers and replies to letters. Mr Priddy added: "The normalness of Ford of South Africa remains ready to discuss any job related grievances through established union channels and will continue to investigate and rectify the in resolving employee relations issues."

The crude death rates and the standardised mortality rates for whites, Asians and 'coloureds' and urban Africans are presented in Fig. 1.

The differences in the urban and rural areas are presented in Fig. 1. The differences in the urban and rural areas are presented in Fig. 1.

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rural areas or cause of deaths' according to the Bantu Reference Bureau (Personal Communication). At least 50 000 deaths among Africans were not registered. These occur mainly in the rural areas. It is estimated that about 10% of the deaths in the rural urban districts are not registered for Africans.

The following indices were calculated:

1. Crude Mortality Rates.
2. Standardised Mortality Rates. Two standard populations were used: England and Wales representing a developed population and Mexico 1960 for a developing one.

Calculated mainly in five year age divisions of the eighth revision of the ICD (ICD).

For 1970, the last census year. His is the mortality experience of a set of conditions which would exist if a cause on the expectation of life.

involves a knowledge of the base population age structure. National estimates of this are available for whites, Asians and 'coloureds', the 1970 population census using the age specific survival rates from the actual births and deaths in the 0-4 age group for migration.

procedure was adopted as a population figure for the 1970 age distribution by the Registrar-General of South Africa.

magisterial district was used, the numbers being adjusted by the 1974 gross population estimates by economic region.

Don't interfere with Ford strike

Warning

PORT ELIZABETH. — The secretary for Manpower Utilisation, Mr Jaap Cilliers, has reacted sharply to any suggestion of foreign interference in Port Elizabeth's industrial unrest. In an interview from Pretoria yesterday, he said his department would not brook any interference from the Rev Jesse Jackson or others. He was reacting to reports that the American activist preacher planned to lead a group of United States labour leaders and ministers on an independent fact-finding mission to South Africa next year to investigate the Ford situation. Mr Cilliers said the Port Elizabeth situation had nothing to do with conditions of employment. "If that was the case, our industrial machinery should have been used. We are satisfied that employment conditions of the companies involved in Port Elizabeth are satisfactory and in the case of some, even superior. "If we allow people overseas to interfere in the labour relations of South Africa's international companies, of which we have hundreds, imagine our situation. It would be intolerable. There is no justification for Mr Jackson or others to come here with the purpose of interfering. We stand on our own feet and are proud of our independence," he said.

Among those arrested yesterday for questioning were former workers of Ford's Cortina plant where four strikes last month led to the eventual lay-off of 500 workers. The men were being detained under Article 22 of the General Law Amendment Act No 62 of 1966, which provides for the detention and questioning of terrorists and certain other people, Colonel Erasmus said. The arrests came after a meeting of about 450 former Ford workers on Wednesday, during which 177 workers who had returned to work were threatened. Mr Thomazile Botha, who was one of the leaders of the workers, was not among those detained. The dismissed Ford plant workers decided yesterday to stay out of the plant until January. They reaffirmed their stand that they would only return to the plant if they were all reinstated, not re-employed. The national organiser of the United Automobile and Allied Workers Union, Mr George Manase told workers that Ford was prepared to re-employ but not to reinstate dismissed workers. He said the union was experiencing some difficulty in negotiating for dismissed workers, because a number of workers who walked out of the plant had been reemployed. Ford management therefore felt there was no point in reinstating the rest of the workers. "It would be better if all the

workers were out of the plant, because we would be negotiating for all of them, not for a certain group," Mr Manase said. The chairman of the Port Elizabeth Black Civic Organisation, Mr Thomazile Botha called on workers to be united. "Let us have one common objective, that we want to go back to work at Ford as a group, not as individuals," he said.

PORT ELIZABETH. — Twenty-one people had been detained in connection with alleged intimidation of Ford workers, the head of the Security Police here, Lieutenant-Colonel G. N. Erasmus, said yesterday.

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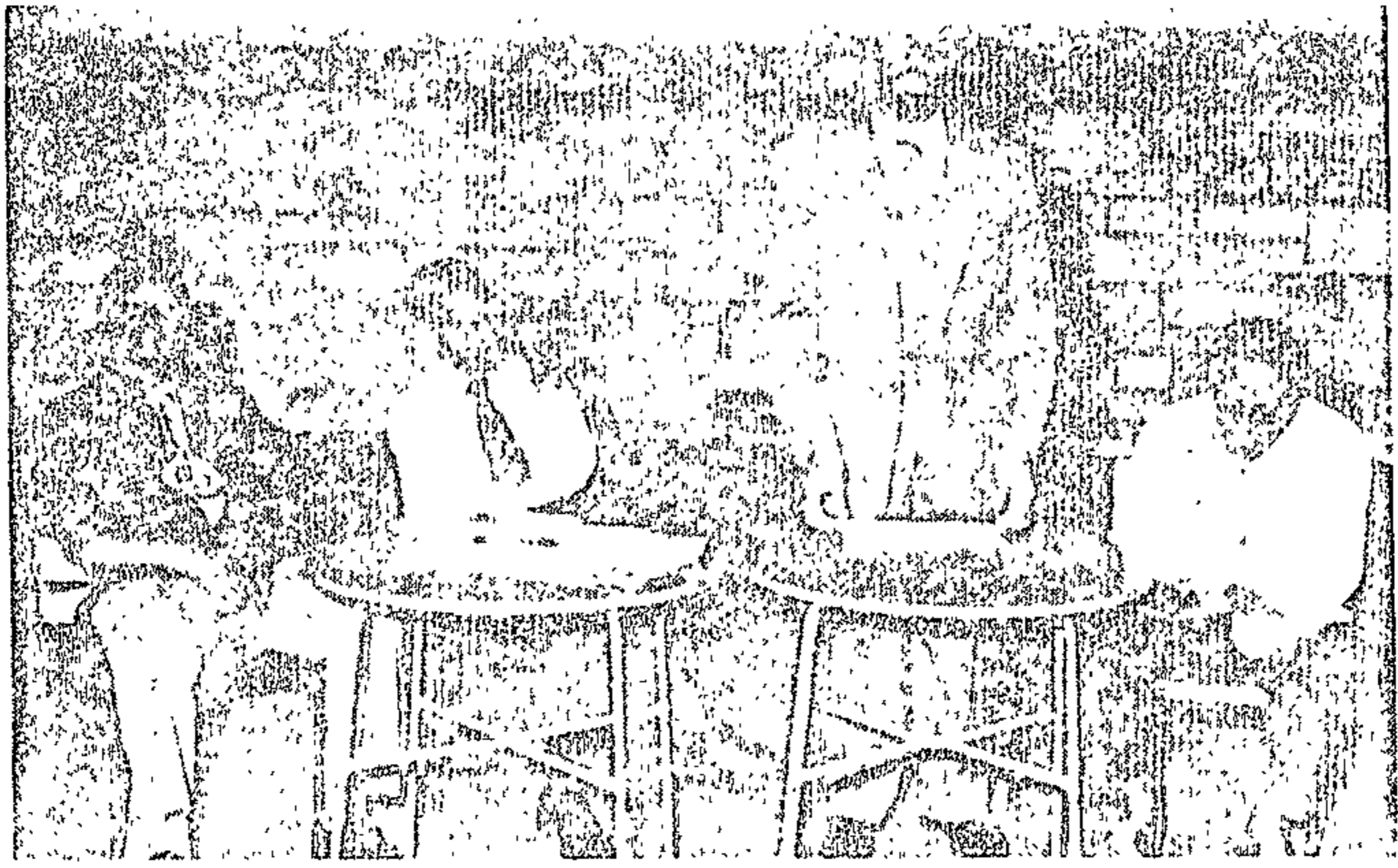
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Fig. 4 summarises the age specific mortality rates of



(From left) Mr Curtis Nkondo, Dr Nthato Motlana, Mr Thozamile Botha, and Bishop Desmond Tutu at this week's conference.

CODES OF CONDUCT

A 'DAMP SQUIB'

ARE the codes of conduct for foreign companies operating in South Africa a damp squib or a downright failure?

Both the European Economic Community code of conduct and the Sullivan Principles have been in operation for more than a year, but their effects are still to be felt.

The codes were introduced in response to mounting pressure on foreign governments not to invest in the country.

The thinking was that disinvestment would be detrimental to black workers' interests — and that foreign companies could play a role by improving the quality of life of the black worker.

The ripple effects of the improvements, it was envisaged, would transcend the work situation and would flow over to the socio-economic sphere.

However, flaws in the implementation of the codes have rendered them bereft of any effectiveness.

This lack of effectiveness can be summed up under the following:

① Lack of legislation or penalties in Europe and the United States to make the codes enforceable.

② The difficulty in creating an effective monitoring machinery that would be independent of company managements.

Because of this, the implementations have had to rely solely on the goodwill of individual companies.

A contributing factor to the lack of application of the codes is a fear by British and American companies that they have to compete with other foreign companies, particularly Japanese ones, whose countries do not insist on a code of conduct.

This is the same inhibition which has driven the two governments to resist disinvestment for fear that if they did so,

By
ZWELAKHE
SISULU

other countries would move in and consolidate their position.

The codes came in for heavy criticism during a Press conference this week which highlighted the labour situation in Port Elizabeth.

The conference was held by Mr Thozamile Botha, Mr Curtis Nkondo, Dr Nthato Motlana and Bishop Desmond Tutu.

Trade unions are particularly sensitive on the issue of the codes.

"The codes are very good on paper but they don't have teeth because there is no sanction — they are just empty," said Mr Leonard Sikhakhane, chairman of the Black Consultative Committee of Trade Unions.

"For the codes to be effective, the unions must be allowed to grow within the company and the codes must be monitored by the workers themselves," he said.

Workers were not even aware of the existence of the codes and any changes which may result from the implementation of the codes are perceived as a change of heart by the company.

Although the codes emphasise the need for trade union recognition, companies often ignore this.

Company managements have also developed a selective application of the code requirements.

SUNDAY POST's sister newspaper Post's Job Watch Team, who monitored the implementation of the codes, visited 40 multi-national companies this year.

In one company, which represented the selective approach, they found there was "lots of training, but mostly in areas that do not prepare workers for senior positions. Invariably the excuse would be that there are

no suitable people to train for the senior jobs. Black education was blamed."

Job Watch also found that "upward movement" that does take place does not stem from the "ending of apartheid" but because of a shortage of white skills.

Trade unions charge that since the responsibility of implementing the codes are left to companies, their existence as unions is being made obsolete.

"The codes can't be particularly effective because they don't lead to union recognition. In any event, they cannot replace organising by trade unions," Fosatu's general secretary, Alec Irwin said.

According to unions, far from generating union interest, the application of the codes in fact militated against unions to such an extent that they are sometimes seen as a direct threat to the efficacy of trade union activity.

Trade unions suggest that even if applied, the codes must not be seen as an end in itself — but as the beginning.

In addition to the two codes of conduct, yet another two exist. These are the South African ones, formulated by the Urban Foundation and the South African Employers Consultative Committee on Labour Affairs (Saccola).

The South African code of employment practice has reportedly been adopted by between 15 000 and 20 000 companies but there has been no feedback on their progress.

While the three codes have existed side by side, they do not seem to have had a liberalising effect in business practices.

Mr Thozamile Botha maintains that: "The problem is political and you cannot separate the interest of the worker in his work situation from his out of work situation."

What is clear is that as long as the codes cannot be enforced — they are doomed to fail.

HONEY CAKE

- 1 cup flour
- 4 t baking powder
- 2 T butter
- 1 egg
- ½ cup sugar
- ¼ t salt
- ½ cup milk
- 3 T honey
- 1½ T butter

Jan

Sift dry ingredients. Heat milk and 2 tablespoons butter until melted. Beat egg and add to milk and butter. Mix with dry ingredients and bake in buttered fairly deep pie dish approximately 20 minutes at 350°F or 180°C.

Melt honey and 1½ tablespoons butter and pour over hot cake before serving. Serve with whipped cream.

NUT CAKE

- 4 eggs
- ¼ lb sugar
- ¼ lb ground almonds (or hazelnuts)
- ½ t baking powder
- ½ T flour
- ¼ grated lemon (skin & lemon)

Margaret

Beat yolks with sugar until creamy, then add nuts, flour, baking powder and lemon. Fold in stiffly-beaten egg-whites. Bake at 350°F for ½ hour.

Serve with whipped cream.

PE workers seek help

PORT ELIZABETH. — Appeals have been made to the former United States ambassador to the United Nations, Mr Andrew Young, and the American black activist minister, the Rev Jesse Jackson, to get former Ford workers in Port Elizabeth reinstated.

This was said yesterday by the chairman of the Port Elizabeth Black Civic Organisation, (Pebco), Mr Thozamile Botha, whose walkout from Ford's Cortina plant was the start of the labour unrest.

At a Pebco meeting in Kwazakhele yesterday, Mr Botha said he had telephoned Mr Young and Mr Jackson on Monday.

He said both had undertaken to put more pressure on Ford's management in Detroit to direct the Port Elizabeth plant to reinstate all dismissed workers.

In a statement yesterday, Ford's director of public affairs, Mr Dunbar Bucknall, said the company's employment moratorium at the Struandale plant was now extended until the annual shutdown on Friday, and from January 2 to 4 next year.

Yesterday's statement says the annual shutdown ends on January 7, but Ford's employment offices will be open from January 2 to 4 when the dismissed Cortina workers will be able to

apply.

The intention is to return to normal hiring practices from Monday, January 7, when all applications, including those of former employees, will be considered in the order in which they are received, the statement said.

On the situation at General Tire, the managing director, Mr R G Nicholson, yesterday said about 600 dismissed workers were re-employed and the factory was back to normal production.

On the question of about 40 former workers still unemployed, he said they would not be taken back.

"They struck and caused us all sorts of problems. They were paid off and told by management they would not be re-employed."

Asked about the word "strike" which was written on their unemployment cards as the reason for leaving work, Mr Nicholson confirmed that this had been done.

"If it is to be deleted in everyone's interest, we will have to do something about it."

The head of the Security Police in Port Elizabeth, Colonel Gerrit Erasmus, yesterday said 20 men were still being held for questioning under Section 22 of the General Law Amendment Act.

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F.M. 14/12/79 (183) (62)
CHEMICAL ENGINEERING
Hands across the sea

America's Fluor Corporation and SA's General Erection (Genrec) have decided to make permanent the strong working arrangement built up between them in the course of putting up Sasol II and III. (Fluor is managing contractor on the Sasol II and III complexes, while Genrec is a principal contractor).

A jointly owned company, Fluor-Genrec

1185

SA, will perform process plant engineering, maintenance and construction in SA and adjoining countries. Chick Cannon, president of Fluor Engineers and Constructors, says that his company has signed a letter of intent and is negotiating a definitive agreement to work out details of the proposed jointly owned company. This agreement will not require Fluor to purchase shares in Genrec.

Fluor is a world leader in chemical engineering, providing procurement, construction and project-management services, especially to energy and natural-resource clients. Genrec offers engineering and construction services to mines and industry.

An irresistible question comes to mind on the strength of this news: would this corporate marriage have been announced if the parties did not anticipate further lucrative contracts for putting up more Sasol plants (or other types of synthetic fuel plants) in the not-too-distant future?

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Ford: Move to internationalize labour dispute

c.t. 19/12/79

JOHANNESBURG. — Mr Thozamile Botha, the Port Elizabeth labour leader, said here yesterday he was trying to internationalize the strike of black workers at Ford Motor Company by involving civil-rights leaders in the United States.

Mr Botha, chairman of the Port Elizabeth Black Civic Organization, said at a press briefing on the background to the labour unrest that he had written to Ford's parent company in the US stating the workers' grievances, but had not received a reply.

"The problems at Ford are political because they involve a black white clash. The trade union stayed away from the scene because of this."

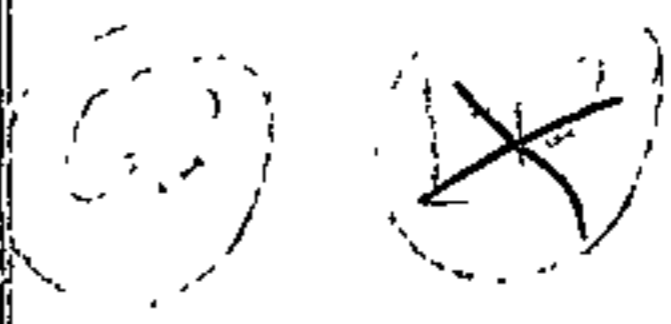
Mr Botha said the workers were not prepared to be rehired as had been arranged by the union, but wanted to be reinstated. Ford said it would negotiate only with the union, whereas the union said it represented its members only -- not

all the workers. Pledging his support for the workers the chairman of the Committee of Ten, Dr Nthato Motlana, said Ford was one of the leading companies in the world but it still discriminated in its South African factory.

"We appeal to the men who assisted with the Sullivan Code and its principles. Why the deafening silence when these are the things the American companies should concern themselves with?"

The secretary-general of the South African Council of Churches, Bishop Desmond Tutu, said the SACC had approached Ford's management and offered to intervene in the dispute and provide the workers with relief assistance.

Conditions at Ford were better than they used to be and the company's record was "on the whole admirable in the attempts they have made, but they really ought to show that we are entering a new era in labour relations" -- Sapa



ICA — COMPANIES
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ss. 220-222

member of the company to whom notice is sent before or after receipt

aforsaid because it was received concerned may (without prejudice) be read at the meeting.

and the representations need of the company or of any other person conferred by this

and the person's costs on an account by the director concerned,

proving a person removed therefrom in respect of the termination with that of director which may exist apart from this

and Certain Acts

anything contained in its memorandum or articles, the directors of a company shall not have the power to allot or issue any shares of the company without the prior approval of the company in general meeting.

(2) Any such approval may be in the form of a general authority to the directors, whether conditional or unconditional, to allot or issue any shares of the company or in the form of a specific authority in respect of any particular allotment or issue of shares.

(3) If any such approval is given in the form of a general authority to the directors, it shall be valid only until the next annual general meeting of the company, unless it is renewed or renewed by a resolution of the company in general meeting.

(4) Any director of a company who knowingly takes part in the allotment or issue of any shares in contravention of section (1) shall be liable to pay to the company, for every loss, damages or costs which the company may have incurred in consequence thereof, and no proceedings to recover such damages or costs shall be brought after the expiration of two years from the date of the allotment or issue.

222. Restriction on issue of shares and debentures to directors.— (1) No provision in any memorandum or articles or in any resolution or any agreement authorizing the directors to allot or issue any shares or debentures or to make any alteration in the capital of the company, at the direction of the directors, shall authorize the allotment or issue of any such shares or debentures to any director of the company or to any body corporate which is or the directors of which are or shall be directors of the company or of any director or his nominee if, entitled to exercise the control of the exercise of the power or to control, directly or indirectly, the exercise of the power.

(a) the particular effect of the allotment or issue has been generally approved by the company in general meeting or

by 1970, this figure had decreased to 15,7%, indicating that the whites had improved disproportionately to the 'coloureds'. Similarly, for children 1 to 4 years of age, during the period 1941 to 1970, the white mortality experience as a percentage of the 'coloureds' had decreased from 15,2% to 7,1%. It should be noted that the 0 year age specific death rates are higher than the corresponding IMRs. This is because the denominator for the former is the number of live births whilst for the latter it is the mid-year populations under one year of age.

Fig. 4 provides an indication of the proportional contribution of selected causes of death to the overall mortality experience of the white, 'coloured' and African communities.

- (iv) Proportional Mortality, accounted for by specific conditions.
- (v) Expectation of life. This was calculated both at birth (e_0) and at 45 years of age (e_{45}) for both males and females. It expresses the average number of additional years an individual would be expected to live beyond birth and 45 years.

For Africans, the proportional mortality was the only index calculated.

Jobs code is under heavy fire

THE labour dispute involving the 700 dismissed Ford workers has confirmed the scepticism which existed about the effectiveness of the Sullivan Code of Conduct in influencing the South African labour situation.

This was said by Dr Nthato Motlana the chairman of the Committee of Ten at a Press conference where Mr Thozamile Botha, chairman of the Port Elizabeth Black Civic Organisation (Pebco) gave a full account of the dispute. Mr Botha is one of the workers fired by Ford Motor Company.

Mr Curtis Nkondo, president of the Azanian Peoples' Organisation (Azapo) and Bishop Desmond Tutu, general-secretary of the South African Council of Churches also supported Mr Botha.

The Sullivan Code came in for criticism from Dr Motlana, Mr Nkondo and Mr Botha. Bishop Tutu, however took a less critical line when he said the codes have served some useful purpose, though they were dealing with peripheral issues.

Mr Botha gave a brief resumé of the dispute up to the time they were eventually fired. He said they had decided not to go back to work until their grievances had been met. All the workers had decided that they should not go back to Ford to ask to be rehired.

Mr Botha said the attitude of the workers now is that Ford should reinstate them, while Ford wants to re-hire them. He said if they were re-hired they were going to forfeit their benefits which they did not get when they were fired.

Speaking immediately after Mr Botha, Dr Motlana said the people were all pledging their support for the Port Elizabeth workers.

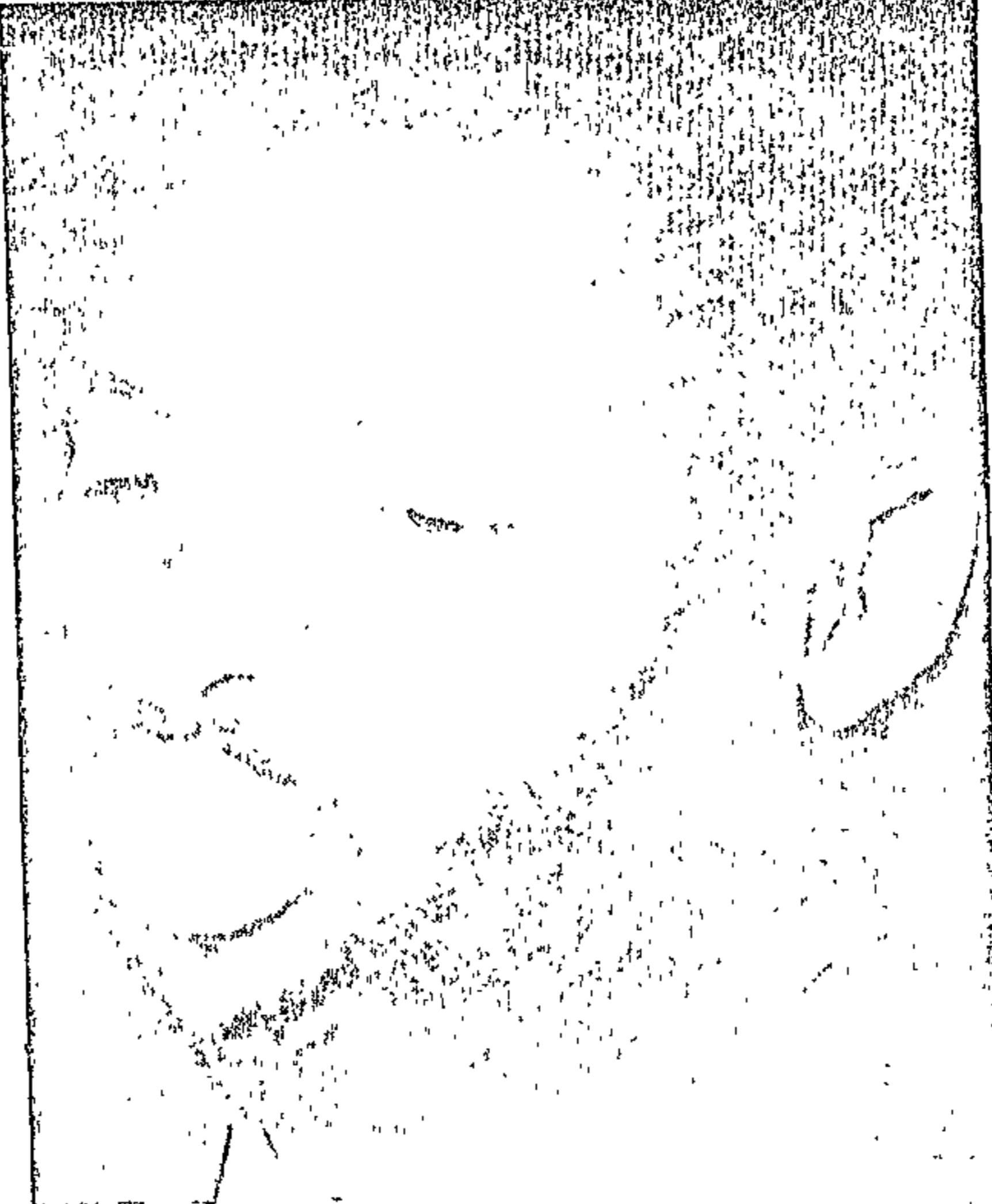


both workers. "The Ford dispute had confirmed the doubts which existed about the influence the codes can have on the South African labour scene. A sub-committee of the Sullivan Code of Conduct was told it cannot look into the dispute. But it now appears that nobody is doing anything about the dispute," said Dr Motlana.

"We appeal to people connected to the Sullivan Code to look into the dispute. It is rather surprising that Ford, which has been praised worldwide for its observance of the Sullivan principles still has problems about equal pay and discrimination," he added.

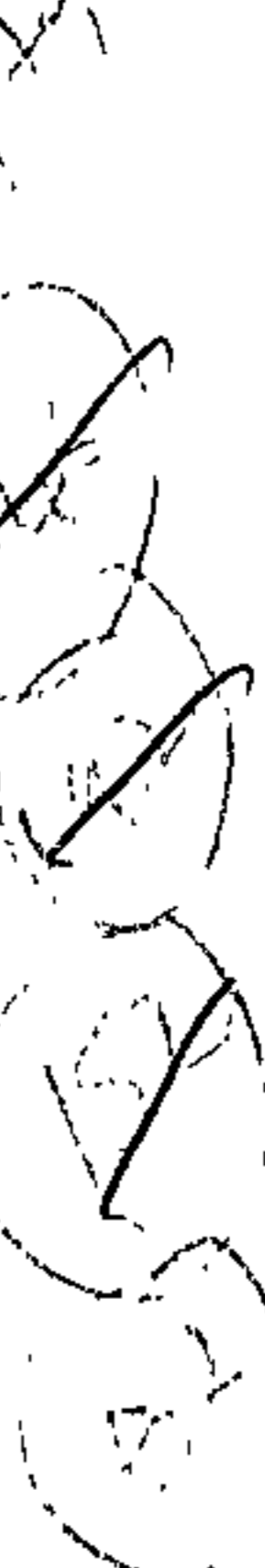
Mr Nkondo said adherence to the codes by the various firms was just a hollow boast. He said the companies were just like the Government which spoke of change without changing. "Ford company represents the attitudes of the companies in the country. This problem has to be internationalised by alerting the International trade unions," he said.

Bishop Tutu said the SACC had approached Ford offering to mediate in the dispute but Ford said the offer was superficial, because there was no dispute at Ford. He said the dispute on the surface is economic but in reality it was political.



Mr Thozamile Botha . . . at yesterday's Press conference on the labour dispute.

... increased between 1960 and 1970 for 'coloureds' and African communities.



... indicates that the actual mortality rates for both whites and 'coloureds' are similar.

... balance between the age specific mortality rates of whites and 'coloureds' has increased as indicated by the increase between the ages of 5 and 64. However, for children less than 5 years of age, the gap between whites and 'coloureds' is widening. In 1941, white children under one year old experienced 18,0% of the mortality of 'coloured' children;

... clearly, the broad diagnostic categories of certain amount of information. However, change in the changes in disease classification which have taken place since 1959, it is not possible to examine the temporal changes of mortality rates in greater detail. Disease categories with rates greater than 1/1 000 appear in italics in Table II. It will be noted that the mortality experiences of the 'coloureds'

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Jackson bid for Carter help for SA visa



Rev Jesse Jackson . . . "to hear Ford workers' grievances."

THE Reverend Jesse Jackson has asked for an urgent meeting with President Carter because he is having trouble taking a delegation to South Africa to investigate the industrial unrest at the Ford Motor company's Port Elizabeth plant.

This was confirmed by a spokesman for the Civil Rights activist this week.

On December 11 the Reverend Jackson visited the South African embassy in Washington to make arrangements for a seven-member delegation to visit South Africa — a delegation that would have included Mrs Cardis Collins, chairman of the Congressional Black Caucus, Mr Richard G Hatcher, the black mayor of Indiana, and Mr Matro Stepp, vice-president of the United Auto Workers Union.

He was told by the South African ambassador, Mr Donald Sole, that there was "no prospect" of him being allowed to take the delegation into South Africa — although Mr Sole did explain that the final decision on the matter would be taken in Pretoria.

TELEGRAM

Yesterday the spokesman for the Reverend Jackson said the group was determined to examine the situation in South Africa and, to this end, had sent the following telegram to President Carter.

"The Ford Motor company has greatly mistreated its black workers in its plant in Port Elizabeth, South Africa. We have been requested by the workers to come as a delegation to meet with

the workers and hear their grievances yet we are having trouble getting entrance to the country for this purpose.

We urgently request a meeting with you as we need special assistance to facilitate our trip.

Your prompt assistance in arranging such a meeting would be most appreciated."

No comment on the tele-

gram could be obtained from the White House and the Reverend Jackson has not yet received a reply.

ZR future up to voters — Nkomo

THE future of Zimbabwe would be up to the voters of the country to decide, Patriotic Front co-leader Joshua Nkomo said in a nationwide radio broadcast in Salisbury on Tuesday night.

Interviewed by telephone from London, Mr Nkomo was making his first radio broadcast since the start of the London constitutional talks nearly 15 weeks ago.

"Our task as a nation is to build peace, out of which will come a new Zimbabwe nation that knows no discrimination of any kind," he said.

UNIFIED TEAM

"I will return to the country soon, and the Patriotic Front will fight the election as a unified team in the same way it negotiated the Lancaster House talks," he added.

Asked whether he feared for his safety on returning to Rhodesia, Mr Nkomo replied: "Just as Japan and the United States now work closely together, so must the people of this country work together to bring peace." — AFP.

American trade with SA is escalating

- (c) the number of each of the directors to the take-over
- (d) whether any of holder of, or controlled by the so, full disclosure
- (e) particulars of take-over scheme proposed payment with such take-

318. Statement by the directors standing the provisions of section 227 (3) being annexed to it a take-over is made while another take-over acceptance: Provided that the offer of the making of such offer does not contravene section 317 and the offeror shall forthwith send to the holders of the offeree company a statement of the prescribed form.

319. Requirements for take-over of an offeree company involving the requirements of this Act in relation to the offeree company.

320. Liability and offence if a person or company and every director or officer of an offeror which is a company, and every director or officer of the offeree company, fails to comply with any requirements of this Act in relation to the offeree company, or if any director or officer of the offeror or the offeree company fails to take reasonable steps to have included in the take-over statement any information required by section 317.

(2) Where a take-over statement by the offeror contains a statement which is untrue, the offeror and every director and officer of an offeror which is a company, and where a take-over statement by the directors of the offeree company contains a statement which is untrue, every director of the offeree company, shall be guilty of an offence: Provided that the defences referred to in section 162 (3) and (4) shall *mutatis mutandis* be available to any person charged under this subsection.

(3) Where a take-over statement by the offeror or the take-over statement by the directors of the offeree company contains a statement which is untrue, the offeror and every director and officer of an offeror which is a company, and every director of the offeree company respectively, shall be liable to pay compensation to all persons who have accepted the take-over offer concerned for the loss or damage they may have sustained by reason of such untrue statement, and the provisions of section 160 as to the liability for untrue statements in a prospectus shall *mutatis mutandis* apply to any liability provided for in this subsection, the reference therein to a prospectus to be taken as a reference to a take-over statement by the offeror or the take-over statement by the directors of the offeree company, the reference therein to persons who have acquired, subscribed for or purchased shares, to be taken as a reference to persons who have accepted the take-over offer, and the reference therein to the allotment or sale of shares, to be taken as a reference to the acceptance of the take-over offer.

WASHINGTON. — Despite the campaign against increased economic links with South Africa, United States trade with and investment in South Africa is climbing.

This is clear from the latest statistics prepared by the United States Department of Commerce for the House of Representatives Sub-Committee on Africa.

ASKED

The Sub-Committee asked for wide-ranging statistics on United States trade with Africa in general and with South Africa in particular — partly because of the sub-committee's need for overall African trade statistics and partly to provide a basis for a thorough examination next year of the United States relationships with South Africa.

held, directly or indirectly, by any of the directors in relation to the offeree company;

the offeree company is a director or shareholder or any company connected with the offeror and if the offeror is a director or shareholder or any company connected with the offeree company in the benefit or advantage or protection of the offeror or the offeree company in connection with the offeror or the offeree company referred to in section 227 (3).

case of counter bid.—Notwithstanding anything in section 227 (3) may be made without the consent of the offeree company, if it is open and available for the offeror to make a counter bid, any person shall within fourteen days of the making of such offer a statement in terms of section 227 (3) to the Registrar under cover of the Registrar's stamp.

all the shareholders of shares of the offeree company consent thereto in writing the consent may be waived.

(1) If any person or company or any director or officer of the offeror or the offeree company shall be guilty of an offence under section 315, 316, 317 or 318, such person or company shall be guilty of an offence under this subsection if, or fails to take reasonable steps to have included in the take-over statement any information required by section 317.

Fluor Corp attacked for links with Sasol

STAR 14/3/77

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The Star Bureau

NEW YORK — The giant Fluor Corporation — main contractor in the building of Sasol — has been attacked at the company's annual meeting of shareholders for indirectly supporting apartheid.

The corporation's South African business accounted for about 13 percent of worldwide revenues last year of 29 000m dollars.

A resolution sponsored by the American Friends Service Committee, which owns 3 700 shares, and the Maryknoll Sisters of St Dominic Inc, whose order owns 200 shares, sought unsuccessfully to discourage Fluor's participation in future contracts with the white supremacist South African Government.

The resolution charged that Fluor was helping the South African Government to become energy independent and "less vulnerable to outside economic pressures by coun-

tries who oppose apartheid."

In response, Mr J Robert Fluor, chairman of Fluor, said: "I truly believe that the course you are suggesting would hurt rather than help the people you profess to be concerned about. The actions you advocate would bring about economic hardships, would cause further conflict and would effectively put an end to the progress that is being made in South Africa."

Fluor's South African project involves about 20 000 workers, most of whom are black. But subcontractors handle most of the construction work, although Fluor has trained more than 3 000 workers in the last three years.

Fluor earned 78.4m dollars in 1978. The corporation, which does not have a plant or a significant capital investment in South Africa, is the managing contractor for the huge Sasol coal conversion facility.

The South African project, which includes an initial 2 000m dollars contract awarded last month to double the size of this facility, represents Fluor's second largest international project.

● BRUSSELS — The common market commission is steering clear of controversy about Sasol, writes Andre Meyerowitz.

A communist member of the European Parliament, Mr Gerard Bor-du, has been trying to put Sasol 2 under a European microscope. He asked the Commission formally to state which European undertakings were involved in providing the R1 000m that is being spent on foreign plant and technology.

But he has had no luck. The official reply from EEC headquarters in Brussels says simply:

"The Commission is aware that a second coal

A bitter struggle ahead for the workers

BLACK WORKERS employed by various multinational companies operating in South Africa are getting a raw deal, and very little is being done towards implementing the Sullivan code and other codes of employment practice.

This is the view of Mr Zakhale George Marase, national organiser of the United Automobile, Rubber and Allied Workers of South Africa.

He is also the national secretary of the Codes of Conduct Monitoring Committee.

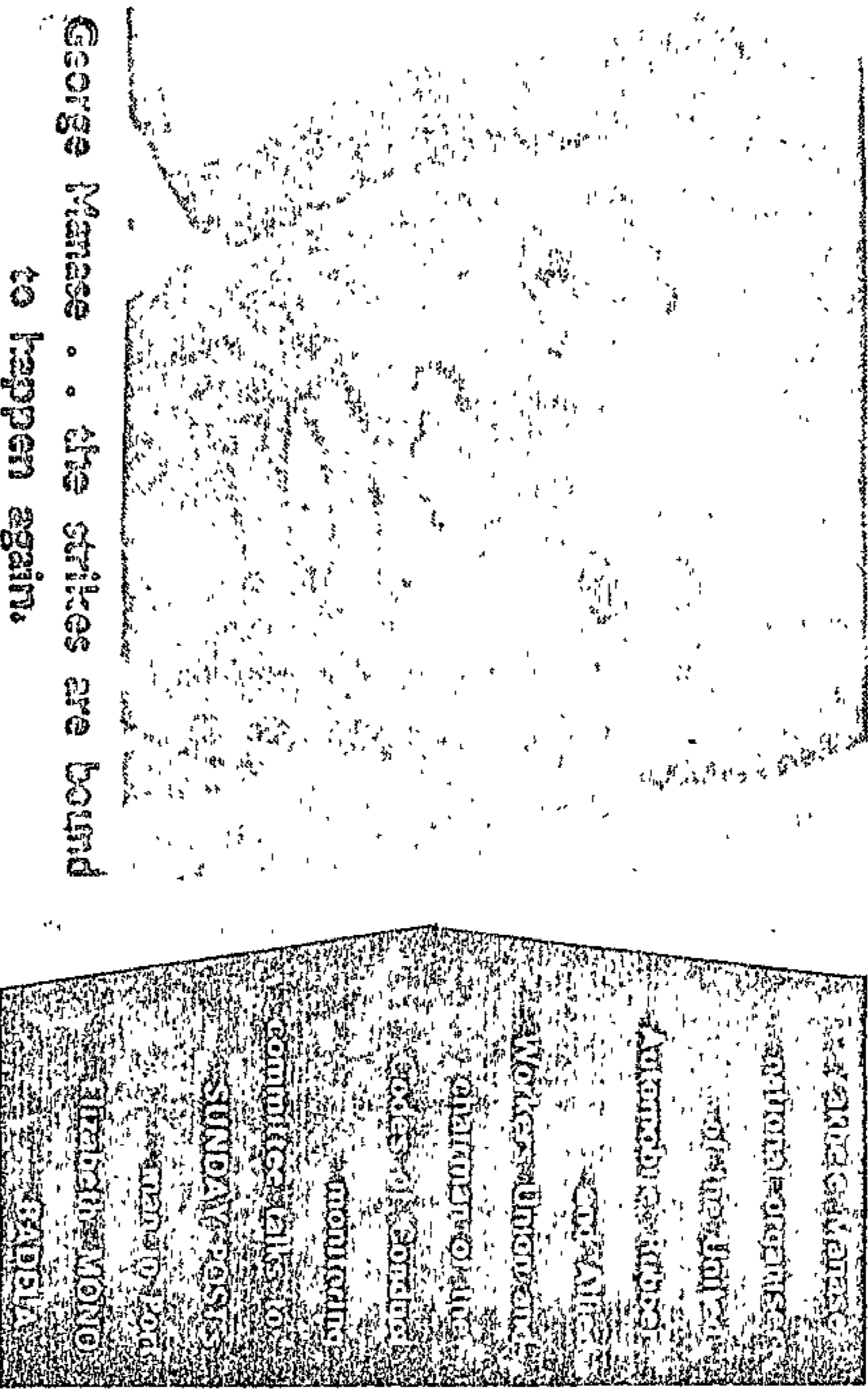
Mr Manase, whose union is currently involved in the negotiations between the Ford management and the more than 500 strikers in Port Elizabeth, received training in trade union work in the United Kingdom and from the headquarters of the powerful International Metal Workers Federation and International Labour Organisation in Geneva.

He foresees a bitter struggle between the black workers and managements.

In an exclusive interview with SUNDAY POST Mr Manase warned that as long as the multinational companies were not adhering strictly to the codes of conduct, the Sullivan code and the European Economic Community code of employment practices, strikes like those that took place in Port Elizabeth last month were bound to happen again.

Mr Manase, himself a former employee at the Port Cortina Plant, which was forced to close down following a mass walkout by more than 700 workers, said his union had a membership of well over 10 000 members spread all over South Africa.

Most of them were in Uitenhage, Port Elizabeth, Johannesburg, Pretoria, East London and Durban. He said if black



George Manase... the strikes are bound to happen again.

MULTINATIONALS GIVE A RAW DEAL, SAYS UNIONIST

workers all became members of trade unions and if the trade unions were fairly strong and powerful, the maximum could be achieved from the Sullivan code and the EEC.

It therefore vital that every black worker employed at these plants registered as a member of the UAW.

Mr Manase said there was no such thing as equal pay for equal work in all these companies — Ford Motor Company included.

He said even though the workers were undergoing the same training, the black worker always started at a lower rate compared to his white counterpart.

American companies in the Port Elizabeth and Uitenhage area. Volkswagen was as guilty as Ford. They did not comply at all with the Sullivan code, said Mr Manase. There was only one black foreman at General Motors. Even as guilty as Ford. Even the so-called black

- foremen, to me, are like boys because they have to take instructions from their white counterparts," said Mr Manase.
- Black foremen have no white workers under them. White supervisors are always rude towards blacks."
- Mr Manase's union, which was established in 1973 has its main objects:
 - To fight for increased pay and benefits and safeguard the living standards of the workers.
 - To see that the working conditions are at least reasonably healthy and safe.
 - To protect the human dignity and rights of the workers.
 - To fight against unjust discrimination and firing of workers.
 - To assist members in obtaining employment.
 - To promote, support or oppose legislative or other measures affecting the interest of the members.
 - To educate the members in the history or function of the union movement and to develop and maintain an intelligent and reasonable membership.
 - To fight for job advancement, job enrichment and promotional opportunities for its members.
- The union also assists its members with information, advice and assistance on various matters.
- Mr Manase however said that the union's progress at General Motors was being hampered by the personnel department of the plant.
- He said blacks were being discouraged from joining the union there.
- There were hardly 200 members of the union at General Motors.
- There was a lot of potential in the Transvaal, where places like Plat, Datsun, Sigma, Bocal, Alfa Romeo, Firestone and BMW were being organised to strengthen the union.
- Mr Manase said the fault at Ford Cortina plant was that the executive committee was too weak while on the other hand the workers themselves were very politicised.
- He hoped the union would work hand in glove with organisations like the Port Elizabeth Black Civic Organisation.

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FOREIGN FIRMS IN SA -
U.S.

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S. Times 6/11/80

SA to get the latest in office info

SOUTH Africa may soon have the very latest in processing office information.

Mercedes Information Systems is planning to introduce new equipment launched in the US only two months ago.

Mercedes, whose turnover last year was R15-million, intends to put the most sophisticated range of information processing equipment yet seen in

this country on the market this year.

Its Lanier No Problem electronic typewriter, launched last year, is being followed by a programmable, shared-logic system in which a number of typists share a common processing unit.

This came out in the US just a few weeks ago.

Due next is the Omni dictat-

By VERA BELJAKOVA

ing system — a Lanier desk-top dictating and transcribing machine — introduced in America six months ago.

Sales have been sufficiently encouraging for the system to be introduced in South Africa, says Mick McCormack, Mercedes' national sales manager.

In 1978 Lanier captured top

position for dictating in the US.

"With 'No Problem' the company was the first stand-alone electronic typewriter than any other in the country.

"Next step is to introduce a shared-logic system with instant retrieval facility that cuts training time in

Sun

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PE arrests — Carter called in

Weekend Argus Bureau

WASHINGTON. — The United States Government has stepped into the controversy generated by the labour unrest at the Ford Motor Company plant in Port Elizabeth — and the subsequent arrest of the black strike leaders.

A State Department request for information on the arrests and for a delegation led by the Rev Jesse Jackson, to be allowed into South Africa to investigate the situation has been referred to the South African Embassy in Washington.

Delegation

Mr Jackson met the South African Ambassador in Washington, Mr Donald Sole, on December 11 and asked if he could lead a seven-member delegation to South Africa.

The request was subsequently rejected by Pretoria.

Meanwhile, Mr Jackson sent a telegram to President Carter asking for an urgent meeting to discuss the situation and for help in getting permission to take the delegation to South Africa.

Mr Jackson said he met President Carter at the White House yesterday.

The President assured me of his concern and made it possible for me to meet the Secretary of State, Mr Cyrus Vance, said Mr Jackson.

Unrest

Unrest broke out in Walmer black township on Thursday night after the detention of the leader of the Port Elizabeth Black Civic Organisation (Pecco), Mr Thozamile Botha, and two other of this executive committee. They were detained under the General Laws Amendment Act.

Police used teargas and fired shotguns, and last night buses were stoned in black townships.

A Security Police spokesman said the officials were still in detention. He could not say when they would be released.

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3/1/87

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Ford arrests spark new US row

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The labour problems at the Ford Motor Company's Port Elizabeth plant and the subsequent arrest of black activist Thozamile Botha have caused a ripple of real concern among South Africa watchers here.

Apart from anything else, American perceptions of the situation in Port Elizabeth could be pivotal in the continuing debate over American investment or disinvestment in South Africa.

Events at Ford must be seen against the background of United States public opinion on South Africa.

The minority who know anything about South Africa and who are interested in southern African affairs are almost unanimously critical of South Africa's race and employment policies.

UNANIMOUS

They are equally unanimous about the need to encourage change in South Africa and — at the risk of simplification — the debate is whether change is encouraged by co-operation, by systematic but relatively gentle pressure and by dialogue, or whether it is served by tough, coercive action, isolation and action which will facilitate a possibly violent black take-over of power.

At present the first argument holds sway, greatly encouraged by the recent labour reforms in South Africa.

John D'Oliveira BEHIND THE NEWS



which would have included himself, Mrs Cardiss Collins, chairman of the Congressional Black Caucus, Mr Richard G Hatcher, black Mayor of Indiana and Mr Marc Stepp, vice-chairman of the United Auto Workers Union.

As a media event it was a flop, with hardly any newspapermen turning up at the South African Embassy to hear Mr Jackson say the Ambassador (Mr Donald B Sole) had told him there was no prospect that his request would be agreed to by South Africa. A few days later this was confirmed by the South African Government.

URGENT

Jackson then sent a telegram to the President asking for an urgent meeting to discuss the situation and to generate pressure on South Africa to allow the delegation into the country. This action produced little reaction.

cont ↓

it is epitomised by men like the Reverend Leon Sullivan who was responsible for the formulation of the so-called "Sullivan Principles" for non-racial, equal - opportunity employment practices. Men like Sullivan and a number of respected supporters in the US still believe that this is the route towards effective change in South Africa and they are fighting for wider acceptance of that reasoning in the US and for improved performance by signatories (like Ford) in South Africa.

SHAKEN

However, when one of the model signatories (like Ford) develop major black labour relations problems, men like Sullivan are shaken. And when the South African Government steps in and charges some of those involved with holding an illegal meeting, Sullivan and his supporters are both shaken and angry.

This action prompted Sullivan to send a telegram to South Africa expressing his "deep concern" and urging the South African Government to protect the rights of black workers.

But when labour activists like Thozamile Botha and the entire executive of his Port Elizabeth Black Civic Association are taken into custody by the security police, the Sullivan credibility (and therefore the argument in favour of gradual change) is stretched to breaking point.

And more extreme activists like the Reverend Jesse Jackson are encouraged.

No matter what the real reasons for the arrests may have been, the American perception is generally that the men were arrested because of the activist role they played in the Ford labour unrest — and that this reflects adversely both on Ford and on the United States.

Take the Jackson case. He was asked last year to intervene in the situation by Botha and his Ford supporters. On December 11 he visited the South African Embassy in Washington to arrange for a visit by a deputation

At any rate, Mr Jackson was due to see the President on Friday last week as part of a comparatively large group of people who would be briefed on foreign policy matters.

On the eve of that meeting there was the news that Ford had settled its problems with the workers.

Which would have left Mr Jackson very little to talk to the President about.

But, soon after this news arrived in the States, came the news that security policemen had arrested the Pebco men, which presented Jackson with some real meat to place before the President. They did discuss the issue (Jackson said afterwards that the President expressed his concern) and Jackson was granted an hour with the Secretary of State, Cyrus Vance later in the day. As a result, there was a formal request to South Africa from the United States for information on the situation and a formal request that the Jackson delegation be allowed into the country.

CONFLICT

And yet another opportunity for conflict — albeit a relatively minor one — between the United States and South Africa.

"If only," a South African friend told me today, "we had not arrested the Pebco men, the whole controversy would have blown over . . ."

However, the men were arrested. Many Americans believe they were arrested because of their involvement in the Ford labour dispute and we could be dealing with a situation which might help swing the investment debate towards disinvestment — whatever the reasons for the Pebco arrests may have been.

Few South Africans understand that the disinvestment debate continues below the surface in America and that almost every discussion on South Africa involves at least a mention of disinvestment.

ADS to drop District 6 plan

Staff Reporter

ANKER DATA SYSTEMS, an international electronics company, has decided to attempt to withdraw from a purchase of land in District Six after a meeting with leading critics of its plan to build a factory on the site.

This was confirmed yesterday by the chairman of the company, Mr Gerhard Kopatz. The meeting was called yesterday after criticism had been expressed at the sale in which ADS bought 1 293 square metres of land in the area.

The meeting was attended by Father Basil van Rensburg, of District Six's Holy Cross Church; Mr Kassiem Allie, general secretary of the Western Cape Traders Association, and Mr Tom Walters, a city councillor. Mr Kopatz was the chairman. Other ADS executives present were Mr A J Zegwaard, the ADS regional manager, and Mr J Combrink, the company's regional sales manager.

Mr Kopatz said the company did not see its function as one involving conflict with the community. Discussion at the meeting had shown feelings over District Six of "enormous depth and gigantic dimensions". ADS could not see itself continuing its plans for the site as this would create "tremendous disharmony in the community".

The company would seek a meeting with the Department of Community Development next week to try to have the contract for the sale withdrawn and would seek an alternative site in Cape Town.

Father Van Rensburg praised Mr Kopatz and said he had given the impression that ADS was a public-spirited company.

● Mr Kopatz confirmed that the company planned to spend R500 000 on a factory in Cape Town, creating about 50 jobs, 40 of them for black people.

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Strikes at Ford Motor Company plant in Port Elizabeth

*12. Mr. J. D. DU P. BASSON asked the Minister of Foreign Affairs:

- (1) Whether his Department received any representations from the United States Government in regard to strikes at the Ford Motor Company plant in Port Elizabeth and the arrest of strike leaders; if so, what was the nature of (a) the representations and (b) the reply thereto;
- (2) whether he will make a statement on the matter?

The MINISTER OF FOREIGN AFFAIRS:

- (1) No.
- (2) Falls away.

Fattis & Monis Strike

For almost a month 88 workers at the Fattis & Monis factory in Bellville South have been on strike. They struck because five of their fellow workers were dismissed. The workers say the dismissals were because all five were members of a trade union. The union was trying to negotiate for better pay and hours of work - R40 a week and an 8 hour working day. A director of the factory says these demands are "out of all proportion", and unreasonable and would lead to "disruption" in his firm.

Officials of the 10 000 member union (the Food & Canning Workers Union), say the dismissed men had signed a document giving the union rights to negotiate for better conditions. The factory refused to negotiate with the union. It says the men were replaced by machines and that it was part of a cut-back of staff.

Although those dismissed were 'Coloured', more than half of the men who were on strike are African contract workers. In spite of the threat of the return of labour to the homelands, the African workers are standing firm with brothers and sisters. On the first day of the strike, men from outside the factory tried to separate 'Coloured' and African workers who were for the same purpose.

Moves of solidarity with the striking workers are increasing. At last week more than 500 university and college students from U.W. Peninsula Training College and Bellville Technical College called for a boycott of the factory's products.

The Western Province Traders Association says it will instruct its members to sell the factory's products unless there is negotiation.

The South African Council of Sport (SACOS) has called on all sports clubs and schools affiliated to SACOS to support a call for re-employment of the factory's products.

More than 400 students from the University of Cape Town held a meeting and called for a boycott of all Fattis and Monis products.

The Women for Peace movement has called on the factory to negotiate with its workers.

The Cape branch of Natfoc - the National African Federated Chamber of Commerce has issued a statement in support of the dismissed workers.

Fattis and Monis insist that there is "no dispute". However a dinner given by the firm says he is worried about calls for a boycott of the factory's products because much of the factory's trade is with blacks. The factory has kept production going by employing scab workers in the place of its regular workers. However production has slowed down.

Who are Fattis and Monis? Fattis and Monis is the factory which produces a wide range of products. The following Record flours; Self-raising flour; Unsifted flour; Unsifted flour; Wheatie Treat flour; Philadelphia flour; Koeborg Mille pack - mealie meal; all products of Fattis & Monis brand name. These include icecream cones, cake cups, macaroni, spaghetti, large and small shells, pasta ribbons - broa and green, pain rings, dilatines. Fattis and Monis also pack the products under the following brand names; Princess, Pot o' Gold, name brand, Checkers and Roma. Fattis & Monis also control a number of bakeries in the Cape Town area. These include the Good Hope Bakery, River, Wrench Town Bakery in Observatory and the Ultra Bakery in Somerset West.

Action week to get US funds out of SACOS

The Star Bureau
 WASHINGTON — Action week, through the United States, to pressure SACOS to get out of the country, which they have all indicated that they will withdraw ten or millions of dollars from banks which do business with South Africa.
 The campaign, scheduled for March 16 to 21, is being coordinated by the Campaign to Oppose Bank Loans to South Africa.
 Representatives of 27 groups in different parts of the United States and Canada met last month to discuss the campaign. The protest will include picket lines, withdrawal days and other activities.
 For the tenth year in a row, American churches have filed resolutions with major US companies urging them to withdraw their investments in South Africa.
 The companies under fire include Mobil, Ford, IBM, General Motors, Eastman, Kodak, and Union Carbide.

Ford 'won't see' US officials

Argus Bureau

PORT ELIZABETH. — The United States Government deputation visiting Port Elizabeth would not see the Ford Motor Company plant or meet Ford representatives.

Also, no meeting over labour disputes had been arranged between the company's management and worker representatives.

This was said today by Mr Fred Ferreira, industrial relations director of the Company.

He was reacting to a report in the Cape Times today which said: 'Top United States Government officials will be present when Ford Motor Company management and worker representatives meet in Port Elizabeth today in an attempt to bridge new rifts in the shaky industrial peace at the firm.'

'DIFFERENCES'

The report also said that the 'long standing dispute' now threatened to develop into a 'major political storm with far reaching implications for business in South Africa.'

Mr Ferreira admitted that there were still 'certain differences' in its labour field, but said he was confident they would be resolved in the near future.

The only contact the company would have with the visitors would be when he attended a lunch today and later at a cocktail party.

The only knowledge the company had of a workers meeting was one in which a number of them saw the head of their dismissed workers committee.

INSTITUTE

Asked about the nature of the 'differences' still to be resolved, Mr Ferreira said it was not the practise of the company to discuss internal matters.

Mr Ferreira would not comment on the Institute of Race Relations report on the company's labour problems — which was discussed by Ford executives and its compilers in Grahamstown last night.

The report was to be released next week by the institute with Ford's consent.

He said the report was not secret and he had already quoted from it although some of the contents were not favourable for Ford.

Nattrass counters Rees' proposition that subsidised public provision of medical care inevitably leads to overcrowding or over-provision by discussing alternative modes of rationing health services which are more equitable than price, involving, for example, indicators of health needs. She also notes difficulties in collection and use of data relevant to the objectives and performance of health programmes.

Archer (Ch.9) sees not two but a number of alternatives with varying degrees of participation by the private sector and the state. These are:

- (i) private medical practice on a free-for-service basis;
- (ii) voluntary insurance, with varying degrees of co-payment and deductibles;
- (iii) prepaid group practice;
- (iv) National Health Insurance systems (subsidised or paid for by the public sector) for all or designated target groups in the total population. This group merges with (v), the difference being that for insurance, benefits remain related to the payment of premiums;
- (v) comprehensive and universal health care through public funding, as in the U.K. or Eastern Europe.

Sorkin (*73) describes various ways in which health programmes may contribute to overall development goals - by increasing productivity, by raising the number of man hours available and by opening uninhabitable areas to economic exploitation. Describing the links between nutrition and productivity in low income countries he shows that nutrient deficiency can be a severe economic handicap. The papers which deal explicitly with the choice of health programmes are those of Nattrass (Ch.10), Westcott (Ch.11) and Raine (Ch.15). Westcott notes that the application of techniques of economic analysis requires a separation between the identification and choice of objectives a matter of judgements which should be made by a process in some way political - and the choice of means to achieve these ends, which can be decided mainly on technical grounds, including the relative prices of inputs. The choice of objectives involves such things as selecting infant mortality as a key focus of health care. The second kind of choice, known in economic terminology as the choice of technique, involves the question whether this is best done by constructing more hospitals, or child health clinics, or nutrition programmes, and so forth.

Ford report may shock

15/2/80
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FORT ELIZABETH — The full text of a report monitoring Ford's performance in the light of the Sullivan principles, will be released next week.

This was revealed last night after a meeting in Grahamstown between the Institute of Race Relations, Ford officials and the report's authors, Prof Michael Whisson and Dr Marianne Roux.

The report which was commissioned from the Institute of Race Relations by Ford, is in parts highly critical of the company's performance according to the Sullivan principles.

In a previous interview, Prof Whisson outlined major recommendations of the report, but our Cape Town correspondent says it has established that some measures proposed in the report will come as a shock.

One is that the report calls for an end to the alleged Broederbond membership of the company's top industrial relations executives, Mr Fred Ferreira and Mr Dirk Pieterse.

Prof Whisson, professor of anthropology at Rhodes University, said last night

as the auditors, he, Dr Roux and Mr Cecil Manona, research officer at the Rhodes Institute of Social and Economic Research, were confident that Ford's decision would be an example to other companies which were signatories to the principles.

Ford's director of industrial relations, Mr Fred Ferreira, said: "We wanted to see how an outside agency viewed our performance and to assess where we fell short."

"Our view taken was that this was not at any stage a public report, which is not to say that we would not at some stage make it public."

Ford's decision to do so came on the eve of a visit to Port Elizabeth by three American diplomats.

Following in the footsteps of the Assistant Secretary of State for African Affairs, Mr Richard Moose, his deputy, Mr Robert Keeley arrives this morning. He will be accompanied by a minister-counsellor at the United States Embassy in South Africa; Mr Howard Walker, and the consul-general based in Cape Town, Mr Alan Lukens. — DDC.

order to judge the desirability of any programme, it is necessary to first, how far it satisfies the objectives, and then, whether it is the most costly way of doing so. Economic methods (such as cost-benefit analysis) seek definite answers to these questions, but the conclusions arrived at are not 'objective' in any absolute sense; they depend on the values laid in at the beginning. They are thus 'objective' only in that they show the implications of particular value judgements for the choice programmes.

Choice of Objectives

there are many objectives, it is necessary to know their value relative to each other - e.g. the relative importance of TB and obstetric care, of rising mortality or increasing Gross National Product (GNP). This will vary, determine their priority in the allocation of funds. Nattrass says that: 'Establishing a set of public sector objectives is always a very difficult in cases where people or groups of people have different preferences and indeed is frequently impossible without recourse to 'authorship'.

some such studies are described in the section on Nutrition Policy. Nevertheless, it is necessary to have a broad indication of the sorts of policies which should be tested and evaluated.

Some economists make a distinction between output gains brought about by increases in the quantities of some or all inputs, and gains from an advance in knowledge and in the state of the art. This is controversial and the smoke has yet to clear from the battlefield. But in the medical sector, interestingly enough, there may be a dwindling number who hold that in rich countries simply expanding the inputs of a given kind and given quality (general practitioners, specialists, hospital structures, equipment, drugs) will increase output, i.e. raise the health status of the recipient population as measured by some set of indicators. Two decades back, a plateau was reached and the massive increments in expenditure during the sixties and seventies are not matched by marginal improvements in basic mortality and morbidity figures. The inference drawn is that incremental resources if forthcoming must be directed towards research aimed at increasing the output per unit of medical input.

Two comments are called for, if we accept these propositions at face value. First, for us in South Africa it does not follow at all that the saturation of medical care for the rich leads on to the same conclusion. The allocative choice does not reduce to either producing a greater quantity of the same again or raising the pace of qualitative improvement, and nothing else. Such a constraining of alternatives takes the profile of consumers and their ability to pay as a datum. Rather, should it be the case that productivity is minimal or approaching zero for medical resources supplied at the upper end of the income spectrum - a compelling surmise - then distribution considerations must come to the fore and modify the prevailing notion of what constitutes an efficient input use. This theme is pursued further at the end of the paper. Secondly, a concentration of resources in the applied fields of medicine is not necessarily the most effective way to enhance its productivity. There are arguments on cost and efficacy grounds that call for a contrasting emphasis upon biomedical research as

"...most likely, in the real world, to lead to significant improvements in human health, and at low cost... When medicine has really succeeded brilliantly in technology, as in immunisation for example, or antibiotics, or nutrition, or endocrine replacement therapy, so that the therapeutic measures can be directed straight at the underlying disease mechanism and are decisively effective, the cost is likely to be very low indeed. It is when our technologies have to be applied halfway along against the progress of disease, or must be brought in after the fact to shore up the loss of destroyed tissue, that health care becomes enormously expensive". (Thomas 1977: 170).

HEALTH CARE EXPENDITURE AS A PERCENTAGE OF GNP

COUNTRY	PERCENTAGE	SOURCE
United States (1975)	8,3	Marmor (1977:75) 77:215)
(1976)		mer (1977:21)
Canada (1976)		mer, ibid.
West Germ (1971-1976)		20) 6:70)
Netherlands (1971-76)		5:70)
France (1973-1976)		
GDR (1971-2)		
United Kingdom (1971-2) (1975)		
Czechoslovakia, Hungary, Poland (1971-2)		
South Africa		
USSR, Bulgaria, Rumania (1971-2)		

US churches urge disinvestment in SA

NEW YORK — For the 10th year in a row, American Churches have filed resolutions with major US companies urging them to withdraw their investments in South Africa.

Thirty-two resolutions have been filed with 29 corporations and banks in the campaign, which is

being co-ordinated by an organisation called the Interfaith Centre on Corporate Responsibility, under the auspices of the US National Council of Churches. The organisers say that over 40 religious and educational institutions in the United States have supported the campaign.

A spokesman for the campaign, Mr Warren

Day, said yesterday that one of the 1980 resolutions, filed with American Express, had already resulted in a new investment policy. After meeting campaign organisers, American Express, he said, it had agreed to prohibit any further loans through its bank to the South African Government or any of its agencies.

2,4-2,8 Kaser ibid.

Note: These are selected, unadjusted estimates culled from a range of miscellaneous sources; they may not be fully comparable.

Keep out, ^{stew} Ford tells ^{16/2/50} US Govt

Own Correspondent

PORT ELIZABETH — The Ford Motor Company's industrial relations director, Mr Fred Ferreira, has urged the US Government not to become involved in the company's internal affairs.

After meeting the Deputy Assistant Secretary of State for African Affairs, Mr Robert Keeney, in Port Elizabeth yesterday, Mr Ferreira said the company would strongly discourage United States officials from associating with the company or its employees in labour disputes.

He said he saw no reason for involvement of US Government representatives in the company's internal industrial relations affairs.

"We have no objection to any official from any country doing his job here as he sees fit," Mr Ferreira said.

"But we discourage very strongly what could be construed as intervention by any non-company personnel in the labour relations of the company."

Moves against SA firms grow

By JIM BRUCE, Washington

THE number of US companies receiving shareholder resolutions concerning their policies in South Africa is higher than ever this year, with 45 resolutions proposed to 37 companies.

It is the third year in a row companies here will receive more South African-related resolutions than requests on issues of any other kind as shareholders continue to display increased concern over political and social issues in South Africa.

Most of the resolutions are sponsored by US church groups affiliated with the Interfaith Centre on Corporate Responsibility, the group that sponsored many similar resolutions in 1978 and 1979.

The US Securities and Exchange Commission requires a resolution receives 3% support the first year, 6% the second year and 10% the third and each succeeding year, to qualify for inclusion in a company's proxy statement the following year.

Shareholders supporting these resolutions continue to

oppose South Africa's racial policy of apartheid and have come up with some new resolutions addressing the issue.

For instance, church groups are asking banks to cease promotion and sale of the Hrugger and to report on equipment and vehicle sales to the police and military in South Africa.

In another new resolution a university student group has proposed a resolution asking a company not to invest in countries whose laws make it impossible to ascertain the end use of goods and services.

Church groups also are asking American Express, Bank of America, Crocker National and Wells Fargo to stop affiliates and subsidiaries from making loans to the South African Government until "the system of apartheid is revoked and meaningful steps are taken in the direction of majority rule".

Other church groups are asking Continental Illinois, First

Chicago and Morgan Guaranty to stop selling securities on the South African market.

Manufacturers here will be asked to stop making for export to South Africa on the grounds that the company's 1978-1979. The same resolution was supported by 17 year of Manufacturers' Partner.

Bankers' Bank, First Chicago and First National St. Louis will be asked to stop selling securities.

No company in South Africa resolution have been submitted to Mobil Oil Corp., Union Carbide, Hallmark and Alcoa.

Church shareholders in Continental Illinois have requested that the company to establish a special committee to monitor activities in South Africa.

First and General Motors will be asked to see a report on the status of their subsidiaries' relationships with the South African police and mili-

tary. Standard Oil of California, Mobil Oil and Union Carbide shareholders are asking the companies not to sell products or services to the police or military.

Ford will receive a resolution asking for more information on its policy on strikes and on grievance procedures, while IBM and Xerox will be asked to stop selling leasing and servicing computers in the public.

A student group at Cornell University has proposed a resolution asking Mobil to develop criteria for restricting investment in foreign countries where the end use of goods and services is not to be determined.

General Electric, Ford and Union Carbide will be asked to terminate operations in South Africa while Coca-Cola, Owens-Illinois, Frito-Lay, PepsiCo, Warner Communications, Ingersoll-Rand, Dresser Industries, Phillips Petroleum and US Steel have been asked to adopt or to adhere to the Sullivan principles.

schools and a boycott of the factory's products!

At a meeting at U.C.T. over 500 students supported a call for a boycott of all Fattis & Monis products.

Fattis & Monis insist that there is no dispute. However a director of the firm says he is worried about the calls for a boycott of the factory's products by blacks as much of the factory's trade is with blacks. The management have kept production going by employing scab workers in the place of the striking workers. However production has been slowed down.

Who are Fattis & Monis? Fattis and Monis is the factory which produces the following products: All Record flour products including self-raising flour, Cake flour, Bread flour, Sifted flour, Unsifted flour, Wheatie Treat flour; All products with the Fattis & Monis brand name including icecream cones, wafers; cake cups, macaroni, spaghetti, large & small shells, ribbon noodles - broad, narrow, plain and green, rings and dilatines; All the above noodles and spaghetti under the following brand names: Pick 'n Pay, Pot o' Gold, Princess, Checkers and Roma; Philadelphia flour and Koeberg Mille pack mealie meal; Fattis and Monis also control a number of Bakeries including Wrench Town Bakery in Observatory, Good Hope Bakery in Elsie River and Ultra Bakery in Somerset West.

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Warning on Interference

Political Staff

HOUSE OF ASSEMBLY —

The visit by United States diplomatic officials to the Ford motor plant in Port Elizabeth this year after labour unrest at the factory yesterday led to a warning from the Minister of Foreign Affairs, Mr R F Botha, to officials of foreign governments not to interfere in domestic affairs.

Mr Botha's warning came when he replied to questions by Mr John Wiley, leader of the South African Party, who asked for details of the visit.

Mr Botha said that if officials of any foreign country interfered in South Africa's domestic affairs, including labour issues, the government would view the matter in a "serious light".

He disclosed that while the government had been informed in advance of the visit to South Africa by Mr R Keely, the US Deputy Assistant Secretary of State for African Affairs, the reason given for the visit was orientation in respect of his duties as secretary.

According to information received from the United States Embassy in Cape Town, he paid a courtesy call on the managing director of Ford in

Port Elizabeth on February 12 and visited the plant to acquaint himself with the operations of the American-owned company.

The embassy added the call had nothing to do with any current labour negotiations.

said Mr Botha. He added that other US diplomats were present during the call.

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23/2/80 (52)

Ford did to break worker unity claimed

MORE than 700 of the 723 Ford workers fired after the company gave them an ultimatum to return to work or else, have been re-employed. But the committee which represented the dismissed workers has warned that any more trouble at Ford would be of the company's own doing.

The chairman of the committee, Mr Government Zini, claims that the company is 'victimising' the re-employed workers — the last batch of 17 restarted last Wednesday — by dispersing them throughout the various company plants to scatter their leadership, instead of giving them their old jobs back.

Mr Zini said the workers had been 'dispersed' throughout the various Ford plants so that the leadership among them could be scattered, creating a slackening of unity and discipline, especially at the Corina plant.

'Any resultant trouble at this particular plant will be directly attributable to Ford management,' Mr Zini said in an interview.

He said that Ford spent R1.8-million of its 'affirmative action budget' on pro-apartheid organisations, including certain sports bodies — a matter his committee intended raising with high ranking United States diplomats when they visit the Port Elizabeth plants this week.

Another allegation against the company made by Mr Zini was that Ford's assisted housing programme in the townships was aimed at higher-income workers rather than the poorer classes.

FORD'S TROUBLES — WHAT THE INVESTIGATORS FOUND

By JOHN KANE-BERMAN

IF "FORD" wasn't already a household name, the company's recent labour troubles would have made it one. This was no run-of-the-mill industrial dispute but a broader clash that throws two central issues into sharp focus: How risky it is to awaken expectations of change but fall short in fulfilling them and how dangerous it is for South Africa to liberalise in the economic field but fail to liberalise in the political field.

There is a danger that the factories could become the surrogate political battleground of the 1980s. Neither problem is entirely new to South Africa. Violence which claimed 200 Black lives in mining compounds in the mid-1970s has been partly attributed to heightened Black expectations following the end of Portuguese colonial rule in Mozambique and frustration among migrant Basotho miners at political repression back home.

The spark that set off Ford's troubles last November is now common cause. A trainee draughtsman, Thozamile Botha, alleged that he had been compelled to resign after refusing to curb his political activities outside the factory, which had invited the attention of the Security Police.

Seven hundred Black workers at the company's Port Elizabeth plant downed tools in protest. Events quickly escalated, not only to a point where they were beyond Ford's control but also beyond the control of the workers' union.

A settlement was eventually reached with the help of the American Consul-General in Cape Town and all the strikers are now back on the job — except Mr Botha, who is sitting in detention. A number of the workers are facing charges under the Riotous Assemblies Act.

But why Ford, of all companies? Some of the answers emerge from an "external audit" of the company's labour practices, which is to be published this week by the South African Institute of Race Relations.

The audit was conducted by three academics at Rhodes University: Professor M G Whisson, Dr M Roux and Mr C W Manona; and the president of the United Auto Workers' union at Ford, Mr J W Mke.

The purpose was to get an objective assessment of how Ford is measuring up in implementing the Sullivan principles for subsidiaries in South Africa of American companies.

"We were looking for criticism, not praise," Ford's managing director, Brian Pitt, and industrial relations director, Fred Ferreira, said this week.

The auditors found deep alienation in the factory, which got steadily worse as last year's economic recession bit into jobs. Not only was there distrust of some of the changes management was trying to make in the factory, but, says the audit, "management was equated with the status quo within a much wider context than the factory milieu".

Some Black workers even ac-

No longer docile

THERE is still a formidable problem arising from continuing resistance by White unions to Blacks being indentured as apprentices. And the situation is not being helped by the Government's apparent total lack of direction.

To the extent that there were elements of politics in the Ford strike, the company was in a sense the fall guy, particularly in that the Government has itself raised Black expectations.



Thozamile Botha addressing striking Black workers at Ford's Port Elizabeth plant.

'Fight will be on the factory floor'

third that Black unionists appreciate Ford's attitude to the UAWU.

Supply bottlenecks and the depressed state of most of South Africa's motor industry forced Ford to lay off 300 workers last June and work short-time. The result, says the audit, was that the Black union was in no position to press effectively for what it saw as the right of each worker to take home a wage above the poverty datum line.

Black workers believe that management and the White union jointly blocked an attempt by the Black union at an industrial council meeting to push the minimum wage up from R1 to R1.50 an hour. Although Ford says the unions were fully informed of the reasons for the lay-offs and the drop from a 45-hour to a 28-hour week, this does not alter the fact that more than three-quarters of Black and Coloured hourly-paid workers — and some Whites — found their earnings below the PDL.

The situation led to great scepticism of the sincerity of the company's stated commitment to the Sullivan principles. Other grievances compounded this scepticism, among them, according to Professor Whisson and his colleagues.

That many (though not all) of Ford's labour relations officers apply stricter rules to Blacks than to Whites and are suspected of having close connections with the Security Police.

That Ford has formed an unholy alliance with the local Administration Board in its ef-

orts to alleviate the city's housing shortage.

That Blacks have to be better qualified than Whites before they get promoted.

That although the company's wage-scales are colour-blind on paper, racial discrimination operates in practice because Whites are paid above the minimum rate in a particular grade

whereas Blacks are paid closer to the minimum

That even before the shorter

working week, Black wages failed to keep abreast of the rising cost of living

The auditors also say that the policy of promoting equal and fair employment conditions at Ford is being implemented with a notable lack of enthusiasm, particularly outside Fred Ferreira's industrial relations directorate.

Pitt and Ferreira admit that they would not be surprised if there was a lack of enthusiasm

down the line for policies devised in head office. They claim that while various government departments — including the Security Police — may contact Ford management from time to time, there is no relationship between the company and the Security Police.

Ferreira says that one of the problems during the strike was that a large body of Black workers rejected the union because it was unable to meet their expectations.

"Consciously or unconsciously we raised expectations beyond what we could meet. It is true that some of our people are over-educated for the jobs they are doing. We took them on in the hopes we would be able to put them into the right jobs, but because of the lack of growth last year — we are still operating at about 75% of our plant capacity — we could not absorb them. But as the economy picks up this year and next, those difficulties may be partly overcome," he says.



Brian Pitt ... 'we don't want praise'

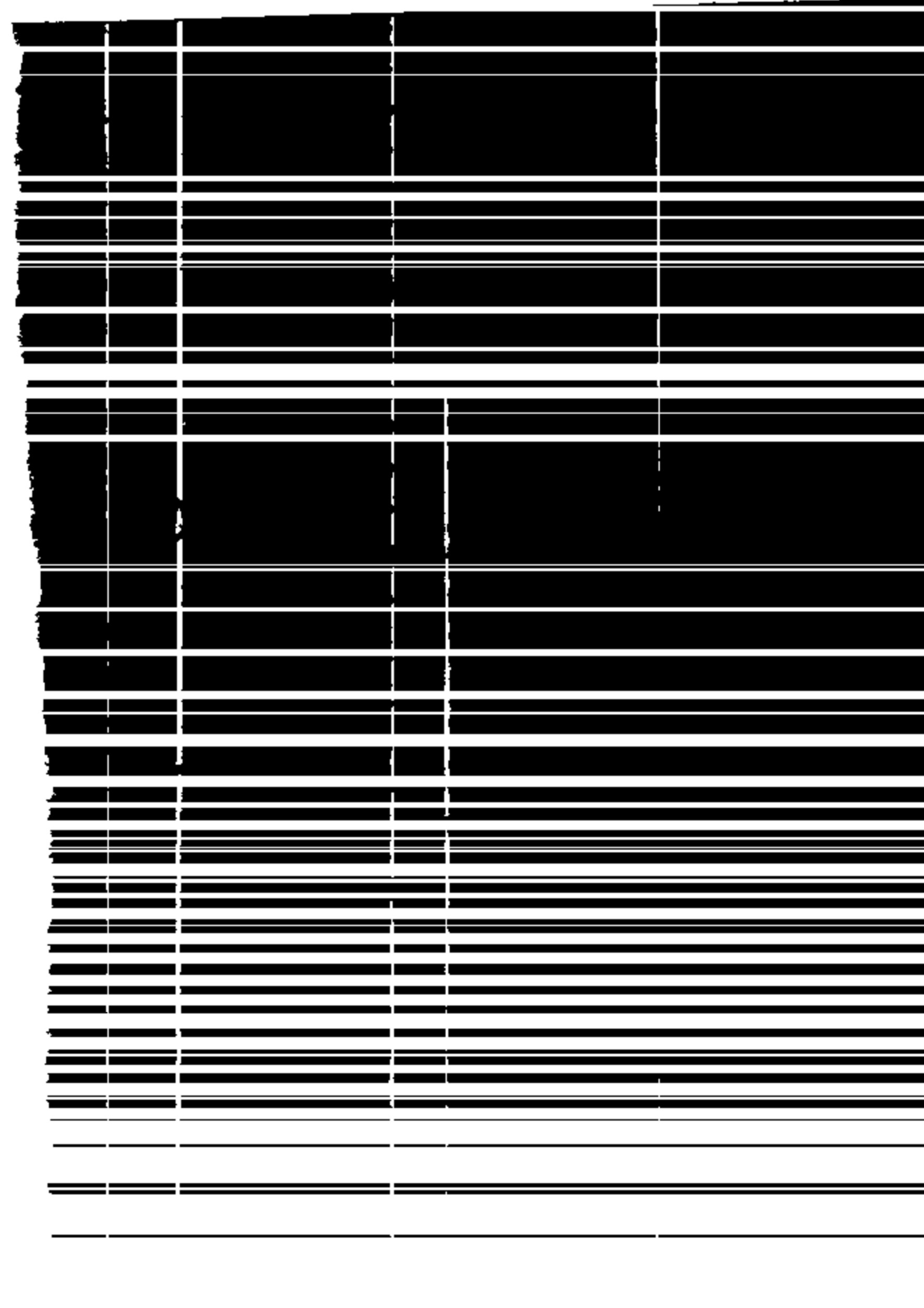


Fred Ferreira ... 'they expected too much'

used Ford of being part of an unholy alliance between White employers and the Security Police and the Administration Boards.

Yet the audit also highlights some important plus points. One is that Black union officials assess Ford as the best employer in the Port Elizabeth-Uitenhage region, another that "eating and comfort facilities" have been desegregated and a

Says Ford labour director Fred Ferreira: "Ten years ago, labour was docile, preoccupied with its basic needs. But now people are starting to look beyond these to the social and political environment. Labour organisations could become vehicles for some form of political expression, to get Blacks a place in the sun. Disenfranchised people are increasingly looking at their employers as having a role to play in recognising their problems and exerting influence on their behalf."



THE employment practices of the Ford motor company in Port Elizabeth have come under heavy fire in a report released at the weekend.

While Ford is generally seen as one of the most enlightened employers in South Africa, many of its labour policies are criticised sharply and the report recommends far-reaching changes to bring Ford in line with the Sullivan Principles for United States subsidiaries operating in South Africa.

According to the report, commissioned by Ford itself, the company has a "very long way still to go" before it can be seen as implementing the principles in the manner and spirit intended by the Rev Leon Sullivan, their author.

Among its more startling findings are, that because of short-time worked, most of the

Ford's labour policies come under heavy fire

coloured and black workers have been earning wages well below the Household Subsistence Level — formerly the Poverty Datum Line — and that real earnings of most of them have declined since 1971.

The report also focuses close attention on the association between Ford and institutions "dedicated to the maintenance of apartheid."

These include alleged links between personnel managers and the Security Police, and co-operation between the company and the Eastern Cape Administration Board.

It strongly urges the company to terminate these links if it is to achieve credibility as an institution contributing to

peaceful change away from apartheid.

The report, released with Ford's agreement, was commissioned by the company from the Institute of Race Relations last year as an independent audit of its implementation of the Sullivan Principles.

It was completed in September, shortly before Ford was hit by a massive wave of labour unrest.

The report was compiled by three academics at Rhodes University — Prof Michael Whisson, head of the Anthropology Department, Dr Marianne Roux, senior lecturer in sociology, and Mr Cecil Manoha, a research officer of the Institute of Social and Economic Re-

search.

In a statement released yesterday Ford said it had agreed to the release of the report to promote a better understanding of recent events.

The part of the report dealing with wages found that because of short-time worked, the average wages of more than 90% of black and coloured workers varied between R110 and R150 in various job grades.

There was serious poverty among workers, who complained that they were starving.

Only a revision of wage scales could meet the Sullivan Principles on this issue, the report said, and also warned that this was a major grievance which had profoundly influenced worker attitudes towards management.

It said it had found widespread lack of commitment to the principle of equal and fair terms and conditions of employment, which could be seen as the central element of the entire code.

Analysing employment figures, the report said they appeared to confirm the belief among black and coloured workers that they had to be better qualified than whites if they were to be promoted.

The figures also lent credibility to the belief of many black workers that, while there was no institutionalised discrimination, the scales and differ-

entials enabled a "substantial amount of discrimination" to take place.

The authors agreed with the management view that the formal pay structure was colour blind. But they concluded "The facts on wages and differentials as presented by the company make a mockery of the aspirations of the Sullivan Principles, and gave more than adequate ammunition to critics of Ford management."

Dealing with links between Ford and apartheid institutions, the report said black and coloured unionists believed there was close liaison between some personnel managers and the Security Police, and they believed their activities were

watched closely and reported to the SP.

These beliefs engendered an atmosphere of distrust which appeared to cancel out much of the affirmative actions management might take in implementing the principles.

The company had co-operated extensively with the Eastern Cape Administration Board, seen by the mass of blacks as the "principal executor of the policy of apartheid."

Good relations between the company and the board, expressed in substantial housing loans, lent credence to the belief that the Ford management was part of an "unholy alliance between white employers and the two most hated

arms of the State".

Key executives in the Industrial Relations Directorate were listed as members of the Broedepoort, which had a history of dedication to the maintenance of Afrikaner domination.

If these links were not severed, the report argued, Ford's affirmative action programme would be seen as "essentially an attempt to modernise racial domination rather than to do away with it."

Dealing with housing programmes, the report found the company had been able to do "virtually nothing" for the mass of its black and coloured workers, and called for a complete re-evaluation of its housing policies.

The report credited Ford with good performances in several areas, including integration of faculties, pressing for the elimination of discriminatory industrial laws, establishing training programmes for blacks, recognition of black

unions and health care.

Commenting Ford management on its "full and honest co-operation," the report said it was made clear from the outset that the directors wanted the truth as the investigators saw it, and the report should be viewed in the light of that basic integrity.

It concluded by quoting black union organisers as saying Ford was probably the best employer in the region.

Mr Fred Ferreira, Ford's industrial relations director, said in a statement yesterday that a number of recommendations were already being considered, but the company was planning a round-table discussion with the authors before taking action.

He also announced that the company would commission the Institute of Race Relations to repeat its audit later this year to assess its progress in terms of the Sullivan Principles

On recreation and sport, the report found the distribution of the company's black budget was unsystematic and potentially wasteful.

Commenting on the distribution of the company's "black budget" generally, the report said: "At present, the projects of the company can be seen far more easily as efforts to stabilise the status quo than they can be seen as promoting fundamental changes."

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Cape Times 25/2/80
62 152 172

Report calls for change in Ford labour policies

Own Correspondent

PORT ELIZABETH Ford Motor Company faces sharp criticism, and is called upon to make sweeping policy changes in the field of labour relations, in a report released yesterday.

The full text of the report, "The Sullivan Principles at Ford" was issued by the Institute of Race Relations with Ford's blessing. Commissioned at Ford's request, it was compiled by Professor Michael Whisson, head of the department of anthropology, Dr Mariamne Roux, senior lecturer in sociology, and Mr Cecil Mazona, a research officer with the Institute of Social and Economic Research - all of Rhodes University.

The report in general is critical of labour policies at Ford and the way in which the company has implemented the six principles of the Sullivan Code.

The report, now released for the first time, suggests that Ford makes sweeping changes.

Among the suggestions are that the company severs its connections with the Eastern Cape Administration Board, that it terminate alleged close liaison between some personnel managers and the security

police who, it is claimed, closely monitor union activities, and that key executives in the industrial relations directorate, who are said to be members of the Broederbond, should dissociate themselves from the organization.

The report suggests that

A NUMBER of recommendations made by the authors of "The Sullivan Principles at Ford" were currently enjoying management's consideration, a statement issued by the Ford Motor Company of South Africa said.

Report, page 2

these actions should be taken if the company is to achieve credibility as an institution contributing towards peaceful change away from apartheid.

"If this is not done," the report states, "the affirmative action programme will be seen essentially as an attempt to modernize racial domination rather than do away with it."

The report says that by cooperating extensively and publicly with the East Cape Administration Board, among whose functions has been the provision of black housing and the administration of influx control, Ford is seen by the mass of black people as being associated with the principal

executor of the policy of apartheid.

But the report accepts that in the housing field it would be difficult for Ford to achieve anything without some form of cooperation with the board, but suggests any contacts should be as discreet as possible.

ble.

The present relationship between the company and the board, the report says, leads credence to the belief that management is part of an unholy alliance between white employers and the two most hated arms of the state (the security police and the administration boards).

The report states that coloured and black union leaders believe that the company as a whole is concerned with curtailing their activities. It quotes one union leader as claiming that personnel officers went through an induction course organized by the security branch and the former Bu-

reau for State Security.

"Whether these beliefs are imaginary or otherwise, the fact that a shop steward was recently visited at his home by a member of the security branch and questioned about his activities on the shop floor, further reinforced their suspicions," the report says.

Referring to the two key executives in the industrial relations directorate - Mr Fred Ferreira and Mr Dirk Pieterse - as being listed members of the Broederbond, the report says: "Whilst formally no longer in favour of discrimination based on colour alone, the organization nevertheless has a history of dedication to the establishment and maintenance of Afrikaner domination."

The report anticipated many of the grievances behind the recent labour unrest experienced at Ford.

The workers were upset because many of the company's black workers were earning wages below the poverty datum line because black advancement had not been implemented fast enough and because there was still racism, particularly on the shop floor.

'Fair deal'

report criticises

Ford

Handwritten notes:
 62
 25/2/20

There is a widespread lack of commitment to "equal and fair employment practices for all employees" at the Ford Motor Company of South Africa.

The implementation of this element of Principle Two of the "Sullivan Principles" may be seen as the central element of the entire code, says a report released today.

The report was compiled by a team from the SA Institute of Race Relations invited by Ford to conduct an "audit" of the company's operations in Port Elizabeth.

The team was headed by Professor M G Whiston, head of the anthropology department of Rhodes University.

Sullivan's Principle Two says "equal pay and fair employment practices for all employees."

Under that heading, the report comments, inter alia, "Coloured and black union representatives are extremely sceptical of the objectives of managements. One of the union's officials described the Sullivan Principles as 'not worth the paper that they are written on'."

In fact, over the past years, for the overwhelming majority of hourly paid workers, there has been a decline in their real standard of living.

While some progress has been made in equalising terms and conditions of employment the company has a very long way to go, the report says.

Figures tend to lend credibility to the belief held by many black workers that, while there is no institutionalised discrimination between whites and non-whites, the scales and differentials, both between the minimums and maximums

x) and cash wage (y)

	7,51-10,00	10,01-12,50	12,51-15,00	>15	TOTAL NO. OF WORKERS		
4		2			12		
1		5			13		
3		3	3	1	21		
5		4	2	2	18		
3					9		
	2	3	7		3		
	1		1		1		
1	2	3	3	2	1	13	
	2	3	4	1		10	
1	1	3	1			6	
1				1	2	4	
4	22	32	32	18	6	10	124

n-x-y
x-y

within grades, and between the minimums for each grade, enable a substantial amount of discrimination to take place.

Negative attitudes are reinforced by the belief that the company, through industrial relations officers, has close connection with State security agencies. The fear will be overcome only when all suspicion of state security intervention has been removed, the report states.

(unknown : 6)

(L2) (192)
CARTILES 25/2/80.

Ford considers some changes

PORT ELIZABETH. — A number of recommendations made by the authors of "The Sullivan Principles at Ford" were currently enjoying the management's consideration, according to a statement issued by the Ford Motor Company of South Africa.

The Sullivan Code refers to the principles governing employment practices of American firms throughout the world.

The industrial relations director of Ford, Mr. Fred Ferreira, gave his company's reasons for releasing the full content of the Whisson report which was completed late last year.

"We had originally requested the South African Institute of Race Relations in September, 1979, to conduct the survey in order to obtain the objective views of an outside party for the purpose of gauging how meaningful our efforts of implementing the Sullivan Code had been in the past.

"Because of our deep involvement in pursuing the objectives, we felt that our assessment could be rather subjective and for this reason, we requested a frank and impartial audit, which also implied full

co-operation with the authors of the report.

"Naturally, the report was intended as an internal document and not meant for public consumption. However, in the light of the recent labour unrest which the company experienced, we deemed the survey of wider significance and believe that through its release, a better understanding of recent events at Ford could be gained.

"Also there has been a lot of speculation around the report and our decision to make it public will help clear the air."

Mr. Ferreira said a number of the recommendations made by the authors were currently enjoying the management's consideration.

"Before acting on these recommendations, the company plans to have a round-table discussion of the report with the authors, Professor Michael Whisson and Dr. Roux," he said.

Mr. Ferreira said the company planned to assess the progress made this year by commissioning the Institute for Race Relations to repeat its audit during the latter part of 1980. — Sapa

Ford: Long way to go

Post 25/2/80 (62) 1978 1981

POST, Monday, February 25, 1980

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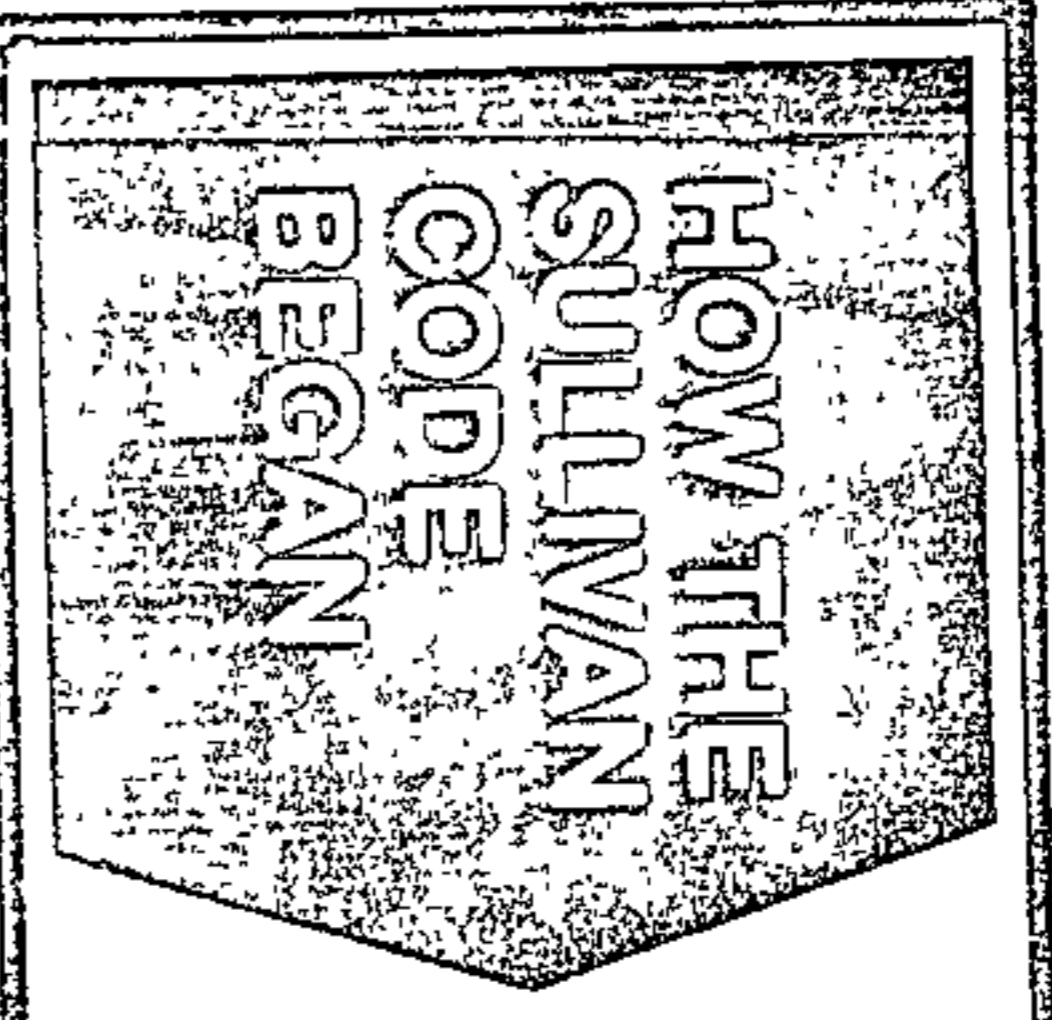
THE Ford Motor Company of South Africa has a long way to go before it can be said to be implementing the Sullivan Principles for improving wages and conditions of black employees, in the manner and spirit intended by the Rev Leon Sullivan, says a SA Institute of Race Relations team invited by Ford to conduct an "audit" of the company's operations in Port Elizabeth.

The audit was made last September. The team, headed by Prof M G Whisson, head of the anthropology department of Rhodes University, emphasises that the Ford management gave its full and honest co-operation. "Also, the judgment of the non-white union organisers bears repetition — "Ford is the best of the motor companies in the region to work for", says the report.

"Our impression is that a handful of managers in industrial relations are committed to the implementation of the letter of the principles... in such a way that the interests of the company generally take precedence over the interests of the mass of the lower paid workers, for example, the evolution of the hourly wage structure.

"We identified far less commitment to the spirit and goals of the principles even in this small group," the report says.

Outside industrial relations, management and supervisory staff viewed programmes to implement the principles as "one of the crosses which bosses far from the shop floor impose upon the men who have to produce and sell vehicles".



THE Sullivan principles were drawn up by the Rev Leon Sullivan, a director of General Motors Corporation, who is the founder of the Opportunities Industrialisation Centre in Philadelphia, United States.

The OIC was established as a job training programme for minority groups in America and has now spread to 125 cities in that country.

Mr Sullivan established the OIC in

several black African countries and, due to pressure from some of those countries, in March 1977 he formulated his six "Sullivan Principles" for South Africa, a country he visited in 1978.

From an original 12 US involved companies, the number with South African interests has now grown to 93 signatories. —Sapa.

in the process of construction and implementation.

"The facilities provided offer a very fair compromise between integration and the freedom of people to associate with whom they please."

On the Sullivan Principle of equal pay for all employees doing equal or comparable work for the same period of time, the report says that, for as long as less than a third of the job classifications in the salaried grades are filled by non-whites, justice will be seen to be done only where a far higher proportion of the non-whites share the same job classifications as the whites. This might be done by simplifying or generalising the classification system.

On "equitable wage and salary ranges, the minimum of these to be well above the appropriate local minimum economic living level," the reports comments: "Wage scales have fallen relative to the household subsistence level over the past eight years, and it has become increasingly difficult for a growing proportion of workers to earn an adequate real wage.

"At the bottom, where the rate is only marginally above the HSL, the real wage has almost kept pace with the HSL as it has done at the top of the hourly-paid scales.

"In the intermediate grades, differentials have narrowed and the black hourly-paid workers have suffered disproportionately.

For example, in Grade Seven, a man at the minimum for his grade must work 57 percent more hours each a month to achieve the HSL he did eight years ago.

"In 1971, a 28-hour week would have meant that those on Grade Six (minimum) and Grade Two (maximum) would have earned less than the HSL — the comparable grades today are 10 (minimum) and six (maximum)."

A number of recommendations made by the authors of The Sullivan Principles at Ford were currently enjoying management's consideration, says Ford, asked to react to the Whisson report.

Mr Fred Ferreira, industrial relations director, said: "Before acting on these recommendations, the company plans to have a round-table discussion of the report with the authors, Prof Whisson and Dr Roux."

Mr Ferreira also announced that the company plans to assess the progress made this year by commissioning the SAIRR to repeat its audit during the latter part of 1980. —Sapa.

Cont

A LOWER PLACE

The report adds: "When asked to do so, they will implement the principles with a greater or lesser degree of enthusiasm, but with productivity and sales the major goals, the affirmative action programmes take a definitely lower place in their priorities."

The report is critical of Ford when discussing wages and differentials.

"The facts as presented by the company make a mockery of the aspirations of the Sullivan Principles and give more than adequate ammunition to the critics, both internal and external, of Ford Management."

It says there is no doubt that the major concern of the mass of workers at Ford is the purchasing power of their weekly or monthly wage. The only meaning to their lives is spelt out on the pay slip.

"The evidence from the company figures, as well as from union officials, clearly indicates that the position of the majority of non-white workers has deteriorated substantially since 1971 in real terms and that progress through the grades does not bring the benefits that it did a few years ago."

Figures tend to lend credibility to the belief many black workers have that while there is no institutionalised discrimination between whites and non-whites, the scales and differentials, both between the minimums and maximums within grades, and between the minimums for each grade, enable a substantial amount of discrimination to take place.

"Our findings reveal that union leaders and shop stewards are extremely sceptical of the aims and goals of the company. Negative attitudes are reinforced by their belief that the company, through its industrial relations officers, have close connections with State security agencies. This fear will only be overcome when all suspicions of State security intervention has been removed."

MASTERY OF LANGUAGE

Just as a positive effort on the part of blacks is necessary for them to master the English necessary for their promotion through the salaried grades, so a positive effort to learn Xhosa on the part of the supervisory staff at Struandale is necessary for them to be able to fulfil their roles as supervisors.

On industrial discriminatory laws, the report says Ford has been swimming vigorously with the tide over the past two years or so, and has engaged in appropriate advanced planning and training programmes for further advances. In so doing, it has conformed to the prescription of the Sullivan Principles. 2

With the increase in non-white artisans, the bargaining power of each of the unions will move towards parity, and their interests complement rather than conflict with each other.

"Already we sense awareness of moves in that direction at the level of union management, if not in perceptions on the workshop floor."

The company should therefore continue to press for modification in the law to permit labour to organise on a non-racial basis.

On the Sullivan principle of non-segregation of all the races in all eating, comfort and work facilities, the report says Ford has complied with this principle for the most part and the final stages are

(62) Black PROs for Ford (192)

PORT ELIZABETH. -- Ford Motor company has appointed two black public relations officers in its Johannesburg and Durban regional offices, it was announced here.

They are Mr Arthur Shipalana, 31, who will be employed in Johannesburg, and Mr A Themba Mathe, who will be based in Durban.

C.T.
Mr Shipalana joined the com-

pany in 1974 as a graduate trainee and was appointed training officer last year. He holds a B Admin degree from the University of the North

Mr Mathe joined the company as a public relations representative last year. He obtained BA and B Juris degrees from the University of Zululand

Sapa 26/2/80

Promotions for Ford men

By Mike Mabusela
 PORT ELIZABETH
 Ford Motor Company has
 announced two new ap-

pointments in its public af-
 fairs office.

Mr Arthur Shipalana,
 31, has been appointed

public relations officer
 in the Johannesburg
 regional office, and Mr A.
 Themba Mathe, 35, has
 been appointed public
 relations officer in the
 Durban regional office.

Mr Shipalana joined the
 company in 1974 as a
 graduate trainee, after
 gaining his B.Admin from
 the University of the
 North. He was appointed
 training officer in the
 Department of Education
 and Training in 1978

He held the post of
 public relations represen-
 tative in the Ford public
 affairs department before
 taking up his present ap-
 pointment

Mr Mathe, who holds
 B.A. and B.Juris degrees
 from the University of
 Zululand, joined the com-
 pany as a public relations
 representative last year.



Mr Shipalana



Mr Mathe

87
 NEOPLASMS

II

	W		A		C	
	M	F	M	F	M	F
0-1	0,17	0,13	0,00	0,21	0,06	0,1
1-4	0,03	0,07	0,07	0,00	0,07	0,0
5-24	0,09	0,05	0,07	0,05	0,06	0,0
25-44	0,26	0,33	0,21	0,26	0,54	0,5
45-64	3,01	2,58	1,47	2,19	5,10	2,6
65+	12,24	7,26	4,70	5,18	12,59	7,5
ALL						
NO.						

III

	W		A		C	
	M	F	M	F	M	F
0-1	0,09	0,12	0,39	0,88	0,28	0,42
1-4	0,39	0,59	1,61	2,59	0,81	1,28
5-24	0,05	0,08	0,12	0,18	0,28	0,26
25-44	114	173	43	63	316	307
45-64						
65+						
ALL						
NO.						

TABLE I

MORTALITY RATES FOR THE 17 MAJOR DIVISIONS OF THE ICD (8th REVISION)

(Note: There are no tables for divisions V, XI, XII, XIII because of the small numbers in each of these categories).

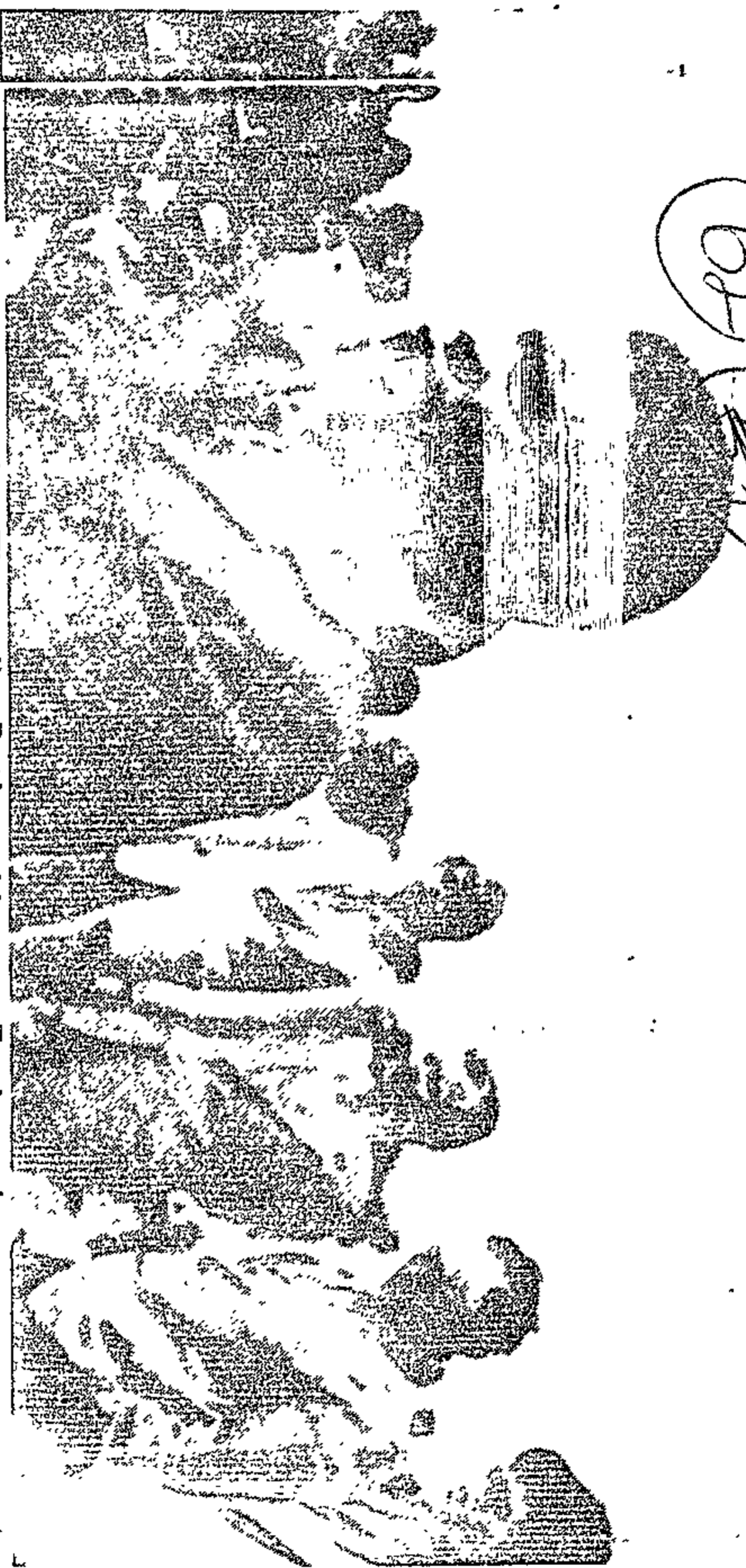
INFECTIVE AND PARASITIC DISEASES

I

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	1,99	2,2	9,81	6,60	55,55	51,04	29,36	27,05
1-4	0,16	0,13	0,76	0,79	8,27	7,48	3,56	3,42
5-24	0,02	0,02	0,07	0,08	0,21	0,21	0,20	0,22
25-44	0,06	0,03	0,17	0,20	1,14	0,78	0,36	0,45
45-64	0,25	0,13	0,75	0,45	3,30	1,37	2,15	1,27
65+	1,04	0,72	1,61	1,98	5,48	2,78	5,45	2,93
ALL	0,19	0,15	0,56	0,45	3,33	2,69	1,66	1,61
NO.	399	315	198	159	3792	3146	3472	2593

DIMP 29/2/80
 192
 62
 176

NO Ford in the future of these car workers



FLASHBACK: Pecco leader Thozamile Botha addresses Ford workers as management looks on.

the Sullivan Principles — that the signatories will not only do things which are progressive and in their own interest, but will also do things which are not in their own interests for the sake of the mass of the people."

Pluses for Ford are its recognition of an unregistered union, the United Auto Workers Union, integration of facilities and education. These have given Ford its good track record in labour relations.

The Ford controversy of this week has brought into serious question the value of employment codes, especially since Ford has one of the best records of all foreign companies in this regard.

What, then, of other foreign corporations?

THERE'S no Ford in the future of many black workers at that motor company — they're paying most of their black workers below the Household Subsistence Level (HSL). And Ford is rated one of the top American employers of blacks in South Africa in terms of the Sullivan Principles. The principles are guidelines intended to improve the position of blacks employed by American companies in South Africa.

This week a special SA Institute of Race Relations investigation into Ford's employment practices found that between 80 and 95% of Ford's black workers — who have been working on short time (28 hours a week) — are earning less than the HSL.

In 1979 the Household Subsistence Level for a black family of six living in Port Elizabeth was calculated at R169 a month.

Ford commissioned the study, which was conducted by three academics from Rhodes University in Grahamstown. They concluded: "The company has a very long way still to go before it can be said that it is implementing the principles in the manner and spirit intended by Sullivan."

The principles were designed by the Rev Leon Sullivan, a black American priest and company director.

Last year Ford was hit by a number of walk-outs by black workers. The unrest came after the dismissal of Pecco leader, Thozamile Botha, who was banned this week.

After that workers refused to air their grievances through their union, the United Auto Workers Union. Many accused Botha of playing power politics, not believing the workers may have had genuine grievances. But, the SAIRR report now shows that workers have plenty to gripe about.

Combined with a recent document from the Federation of South African Trade Unions (Fosatu), the SAIRR investigation brings into question the effectiveness of employing codes. Fosatu — largest umbrella body for unregistered unions — found that a number of British firms had been misreporting to the British Department of Trade on their implementation of the EEC code. The codes had failed to help achieve recognition for unregistered unions, Fosatu added.

So what use are the codes unless there is a check on foreign companies supposedly implementing them? Ford's labour policy may conform with many of the Sullivan Principles, but production managers and supervisors are doing little to implement them, according to the SAIRR report. In fact, the report suggests training programmes for them to help rid them of their prejudices.

Ford claims equal and fair terms and conditions of employment. But black workers point to educational barriers to their promotion. To go beyond grade 7 they need a standard eight certificate. While whites do not. And a black person with a matric has to start at the bottom of the ladder. Whites come in on a higher level. Equal pay for equal work is not hard to advocate if whites and blacks do different jobs. The report tells how, at Ford, only 2% of hourly paid

STUDY FINDS PAY BELOW SUBSISTENCE LEVEL

SUNDAY POST Special Reporter Correspondent

whites are employed below grade 7, while 60% of blacks fall into grades 1 and 2. And, when blacks take over from whites, the jobs are often downgraded according to workers.

But, say union officials, even when whites and blacks are in the same position, whites earn more. The

large difference between minimum and maximum wages in a grade provides plenty of scope for wage discrimination. Security branch linked with Ford are suspected by black workers. The company's close liaison with, and large donations to,

the local Bantu Administration Board has, says the report, "lent credence to the belief that the Ford management is part of an unholy alliance between white employers and the two most hated arms of the State (the Security Police and the Administration Boards)".

And these donations, among other contributions, have done little to house the mass of Ford's black workers. Black Ford workers also complain about receiving harsher disciplinary action than whites. For instance, a black worker reporting drunk to work was fired immediately.

On the other hand, a white worker drunk at work, was simply asked to clock off and go home for the day. Ford has taken no interest in the principle calling on US companies to support changes in influx control laws. Says the report: "But this, surely, is the touchstone of the spirit of

EARNING POST
STARTS NEXT WEEK
SPECIAL What's John Fatale going to do with featuring English

Boost for SA clothing

4/3/80

Financial Reporter

A multi-million rand export contract has been awarded to South African clothing group, Coronet Industries, of Cape Town.

market needs created by direct production shortages in the rest of the world.

Coronet, which is the franchise holder for the Hang Ten trademark for women's and girls' clothing, has formed a consortium with two other franchise holders, Joseph Di Paulo (US) and Hanns-Michael Graf (Germany).

The consortium was awarded sole rights to supply the total Hang Ten market for Europe, including the Scandinavian countries, Britain and the mainland, including Greece and Italy.

The value of the market is estimated between R50-million and R100-million a year.

All Hang Ten women's and men's wear for the European market will be made in South Africa. Existing plant will be expanded, creating work for contractors and necessitating a large increase in staff, to be drawn from all South African population groups.

Mr Frank Gordon, managing director of Coronet, says this breakthrough into the European market will lead to a large export increase by local clothing manufacturers.

Europeans are beginning to realise that South Africa has a large and competent clothing industry, operating on lower direct labour costs, and are now looking to South Africa to fulfil

Renewed overseas investment in SA

By Tom Duff

South Africa could attain a 5 percent growth in its real gross domestic product this year, the Minister of Industrial Affairs, Trade and Consumer Affairs, Dr Schalk van der Merwe, said today.

He said renewed interest in foreign investment could be expected and revealed that a survey by an American university had classified South Africa as a safer field of investment than countries such as the United Kingdom, France, Sweden and Denmark.

Addressing the "Buy South African" conference in Johannesburg, he said according to the survey conducted by the University of Delaware, South Africa had moved up from 19th to 12th position out of more than 100 countries.

"The largest American brokerage house, Merrill, Pierce, Fenner and Smith, which for many years regarded South African shares as highly speculative, has for the past six months been recommending them strongly for medium and long term investment.

"The economy should, therefore, perform well during 1980 and had it not been for the danger of rising inflation, it would have been possible to stimulate demand still further."

Pressure on US giants to review operations in SA

STAR 7/3/80 (62)

The Star Bureau

NEW YORK — Investment in South Africa will be a hot issue at the annual meetings of major US companies in the coming few months. The American corporate presence will be the subject of dozens of resolutions submitted to at least 38 companies by their shareholders.

Mr. Timothy Smith, head of the Interfaith Centre on Corporate Responsibility (ICCR), said: "Church groups usually sponsored the resolutions in the past.

"Now universities have

begun to vote with us, which is a clear indication of growing interest."

A few resolutions were withdrawn by action groups after agreements were reached with the companies involved. The Ford Company and the General Motors Corporation, for example, have agreed to issue a report "on their subsidiaries' relationship (sales) with the South African Police and armed forces."

Ford has also agreed to publish a report about labour unrest during 1979. A Ford spokesman confirmed that the decision to make the two reports

available was reached after talks with church groups.

Interest in South Africa remains strong because about 375 American companies have an aggregate direct investment there of nearly 2 000-million dollars (R1 700-million). Loans from US banks and companies to South Africa are also estimated at close to 2 000-million dollars.

Thirteen of the resolutions due to be debated involve endorsement of the Sullivan Principles, which are aimed at promoting fair employment.

SA investment a hot issue in America

W/B ARGUS
8/3/80
62

Weekend Argus Bureau
NEW YORK. — Investment in South Africa will be a hot issue at the annual meetings of major US companies in the coming few months.

The American corporate presence will be the subject of dozens of resolutions submitted to at least 38 companies by their shareholders.

Mr Timothy Smith, head of the Interfaith Centre on Corporate Responsibility (ICCR), said: 'Church groups usually sponsored the resolutions in the past.'

INTEREST

'Now universities have begun to vote with us, which is a clear indication of growing interest.'

A few resolutions were

withdrawn by action groups after agreements were reached with the companies involved.

The Ford company and the General Motors corporation, for example, have agreed to issue a report to their subsidiaries on relationship with the South African Police and armed forces.

Ford has also agreed to publish a report about labour unrest during 1979.

A Ford spokesman confirmed that the decision to make the two reports available was reached after talks with church groups.

He said: 'We had not

been planning to prepare the reports — the subject of sales to the police and military was voted down when presented at our last annual meeting, and the work stoppage was already publicly well aired.'

A spokesman for General Motors said: 'If we can find a way to adopt suggestions without taking them before the shareholders, we try to do so.'

Interest in South Africa remains strong because about 375 American companies have direct investment there of nearly 2 000-million dollars. Loans for US banks and companies to South Africa are also estimated at close to 2 000-million dollars.

Thirteen of the resolutions due to be debated involve endorsement of the Sullivan principles, which are aimed at promoting fair employment practices.

Atlantis diesel rule delay angers manufacturers

RDM
10/3/80

By DON ROBERTSON

THE Board of Trade's failure to announce regulations regarding the use of Atlantis diesel engines in tractors and trucks causing concern in the industry, according to Mr D Treadwell, managing director of International Harvester (SA).

At a dealer conference in BophuthaTswana, Mr Treadwell said that the lack of a decision was hampering manufacturers in their intention of giving the Atlantis project their full support. In addition, it was damaging the credibility of International Harvester with its overseas parent company.

Information regarding the size of motors to be built at Atlantis and what import tariffs would be imposed on im-

ported motors with the same capacity as those produced at Atlantis had been promised for some time.

Details of the regulations were to have been made public in July last year, then by the end of the year and finally by the end of February. However, no details had yet been announced.

Mr Treadwell said that fitting the Atlantis engine to existing models of tractors and trucks required considerable re-engineering of body parts and that if this was to be achieved by the deadline of mid 1981, new equipment and capital expenditure would have to be available immediately.

This situation affected all manufacturers and he suggested that for every month that

passed without clear direction, the deadline should be extended by the same period.

Mr Treadwell said his company depended on its parent in America for the finance to implement development programmes — "but until we can present them with the full picture, they are just not interested".

"The reasons are obvious. The industrialised countries have been caught too often. A government announces some scheme in an effort to support the state, the industrialised countries pour huge sums of money into the project only to find it postponed, postponed again and finally abandoned for some obscure reason."

South African farmers might also be deprived of some of the

latest technological advances because of the delay. The company's new series 88 2 plus 2 row crop tractor had been a great success in America and the entire production had been bought.

"To have any hope of getting some of these machines here by next year, we must order now."

"But we can't move. The tractor falls into the over 100kw class and the manufacturers have requested that this class of engine be approved for continued import. Because the Atlantis range does not include an engine in this class which can be engineered into any current popular tractor models without major design modification, he said."

CDM 4/3/80

Fluor now an anti-apartheid target

London Bureau

LONDON. — Pressure against international links with South Africa's vital oil-from-coal project, Sasol, was intensified yesterday with a joint British-American protest against the activities of the US conglomerate, Fluor Corporation.

A resolution attacking Fluor's massive R2-billion plant-building contract for Sasol was tabled for yesterday's

meeting of Fluor shareholders in California.

In London, a picket demonstrated outside Fluor's city office and a letter to its president, Dr R Olivier, was handed in by Bishop Colin Winter, Anglican Bishop-in-exile of South West Africa.

The letter urged Fluor to cease all investment and expansion in South Africa until the "system of apartheid" was ended. It was signed, among

others, by the Rev Harry Morton, general secretary of the British Council of Churches (BCC), and four British bishops.

The letter points out that the BCC recently decided to adopt a policy of progressive disengagement from South Africa, until it was clear that there was progress towards African majority rights.

The letter was drafted by the

British pressure group End Loans to Southern Africa, of which Bishop Winter is the chairman.

Fluor, a petrochemical engineering group, was awarded the contract for the construction of the third oil-from-coal project at Secunda in 1979. It is now a prime target for anti-apartheid protesters who, in the past, have centred their criticism largely on the role of the major international banks

EXAMINATION RESULTS IN FACULTY ARTS

AS AT 29 02 80

YEAR : 4

DESCRIPTION

COURSE

FIRST NAMES

SURNAME

AFRIKAANS

102101

ROSEMARY KATHERINE

102531

1

* TOTAL NUMBER OF STUDENTS

RE

DEAN

1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51 53 55 57 59 61 63 65

SHULTON

(62)

Gearing up *Fin 14/3/80*

Activities: Manufactures and distributes Old Spice toiletries for men and distributes women's toiletries and perfumes. Shulton (US) holds 51% of the equity. The ultimate holding company is American Cyanamid.

Chairman: W J DeGenring.

Capital structure: 2m ordinaries of 50c.

Market capitalisation: R5.1m

Financial: Year to November 30 1979

Borrowings: net short-term, R295 000

Debt:equity ratio: 30,5% **Current ratio:** 1,5. **Net cash flow:** R134 000. **Capital commitments:** R13 000.

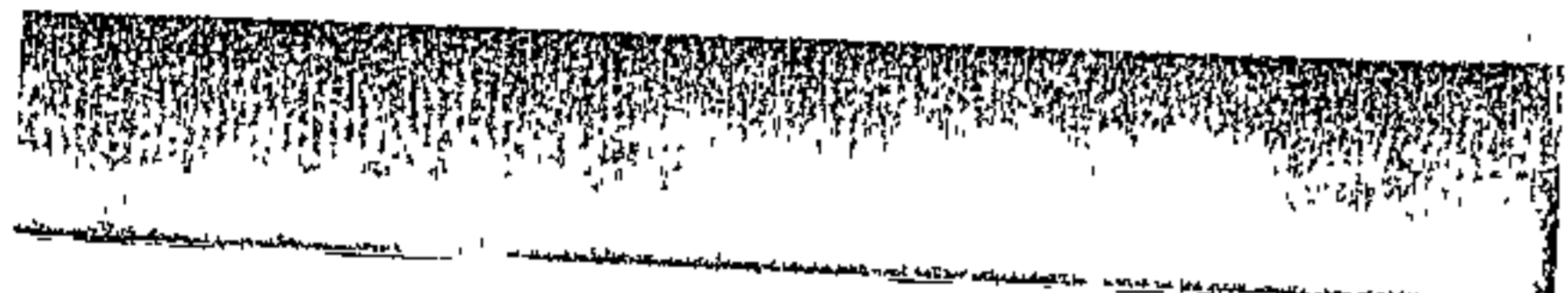
Share market: Price: 255c (1979-80: high, 260c; low, 155c; trading volume last quarter, 87 000 shares). **Yields:** 11,8% on earnings; 9,4% on dividend. **Cover:** 1,25. **PE ratio:** 8,5.

Share market: Price: 255c (1979-80: high, 260c; low, 155c; trading volume last quarter, 87 000 shares). **Yields:** 11,8% on earnings; 9,4% on dividend. **Cover:** 1,25. **PE ratio:** 8,5.

	'76	'77	'78	'79
Return on cap %	71,2	78,4	104,0	84,8
Turnover index*	131,5	178,8	234,2	339,6
Pre-tax profit (R'000)	517	613	869	1 056
Earnings (c)	14,7	17,5	25,7	30,1
Dividends (c)	13	15	22	24
Net asset value (c)	36	38	42	48

In the year to end-November Shulton's turnover increased 45%, but pressure on margins created by marketing expendi-

Financial Mail March 14 1980



ture and "substantial investment" in launching the new CIE product range kept the rise in pre-tax profit to 21,5%, up from R869 000 to R1,1m. But because of the ground work, the company entered the new year with a sound balance sheet and a forecast that growth would continue to be satisfactory.

The increase in turnover (1978: up 31%) stemmed mostly from the introduction of the CIE range. This year management reaffirmed its policy of spending more on advertising and marketing, though no figure of past or forecast expenditure is given in the annual report.

The growth in turnover was accompa-

nied by higher stocks. At end-November, stocks were R566 000 (R199 000) — up 185%. Debtors increased 73% to R1,5m (R846 000) and creditors 64% to R620 000 (R378 000).

The build-up in the asset base of the business was financed partly by borrowings. In 1978 there was no interest bearing debt. Last year short-term loans amounted to R295 000 giving a debt:equity ratio of 30,5%, but this is still a long way from being onerous. The cover on interest/leasing payments is 27-times and total short-term debt could be repaid from just over two years net cash flow.

Despite the large sales increase and the

sound balance sheet, the market has ignored Shulton. The share, at 255c, yields an historic 9,4%. This high yield might be a reflection of the high dividend payout of the group. Shulton is also foreign controlled hence the low cover. Perhaps, also, the market is not impressed with gearing up when sufficient funds were available.

However, management has shown consistency in its marketing efforts and its products appear well accepted in the market place. This year a higher dividend is on the cards, and it is on these income grounds that the share still has attraction, even given the large premium onNAV.

Des Krielen

California may boost Cape clothing exports

THE possibility of boosting clothing exports to the rich California market was offered to Cape manufacturers this week by the head of a leading American distribution firm.

Mr. Walter Gordon, president of California Expeditors, in his first visit to South Africa inspected several clothing factories, took samples and discussed prices.

He said he was impressed with the moderni-

sation of the factories which was comparable to American factories. The use of computers in production was as advanced as anything in the United States.

AS GOOD

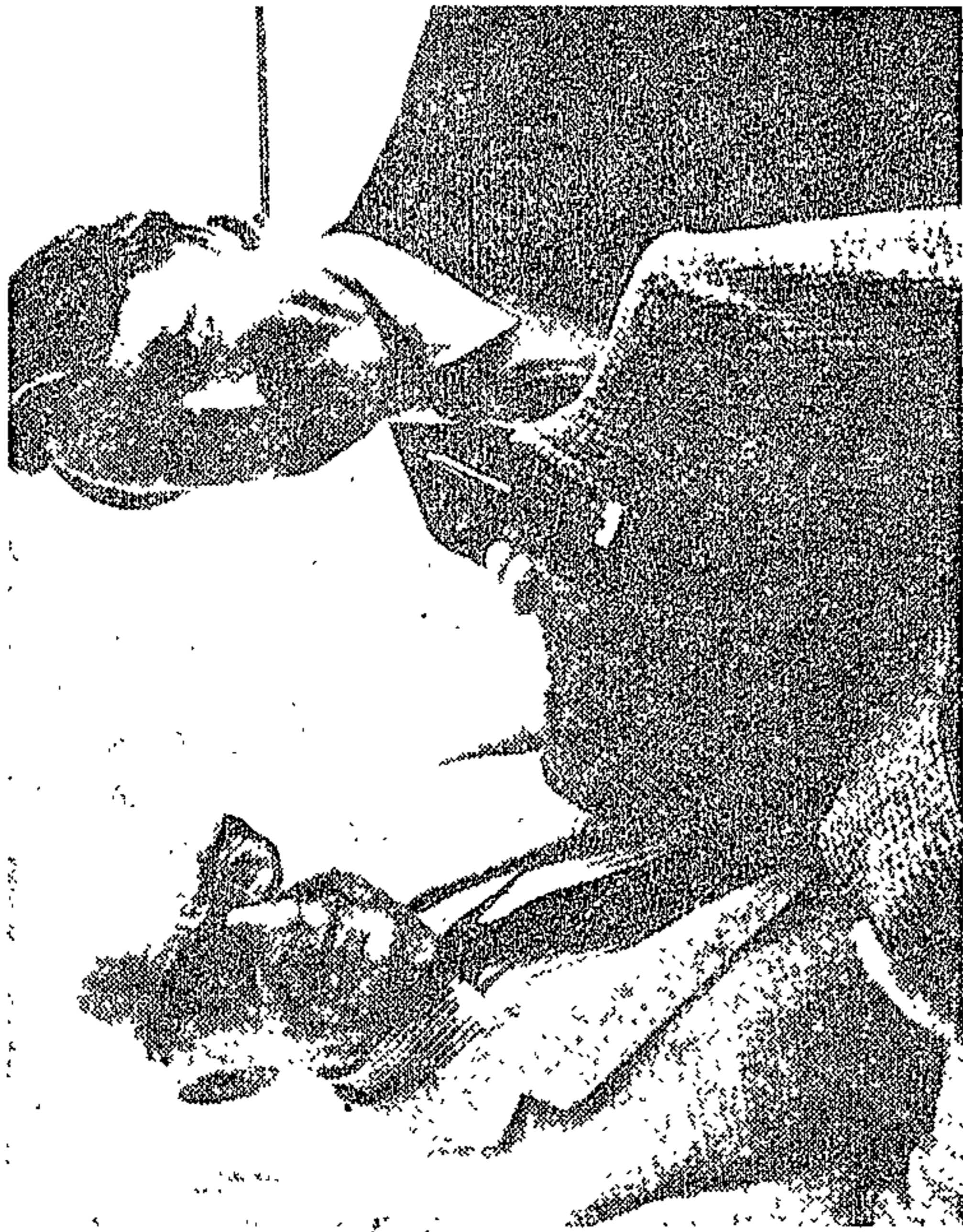
'Quality-wise the products are as good if not better, though you do not have the rush and volume of American factories.'

Mr. Gordon's warehouse distribution firm has 42,000 sq m of floor

space in three buildings in Los Angeles. It handles only clothing and soft goods and had sales of more than R60-million last year.

In terms of wealth, he claimed, California was equal to the sixth largest nation in the world.

The West-Coast and its population of 51-million was a major market for sportswear and was probably the world leader.



LEFT: Visitor to South African clothing factories Mr. Walter Gordon, left, president of a Los Angeles distributor, is shown a woman's jacket by Mr. George Brühn, managing director at Bonwit's Salt River plant

Tecstor takes ⁽⁶²⁾ off this month ^{shms 16/3/80}

By VERA BELJAKOVA

PEABODY International, a US energy company with an annual turnover of \$600-million, is to enter the South African manufacturing market in a joint venture with E & T (Effluent & Thermal Process Contractors).

The engineering company, E & T, which designs and markets bulk storage systems, shows an annual group turnover of R2-million.

The group's other company, Apsa, designs high technology communication systems using imported optical fibres and laser for its equipment.

Peabody, one of the top 500 companies listed by Fortune magazine, manufactures heavy equipment

used in the energy industry in its 53 plants.

The new joint company, Tecstor, (51% SA-owned, 49% by Peabody) will be launched later this month.

Tecstor is to design, supply, manufacture and market Peabody's TecTank steel storage tank under the new South African brand name, Tecstor.

"This steel tank will be the first of its type in South Africa," explains Maurice Deift, Tecstor's managing director.

"It is prefabricated in modular form and can be delivered to remote sites by air or truck."

STUD13-9 EXAMINATION RESULTS IN FACULTY ARTS
 15030 BACHELOR OF ARTS YEAR : 3
 AS AT 29 02 80
 PAGE 1
 13030

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL	PAGE
1025211	ANDREWS	PETER HARRY	603202	ROMAN LAW & JURISPRUDENCE IUP	(57)	4
077201P	ANDREWS	DAVID BRIAN	107301	ENGLISH III	(56)	4
101148U	ANDREWS	FLAVIA ANNE	114401	RELIGIOUS STUDIES I	(54)	5
			004301	PSYCHOLOGY III	(52)	4
			408204	GEOMETRY IIA (HALF COURSE)UP	(51)	4
			101202	AFRICAN LANGUAGES XHOSA II UP	(50)	4
			011201	MATHEMATICS IIA M204	(55)	4
			911103	MATHEMATICS IB	(41)	5
			004301	PSYCHOLOGY III	(57)	4
			605301	ROMAN LAW II	(63)	4
			110201	AFRICAN HISTORY I	(50)	4
			115103	ITALIAN INTENSIVE	(60)	4
			902201	ASTRONOMY A (HALF CRSE)	(65)	5
			106301	ECONOMICS III	(58)	5
			110317	DRAMA III	(53)	4
			107301	ENGLISH III	(53)	5
			117301	POLITICAL SCIENCE III	(53)	4
			802131	HISI & APPRECIAT OF MUSIC IABS		5
			105103	GREEK & ROMAN LIT & PHIL	(58)	5
			102302	AFRIKANS EN NEDERLANDS IIIF		5
			106301	EGYPTOLOGY III	(51)	4
			910101	STATISTICS IA (HALF CRSE)	(24)	
			910108	STATISTICS IC (HALF CRSE)	(34)	
			911201	MATHEMATICS IIA M204	(55)	4
			102101	AFRIKANS	(50)	4
			107301	ENGLISH III	(67)	4

UCT

STAR 24/3/80
 'No' vote to
 (62)
 labour code

The Star Bureau
 NEW YORK — Shareholders of Dresser Industries, a giant Dallas-based mining and heavy-equipment manufacturer, have overwhelmingly turned down a demand that the company adopt the "Sullivan Principles" labour code for its South African operation.

The proposal, brought by the Domestic and Foreign Missionary Society, was defeated by 89 percent to 11 percent.

Supporters of the resolution asked the Dresser board to adopt a policy that called for divesting in South Africa if the Sullivan labour code ensuring equal facilities and opportunity in the workplace was not implemented by the end of 1981.

More than 115 US companies had adopted the principles in their South African operations.

A Dresser spokesman said it was largely because of the suggested deadline that most shareholders had voted against the proposal.

UJET

EXAMINATION RESULTS IN FACULTY ARTS

YEAR : 3

PAGE 1

15036

STU13-9
 15036 B.A./LL.B.

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL
101834P	HACK	BRYAN BECIL	602101	PUBLIC INTERNATIONAL LAW	ARS 4 101834P
1154740	HARPER	GREGORY MARK	602101	PUBLIC INTERNATIONAL LAW 2-	(67) 5 1154740
114338F	LACONS	DEWISE ELLEN	604201	ROMAN DUTCH LAW I	(76) 4 114338F
103069G	LEWIN	DIANE	603202	ROMAN LAW & JURISPRUDENCE I3	(53) 4 103069G
100344V	LOHE	BRIAN ANTHONY	603202	ROMAN LAW & JURISPRUDENCE IUP	(56) 5 100344V
094440C	MAYO	HENRY	603202	ROMAN LAW & JURISPRUDENCE IUP	(50) 4 094440C
102253V	WILLIAMS	MICHAEL DAVID	603202	ROMAN LAW & JURISPRUDENCE IUP	(50) 4 102253V

* TOTAL NUMBER OF STUDENTS 7

DEAN

52	54	56	58	60	62	64	66
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Churches

boycott US bank over SA loans

STAR 25/3/80
62

NEW YORK — The National Council of Churches and several other religious groups announced yesterday that they were withdrawing at least R50.4-million from Citibank of New York because the bank refused to change its policy on loans to South Africa.

The move which, officials said, could cost the bank many more millions in deposits because other groups and individuals were expected to follow suit, was disclosed at a news conference by the Reverend William Howard, president of the council.

He said various church groups had also adopted policies of refusing to invest in Citibank bonds or certificates of deposit.

Mr Howard said the council's action followed years of church pressures on Citibank which had failed to alter the bank's policy. He described that policy as "support . . . to South Africa's system of white supremacy called apartheid."

A Citibank spokesman Mr Robert Brannon, said Citicorp "continues to deplore apartheid" and that its increasing employment of blacks in South Africa was encouraging change.

Mr Howard said the action, following similar moves against Citibank and other banks by universities, labour and other organisations, had been deferred after Citibank announced two years ago that it was halting loans to South Africa.

He said discussions between church and bank officials since then had made it plain that Citibank was considering only the risk of such loans and had refused to make a commitment not to make them in the future.

Mr Timothy Smith, director of the Interfaith Centre for Corporate Responsibility, said the Protestant and Catholic groups would buy no Citibank certificates.

UJET

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL
13030	BACHELOR OF ARTS	YEAR 4 3	AS AT 29 02 80	PAGE 2	13030
133100Z	VILJOEN	ADELE	116317	DRAMA III	2- (63) 4
1131166	WANDENBURG	MOIRA MARIA	90R307	GEOGRAPHY IIB (HALF COURSE)	F (51) 4
0961466	WENIGHOE	CAROL TESSA	110301	HISTORY III	F (45) 5
0965606	WILLIS-SMITH	GRANT	90B205	GEOGRAPHY IIB (HALF COURSE)	ABS 4
103278J	WYNGARD	GAIL ESTELLE	110301	HISTORY III	F (43) 4
114463M	ZOELLER	CHRISTOPHER HANS	102101	AFRIKAANS	ABS 5
* TOTAL NUMBER OF STUDENTS 29					
DEAN					
REGISTRAR (ACADEMIC)					

The Sisters of Charity, a Roman Catholic order, also planned to present a shareholders' resolution at the Citibank's annual meeting, urging the bank to withdraw all operations from South Africa, Mr Smith added. — Sapa-AP.

Sullivan

STAR
code 27/3/80

135 (35) (37)
attacked (62)

by labour leaders

By Cheetah Haysom, The
Star Bureau

NEW YORK — International experts in labour and trade unions told representatives at the United Nations that the Sullivan Principles for American companies in South Africa had helped worsen conditions for black workers.

And a speaker for the World Confederation of Labour (WCL) described the recent labour reforms in South Africa as "superficial."

Speaking at a special meeting of the Anti-Apartheid Committee, Peter Bakvis of the WCL said the reforms resulting from the Wichahn Commission report allowed only unions that "maintained peace and harmony" to get legal accreditation.

"EXPLOITIVE"

He said people involved in black trade union activity in South Africa were victimised by pass laws and banning.

The Sullivan Principles, a voluntary code of conduct for American companies, was blamed by a speaker from the Institute of Policy Studies in Washington DC, for worsening black workers' conditions.

Elizabeth Schmidt of the Institute's Africa Project condemned the principles as "an American code for business as usual in South Africa," and said American companies endorsed the code to change their "exploitive image" and mollify critics at home.

By October 1979, 134 of about 350 American companies in South Africa had signed the principles.

RESTRAINTS

Among the criticisms of the application of the principles were:

• Some companies claiming to have desegregated facilities had actually enforced continued race separation by swapping "Whites Only" signs for "Salaried Workers" signs, and "non-Whites" signs had been replaced by "Hourly Workers" signs.

• Work slow-downs, strikes and lock-outs by black workers' unions were subject to so many restraints they were almost impossible. The Government could revoke registration of unions that did not toe the line.

• More whites were being trained for skilled jobs than blacks, although white workers already dominated the skilled labour force. The great majority of blacks being trained were for jobs such as operators, rather than as artisans or supervisors — guaranteeing that the majority of black remain in the lowest category of skilled work.

Among the speakers at the hearing were Ronald Press of the banned South African Congress of Trade Unions and a representative of the World Federation of Trade Unions.

UJERT

ST 1728	EXAMINATION RESULTS IN FACULTY ARTS	AS AT 29 02 80	PAGE 1
14149	YEAR : 4		
	FIRST NAMES		
	COURSE		
	DESCRIPTION		
	SYMBOL		
	14149		
	142531x		

By SIMON WILSON
Industrial Reporter

THE EMBARGO on certain exports from the United States to South Africa was an unnecessary interference with trade, which missed the point in American foreign policy, Mr. David Packard, chairman of Hewlett-Packard, said yesterday.

He said at the ground-breaking ceremony for the Sandton headquarters of the California-based electronics multinational's South African subsidiary that he could not agree with the United States South African trade policy, and hoped it would change.

"While the Carter Administration's emphasis on human rights in foreign policy is right in many ways, it also completely misses the point in several important areas.

"Above all, it misses the point that our two countries have important strategic links and common interests," Mr. Packard said.

The United States Commerce Department announced the embargo on exports of all goods to the SA Police and Defence Force in South Africa in February 1978.

The embargo was designed to cover the entire range of civilian products which could be

Packard prefers SA business to Nebraska's

(12)
~~(18)~~
~~(22)~~
10/1/78

used by police or military forces and includes aircraft, commercial vehicles and computers.

"We have to obey the laws of the United States, but we hope the situation will soon change and will allow better cooperation between our two countries," Mr. Packard said.

Hewlett-Packard's commitment to building the R2 250 000 Sandton headquarters was proof of the company's awareness of the opportunities that existed in South Africa.

"We hope to participate in the embroiled growth of your economy, and I hope that some time in the future our involvement will enable us to establish manufacturing capability here as well as our marketing and field support operations."

Hewlett-Packard had lost a quarter of the value of its business — worth more than \$3-

million in 1975 — when it was forced to stop electronics exports to the South African Police and military forces.

"Of course, it didn't prevent the firms from getting their equipment they just imported it from another country. All it did was lost business for the United States," Mr. Packard said.

"Even now, some states back home say they intend to boycott US 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."

Mr. Chuck Bonza, managing director of Hewlett-Packard SA, said the performance of the subsidiary over the past 12 months had exceeded the company's global average.

Sales increased by 30% world-wide in 1977 but by 40% in South Africa on turnover of R18-million a year.

Federated Insurance Company is funding the Sandton headquarters and the project is the biggest in Federated's R55-million property portfolio.

Federated concluded a lease-back contract with Hewlett-Packard which yields a commencing return rate in line with the current market, and escalation clauses provide a hedge against inflation and growth. The initial lease is for 10 years, with negotiable renewal options.

102 12/4/80

By Hugh Robertson

PROFESSOR Robert Rotberg, the distinguished American political scientist recently denounced by the Prime Minister, Mr P W Botha, as a hostile 'foreign agent,' has strongly urged continued American investment in the Republic.

Keep firms in SA, US urged

In a remarkable article following his most recent visit to the country, Professor Rotberg, professor of political science and history at the Massachusetts Institute of Technology, also argued that South Africa was far from revolution.

The article, while sceptical of the Government's new policy direction and in parts pessimistic about South Africa's long-term future, sharply contradicts the disparaging image painted of Dr Rotberg by Mr Botha and other Government spokesmen.

During the snap debate in Parliament on the letter-opening scandal, Government speakers 'exposed' Professor Rotberg as a foreign agent who had used Mrs Helen Suzman's stationery to send messages out of South Africa.

PERMISSION

Mrs Suzman disclosed that he had used her letterheads with her knowledge and permission while a house guest, and Professor Rotberg, regarded by many as the best informed and most authoritative American expert on Southern Africa, angrily denied the charges.

His article, in the influential Foreign Policy magazine, says there are no guaranteed ways by which the United States can compel South African whites to relinquish power.

'There is little leverage to be gained through investment, particularly if it is carried out by the US alone,' he said. 'Seen in many anti-apartheid circles as a panacea, the piecemeal departure of American firms from South Africa would have little lasting economic (and even less political) impact there.'

'Other transnational companies — South African, Japanese or European — would simply take their place, and the manufacture or servicing of equipment would continue.'

BETTER RESULTS

Professor Rotberg argues that a more positive approach would bring better results. 'The more it appears to outsiders that apartheid is being relaxed — the provision of union rights, employment opportunities and educational facilities all lean in the right direction — the more they tend to invest, and presumably the more they will invest and lend.'

'The informal carrot, therefore, holds as much

promise as any thrashing about with sticks.

'Moreover, the only way for South Africa to reduce black unemployment in the cities, now at about 25 percent of those seeking work, and to provide jobs for the alienated young, is through expanded investment from abroad.'

The US could also induce change by the promise of moral, economic, nuclear and strategic support for 'far-reaching changes that are decided on in consultation with representative Africans.' These forms of backing were desperately sought by official South Africans.

WARMTH

'Whatever they say to the contrary, South Africans want to be brought in from the cold, and only the US can provide the necessary warmth,' Professor Rotberg said.

He recommended that the US 'must push and pull, it must continue to kick hard at South Africa's shins, but less often and less hard if and when Mr Botha talks serious politics with Buthelezi, Motlana and other leaders.'

South Africa is far from revolution, he argues.

However, he foresees a process of growing urban unrest, labour problems and guerrilla attacks.

BUREAUCRATS

'Middle-level bureaucrats are little disposed to implement new policies with alacrity and sympathy, and the National Party leadership — understandably ambivalent after 30 years of undiluted power — is as yet unready to move boldly and decisively.'

'Thus the risk that there will be little fundamental change is great.'

(Extracts from Professor Rotberg's article reprinted with permission from Foreign Policy magazine, Number 38, Spring 1980. Copyright 1980 by the Carnegie Endowment for International Peace).



Mr Eric Bernard, world president of Holiday Inns.

Holiday Inns chief gets race shock

STAR 28/3/80

(150)

(282)

(62)

(285)

CAPE TOWN — Dr Eric Bernard, president of Holiday Inns worldwide, was shocked to learn he could be prevented from dancing with his Asiatic wife at one of his company's hotels because of South Africa's liquor laws.

This emerged during an interview yesterday with the hotel chief, who is on a visit with his wife, Mei-Ling. Mr Bernard was un-

aware of embarrassing incidents at the Holiday Inn and other hotels in the past when black and mixed couples were ordered off the dance floor.

"You mean I could be ordered to leave if I danced with my wife Mei-Ling?" he asked.

He confirmed this with a senior Holiday Inns executive.

Mack 'is here to stay'

5-11-80 17/4/80
 792
 62

Mack trucks, which has a 20 percent share of the heavy truck market in the US, has no intention of withdrawing from the South African market.

As a producer of a "totally engineered" truck, there had been speculation that once the Atlantis diesel engine programme in the Cape begins, there would be no place for Mack products in this country.

"Mack is in South Africa to stay," says Mr Alfred W. Pelletier, chairman and president of Mack, who visited South Africa recently for discussions with the SA Mack distributors, Sigma Power Corporation of Isando.

"The South African heavy vehicle market is a growing one and is important in our overall international programme.

"We are determined to continue in this market, and, indeed, to increase our market share.

"This naturally involves us in the Atlantis diesel engine programme, and we are making the necessary arrangements for the installation of Atlantis engines in Mack trucks in line with the local programme requirements," said Mr Pelletier.

The engineering and development work required

for Mack participation in the Atlantis programme is already underway at the company's headquarters in Allentown, Pennsylvania.

Says Mr John B. Grant, managing director of Sigma Power: "Mr Pelletier has now clearly spelt out Mack's total commitment to the future of South Africa."

sons the actual productivity of any it be predicted perfectly. First, natural

Predictability

more explainable.

"break even"—with consequences any. All are instructed to "serve the office, or the water, electricity, gas, ity is instructed to maximize profits: usefulness. But hardly any govern- (be) are similarly instructed to maxi- the use of land (such as how con- and federal land. Zoning commissions is even applied to federal forests, off- parks and beaches, airports, harbors,

for airplanes, postal service, highways, national and radio electromagnetic spectrum, air space authorities who control access to the television mance. It is commonly mandated for government of interpretation and hence of measuring perfor- its ambiguity permits the authorities wide latitude and welfare" is sturdy and widespread, because The ambiguous goal "maximum public benefit

ing the social total—a social waste. board that are less than on shore, thereby reduc- we have seen, result in marginal products on total? Maximizing the catch on board would, as maximize the catch on the boat? Or the social example, maximize the number on board? Or "maximize public welfare" interpreted? In our for hospitals, colleges, or the post office.) How is fit." (The agency might be a nonprofit corporation ways, told to "maximize public welfare and bene-

posed to maximize profits? It is usually But when has a government agency be

trolling joint production activity.

fluences on methods for coordinating a about future potential production are cri

we shall see how incentives and unc the boat as fully as would maximize profit

and earlier in the afternoons) and not o working hours for him (like closing on

too few on board because that permits his personal life easier, the authority mig

enhanced his hold on political office. Or ple on board if that made him more popu

tial catch on board, he would permit ex gains. And if there is uncertainty about th

wealth in being less attentive to non authority suffers less loss of potential

duty? In contrast to the private owner, a detect opportunism or shirking of pro

an incentive as strong as a private owner to whole. But who in the public or government has

he lose? The loss is imposed on the public as a easier and doesn't charge the right fee, what will

However, if our government agent takes life mum social output.

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'US thoughts on SA changing'

STAR
17/4/80
62



MR DAVE PACKARD

Despite pressure by minority groups — and even at State legislature level in Nebraska — for American companies to disinvest in South Africa, it is clear that US business leaders are equally determined not to allow people to tell them whom they can do business with.

And, according to Mr

The anti-SA campaign may be gathering momentum among American splinter groups, but there is little doubt that US businessmen have other ideas. FRANK JEANS reports on two cases of company determination to stay put in SA.

Dave Packard, co-founder of the American electronics group, Hewlett-Packard, which is heading for world sales of R2 400m annually, irrespective of

the anti-SA lobbying, there is a change of heart in Congress about trade dealings with this country.

Speaking at the launching of Hewlett-Packard's new headquarters at Sandton, Mr Packard said President Carter's human rights policy had "elements of justice," but overlooked the fact that America and South Africa had fundamental and strategic common interests.

CHANGE

"We have to go along with the law of the US," said Mr Packard, "but in many cases we don't like it any more than you do, and I would ask you to have patience."

This would appear to suggest that America's outward policies could change radically in the

event of a change of administration in November. A former US Deputy Secretary of Defence, Mr Packard is still in touch with Capitol Hill and its corridors of power, and says:

"One can detect a change of heart in Congress with regard to this part of the world."

Asked about the decision by Nebraska Senate to officially join the disinvestment campaign — the first State in the US to do so — Mr Packard said: "Well, I would rather lose a bit of business in Nebraska than in South Africa."

FINANCE

Financing Hewlett-Packard's new R2,25m headquarters beside the Pretoria highway, is Federated Insurance, and this investment has hoisted its property portfolio to about R55m.

And still more investment opportunities for the insurance group are said to be on the way.

Says Mr John Shed, Fedprop's property investment manager: "Hewlett-Packard chose the lease-back path, as the form most suited to their requirements, in the light of their worldwide building programme.

"There's a lot of steam in the property boiler, and selective property acquisitions like Hewlett-Packard, is competitive with other forms of investment."

The initial lease is for 20 years, with renewal options negotiable, and Hewlett-Packard, producer of more than 4,000 products, is scheduled to start up its South African operations in its new premises in March next year.

1. Teamwork, another source of increased output

Summary

The cost of a larger fluctuation in returns to the firm's owners is not some necessary, natural consequence of the world. It reflects voluntary, contractual risk-sharing by the contracting parties—given that future demands and economic conditions are not perfectly and costlessly predictable. For example, a lender of money to a business firm can make a very short-term loan for a fixed interest rate. Normally he will be repaid on time and bears little risk of any interim events that might affect the security of that loan. Others may lend for a 20-year period and expose themselves more to longer-term risks and greater changes in the sale value of that bond in the interim. Others may choose to invest in some firm as an owner rather than as a lender, and expect a wider range of potential values of his investment depending upon how well the firm does. Similarly, employees—holders of their services to a firm—can make contracts on a shorter- or longer-term basis for a fixed wage or an adjustable wage that depends on business conditions.

Disinvestment campaign in US against SA 'serious'

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17/4/80

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By John D'Oliveira, The Star Bureau
WASHINGTON — The potential of the "formidable" movement campaigning against the United States investment in South Africa is more serious than most people realise.

This is one of the main conclusions drawn by the South Africa Foundation after a year-long detailed investigation into the "divestment" movement here, its organisation, its achievements, its potential and its goals.

This is a characteristic problem of socialist firms; "workers" control the enterprise and share the net income equally, and newcomers are admitted only by permission of the existing group. This is also a common danger in many labor unions and professions; longshoremen, electricians, musicians, doctors, lawyers, and a vast host of other professions admit new members

by all from 8 to 7.5. Another person reduces the average to be shared first three would not admit any more, because come on board, the outcome is the same. The to decide whether any more will be allowed to the rules and allowed all those who are on board vents a larger social catch. Indeed, if we changed The self-interest of the boat controller here pre-total if that fourth person had stayed on shore. more fish for a net social gain of two over the total would increase. The fourth would enable six he would have less fish—even though the social each gets) on board would fall from 8 to 7.5 and himself) on board because the average (which shore. He will not tolerate four men (counting eight fish, four more than each could catch on

The report, released at a Press conference here yesterday, says the bare facts about divestment groups and what they have already achieved is "sobering enough."

● There are now more than 2 000 local, state, regional and national organisations across the United States committed to some action in this area.

● These groups have a total financial power — operating funds, institutional support and personal donations — estimated at nearly R87 000-million.

● In 1978 and 1979 alone, they were able to compel United States universities to divest R40-million in stock.

● They have succeeded in getting nearly all major United States banks to stop lending money to the South African government (and to parastatal corporations).

NETWORK

● A total of 35 of the United States' 50 states now have some kind of organisational network devoted to either the anti-apartheid movement, divestment or corporate governance issues — with nearly 50 000 individuals active in some related way to the movement.

Clearly, the movement was broadening its base and taking on new issues.

Today's participants were not only students but black Civil Rights leaders, community social leaders, state and local government officials, members of Congress, labour leaders and even celebrities.

For the first time, activist groups were targeting even minor investors in South Africa and it was expected that there would be widespread protest against banks which sold Krugerrands in the United States.

ACTIVISTS

An important, little-recognised fact that fuelled the divestment movement in the United States, was the effort being made by anti-Apartheid activists to link the South African issue with the more potent nuclear campaign and other related issues.

From the report it is clear that there is increasing evidence that the mighty United States trade union movement is being drawn towards active involvement in the divestment campaign.

And if it ever did become active in the campaign, the effect on United States-South African business would be profound.

A recent study by a New York-based research firm (Corporate Data Exchange) showed that more than R10 000-million of Union-controlled pension funds were currently invested in non-union companies.

In addition, the companies in which the R10 000-million of union funds was invested, held more than R8 700-million worth of stock in companies which were major investors in lenders to South Africa.

WARY

"Until now, the unions have been very wary of interfering for political and organisational reasons in the investment of those funds, but, with present attitudes as they are, this could change," the report says.

"By withdrawing their substantial pension fund money from banks that lend to South Africa, unions can exercise a form of serious political-economic leverage against corporations."

● Page 21: US thoughts on SA changing.

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AFRICAN INVESTMENT ^{Em 18/4/80}
Peace-munger (62)

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A leading American academic has urged his country's companies to prepare for large-scale investment in eastern and southern Africa.

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Dr Edward Munger, professor of geography at the California Institute of Technology, was speaking at a conference of Industrial Associates, an organisation that maintains communication between Caltech scientists and members of high-technology industries.

He singled out Uganda, Zimbabwe, SWA/Namibia, and South Africa as countries that presented opportunities for investment. Companies that should prepare for involvement included construction companies, large-scale agricultural firms, and those engaged in mining and tourism, he said.

Uganda was basically prosperous, Munger said. With economic development and political stability it could be one of Africa's richest countries, with an annual per capita income perhaps equal to that of Nigeria. The greatest investment would be in agriculture. The rice crop could be expanded and sugar production could resume. Coffee and tea were also potentially important, while the copper industry could be reconstituted. Large-scale foreign investment in Uganda might take place after the April 1981 elections.

Zimbabwe could also profit from political change and stability, Munger said. "Zimbabwe can supply food to the world, since it is one of the very few countries able to export foodstuffs ... I would expect Zimbabwe to receive investments from Europe, Australia, and perhaps Canada. South Africans might invest in sugar, and Europeans and Americans would probably go into minerals where there would be expansion in gold mining, while copper mining could continue and chrome would be important."

SWA/Namibia could have the highest per capita income of any African country, Munger continued. "It wouldn't have the highest gnp. But there are only 900 000 people and many resources — diamonds, uranium, fishing, wool and cattle." Namibian uranium was also being heavily mined. "With political stability, a Namibian boom could start almost immediately."

Munger felt that South Africa was progressing towards peace between the races. "For almost 60 years, people have predicted that SA was about to go up in

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flames. For 30 years I have said that a just society could be achieved without major violence. At the moment, things look better for my prediction." Industries that would grow in a harmonious SA included exportable food, citrus, mining,

and shipbuilding. "I think it would be advisable for foreign investors to hire blacks as local administrators, so they could get people who know the country," added Munger. "The South African government wants

more blacks in executive jobs. And many doors are opening. A friend of mine, a black executive recruiter, recently told me he was trying to fill about 25 posts for blacks at salaries from \$20 000 to \$25 000 a year."

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Car industry is losing money

John D'Oliveira

WASHINGTON. — Once they were the colossi of the American corporate scene: General Motors, Ford, Chrysler, Studebaker, Packard, Hudson . . .

But, even more, they were as much a part of the American way of life as the proverbial apple pie. Cars were designed and built as if American parameters were the only ones in the world; as if rising American prosperity could sustain planned obsolescence forever, as if gasoline would cost 20 cents a gallon until the end of time, as if the Japanese were little yellow men who could only make bad copies of American designs. . .

Of course, all these assumptions have been proved wrong and what remains of the American automobile industry is either sick or worried — or both.

This is heavily underlined by the latest statistics: General Motors is still number two on the list of corporate giants in terms of sales (66.3-billion dollars in 1979) and fourth in terms of profits (2.9-billion dollars in 1979).

Ford ranks fifth in terms of sales (43.5-billion dollars) and 12th in terms of profits (1.17-billion dollars).

Chrysler barely makes the top 25 in terms of sales, ranking 22nd (12-billion dollars) and does not in terms of profits.

But the statistics are ominous for both General Motors (sales up five percent and profits down 18 percent) and Ford (sales up two percent, profits down 26 percent). And everybody knows that Chrysler is battling for its life.

In a recent edition, Business Week examines the performances of American corporations and concludes that the automobile industry, with an overall drop in profits of 26 percent between 1978 and 1979 is one of the

worst — beaten only by the losses of the steel industry (30 percent), the appliance industry (34 percent) and airlines (59 percent).

General Motors is the healthiest of the Big Three and has maintained its percentage of the cars sold in the United States at about 46 or 47 percent. Ford has maintained its share at between 22 and 23 percent.

Chrysler has lost (down from 15.1 percent in 1969 to 10.1 percent in 1979), the European imports have lost (down from 8.5 to 6.3 percent) and American Motors has lost (down from 2.5 to 1.5 percent).

The only winners, it seems, have been the Japanese who increased their share of the American market from 1.9 percent in 1969 to 11.7 percent last year.

When one examines the statistics of domestic cars versus foreign cars, the situation becomes even worse (because so many of the cars sold by big United States manufacturers are actually imported from either Europe or Japan).

In 1955 Americans bought 7.5-million cars of which only 58 000 (or 0.8 percent) were imported. By 1965 the imports had crept up to 569 000 (6.1 percent). By 1975 they numbered R1 587-million (or 18.4 percent) and last year they came close to 2.5-million (23.2 percent).

Industry watchers predict the importers will sell more than 2.5-million cars this year — grabbing 25 percent of the market.

No wonder that Chrysler is a cripple, that Ford actually lost money on the cars it made in the United States last year and that General Motors is worried.

'US disinvestment in SA will swell ranks of jobless'

(62)
Poz
24/4/80

A MAJOR United States news magazine has warned that perhaps the biggest effect of a United States economic withdrawal from South Africa would be "to swell the ranks of the jobless".

US News and World Report said in an article in its latest issue that this troubled many blacks in South Africa where black unemployment was already in the 20 to 25 percent range.

The article examined the United States two-billion dollars investment in South Africa, the millions some Ame-

rican companies were spending in South Africa to ease racial tensions and the arguments at the core of the disinvestment issue.

United States companies were deeply entrenched in South Africa and the United States economic commitment could not easily be eliminated.

However, the South African economy was sophisticated and self-reliant and United States participation was rarely decisive.

Most analysts were convinced that a total United States withdrawal would prompt officials in Pretoria to block repatriation of United States assets and to order local firms to take over existing facilities.

"Perhaps the biggest effect of a United States withdrawal would be to swell the ranks of the jobless and that troubles many blacks. Unemployment among blacks is already in the 20 to 25 per cent range".

To be fully effective, a withdrawal would also need the support of the British and other Europeans — something which seemed out of the question today.

US car

Argus 25/4/80

firms lay

off workers

(62) (335) (192)

DETROIT. — The two biggest US motor manufacturers, hit by a sharp drop in sales, announced they were temporarily laying off nearly 25 000 more workers next week.

General Motors said it would stand down 12 750 workers at five plants for one to two weeks.

Ford said it would lay off 12 050 workers for two weeks at six plants and also keep idle for another week 5 700 men stood down last week at two other plants.

The new layoffs follow a 32 percent drop in sales in mid-April.

In addition, 220 000 workers have been stood down indefinitely — Sapa-Reuter.

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WASHINGTON (AP) —
Things did not go very well with Coke at a congressional hearing into US corporate involvement in South Africa on Tuesday.

Coca-Cola vice-president William Kelly said in evidence to the House of Representatives' Africa Sub-Committee that "refreshment and canteen facilities are available on an equal, non-segregated basis to all employees."

But he was questioned closely by subcommittee members on staff categories and whether hourly-paid and salaried employees used the same cafeterias — which he said they did not.

Sub-committee chairman Mr Steve Solarz commented: "It strikes

Things didn't go well with Coke

me as a patent subterfuge to have separate cafeterias for your hourly workers who are all black when most of your salaried workers are white."

Congressman William Gray said: "It makes me wonder about your compliance with the Sullivan principles. It makes me question the economic mobility of people in Coke."

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Bid in US to enforce SA job code (62)

STAR 16/5/80

The Star Bureau
WASHINGTON — The Rev Leon Sullivan wants his Fair Employment Code to be made legally binding on American firms in South Africa.
 The Baptist leader said in evidence before the Congressional sub-committee on Africa yesterday that 137 US companies had so far agreed to apply labour practices "eroding apartheid," as set out in

the so-called Sullivan principles.
 But Dr Sullivan told the sub-committee: "I am far from satisfied. The principles are beginning to work, but companies can, and must, do much, much more."
 Dr Sullivan said: "The Fair Employment Code should be enacted into law by Congress. The principles need the backing of the American nation for maximum effect.
 "They must become not the Sullivan principles but

the American principles, and they must have the force of the United States Government behind them"
 He suggested tax penalties and ultimately the withholding of overseas licences to enforce compliance.
 Warning of "war and destruction" in South Africa unless apartheid was eliminated, Dr Sullivan told the sub-committee: "I will be turning the screws on American companies more and more.

"But I've reached about as far as I can go on a voluntary basis and I want to see the companies under the hammer — that's why I'm asking the government to come and help me."
 Dr Sullivan also proposed consideration of sanctions by the US against third country companies, such as Japanese car-makers, whose South African subsidiaries did not apply similar labour policies.

BORLAND*LIST

1441:D	1965	SHONA-ENGLISH PHRASE BOOK FOR NURSES, STUDENTS AND DOCT.
1443:P	1965	CENTRAL AFRICAN J. MED., 11 (12) SUPPLEMENT O.
1444:C	1965	THIS PART NOT IN SAL, THEY HAVE ONLY A FEW EARLY PARTS :
1445:L	1965	SHONA
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1448:A	1965	TABERER, W.S.
1449:D	1965	1904-5
1450:T	1965	MASHONALAND NATIVES.
1451:P	1965	J. AFRICAN SOC., 4 : 311-36.
1452:C	1965	CONTAINS A SHORT GLOSSARY OF ENGLISH, ZULU AND MASHONA
1453:L	1965	SHONA
1454:S	1965	VOCABULARY
1455:A	1965	WILD, HIRAM.
1456:D	1965	1952
1457:T	1965	A SOUTHERN RHODESIAN BOTANICAL DICTIONARY OF NATIVE AND
1458:P	1965	SALISBURY, GOVT. PRINTER.
1459:L	1965	SHONA
1460:S	1965	VOCABULARY
1461:W	1965	SAL A 581.03 WIL
1462:A	1965	DEMBETEMBE, NORRIS C.
1463:D	1965	1969
1464:T	1965	VERBAL CONSTRUCTIONS IN KOREKORE.
1465:C	1965	DISSERTATION FOR M.PHIL, UNIV. OF LONDON.
1466:	1965	A VALUABLE PIECE OF RESEARCH IN A LITTLE KNOWN DIALECT
1467:	1965	DEPT. OF AFRICAN LANGUAGES 1960-1972; P. 3)
1468:L	1965	SHONA, KOREKORE
1469:S	1965	GRAMMAR
1470:A	1965	AQUINA, MARY
1471:D	1965	1960
1472:T	1965	A STUDY OF THE VATAVARA KINSHIP SYSTEM.
1473:P	1965	NADA 37 : 8-26.
1474:C	1965	A MEMBER OF THE KOREKORE CLUSTER IN THE SHONA GROUP.
1475:L	1965	SHONA, KOREKORE
1476:S	1965	KINSHIP, VOCABULARY
1477:A	1965	HANNAN, M.
1478:D	1965	1964
1479:T	1965	STANDARD SHONA DICTIONARY. REVISED EDITION

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Sullivan
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 clout (62)

The Star Bureau
 WASHINGTON — Every American business chief whose firm has a South African subsidiary is keeping an eye on the hearings now under way on Capitol Hill.

The House of Representatives' Africa Subcommittee is taking evidence on company involvement in South Africa.

One of the central issues it is trying to resolve is whether it should move for legislation to enforce the Sullivan code of fair employment practice.

The Reverend Leon Sullivan, the Baptist minister who promulgated the code, claims a degree of success in eroding apartheid by signing up 137 companies (of about 300 on a State Department list).

In evidence before the sub-committee, he said there could be little further progress either in winning over more signatories or in enforcing more than cosmetic compliance with the code's terms unless he had the full weight of the United States Government behind him.

FORCEFUL

In eloquent and forceful style he told the sub-committee: "Too many companies are getting away."

"I want to see them under the hammer."

The company men who have testified so far do not want the code embodied in law — and they have been Sullivan supporters all. Recalcitrants would presumably want legislation even less.

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that the top 20 per cent of the population receives as much as 75 per cent of the national income.

One consequence of this is representative of middle-class understanding of the importance of township development with a view to low cost housing considered on a site and service or similar basis up to now opposed this.

While the immediate consequences are most obvious, we should not forget that housing has been provided. Inadequate participation in the process and lack of opportunity for improvement provided has not, for the most part, affected status and identity.

This is a summary in Discrimination to be published later

Everything goes better with Sullivan

THE Coca-Cola company board of directors has reversed previous corporate policy and announced adoption of the Sullivan principles for its South African subsidiary.

Their decision, revealed at the annual meeting, followed unsuccessful motions by shareholders to have Coca-Cola join other multi-national corporations that follow the plan, which calls for affirmative action and equality in the workplace.

Coca-Cola has informed its local affiliate, Amalgamated Beverage Industries of its decision. A spokesman said, however, that the company's operating principles "matched and predated the Sullivan principles".

Corporate policy has been to "accord full negotiating rights to a trade union that is the choice of its workers", he added. Recognition of union rights is a key plank in the Sullivan plan. — SUNDAY POST Correspondent.

authorities, largely have been lacking in high standards of building. Many experts in the field of 'informal' housing on a government officials have

age of housing are the effects of the way in which development of communities, lack of choice in housing accumulation. Moreover, the basic need for security,

is on housing is a handbook

13/5/80
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SUNDAY POST, May 18, 1963

US firms in SA 'must do more'



THE Rev Leon Sullivan wants his Fair Employment Code to be made legally binding on American firms in South Africa.

The Baptist leader said in evidence before the Congressional Sub-committee on Africa that 137 US companies had so far agreed to apply labour practices eroding apartheid.

But Dr Sullivan told the sub-committee: "I am far from satisfied. The principles are beginning to work but companies can and must do much, much more."

Dr Sullivan said: "The Fair Employment Code should be enacted into law by Congress. The principles need the backing of the American nation for maximum effect."

"They must become not the Sullivan Principles but the American Principles, and they must have the force of the United States Government behind them."

He suggested tax penalties and ultimately the withholding of overseas licences to enforce compliance. — SUNDAY POST Correspondent

[Faint, mostly illegible text from the newspaper page, including some words like 'PIC' and 'DIA']

Jobs code must stay voluntary — US firms

STAR 21/1/80

62

The Star Bureau

WASHINGTON — America's corporate giants are fighting to stave off legislation compelling them to apply a Fair Employment Code in their South African subsidiaries.

They pleaded for the voluntary Sullivan principles to remain their labour guidelines.

Top executives of Coca-Cola, Mobil Oil, General Motors and Citicorp gave evidence at a hearing of the House of Representatives' Africa sub-committee.

The sub-committee is discussing whether a Sullivan-type code should be enacted into US law, making American business the cutting edge of America's anti-apartheid policy.

It is also considering whether there should be a law banning new investment and bank loans.

Mr F G Haubold for General Motors said top GM executives had met

the South African Prime Minister and other officials several times "to express the corporation's dissatisfaction with racial restrictions and to support efforts to provide equal opportunity."

Mr Haubold said the company had suffered no ill effects from applying the Sullivan code and wanted to see all US firms adopt it, but its voluntary nature was the key to its success.

CHALLENGE

Mr E S Checket, vice president of Mobil, said legislation would be resented by Mobil employees themselves and there would be "a terribly adverse reaction" from the South African Government.

The Coca-Cola vice-president, Mr William Kelly, said: "We think the Sullivan principles are working."

Mr George Vojta of Citicorp said it would be a

mistake to enact a labour law that presented a direct challenge to South African sovereignty.

Last week the Rev Leon Sullivan told the sub-committee that the US Government should make his code binding because he had managed to sign up only 137 of the 300 American companies doing business in South Africa.

The witnesses argued that the 137 accounted for 80 percent of blacks employed by American firms.

The Star's Bonn correspondent says the economics and the foreign affairs committees of the West German Parliament have scheduled a joint public hearing for June 23 to consider whether West German firms operating in South Africa meet the standards set by the European Community's suggested code of conduct.

Coke 'does not mix well'

The Star Bureau

WASHINGTON — At a congressional hearing into US corporate involvement in South Africa yesterday, Coca-Cola vice-president, William Kelly, said in evidence that "refreshment and canteen facilities are available on an equal, non-segregated basis to all employees."

But he was questioned closely by

members of the hearing on staff categories and whether hourly paid and salaried employees used the same cafeterias — which he said they did not.

Africa sub-committee chairman Mr Steve Solarz commented: "It strikes me as a patent subterfuge to have separate cafeterias for your hourly workers who are all black, when most of your salaried workers are white."

RDM 21/5/80
Fosatu's angry reply
to Colgate statement

Labour Reporter

THE Federation of SA Trade Unions (Fosatu) yesterday reacted angrily to a statement by a major American company, Colgate-Palmolive, that its policy was to "resist the establishment of trade unions throughout the world".

The statement was issued by Colgate in response to allegations by the Fosatu-affiliated Chemical Industrial Workers Union that the company had violated the Sullivan Code by refusing to recognise the union.

The code, which has been signed by most American firms operating in South Africa, commits companies to removing race discrimination in their plants and recognising the right of black workers to form unions.

Colgate has been rated a "model company" among American employers in South

Africa.

"If this is the policy of a company which has signed the code, we cannot see how Sullivan can be of any use to black workers," Fosatu's general secretary, Mr Alec Erwin, said yesterday.

In its statement, Colgate added that it was company practice to deal with a union which was supported by a majority of employees and which operated "in accordance with the laws of the country".

The company "strongly emphasised" that its refusal to meet the union until it was registered with the Government was not a deviation from "our sincere and on-going commitment to the Sullivan principles".

Colgate said its black liaison committee had been elected by 86% of its workers and added that it would continue to deal

with it. It added that the union had "seen fit not to supply information we have repeatedly requested".

The company added that it was also interested in its workers' welfare "beyond the workplace" and had sponsored black education and sport.

The union's general secretary, Miss Nombusa Dlamini, said yesterday "Colgate implies we are not a legal union, but unregistered unions are perfectly legal".

"Colgate workers approached us of their own accord, which shows that they are not happy with their committee".

Colgate had "ignored" allegations that black workers were fired "without good reason" and had been assaulted by white workers when they used the company's "integrated" toilets, she added.

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SAR 3/15/80
GM gets R50m order from SAR

The shunting locomotives are still to be delivered, between August this year and February 1982. Work on them started last year.

He said the new mainline locomotives would each be 15 tons more than the previous ones and would be driven by 16 cylinder turbo-charged diesel engines generating 3200 horsepower.

The plant would be increased from three to 10 units a month, and many sub-contracts would have to be awarded to other companies.

This order brought the number of diesel electric locomotives sold to the Railways by General Motors to 533. This included 258 mainline, 225 branch line and 50 shunting locomotives.

beth, and will require a trebling of the plant's work force of 100. Disclosing this, the general manager of the company's locomotive division in South Africa, Mr Lutz Elsner, said manufacture would start before the end of the year and the first delivery would be in May next year. The contract would run until August 1982. The present production at the

Over Correspondent PORT-ELIZABETH General Motors will soon start manufacturing the heaviest and most powerful diesel-electric engines yet to run on South African rails after landing an order exceeding R50-million from the South African Railways. The 100 mainline locomotives will be built at the company's locomotive plant at Aloes, Port Eliza-

USA.
 ON BANTU STUDIES AND
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'Let workers see conduct codes reports'

Own Correspondent

DURBAN — Black workers, it is claimed, do not see the reports foreign companies in South Africa make in terms of various codes of conduct, and cannot check their accuracy.

An unnamed black shop steward at a briefing yesterday by the Natal Regional Council of the Federation of South African Trade Unions (Fosatu), said the reports should be seen and approved by the workers.

Codes of conduct have been drawn up by the FEEC and by an American priest — the Sullivan Code.

British firms operating in South Africa report to the British government issues like trade union recognition, wage rates, facilities and assistance to workers.

Some reports, the shop steward said, had been drawn up after interviews with managements, and the workers had not been consulted about their accuracy.

Mr Alec Erwin, Fosatu general secretary, said the only way to monitor the codes was on the shop floor and this was yet another reason for strength at grass-roots level.

On mixed trade unions, Mr Erwin said there was much legal confusion. Fosatu has decided to apply for full registration for mixed unions. It would not accept registration on any other terms.

He was critical of the industrial court which he said was headed by a person who, unlike a judge, could be removed at any time. There was no legislation establishing the procedures of the court and this was needed before it could start.

On the National Manpower Commission Mr Erwin said it had undefined rights which meant that it could investigate a trade union without the union having any right to know about, or to reply to, the investigation.

He confirmed that Fosatu and other trade union groups had been receiving funds from abroad.

They amounted to about R400 000 to R500 000 and came from the International Metalworkers Federation, the International Confederation of Trade Unions, the TUC, some Scandinavian trade unions and a church group.

All could be properly accounted for in union books.

The funds had been accepted because efforts to raise cash in South Africa had been fruitless and because of legal barriers it was difficult to get funds from union members by conventional means.

Mr Erwin said Fosatu was entirely independent of any political organisation "but we have the right to express views that might be political".

SA militarily 'for superior'

WASHINGTON — The official United States assessment of the South African Army is that it is "superior in combat ability to any army in sub-Saharan Africa."

In addition, the South African Air Force is by far the most powerful air force in Africa south of the Sahara and could easily defeat any likely African aggressor.

These points were made to members of the House Africa Sub-Committee this week by Mr. Franklin D. Kramer, Deputy Assistant Secretary for Defense for International Security Affairs.

Mr. Kramer said the United States had a good understanding of the South African military machine which consisted of about 72,000 people — 50,000 in the army, 5,000 in the navy, 10,000 in the air force and 7,000 in smaller units.

While the South African army was not a racially integrated force, it had a "non-white population" of about eight percent in several units.

"As the white population has been unable to meet the growing manpower requirements, the number of non-whites in the army is expected to increase . . ."

Mr. Kramer said South African forces were well-equipped and well-trained.

The South African Air Force maintained 160 jets (including 60 Mirage aircraft), five bombers, 60 transports and 25 Maritime Patrol aircraft.

While the navy was comparatively

the weakest of the three services — with two submarines, two frigates, eight maritime patrol craft and four mine-sweepers — it was still the strongest in sub-Saharan Africa.

South Africa did not have much capability to defend sea lines of communication around the Cape and, in recent years, the South African navy has limited itself to a coastal defence role.

"On the other hand, the South African army and air force do possess a significant conventional and counter-guerrilla capability."

OVERALL COMBAT

"The army is superior in overall combat ability to any army in sub-Saharan Africa. It is capable of defending the country against any probable aggressor, including any group of black African states. It is capable of conducting counter-insurgency and conventional operations in the Republic and, to a lesser extent, in neighbouring states.

"A co-ordinated attack on the country's northern borders would strain the army's capabilities, but not destroy its ability to successfully resist," said Mr. Kramer.

Of the air force, Mr. Kramer said it was capable of providing tactical and logistical air support for the country's internal security forces. It would also be effective in a defence role — including air defence intercept and maritime sorties.

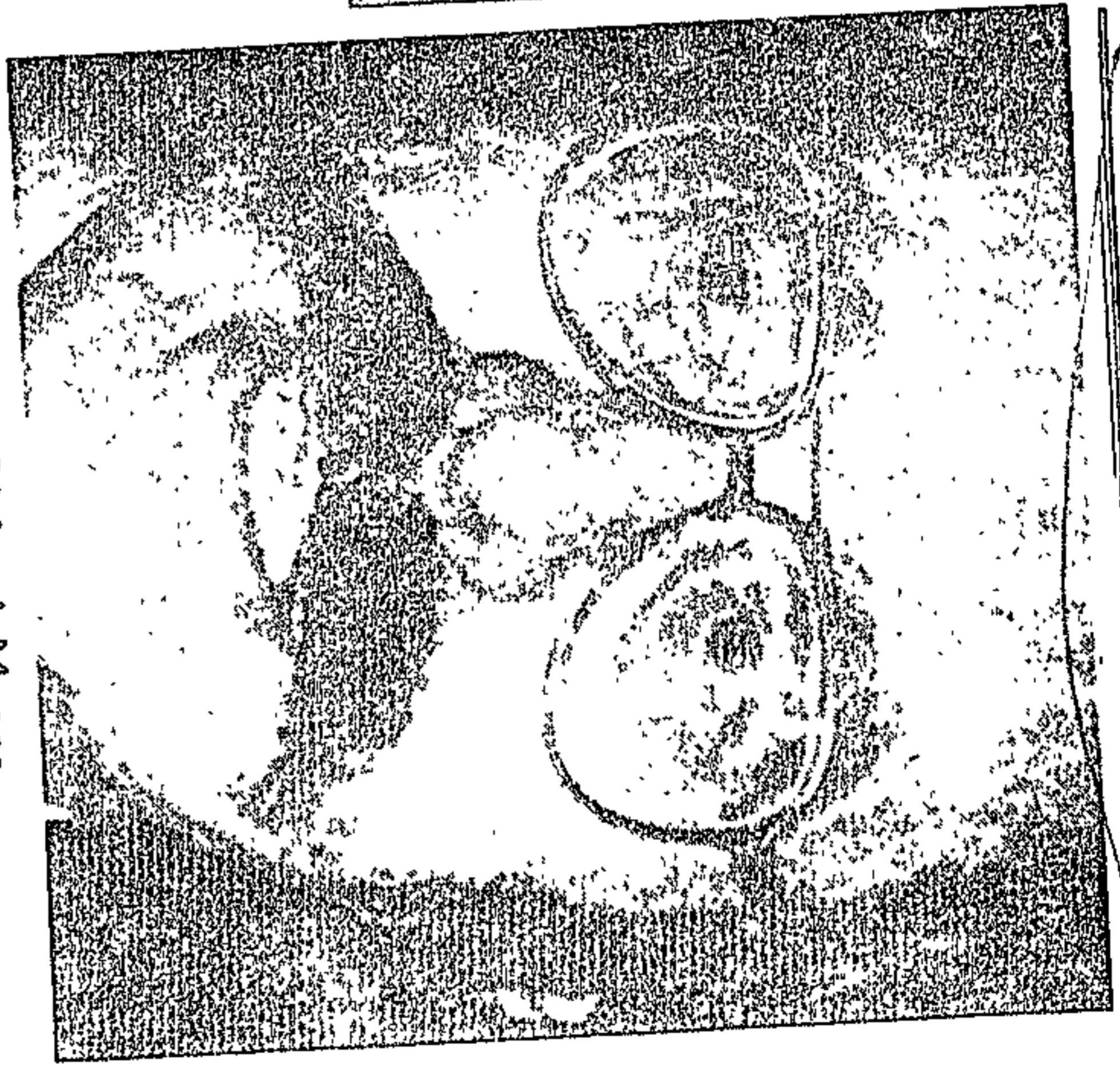
**US plays
shy of
law on
firms
in SA**

WASHINGTON — The Carter administration remains reluctant to use the force of law to regulate the activities of American businesses operating in South Africa.

This was made clear this week when Mr. Richard Moose, Assistant Secretary of State for African Affairs, gave evidence to members of the House Africa sub-committee.

Quite clearly the committee chairman, representative Stephen Solarz and a number of other members on the committee intend the series of hearings which started on Wednesday as a basis for legislative action — either legislation to prevent further United States investment in South Africa or legislation to make fair employment practices mandatory.

At the start of the hearing, Mr. Solarz said the sub-committee would conclude its hearings with a session at which various policy options for



Mr. Richard Moose

the United States in respect of South Africa would be studied.

"In that context, we will consider whether our government should encourage, ban or maintain neutrality on new or existing American investment in South Africa."

Questioned by Mr. Solarz, Mr. Moose said he believed that it was exaggerated to say that American businesses operating in South Africa were "pillars of apartheid".

In "their own small way" he thought these businesses could be effective catalysts for positive change in the field of employment in South Africa.

When Mr. Solarz asked him whether the Sullivan

Principles should, set be legally enforced, Mr. Moose answered that "heretofore we have not thought this a good idea" — one of the great strengths of the principles was its voluntary nature.

He said he believed that America would run into "problems" in trying to impose legislative enforcement, problems in United States law and problems in terms of South African law.

"The problem is how do you make United States law reach outside the United States and affect actions in South Africa . . . extraterritorial application of United States law raises all sorts of problems."

COMPTON

Inns plan 10 new hotels in 3 years (67)

Holiday Inns are planning to start building 10 new hotels in southern Africa in the next three years.

The general manager of Holiday Inns, Mr Nigel Matthews, said this decision was taken last week by the board of Bennies Consolidated Holdings.

He said the initial developments for the 10 new hotels would begin over the next three years but it was unlikely that many of them would be completed.

Not all the money invested would come from Holiday Inns but outside

investors would be able to invest, as is the case with the R2-million complex presently being built in Sandton.

The travel trade publication Travel News, reported that Soweto and Abisburu would be considered as sites for two of the 10 hotels.

Mr Matthews said it was still rather premature to say Holiday Inns was looking at Soweto as a site but, as with other industries, were waiting for clarification of growth there.

Colgate 'resists unions worldwide'

By KINGDOM
LOLWANE
COLGATE Palmolive
SA, the Boksburg
based American com-
pany, this week said
it was their policy
worldwide to resist
the establishment
of trade unions.

The company was re-
acting to allegations by
the Chemical Workers'
Industrial Union (CWIU)
that it had refused the
unionisation of its wor-
kers. The company, ac-
cording to the CWIU,
said that a committee to
serve the interests of its
workers already existed

The union claimed,
among other things, that
Colgate refuses to deal
with the union of the
workers' choice and that
management was endor-
sing Government policy,
saying it will only deal
with a registered union.

A statement released by
the company says: "It is
the Colgate-Palmolive po-
licy that we resist the
establishment of trade
unions in our factories
throughout the world.
With respect to unions,
if the employees do or-
ganise in accordance with
the laws of the country,

and a majority of the em-
ployees indicate a desire
to join a union, it has
been our practice to deal
with such a union.

"It is strongly emphas-
ised that our refusal to
meet with the CWIU prior
to the official registration
of that body, and the
steps we took to deter-
mine whether all our em-
ployees knew what they
were signing when they
endorsed the so-called pe-
tition, in no way consti-
tutes any deviation what-
soever from our sincere
and on-going commitment
to the Sullivan Principles.

PROBLEMS

"Our liaison committee
was elected from among
and by the employees in
a free and open election
in which 86 percent of
our hourly-paid employees
participated. Our company
has been, and continues
to be willing to meet with
the legally-elected repre-
sentatives of the commit-
tee as often as necessary
to resolve questions and
problems relating to rates
of pay, hours of work,
working condition and ex-
tention of fringe benefits

"Without trade union
representation, Colgate-
Palmolive pays a mini-

mum wage rate which
must rank among the high-
est in the country. Since
the CWIU has not seen
fit to supply the informa-
tion we have repeatedly
requested, we must there-
fore, again decline their
request for a meeting.

Meanwhile, the Sullivan
Principles stress that com-
panies should "support
the elimination of discrim-
ination against the
rights of blacks to form
or belong to Government
registered unions, and
acknowledge generally the
right of black workers to
form their own union or
be represented by trade
unions where unions al-
ready exist."

Ford taken to task by race report

Sun Times
(BUS), 25/5/80

(62)

By CINDY SKRZYCKI
Washington

REPRESENTATIVES of two American firms attending the Sullivan Code of Conduct hearings in the US this week — Ford Motor Co and Rexnord, both signatories of the code — have opposed the official legislative action proposed by Sullivan.

The author of the labour code for the US corporations operating in South Africa has asked that the code's race relations rules be made mandatory by the US Government.

During the first of three hearings on US corporate involvement in South Africa, the Rev Leon Sullivan said he needed US Government backing because he thought he'd reached maximum numbers on a voluntary basis.

Since March 1977, when Mr Sullivan began gathering corporate signatures for his principles, 137 companies have signed voluntarily, but 160 with operations in South Africa have not.

Business Times on the International scene



"The principles are beginning to work," says Mr Sullivan, "but I'm far from being satisfied."

"Over the long term, the principles will be more effective ... if they continue as a voluntary effort," says William Broderick, Ford director of international government affairs.

Broderick was concerned that a legislative mandate "would raise the basic legal question of extra-territorial application and enforcement of US laws".

Meanwhile, a report prepared by the South African Institute of Race Relations, which was commissioned by Ford to assess the company's performance in implementing the Sullivan principles, found in

regard to real wages, that "the position of the majority of non-white workers has deteriorated substantially since 1971".

The report questions Ford's commitment to not only the letter, but the "spirit and goal" of the principles, charging that "the facts as presented by the company make a mockery of the aspirations of the Sullivan principles and give more than adequate ammunition to the critics, both internal and external, of Ford management".

There has been some question whether the principles go far enough to improve the condition of the 70 000 non-white workers employed by US corporations in South Africa since the principles do not call for major structural or political

change in the apartheid system.

A spokesman for Barlow Rand, with more than 100 000 workers, said the principles "are more symbolic than coercive".

He said his company followed the lead of American firms in segregating restroom and eating facilities.

The report on Ford's compliance with the Sullivan principles, the first such audit of a US firm in South Africa, also notes a lack of commitment to principle two of the code which calls for "equal and fair employment practices for all employees".

The report also found weak adherence to principle three — "equal pay for all employees doing equal or comparable work for the same period of time".

The report says justice will be done only when "a far higher proportion of the non-whites share the same job classifications as the whites".

It says the number of hourly paid workers has remained almost constant since 1971, while white managerial grades have increased in number by about 35%.

Make it voluntary say US giants

Post 2/2/60 62

WASHINGTON — America's corporate giants fought on Tuesday to stave off legislation compelling them to apply a Fair Employment Code in their South African subsidiaries.

They pleaded instead for the voluntary Sullivan principles to retain their labour guidelines.

Top executives of Coca-Cola, Mobil Oil, General Motors and Citicorp — all of them Sullivan sig-

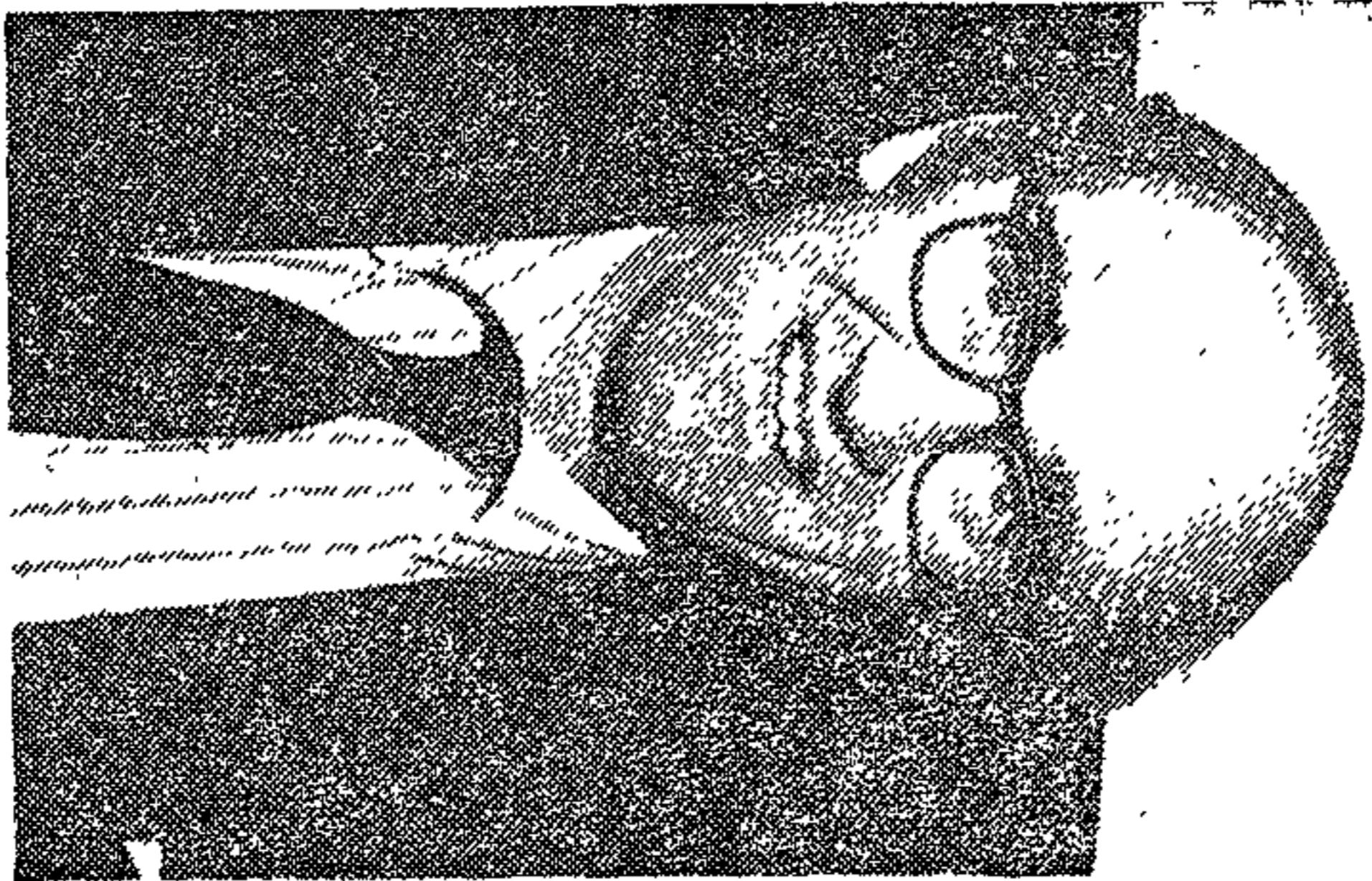
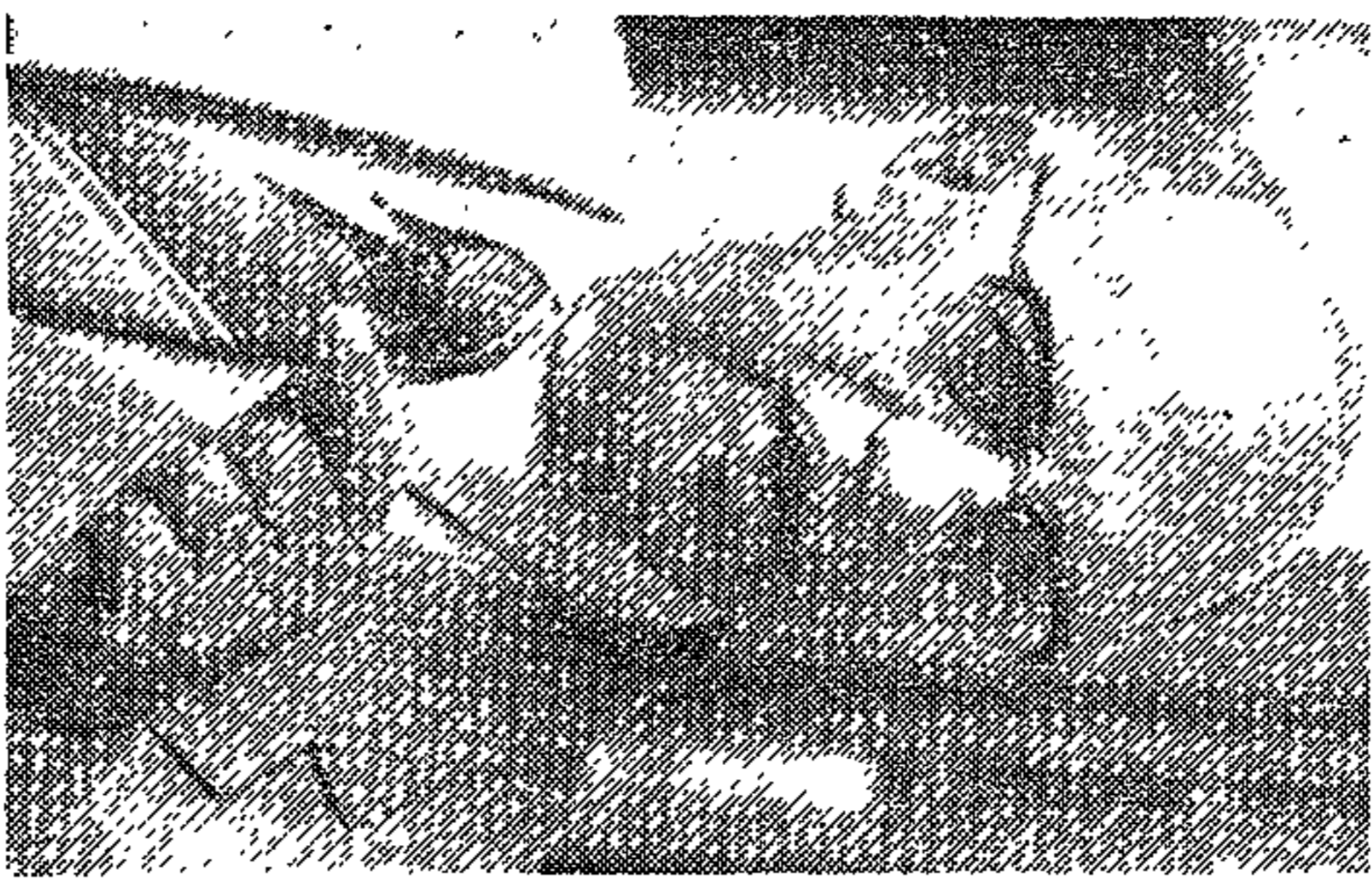
natories — gave evidence at a hearing of the House of Representatives' Africa Sub-Committee

The Sub-Committee is examining whether a Sullivan-type code should be enacted into US law, thereby making American business the cutting edge of America's anti-apartheid policy.

It is also considering, in a series of hearings, whether there should be a law banning new investment and bank loans.

SA 'has won the battle against US disinvestment'

S 79A
26/5/80
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The Star Bureau
NEW YORK — The South African Consul-General in New York, Mr Vere Stock, leaves for Pretoria this week convinced that South Africa has won its battle against the US pressure groups opposing investment in South Africa.

Mr Stock, one of South Africa's most senior and experienced diplomats, has headed the consulate-general in New York for the past five years and the consulates-general in San Francisco and New Orleans previously for eight years.

"It has been my function to maintain and develop contacts in the US business community, and I can tell you they are pragmatists," he said in an interview. "Major US companies are still under pressure on the campuses and at shareholders meetings, where there is still a lot of activity. But we have passed through the roughest time. It would be an overstatement to suggest that the disinvestment campaign has been defused. But we have come through the watershed period, at the very least."

"ROUTINE"
Mr Stock added: "I get the impression that the protests now have become a sort of routine, as if the protesters are bored with having to present the same old arguments. There just isn't real conviction about them any more."

Mr Stock, who is returning to South Africa for reposting, said he believed US political interest in South Africa ebbs and flows according to America's own domestic pressures.
"When US problems decline, the focus shifts to South Africa. Now that the US is involved in Iran

Mr P W Botha . . . recent initiatives.

and Afghanistan, the emphasis is off us."
He said he also believes that American "prejudice" against South Africa is artificially contrived, mainly by the Press and particularly by the New York Times.
"That newspaper positively refuses to give credit where credit is due. It always presents a prejudiced and slanted view of the country."
Despite this the recent

Mr John Nott . . . no spotlight on firms.

political initiatives taken by the Prime Minister, Mr Botha, and such socio-political examinations as were undertaken by the Riekert and Wiehahn commissions had, he said, made considerable impact among thinking Americans.
In London, Trade Secretary, Mr John Nott's decision not to put the spotlight on British firms paying poverty wages to their black South African

But Labour MPs, including the former Cabinet Minister Mr William Rodgers, who chaired the Commons committee which first called for a code of conduct in 1974, believe the Tories are brooding.

Yesterday Mr Michael Thatcher MP said: "The Tory Government does not really want to pursue this at all. The companies may be falling down on their moral if not their legal requirements and the Government is prepared to keep quiet to protect those concerned."

PRESSURE

Mr Meacher as a junior minister in the Trade Department under Mr James Callaghan resisted civil service pressure not to publish names in the last report on the subject in December 1977.

The row, which comes at a time when anti-apartheid lobbyists are reviewing their tactics for putting pressure on large corporations, dates from the revelations by Adam Raphael in The Guardian in 1973 that many British firms were paying black workers in their South African factories and offices wages below the subsistence poverty datum line.

As a result the select committee produced its code of conduct in 1974. Firms were sent to hundreds of British firms seeking information which eventually resulted in a departmental analysts' showing some progress. But more than 50 firms, all named, were still paying below the Pretoria Government's own target for minimum wages.

(62) (14/11) (14/11)
**Company
says it
made a
mistake**

By KINGDOM
LOLWANE

COLGATE Palmolive (SA) Limited, the American company based in Boksburg, has said it made an error in its original Press release regarding the establishment of trade unions in the company.

Colgate's original statement had read: "It is the Colgate-Palmolive policy that we resist the establishment of trade unions in our factories throughout the world. It is strongly emphasised that our refusal to meet with the CWIU prior to the official registration of that body, and the steps we took to determine whether all our employees knew what they were signing when they endorsed the so-called petition, in no way constitutes any deviation whatsoever from our sincere and on-going commitment to the Sullivan Principles."

The recent statement rectifying the original, reads: "On a worldwide basis, Colgate-Palmolive Company policy neither resists nor encourages the formation of trade unions in its factories. However, if a majority of employees in a country decide to join a union and if the union is organised in accordance with the laws of that country, it has been Colgate's practice to deal with such a union. As a point of record, a majority of Colgate factory workers worldwide belong to unions."

Member

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e meat boycott.

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y last week the figures of R10 per studen
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n campus - but not nearly enough.

payday, someone will during the next few
n. We appeal to you to contribute as gei

ORKERS SUPPORT COMMITTEE

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62
29/6/80

SUNDAY POST, June 29, 1980

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Investment boycott would help change SA

MULTINATIONAL companies can help bring change to South Africa if they halt investments, says an American professor.

Addressing the National Affairs Association in Salisbury, Professor Larry Bowman, a lecturer in political science at the University of Connecticut, said if the multinational companies from the big Western powers halted investments to the Pretoria regime "this would add to the present local and international pressure for change."

American policy towards South Africa would be influenced by the current events taking place there," he said.

In London the British Trade Secretary, Mr John Nott, has said there is no official list of British companies paying their black workers in South Africa below the headline.

He told the House of Commons this week that his department would not be compiling such a list.

Mr Nott attacked newspapers who had named companies as low wage payers for pub-

lishing "a misleading extract" from information in the companies' reports submitted in accordance with the EEC Code of Conduct.

"Letters to my department make it clear that if this exposure continues there will be fewer companies willing to complete their voluntary returns," said Mr Nott.

The Trade Secretary reputed opposition charges that his Government had failed to meet its obligation to the EEC by analysing and reviewing the reports from British companies.

All the company reports were available for public inspection, he said, as were the names of the companies which had refused to submit reports.

"If the facts in these reports are correct, there is nothing to prevent any newspaper from reporting anything in them," he said.

"But if there is uncertainty, as I believe, I am not prepared to remove the protection of law from British companies by exercising parliamentary privilege."

Mr Nott maintained that the wage provisions of the EEC Code could not be viewed to the exclusion of the code's other provisions.

"The real obstacle to black advancement in South Africa and to the ending of apartheid, which I detest, is not the level of wages," he said.

"The provisions that all jobs should be available to any worker and that appropriate training schemes should be accessible to all are more fundamental than the simple question of a minimum wage," said Mr Nott.

A company's performance in the provision of fringe benefits, the removal of discrimination and the improvement of relationships with its workers should also be taken into account.

The former Labour Trade Minister, Mr John Smith, said the figures proved his case in favour of naming the low payers.

Before a list of the offenders was published 184 companies from an estimated 220 eligible firms submitted returns. After the

list had been published 263 companies out of an estimated 224 eligible firms complied with the reporting requirement.

A Labour MP, Mr Michael Meacher, who has made several fruitless attempts to get Mr Nott to name the low payers in Parliament, said external researchers had deliberately been exposed to the law of libel.

The only way of getting all the information, he said, was to have access to the "secret memorandum from the (British) Labour attaché" in Pretoria, which was not available.

It was impossible to glean any final and certain conclusion from the company reports, he said.

He cited an "alarming deterioration" in black workers' wages. The latest list showed 2 000 employees of British companies had been paid below the poverty line while the figure for the previous year was 800. — SUNDAY POST Correspondence.

Recognise black unions, bishop tells investors

STAR 30/6/80

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128

NEW YORK — Foreign firms investing in South Africa should apply stringent conditions aimed at recognising black trade unions and weakening the migratory labour system, says Bishop Desmond Tutu, head of the South African Council of Churches.

In an interview published in the current issue of Newsweek magazine,

Bishop Tutu said: "If people want to invest in South Africa I would like to see them apply certain very stringent conditions. They should insist that workers are housed in family-type accommodation near their place of work. This would weaken the migratory labour system immediately."

Newsweek interviewed

the bishop in Johannesburg where he is awaiting trial for protesting against the recent police crackdown on political demonstrators.

Black trade unions should be recognised, the bishop said. If there were real trade unionism the worker would be free to sell his labour wherever he wished and influx control would have to go.

He added: "If companies want to invest in South Africa they should also be required to invest massively in black education and training."

Asked if he favoured economic sanctions against South Africa, Bishop Tutu was quoted as saying: "The West should apply diplomatic, political and economic pressure. But you must decide for yourselves whether economic pressure should include sanctions."

The bishop said that American firms had been trying to improve, rather than change, the situation.

Of South Africa's Prime Minister, Mr P W Botha, the bishop said: "I have commended Mr Botha on his courage. He certainly has a better grasp of reality than any of his predecessors."

Bishop Tutu concluded: "On the whole we have had a great deal of rhetoric: important rhetoric because it is not the sort you expect to hear from a National Party Prime Minister. But very little of that has been translated into action." — Sapa-
Reuter.

MOBIL OIL #12 17/80
Workers lot bettered

Announcements by Mobil Oil Southern Africa and Kaap-Kunene Beleggings indicate that companies in the Cape are now viewing schemes to improve the lot of workers as urgent.

Mobil has announced that it will spend nearly R1m on financing a housing scheme to alleviate overcrowding in the Kewtown area of Athlone, Cape Town.

Mobil, with the self-help organisation Babs (build a better society) and the city council, will build 37 duplex and 13 single-level houses, and provide assistance for a community centre to be established. Construction is scheduled to start in August.

Kaap-Kunene's chairman Andre du Preez announced at the group's annual meeting in Cape Town that in future 2% of annual profits before tax and 8% of any increased profits will be used to bring workers' earnings to a basic minimum.

2
Any surplus will go into a national development fund to be administered by contributors to it.

The scheme was unanimously approved by shareholders
Du Preez said: "Businessmen should

realise that if we want to retain the free enterprise system in this country, something drastic will have to be done."



**UNIVERSITY OF CAPE TOWN
EXAMINATION ANSWER BOOK**

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

Cape Times 5/7/80 (62)
**Disinvestment campaign in US
is cause of SA uncertainty**

By A H HEARD, editor of the Cape Times, who recently visited the United States.

THE STRENGTH of the disinvestment campaign in the United States lies not in any imminent chance of success. It lies in the threat and uncertainty it poses to the South African economy.

There are about 350 US companies operating in South Africa, some in key sectors such as motors, oil and computers. More than half of Fortune magazine's top 100 companies have subsidiaries in South Africa. US technology, loan finance and capital equipment are important to the South African economy.

Since South Africa is always an emotive American issue, business relations with the Republic provide a handy lever for critics who want to influence public opinion. There are few people in the US who believe that total disinvestment is on, in present circumstances; even letter-and-spirit adherence to Sullivan fair practice principles is sometimes lacking.

At the same time, there are already considerable restraints on investments, which means a measure of success has been achieved by the disinvestment lobby.

There are regular stockholder pressures (45 shareholder resolutions on South Africa were proposed to 37 corporations in the past year). Trade unions have taken up the cry, refusing to patronize banks which loan money to South Africa and pension funds which hold South African equities. There have been campaigns against bank loans. State and local authority legislatures have cut back or considered cutting back on SA-

related investments. University campaigns have been fought for the disinvestment cause. In 1978 the US department of commerce issued new guidelines prohibiting US firms from supplying the South African military and police.

Bank rules

Export-Import Bank rules have been a major inhibition. An eight-page official State Department document (form DS-1800) seeks exhaustive information from South African purchasers before the bank will grant export-import loans, guarantees or insurances. It must be proved to the State Department's satisfaction that the South African company has endorsed and proceeded toward the following:

Non-segregation of the races in all work facilities; equal and fair employment for all employees; equal pay for equal work; training programmes to prepare black South Africans for supervisory, administrative, clerical and technical jobs; increasing the number of blacks in management and supervisory positions; willingness to engage in collective bargaining with labour unions; and improving the quality of life for employees in housing, transportation, schooling, recreation and health facilities. Eximbank red tape has proved to be so onerous that no successful applications have as yet been processed.

One particular difficulty facing US banks, universities and businesses is that the disinvestment campaign, whatever its limitations, ties up senior executives' time on an area of the world which probably does

not warrant such attention. There is a danger that, if US trade and investment in South Africa becomes so hedged around with rules, restrictions and pressure-group problems, US companies will weary of the task of remaining in South Africa, and gradually withdraw.

Yet, in spite of all this, none of the restrictions and inhibitions have radically altered the pattern of US trade or investment in South Africa.

30 percent up

US exports in 1979 were 30 percent up on the year before, and stood at \$1,4 billion — supporting some 50 000 jobs in the US economy. South African exports to the US at \$2,7 billion account for 4 percent of the South African gross domestic product. Although for many years US direct investment has remained constant at just over one percent of total US direct investment abroad, in physical money terms the growth has been impressive (up from \$140 million in 1950 to \$696 million in 1968, to \$1 994 million in 1978).

There is major US reliance on South Africa for certain strategic metals and minerals. Even the existence of a growing US and European stockpile provides little comfort to US planners, because these stockpiles are primarily for a war situation and there is natural reluctance to exhaust them in peacetime — whether for sanctions or other economic measures against South Africa.

So the danger of disinvestment is not in its immediate effects but in the constant threat it poses for South Africa, and the uncertainty it causes.

In an atmosphere of uncertainty, it is difficult to build up durable economic relationships. So, to that extent, church, trade union, university campus and other groups which are working hard to influence US public opinion in favour of disinvestment, are already succeeding.

Important stake

There is no denying that the US stake in the South African economy is important, if not vital, to South Africa. Withdrawal, even gradual, would be a most serious development. Whatever patriotic responses there might be in a South Africa facing increasing economic isolation, and whatever resourceful ways might be found temporarily to beat it, eg substituting Japanese for US cars, there is no doubt that the economy would, in the long run, take a severe knock. And an economy that needs a far higher growth rate than even current boom-times can produce, as a vital socio-political necessity because of the workseekers flooding the market, cannot contemplate disinvestment with equanimity.

Those South Africans who see disinvestment as a bracing shower which will stimulate the South African economy into greater efforts, are in danger of slipping on the soap.

Questions South Africans have to answer when discussing disinvestment in the US include: Is there a case for total and unchecked investment? Is there a case for investment to be restricted in certain spheres, such as supplying the military, prisons, and police? Is there a case for investment to be subject to fair-practices codes, such as the Sullivan and EEC principles?

Americans who have power to invest, either as entrepreneurs or as stockholders, are well-informed on the options. But since there is no na-

examination book(s) are used.

4. Do not write in the left hand margin.

cont ↓

Any dishonesty will render the candidate liable to disqualification and to perjury.
University

tional consensus, they discuss and ponder the issues at length. At one end of the scale are church and related groups, backed by South African exiles, which simply call for withdrawal at all levels — and see Sullivan as a cunning device to ensure continuing economic links. This is, however, a minority viewpoint which is unlikely to prevail outside of a South African racial explosion of frightful proportions.

Midway options

There appears to be considerable public support for the midway options, a policy of reserve — ie restrictions on supply to, say, the military, police, prisons, and departments such as African affairs which, as a matter of policy, apply restrictions to blacks. The extremely activist Interfaith Centre on Corporate Responsibility in New York quotes a 1979 Carnegie Endowment for International Peace opinion poll which says 37 to 43 percent of Americans support cutting down trade and 32 to 48 percent favour restricting business investments with South Africa.

Based on race

I heard eminent university people seeking advice on whether it would be "acceptable" for a company to supply computers for the South African book of life, or not. They wanted to know whether it constitutes "severe social injury" in that it is part of a population registration system based on race. The debate goes on.

As the South African drama unfolds, the level of questioning will grow. Events in South

Africa will determine the response. There will undoubtedly be increased emphasis on Sullivan-type principles. With numerous strikes and stay-aways now besetting the Republic, there will be growing pressure in the US for companies involved in this country at the very least to apply fair practices in the workplace. And any obfuscation by companies in reporting back to their principals on what is being done will merely strengthen the hand of the total disinvestment lobby. The same will apply if the South African government uses its statutory power to stop such reporting back.

Overall, the renewed unrest in South Africa and the continuing strikes are likely to propel disinvestment as an issue to the fore once again, after a lull of four years since Soweto. Major adverse developments over SWA/Namibia could fuel this, and eventually force reluctant Western nations into a policy of economic sanctions against Pretoria.

At present, with a weak dollar and economy, and problems littering the globe elsewhere, Americans will not easily adopt a pro-sanctions stance. But the final arbiter of this will be developments inside South Africa itself, and in SWA/Namibia. Another factor will be pressure from third world countries rich in the raw materials the US wants and needs.

Many arguments are used by South Africans in the United States in favour of investment. The mass of South African blacks, including Chief Buthelezi, are said to be in favour of

continued investment. But since it could be a criminal offence (eg sabotage) for a South African to advocate disinvestment, the point is difficult to prove. The improved lot of blacks given continued investment is another. But there are those who say that at a time of increased US investment and trade, the lot of blacks in general has not improved substantially. And the point is made that what blacks want is a new society, not merely the material benefits of a consumer economy.

Qualified position

I believe the most convincing position for a basically pro-investment South African to take up with Americans is a qualified one: By all means, put your dollars in, *but know what happens to them*. And if they contribute to apartheid and repression, beware. The argument is both moral and practical. Moral because of the obvious effect on human beings of repression. Practical, because, in the long-term, US business might lose out in the South African market if it has a bad record.

Most important, if South Africa is to have any future, houses and schools must be built, townships electrified, and more jobs provided, and people trained for the 21st century. That means economic growth. That means major investment. And if the level of growth is to be sufficient to head off social unrest and disaster, a great deal of that investment will have to come from abroad. It is the only peaceful basis for change in this society.

Buthelezi's stand on investment

US told

don't pull out

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~~40/2~~

Mercury Reporter

ULUNDI—The Chief Minister of Kwazulu, Chief Gatsha Buthelezi, reiterated his stand against American disinvestment when he met two influential US Congressmen yesterday.

Chief Buthelezi said after a meeting between members of the Inkatha central committee and congressmen Stephen Solarz and Benjamin Rosenthal of New York that he told

the two politicians the findings of a University of Natal survey had shown the majority of blacks did not support disinvestment.

Support

Chief Buthelezi said that Mr Solarz — a member of the US congressional committee on African affairs — was inclined to support disinvestment.

He said he had conceded that the call for disinvestment had

served a purpose. If it were not for the campaign, the Sullivan Code would not have come into being.

The Chief Minister said he had told Mr Solarz he would support legislation to make application of the Sullivan Code obligatory for US companies operating in South Africa.

Struggle

In an aide-memoire, he maintained that an armed struggle in South

Africa could not and would not succeed. The pre-conditions for such a struggle did not exist.

The politics of protest anger had never succeeded in mobilising a general strike or stay-away. Nor had it ever succeeded in organising a successful consumer boycott action.

Independent surveys show that the average black South African lacked faith in black

protest politicians. They lacked faith in the international communities' will and ability to apply economic sanctions against South Africa,' Chief Buthelezi remarked.

'Overseas analysts who seek to contribute towards the South African situation must recognise a more generalised view that protest and the destruction of properties present a viable strategy for blacks.'

CAPE TIMES
10/7/80

Don't disinvest plea by chief

ULUNDI. — The Chief Minister of Kwazulu, Chief Gatsha Buthelezi, reiterated his stand against American disinvestment when he met two influential United States congressmen yesterday.

Chief Buthelezi said after a meeting between members of the Inkatha Central Committee and Mr Stephen Solarz and Mr Benjamin Rosenthal of New York that he told the two politicians the empirical findings of a University of Natal survey had shown that the majority of black people did not support disinvestment.

Chief Buthelezi said Mr Solarz — a member of the US Congress' sub-committee on African affairs — was inclined to support American disinvestment.

He said he had conceded that disinvestment had served a purpose. If it were not for this campaign, the Sullivan Code would not have come "into being."

The Chief Minister revealed that he had told Mr Solarz he would support legislation to make application of the guidelines of the Sullivan Code obligatory for US companies operating in South Africa.

In an aide-memoire prepared for discussion, he maintained that an armed struggle in South Africa could not and would not succeed. The pre-conditions for such a struggle did not exist.

The politics of protest anger had never succeeded in mobilizing a general strike or stay-away, he declared. Nor had it ever succeeded in organizing a successful consumer boycott action.

"Independent surveys show that the average black South African lacks faith in black protest politicians. They lack faith in the international community's will and ability to apply economic sanctions against South Africa," Chief Buthelezi said.

Miri Duso (Tudaba) 11/7/80

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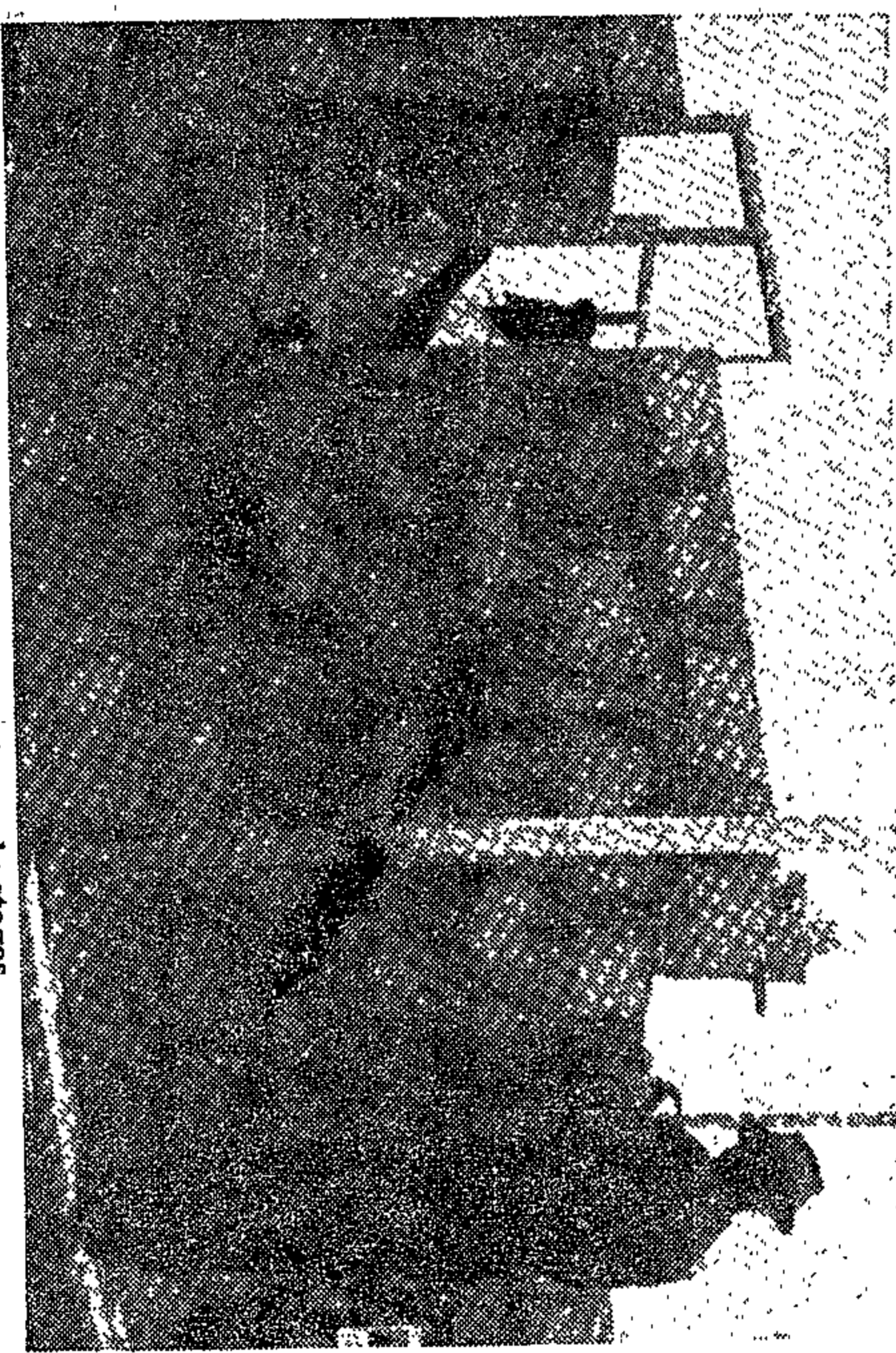
THE HELPING HAND

Company spends R10 000 to help

MDANTSANE — Johnson and Johnson, Wilsonia, has spent up to R10 000 on three projects to help the local community.

The community embarked on a policy in 1972 to upgrade conditions at the factory and, as part of the programme, it identifies with projects which benefit the community.

Ulwazi Junior Secondary School, of Mdantsane, has electricity installed and donated by the company. The switch on



The Sotho Clinic in its early stages.

was on June 26. The company has also upgraded toilet facilities at Hlokomla High School.

Also nearing completion is a clinic at Sotho Village near Moolplaas. The company learnt

through Cecilia Makiwane Hospital that a clinic was sorely needed at Sotho Village.

According to its credo of the company is responsible to its employees. They should have a sense of security in their jobs and there must be equal opportunity for employment, development and advancement for those qualified.

Scholarships to children of employees from primary to high school are about R16 000 a year. The company also gives ten bursaries for Fort Hare pupils whose progress has been monitored and who are deserving.

Preference for Fort Hare bursaries is for children of employees.

Mr W. Munro, Personnel Manager, said they felt education could be an answer to many problems.

Electricity at Ulwazi benefited pupils and adults who want to study at night. They also gave the work on their projects to local people. Mr Major May, an Mdantsane electrician, did the job at Ulwazi ...

By JOE THLOLOE

AN American company, Fluor SA (Pty) Ltd, has snubbed a black trade union, the Building Construction and Allied Workers Union.

The company, a signatory to the Sullivan Principles, ignored a letter written to it on March 19 by the union's secretary, Mr Frank Mohlala.

The union is a member of the Consultative Committee of Black Trade Unions.

The Fluor industrial relations manager, Mr D P White, has told POST that if the union feels aggrieved "they can come over" to see him.

The union had written to the company asking it to investigate allegations by one of their members, Mr Jerry Dikgale, that:

● A deduction of R285,87 for tax from his December 14 pay packet was excessive;

Fluor snubs union

● He was "unfairly dismissed" from his job as a welder at the Sasol II site on February 27; and

● He was not given notice nor paid for it.

"Kindly investigate this matter and consider reinstating our member," the letter said.

Mr Dikgale, a 43-year-old father of four, also told POST that since the letter had been written, he had been promised work by another construction company at the Sasol site, but Fluor had told the company not to employ him.

He also alleged that some of the people who had been dismissed with him

had been re-employed by Fluor.

Mr White said they had received the letter from the union: "But we get lots of correspondence every day. We cannot reply to all the letters."

He said the union is not a signatory to the industry's agreement.

"They are not a recognised union," he said.

Mr White said Mr Dikgale was not the only one who had excessive tax deducted from his pay on December 14 last.

"We refunded them the excess on the spot. We have the record on file." When POST asked him how much

was refunded to Mr Dikgale, he said he did not have the records in front of him.

Mr White said the other construction company could have hired Mr Dikgale as long as he would not work on the Sasol site.

He said it was regular practice that when there were multiple employers on a site, if a person was dismissed by one employer, the other employers would not hire him.

He would not comment about the workers who have been re-employed.

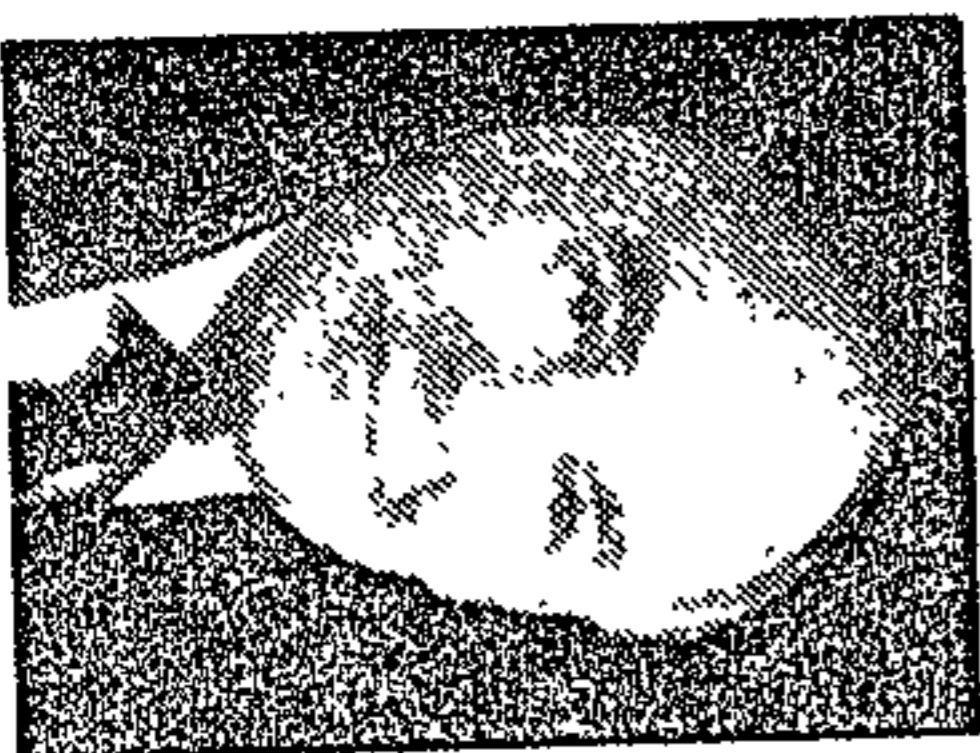
The Building Construction and Allied Workers Union has a membership of about 3 000 and more than 100 work for Fluor SA.

Among other things the signatories agree to "acknowledge generally the right of black workers to form their own union or be represented by trade unions where unions already exist."

Chairman's statement

Anglo American Corporation

We must recognise, as foreign investors clearly do, that racial discrimination and free enterprise are basically incompatible and that failure to eradicate the one will ultimately result in the destruction of the other — MR OPPENHEIMER



In his annual statement to shareholders Mr H.F. Oppenheimer said, in part:

that while blacks make up 64 per cent of all pupils receiving primary and secondary education they account for only 11 per cent of university students, only nine per cent of those receiving technical training at the secondary level, and an almost negligible 1,7 per cent of technical students — 400 out of 24 000 — at the tertiary level.

These figures make it plain that in order to solve the two major problems of the South African economy, inflation and unemployment, both of which are due in large part to a shortage of skilled men, a fundamental remodelling of the educational system is urgently required.

Competition on equal terms

Educational reform inevitably is a long-term process and in any case there is nothing whatever to be said for training blacks to undertake work in the economy which under our present dispensation they are not going to be

same commercial and property rights that are regarded as natural and self-evident in the case of whites.

I certainly do not wish to imply that I have lost faith in the goodwill of the Prime Minister or in his determination to carry through the programme of reform to which he has in general terms committed himself, nor do I underestimate the difficulties that he faces in bringing about such fundamental changes in what too many whites are inclined to think of as the South African way of life. In particular he has to bring the electorate to recognise — as foreign investors clearly do — that racial discrimination and free enterprise are basically incompatible, and that failure to eradicate the one will ultimately result in the destruction of the other. Time is running dangerously short and if our problems are not faced now they will have to be faced in a much aggravated form in the future. We are at least fortunate in that the sound condition of the economy, and the growth in the national income which now can be

ITTT may off-load stake in Altech

WDM 22/7/80

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~~122~~

By DAVID CARTE

Deputy Financial Editor

INTERNATIONAL TELEPHONE and Telegraph Corporation (ITT) of the US, has agreed to sell its 2 434 000 shares in Allied Electronics (Altech) to Allied Electronics (Altron), Altech's South African holding company, at an undisclosed price.

At current market value, the shares, representing 32% of the equity of Altech, are worth R34-million.

The giant US electronics multinational acquired the shares in Altech when it sold

its subsidiary, STC to Altech in 1977. One of the conditions of the 1977 deal was that the controlling shareholders of Altech would have first option if ever ITT wanted to sell.

According to Mr Bill Venter, chief executive of Altech and chairman of Altron, the backers of Altech have always wanted to South Africanise the company as far as possible and have pressed ITT to sell ever since.

"Now they have agreed to sell and, for the first time in many months, a meaningful stake has become available in a

company with a market capitalisation of R140-million, with a 50% compound growth rate.

"It's an exciting situation but we have taken no decision on what to do. There are dozens of possible permutations and we would like to consider our options."

Both Altron and Altech have large cash holdings and unused borrowing capacity, so the shares could be bought for cash by Altron, which already owns 52% of Altech. But this would not enhance the spread of Altech shares among South African holders - a prime desire of Altech's backers.

The Altech shares could be offered to one or a number of South African institutions, which, according to Mr Venter, have been frustrated trying to get meaningful stakes in the company. A stake of more than 25% carried blocking rights and could be highly desirable for a very large institution.

One way to achieve a better spread of Altech shares and at the same time to broaden the company's profit base would be to use the shares to acquire a company that would marry well with Altech.

While today's official statement from Altron says no deci-

sion has yet been taken, Mr Venter said the shares would not be allowed to fall into foreign hands

This was tantamount to saying that one way or another they will be repatriated. At this stage no terms have been released, so it is not possible to establish the effect of the repatriation on the share price. Whatever happens, the marketability of Altech shares must be enhanced

The official statement cautions Altron and Altech shareholders in their dealings before another announcement.

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Project Pace to offer a lift into business

THE American Chamber of Commerce in South Africa (Amcham) is establishing a R4-million co-educational commercial school in Soweto for 600 students.

This week, at a prestigious ceremony attended by Soweto's top-dogs, the foundation stone of this project - Project Pace - was unveiled by Mr Louis Rive, the Postmaster General of South Africa.

This project was launched in 1978. It is hoped that it will operate next year.

Construction is already underway and once completed, the school will accept 120 students in mid-1981. The school is situated in Jabulani along the taxi route to Zola, not far from the turn-off to Doornkop cemetery.

The chairman of the Soweto Community Council, Mr David Thebehali said the school will fill a

pressing need for both students and business community. "This project will give us our first private commercial high school.

"The projections for 1990 put the number of new jobs in administrative fields at an estimated 2,8 million, with only a projected 1,4 million persons qualified to fill them.

Against this stands the fact that, of the 1 162 black secondary schools throughout the country, only 195 offer mathematics, 36 accounting, 31 business economics and 15 typing as subjects in the final grade."

Mr D L Huffman, the president of Amcham, said the curriculum of the school will be so designed that those who are not academically qualified to go on to a university will still be a useful entrant to commerce and industry. Mr Huffman said the idea was born about two years ago.

"Members of the Chamber decided at their first mid-year meeting

that it would be best to embark on one major project instead of dissipating their efforts over many small projects."

He said they had found in their research that there was a crying need for all types of educational and technical training. They had discovered the total lack of a commercial training programme after determining what it was they could use as members of the Chamber and what could be the greatest need.

Mr Louis Rive said: "My basic belief is that only a people itself can truly and permanently uplift itself. No other - and what must perforce be extraneous and superficial - effort can achieve lasting success."

He did not believe that black people want to be spoonfed. "They do not want, not do they need handouts. What they need is a helping hand to wipe out historical leeways.

"My view is that the black man must get a meaningful stake in the economy of this country,



Bishop Desmond Tutu who blessed the occasion, receives a gift from Mr D L Huffman, the president of Amcham

and my wish is that, through our combined efforts, Soweto, a symbol of neglect and exploitation, will become the symbol of the black man's economic emancipation," he said.

Mr Rive also said it was his view that "we do not have a truly free enterprise system which caters for our circumstances."

"Equality in competition, backed up by history of equal opportunity, is a prerequisite for a truly free enterprise system."

The school will be managed by a school council that will consist of the headmaster who has already been appointed - Mr Rex Pennington, parents, staff, community leaders and members of Amcham. There will also be one government representative.

Mr Huffman said they are looking for a vice-principal and teachers. He assured they were not discriminating in any way, but were attempting to hire the best trained teachers available.



Mr Louis Rive admiring the foundation stone after he had unveiled it.

An unhappy duo Fm 18/7/80
(62) 4

Sir — We would like to point out several inaccurate statements made in the "Did you hear" section of (FM June 27 1980)

You reported that two Americans from the Investor Responsibility Research Centre would be arriving in SA in July "presumably . . . to check on whether US companies are complying with the Sullivan principles." You added that US companies have been told not to disclose any information to the two researchers.

The only accurate information in your two paragraphs about us and our work in SA is that we are indeed Americans. However, we have been in SA since the beginning of June, have already met with and received excellent co-operation from several American firms, and have either conducted or have scheduled interviews with nearly 50 major US companies operating in SA — including several which have not signed the Sullivan principles.

Moreover, on the basis of interviews of both management and workers conducted at 44 American firms by three IRRC researchers during June and July last year, individual reports describing and evaluating the labour practices of each firm were prepared and sent to those institutional investors in the US which subscribe to IRRC's publications.

IRRC was founded in 1972 as a non-profit research organisation providing institutional investors with objective analyses of issues related to corporate social responsibility. At present, more than 160 institutions purchase IRRC's services, including 22 banks, 71 universities, 14 insurance companies, 11 investment firms, 14 foundations, 15 church groups and nine employee pension funds.

In conclusion, these inaccuracies could have been avoided if the FM had contacted our Washington, DC, office which could

have provided further details about IRRC's current project in SA
David Hauck and Meg Voorhes.

*Certain US companies have been instructed not to disclose information to the researchers. We apologise for our error in the timing of their visit —
Editor.*

Black unions: US firms face tougher rules

By STEVEN FRIEDMAN
Labour Reporter

STRICTER guidelines on the recognition of black trade unions may be introduced for United States companies operating in South Africa.

Existing guidelines on minimum wages and migrant labour may also be toughened in the wake of the recent visit to South Africa by Congressman Steven Solarz, chairman of the House of Representatives Africa sub-committee.

The changes would be made to the Sullivan Code, which commits US firms operating here to removing discrimination against black workers.

Supporters of the code argue that it has had a significant effect on the South African employment practices of US firms, and has also influenced the practices of other companies.

A tightening-up of the code could, therefore, have an effect throughout industry.

US firms operating in South Africa employ between 60 000 and 70 000 black workers and 138 of the estimated 300 US corporations involved have endorsed the code.

In an interview after his visit, Mr Solarz suggested that the code should be tightened.

There have been suggestions - from the code's architect, the Rev Leon Sullivan, among others - that the guidelines be made compulsory for all US companies operating in South Africa.

The code has been criticised because even those companies which sign it are not compelled to implement its provisions.

However, legislation to this effect is unlikely in the near future.

But pressures for the toughening of the code can be expected, and observers expect

Mr Sullivan to be sympathetic, to calls for it to be tightened.

During Mr Solarz's visit, his aides held talks with black trade unionists, who told them the code was of little value, unless its clauses on the recognition of black trade unions were tightened.

The aides were also told that recent incidents at Colgate Palmolive's Bok-burg plant indicated that a company could subscribe to the Sullivan Code and still refuse recognition to a black union.

The Rand Daily Mail understands they were sympathetic to these suggestions and were also receptive to the argument that the code did not prevent employers "freezing out" representative black unions by inviting "parallel" unions to recruit their workers.

Although the Sullivan Code does contain a clause dealing with black trade unionism, it does not go as far as the European Economic Community's code, which recommends employers recognise any worker organisation favoured by the majority of their workers.

It also urges firms to support "the elimination of discrimination against the rights of blacks to form or belong to Government-registered unions".

It has been argued that this clause has been read by some employers to mean they need only deal with registered unions.

The aides were also told by local observers that the clauses in the code dealing with migrant labour and minimum wages were not as effective as those in the EEC code.

While the EEC code recommends employers pay at least 50% above the poverty datum line, the Sullivan code simply recommends they pay well above this level.

3: The nature of the feedback system

In setting up a description of the feedback system affecting the welfare of a particular group in society, we must of course be quite clear which group of people is the focus of our attention. For the concept to make sense¹², that group will be a part of society which experiences reasonably uniform...

III. Housing and Environment

1. Percentage of households without homes. 1
2. Percentage of households in permanent or semi-permanent dwelling. 1
3. Percentage of households with access to safe drinking water. 2

ds with access to toilets of an acceptable type. 2
ds using electricity for domestic purposes. 2
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and Culture
ment ratio. 1
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second-level enrolment. 1
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first and second levels. 1
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rate. 1
s per 100,000 of population. 2

11. Books published per 100,000 of population. 2
12. Circulation of general daily newspapers per 100,000 of population. 2
13. Radio receiving-sets per 100,000 population. 2
14. Capacity of cinema houses per 100,000 of population. 2

1-8 are level of living education indicators; 9 and 10 are Available Resources population skill indicators. 11-14 measure level of living consumption related to 'higher' needs, 12, 13 representing 'facilitating resources', and 11, 14 representing 'recreational and cultural resources'.

3: May be split up, if necessary, into sub-indicators: one for the primary stage and the other for the middle stage.

whose meaning may seem obvious. We do this for two reasons: firstly, a detailed application of the scheme proposed will only give an essentially unique classification of components of welfare if careful definitions are laid down (cf Appendix A); and secondly, there are possible applications of the scheme proposed here in contexts where the definitions needed are not obvious (cf section 6.3).

Give urban blacks full freehold title — Rive

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JOHANNESBURG. — The chairman of the Greater Soweto Planning Council, Mr Louis Rive, was applauded at Soweto on Wednesday when he said blacks should be given full freehold title in urban areas.

He said he believed the granting of such rights to Sowetans would play a significant role in building up a "micro-economy", which in turn would promote viable local authorities and self-sufficiency.

This was crucially important to the community and to the country.

"There is to my mind no adequately cogent point in withholding this (freehold title) after the principle of permanency has been accepted," Mr Rive added when he spoke at the launching of Project Pace, the American Chamber of Commerce's plan for advancement of community education.

He also said community councils would never be truly effective unless they had "financial teeth", generated not by paternalistically-given subsidies but by the community itself.

Mr Rive, who retires next month as Postmaster-General, said it was his basic belief that only a people itself could truly and permanently uplift itself.

"I do not believe the black people want to be spoonfed. They do not want, nor do they need handouts. What they need is a helping hand to wipe out historic leeways."

Mr Rive announced the establishment by the Industrial Development Corporation of a R2-million project involving three separate industrial parks for Greater Soweto.

120 small factories planned

These parks will house 120 small factories to be run by township businessmen, and apart from the opportunities the project will provide for Soweto entrepreneurs it will create about 600 jobs.

The first complex will go into operation early next year.

Mr Rive said each park would consist of 40 small factory units each 100 sq metres in extent with communal ablution facilities, as well as a small office complex.

The IDC would build the project, exercise control of the buildings initially and would provide training, counselling and management service to the tenants.

Each of the 120 small industrial undertakings would be solely managed by inhabitants of Soweto, and although the units would be erected and funded by the IDC, local business interests would be at liberty to take them over as soon as the return on the investment warranted such a step. — Own Correspondent, Sapa

Cape Times

25/7/80

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19/11/80
S.T.B.R. (D)

US firms will not withdraw - consul

Mr Rob Deutsch, the American Consul for Economic Affairs in South Africa, said last night at a meeting of the Johannesburg Jaycees the belief that United States multinationals would disinvest in South Africa for political reasons was "an illusion."

The present threat of sanctions, he pointed out, was over the issue of SWA/Namibia only.

He said government sanctions could be introduced if there was no evolution of the South African system towards a more just society.

Mr Deutsch stressed the US did not ask for "one man one vote" in South Africa but rather for the Pretoria regime to come to an agreement with all the peoples of South Africa.

HIGH PROFITS

US investment in South Africa was determined by profitability and American companies usually withdrew only if they were not making profits. It was Mr Deutsch's experience that subsidiaries of multinationals operating in South Africa provided high rates of profit for their parent companies.

America needed South Africa's strategic minerals and the security of shipping routes around the Cape.

STABILITY

If sanctions were imposed it would be costly for all concerned.

Mr Deutsch said much American investment in South Africa was long term and the US therefore had an interest in South Africa's stability.

Uniform code on foreign firms in SA urged

Argus Bureau

NEW YORK. — A uniform, international code of conduct may be drafted for foreign companies operating in South Africa as a model for eliminating discrimination in the workplace and improving the lives of black workers.

European, American and South African business representatives have already met to hear proposals that would link up separate improvement programmes endorsed by

companies on both sides of the Atlantic.

The Rev Leon Sullivan, architect of the 'Sullivan principles' underwritten by many American firms with South African interests, convened the London meeting, which he describes as 'a link-up effort to co-ordinate and co-operate on a worldwide scale.'

COMPILED

Mr Sullivan, a black Baptist minister and company director, compiled his code of conduct three years ago to require American corporations operating in South Africa to improve black employees' working and social lives as much as segregation laws allowed.

In Europe, the European Economic Community (EEC), compiled its own code which Continental companies with South African holdings were urged to apply.

Mr Sullivan says he convened a meeting of Dutch, French, West German, British and American business representatives — with South African 'participating observers' — in London on November 20.

HOPE

The result, he says, is the hope that 'this will be the beginning of a broader and more worldwide effort ... to work against discrimination in the workplace in South Africa.'

'I am hopeful it will add to some significant advances to ending all discrimination in the workplace, and broaden recognition for blacks and other non-whites in the workplace and in other areas of life in South Africa.'

Mr Sullivan said he hoped that some very significant developments will occur as a result of this...

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Labour tenant/
squatter removals

970 to 1979

1970's.

Under the Act, labour control boards have been appointed: these have supervised the abolition of the labour tenant system and have also made determinations requiring individual farmers to reduce the size of their labour force. This Act is also the Act under which 'homeland consolidation' takes place. 'Badly situated' African owned land has been expropriated - Africans owning at least 20 morgen (17 hectares) have been entitled to a similar area of land in trust areas; those with less have received cash compensation. Removals of labour tenants and squatters and people from 'black spots' under the homeland consolidation programme have been very extensive in the 1960's and 1970's.

By STEVEN FRIEDMAN
Labour Reporter

ONE of the most substantial wage increases in recent years — 60% for some workers — is contained in an agreement signed this week between a multi-national company, Kellogg SA, and the Fosatu-affiliated Sweet, Food and Allied Workers Union.

The agreement appears to be the first outside the Eastern Cape to recognise union demands for a "living wage" rather than one based on various poverty datum line surveys.

Kellogg's managing director, Mr Murray Rogers, said yesterday the agreement partly met union requests that companies move away from the various "poverty datum lines" towards a "realistic living allowance".

The increase is also the result of one of the few wage agreements negotiated between companies and unregistered trade unions.

In a statement yesterday, the union hailed the agreement as an illustration of "the need for in-plant negotiations" between companies and unions on wage levels.

Many companies have refused to negotiate wages with unions, arguing that this should be done on an industry level only.

For several years, many companies have been relying on various poverty datum lines to set their minimum wages. These calculate the minimum a family needs to survive.

However, during the East Cape motor strikes, unions demanded that companies ditch this standard, arguing that it allowed workers "only to exist".

They demanded that employers switched to a "living wage" negotiated between unions and employers.

Kellogg appears to be the first company outside the Eastern Cape to accept this and to negotiate on this basis with a union.

Mr Rogers said wages were

Food firm wage deal hailed

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not yet up to the standard negotiated in the Eastern Cape. However, the new rates would be reviewed in the middle of next year in the light of increases in the cost of living.

In terms of the agreement, the company's "probationary wage" goes up to R48 a week and its factory operatives will earn a minimum of R50 a week.

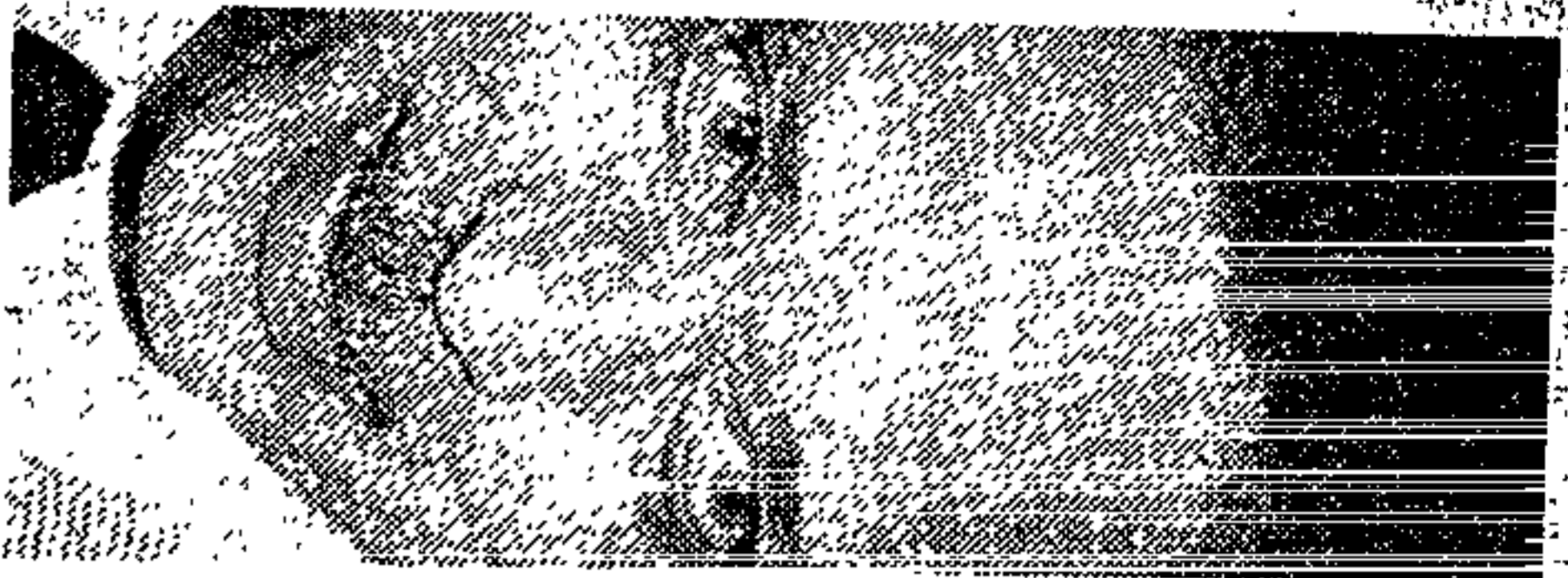
This means that workers at the bottom of the scale will see their wages rise by 60% and proportional increases are contained for the other grades.

In its statement, the union says: "The achievement of such a substantial increase is evidence of the wisdom of in-plant negotiations between unions and the company and the union wishes to acknowledge Kellogg's acceptance of the need for in-plant negotiations.

It adds that "the new wage levels are a testimony to both parties' acceptance of a realistic negotiating framework".

Negotiations for an agreement are already under way and are expected to be concluded early next year.

Mr Rogers said yesterday the new levels would come into effect early next month.



Rev Leon Sullivan hopes South African companies will also subscribe.

WASHINGTON — The Reverend Leon Sullivan is going to Europe this week for talks on creating an international employment code for foreign firms operating in South Africa.

Most of the big American companies which have branches in the Republic already subscribe to the Sullivan code of fair labour practices.

Dr Sullivan is hoping that his "principles" can be combined with the employment code applied by the nine-nation European Common Market and with other codes which have emerged in the past few years.

He is to meet chief executive officers of British and EEC corporations in London to discuss the progress by big business so far in eroding apartheid at the workplace.

Dr Sullivan hopes that South African companies will also subscribe to a

NEW MOVE ^{STAR 17/11/80} to expand labour code

consolidated international code.

The new initiative was disclosed at a dinner for signatories of the Sullivan principles, attended by representatives of more than 50 major US firms.

The main speaker at the dinner was Mr Richard Moose, President Carter's Assistant Secretary of State for African Affairs, who told of "factors which compel us to view the situation (in South Africa) with increased urgency."

Mr Moose said a "new dynamism" in black politics and trade union activity had been accompanied by increasing white questioning of apartheid.

"There has been a dramatic rise in black expectations and we fully expect that, in the absence of unequivocal movement away from the structures of apartheid, the pattern of civil disturbances and violent confrontations which we have witnessed this year will persist and

lead to the detriment of all," Mr Moose said. He suggested support for the Sullivan principles from a wider spectrum of the American private sector, bringing in universities, foundations and labour groups.

Mr Moose told the company executives: "The progress and accomplishments achieved to date offer hope for far more effective implementation of the (Sullivan) guidelines."

"One might reasonably expect more progress, not only because it is right but because it is good business."

"Prime Minister Botha has publicly turned to the private sector to play a larger role in rationalising a disjointed society."

"This strikes me as tantamount to an invitation to expand on the works you have already begun."

Solarz abandons bid for disinvestment law

STAR (62)
14/11/80

By Andre Meyerowitz
The Star Bureau

WASHINGTON — A vociferous critic of South Africa's race policies has abandoned thoughts of trying to have disinvestment laws enacted in the United States Congress to beat apartheid.

Mr Stephen Solarz, chairman of the Africa sub-committee in the House of Representatives, has been looking for

apartheid-eroding measures to put on the US statute book — ranging from a labour code for American companies to complete disinvestment.

But he conceded at a sub-committee session yesterday that American disinvestment was "simply a non-starter."

His acknowledgement came during a sharp exchange with Mr Thozamile Botha, the banned former

president of the Port Elizabeth Black Civic Organisation.

Mr Botha was giving evidence before the sub-committee at a hearing on the labour situation in South Africa.

He had been introduced by Mr Solarz as someone "in an exceptional position to comment" because of his involvement in a Ford Motor Company strike early this year.

Mr Botha's evidence

may not be reported in South Africa because he is banned. But Mr Solarz said, "It would enhance the credibility of your case if you acknowledged that some changes had taken place in South Africa."

He gave the examples of official registration of black trade unions, 99-year leases for black homes, and advances in multiracial sport. These did represent changes.

Church head against moves to disinvest in SA

STAR 7/11/80

62

By John Murray

The president of the American Lutheran Church has said their recent decision to disinvest completely from South Africa will be mocked by colleague shareholders as "getting

us off their backs."

Delegates at a recent Minneapolis biennial convention voted 447 to 331 to sell stock valued at R19-million still held in 18 corporations doing business with South Africa.

So far the church has disinvested from three firms.

The head of the third largest Lutheran body in America with 2.3-million members, David W Preus, opposed the move.

"I do not know how we will as effectively oppose apartheid without our line into the companies. They would sigh with relief (if we disinvested) ... and say 'good, we won't have them on our backs any more'," he said.

But Bishop Manas Buthelezi, leader of the central diocese of the

Evangelical Lutheran Church in Southern Africa, welcomed the ALC vote as one of "a moral conscience that is willing to sacrifice."

The general secretary of the Council of Churches in Namibia, Pastor Albertus Maasdorp, said in Windhoek that he had been in Minneapolis shortly before the convention.

"I told them that we see their move as an expression of solidarity with the South African church."

Bishop Desmond Tutu, general secretary of the South African Council of Churches said: "We have consistently called for the use of peaceful means to effect change in South Africa," and that "one way was to exert political, diplomatic and economic pressure."

Pensions:

new plan

blamed

for strike

STAR
16/10/80

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By Drew Forrest

A proposed change in the law governing pension schemes could become a major cause of industrial unrest says a senior executive in the Union Carbide mining company.

Mr W H McGruder the company's regional director, was asked to comment on reports of a strike at Tubatse Ferrochrome Ltd at Steelpoort on the Lebowa border. The plant is owned jointly by Union Carbide and General Mining.

Mr McGruder confirmed that there had been a strike involving Tubatse's entire workforce of 400 on September 16 and 17. It was sparked he said by workers' fears that proposed changes in the law might prevent them from withdrawing their pensions on premature termination of service.

He denied independent reports that the workers struck in sympathy with 10 colleagues who had resigned so as to cash in their pensions and whom the company had refused to rehire.

Mr McGruder said concern over the pension issue had been building for some months among Tubatse workers most of whom viewed their pen-

sion contributions as a form of saving.

Concern reached a peak in June this year with the tabling of the Louw Commission report in Parliament. The report — on which new legislation will probably be based — recommends the freezing of pension fund contributions, to preserve them for the workers' retirement, he said.

A specially disturbing feature of the proposed legislation, Mr McGruder said, was its retrospective nature. Workers who had joined pension schemes expecting to recover their contributions might be denied this.

"On the surface, this seems grossly unfair," he said, "and it could lead to considerable worker unrest."

Case of Sullivan Code Rev Leon lets fly at 60 US companies in S.A.



WASHINGTON — The Reverend Leon Sullivan yesterday called on the United States Congress to force American companies operating in South Africa to

sign his "fair employment" principles. He also urged American companies to stop new investments except "to finance programs that would

promote equality and improve local conditions for blacks until there is concrete evidence that apartheid is being brought to an end."

Mr Sullivan is the

person responsible for the six "Sullivan Principles" of anti-apartheid employment practices signed by about 140 companies operating in South Africa. He recently visited South Africa and was distressed to find that only 84 of the 140 signatories monitored late last year were found to have made good progress in the implementation of the principles.

Speaking at a Capitol Hill Press conference yesterday, Mr Sullivan said "this legislative initiative is aimed at the 60 American companies who have not yet agreed to cooperate in the business initiative to end racial segregation and promote equal economic opportunity for blacks in the Republic of South Africa."

He said companies which did not adhere to his code should be subjected to tax penalties, sanctions and loss of government contracts. He urged European corporations that represent 65 percent of the foreign business in South Africa to make "stronger" efforts to comply with European codes.

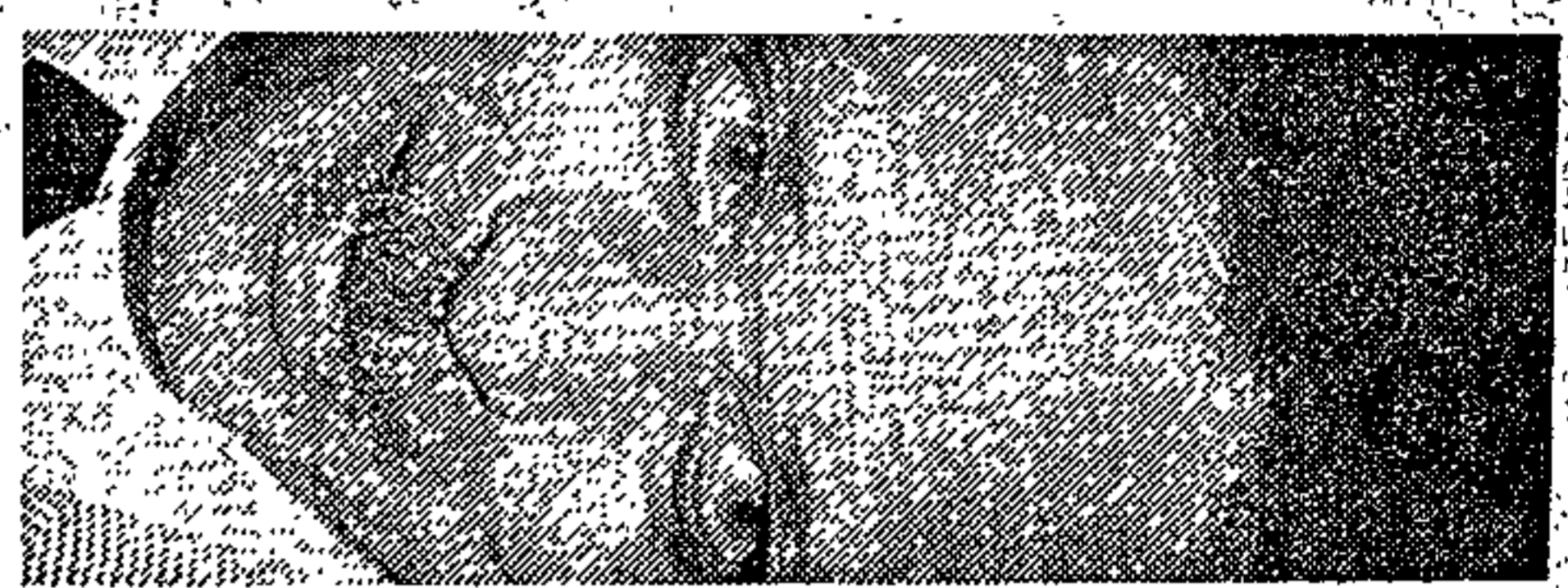
MUST HELP

"The Japanese companies must also be willing to join in the plan," Mr Sullivan warned that if congress did not endorse his proposal he would take another step. "Time is running out", he said. The Sullivan Principles subscribed to by about 140 companies operating in South Africa are:

- Non-segregation of races in all eating, comfort and work facilities;
- Equal and fair employment practices for all employees, including non-discriminatory benefit plans;
- Equal pay for all employees doing comparable work, including an equitable system of job classification;
- Instituting training programs, which will prepare substantial numbers of blacks for supervisory, administrative, clerical and technical jobs;
- Increasing the number of blacks in management and supervisory positions;
- Improving the quality of employees' lives outside the work place in areas such as housing, transportation, recreation, schooling, and health facilities.

US companies 'must sign'

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REV LEON SULLIVAN

The Star Bureau
WASHINGTON — The Reverend Leon Sullivan yesterday called on the United States Congress to force American companies operating in South Africa to sign his "fair employment" principles.

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- Increasing the number of blacks in management and supervisory positions.

- Improving the quality of employees' lives outside the work place in areas such as housing, transportation, schooling, recreation and health facilities.

Liked Least About The Tutorial

Liked Most About the Tutorial

The controversial disinvestment issue - a thorny question

SUNDAY POST Reporter

IT'S A thorny issue. It's not publicly promoted by its supporters in South Africa. It possibly means prison for those who campaign for it here. The issue is disinvestment — the withdrawal of all foreign business interests from South Africa.

The debate on whether foreign companies should invest in South Africa or not has been raging for years. And this week's visit to South Africa by the Reverend Leon Sullivan, author of a code of conduct for American firms, has highlighted it once again.

Although the issue is hotly debated overseas, supporters of disinvestment here usually keep their views to themselves for fear of reprisals from the authorities.

It is generally believed that supporters of disinvestment could be charged under the Terrorism Act (1967). According to the Act, if it is proved that the accused committed an act which has or was likely to have resulted in the crippling or prejudicing of any industry or undertaking for the production of goods, then the accused shall be presumed to have committed the action with intent to endangering law and order in the Republic — unless proved beyond reasonable doubt that such results were not intended.

Included in the 18-page indictment against the Saso students on trial under the Terrorism Act in 1977 was their alleged support for disinvestment. However, no one has been charged under the Terrorism Act solely for having advocated disinvestment.

Despite the risks, many are prepared to give a clear pointer as to where their sentiments lie. Says South African Council of Churches general secretary-general Bishop Desmond Tutu: "Because of the laws in South Africa all I can say is that we need economic pressures. People can interpret that as they wish."

Says the Committee of Ten's Leonard Mosala: "We have fortnight options on this. But it is not something we can readily talk about."

And Azapo's George Wauchoupe goes a bit further saying "we're not in favour of foreign investment in South Africa." Disinvestment appears



The debate continues - Sullivan meets Bishop Tutu in Johannesburg this week

TO GO OR NOT TO GO?

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to have the backing of many leading blacks in the country. This is clear from the vociferous attacks levelled at trade unionist Lucy Mynbulo after she spoke on SABC-TV recently and, once again put her stamp of approval on continued foreign investment here.

It is also reported that not one of the 20 leading blacks, who United States Senator Paul Tsongas spoke to during a visit here a few months

ago, support continued American investment in South Africa. He said that even those who had previously supported investment had changed their

The Rev Sullivan, once in favour of disinvestment, still stands by continued foreign investment along with the implementation of his employment code as an alternative to the withdrawal of foreign capital from South Africa. This is despite

harsh criticism of the Sullivan Principles and the European Economic Community (EEC) employment code.

Whatever Rev Sullivan's motivations, his critics argue the codes are merely an attempt to reform "modernise" the present apartheid system. They say the codes cannot effect fundamental changes.

One key requirement in factories is workers' own strong organisations. The codes cannot produce that, and in this sense they have been unsuccessful.

It has been argued that "If the Sullivan Principles are not working within the limited context of signatory workplaces, they will certainly not have impact upon South Africa as a whole."

The supporters of disinvestment "in there is no moral content to the desire of foreign governments and companies to stay and expand their interests in South Africa.

Rather, the argue, they are here because, with its cheap labour, South Africa offers — according to a leading American banker who frequently visits South Africa — the highest returns on investment in the world.

Further, South Africa ruled by the present Government treat the white investment as a whole."

Supporters of foreign investment argue, firstly, that they provide employment, and they say, the projected increase in social and political rights has also failed to materialise.

In fact, they say economic abundance has been accompanied by an intensification of political repression.

Bishop Tutu cites two reasons to support "economic pressures". Firstly, he says: "If there is nothing in disinvestment the authorities would not care. But, the fact that they are very concerned about it means that disinvestment provides a lot of leverage for forcing peaceful change."

In fact, while foreign companies do not employ a large proportion of the black workforce, they perform some of the most vital functions in the economy.

Says Bishop Tutu: "If businesses cannot expand because of a lack of capital, and they see this is due to politics, they will stand up and take notice of what the Government is doing in South Africa. And as a result they will put pressure on the Government."

This has happened before, he says, in the case of job protection. The Government had dropped its protection of the white worker in favour of the business need for skilled workers.

Business needs to feel the pinch to make it take a strong stand, says Bishop Tutu.

The Rev Sullivan said during his visit that he would support selective disinvestment, and finally complete disinvestment if his principles do not work.

His critics however, say there is no way the Sullivan Principles can help eliminate apartheid and bring political rights to black people. So, they argue, Rev Sullivan is merely delaying the inevitable.

THE GOVERNMENT HAS
Chairman of the Ford
Workers Committee has
stamped his feet to gain
Access of the New Leon
Sumner.

Mr. Zini said in some
meetings that H. H. Sumner's
in Philadelphia were aimed
at 'management' and that
of class society that were
not needed.

Ford and General
Motors, with headquarters
in Port Elizabeth, are
both signatories to the
Sumner Code of Principles
which seeks to com-
pete American firms oper-
ating in South Africa to
move away from discrimi-
nation in the workplace.

Mr. Zini revealed at a
meeting attended by
10,000 Ford workers at
the Holy Spirit Hall in
Ezemvelo that the man-
agement had at last
agreed to 'reduce human

Capitol workers hit at Sullivan visit

striking experiment by
black workers even leading
to the possible formation
of a new union.

Each individual will be
compensated for the
amount lost by the
not be considered as a
part of the strike.

The workers expressed
their disappointment that
Mr. Sumner had failed to
visit the most troublesome
Industrial area, the C. C.
Sector of General Motors
by going at last to
hold a visit to know what
is taking place there,
said one.

Workers said the sum-
mer strike was an im-
provement of oppression by

By W. J. O'NEILL

American firms operating
in South Africa.

Mr. Zini also reported
that workers at the C. C.
Sector had been being
getting the company since
July in an effort to get
management to pay out
the 1970 summer.

In a statement the
workers said that they
were in a state of
D. J. O'NEILL, who
is a director of the
C. C. Sector, said that
the workers were being
because he did not reach
the second trouble spot

where he had planned his
primarily, he and his
followers.

When the company
lost he asked, "Do you
to one side of the street
away from us — or were
we being demonized
again?"

He noted that the
Sumner Principles were
just a front to help the
American firms with a
good name. He said the
Principles were intended by
the Union as a command
to direct the company to
sit in the area. He said
been for a good cause but
because he did not reach
the second trouble spot

It would not be long be-
fore the South African
black man rejected the C.
the concept and demand-
ed that the workers be
returned to America.

The workers said Mr.
Sumner's failure to meet
the committee and then
with shop floor workers
served only to confirm the
suspect that he was
sway of the International
of the Americas.

At his first C. C. Board
Meeting Mr. Sumner
challenged the company
to withdraw its business
from South Africa.
He declared that Amer-
ican business could not
function in a
country that so blatantly
and publicly maintains
such dehumanizing pro-
cesses against such large
numbers of its people.
Within four years, how-
ever, Mr. Sumner had
changed his mind.

Sullivan set to beef up code for firms

By STEVEN FRIEDMAN
Labour Reporter

DR LEON Sullivan's labour code for United States companies operating in South Africa will be toughened next year by increasing minimum wage stipulations for black workers and by stricter measures to ensure firms desegregate facilities.

Another new and controversial stipulation for companies under the code is that they must join the National African Federated Chamber of Commerce as associate members. Nafcoc is the spokesman for black businessmen.

This emerges from a questionnaire circulated to US companies who have signed the code. The Rand Daily Mail has a copy of the questionnaire.

It is, however, likely to disappoint black trade unions, because its instructions to signatories about black unionism are still ambiguous.

But it was drawn up shortly before Dr Sullivan's recent trip to South Africa and informed sources say he has hardened his support for unregistered black unions since the visit.

Dr Sullivan warned last week that firms which did not sign his code or did not adhere to it could face demands in the US that they withdraw from South Africa.

According to the document, companies who do not comply with the new stipulations will be told they "need to become more active", which could increase pressure on them.

Another feature of the document is that it emphasises that companies are obliged to make their rating under the code known to their black workers and to review its implementation with representative black workers.

On the trade union issue, employers are asked whether they are prepared to recognise an unregistered black trade union, thus implying that this is demanded by the code.

However, a guide to the questionnaire says companies are merely required to indicate their workers' right to "form or belong to" a union.

This could open the way for companies to claim that they are abiding by the code if they do not stop workers joining a union, but nevertheless refuse to recognise it.

Dr Sullivan emphasised during his visit, however, that signatory companies must recognise representative unions, whether or not they are registered.

According to the document, Dr Sullivan plans to add a new stipulation next year that companies must pay their lowest paid workers a set percentage

— "say 30%" — above the various poverty datum lines for black workers.

Up to now companies have only been asked to pay "above" these levels and no amount has been specified. Laying down a set amount will prevent signatories from paying only slightly more than the minimum level.

Dr Sullivan will also demand "complete desegregation" of facilities. Although the code demands desegregation, Dr Sullivan apparently believes that some firms are "formally" desegregating their plants, but not doing so in reality.

The demand that companies join Nafcoc is seen as part of an attempt by Dr Sullivan to encourage them to assist the development of black business. By becoming associate members of Nafcoc, companies could presumably provide the organisation with finance and resources.

The document asks companies whether they have assisted any Nafcoc endeavours in the last year, or have supported the development of black, coloured or Asian business.

A black business source said yesterday that Nafcoc's constitution did allow non-black businesses to join as associate members and added that a number of white companies had already joined the organisation in this way.

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Rev Sullivan criticised for bolstering the system

8/9/80 POST (62)

THE table-thumping Baptist preacher, the Rev Leon Sullivan, blew in and out of the country last week — ruffling black and white feathers alike.

When the author of the fair labour practice code, the Sullivan Principles, left on Friday afternoon he told a Press conference that "a number of companies are quite disturbed by my tough line".

But a number of the blacks he met, in the four days he was here, felt that what they had been telling him — that the Principles were merely giving credibility to oppression — had gone in the one ear and out the other.

Dr Sullivan, pastor of the Zion Baptist Church in Philadelphia, who is on the board of General Motors, one of the signatory companies, was here at the invitation of the Institute of Race Relations to deliver the Hoernle Memorial Lecture.

On his arrival last Tuesday, Dr Sullivan said he had come to "listen". Most of the time he spent on the 10th floor of the luxurious Carlton Hotel, with security guards around him.

A tall and imposing light-complexioned figure, he talks gently, with only a few spirited moments.

The impression he gave was that he had not anticipated the criticism that greeted his arrival here. He is a gentle Christian. He understands why people are disillusioned with the Principles, but they do not understand that the Principles are still evolving. He struggled to get the first 12 companies to sign. There are now 140 signatories. He is tightening the Principles as he goes along, depending on feedback.

It was a different Dr Sullivan who gave the lecture at the Great Hall of the University of the Witwatersrand on Thursday night. He was foaming at the mouth, as he denounced oppression and apartheid. He threatened a disinvestment campaign against South Africa if change did not come

By **JOE THOLOE**

fast enough. He threatened tough action against American companies that did not implement his principles.

His faith in the Sullivan Principles is unshaken. The only problem is that they are not being implemented.

He said before his return to the US: "I am encouraged, but far from satisfied."

There were very few blacks to hear him at Wits — most of them faces that are a must on such occasions. White South Africa was not very enthusiastic either: there were many empty seats in the Great Hall.

Before he left, **POST** asked the Rev Sullivan some questions:

POST: Do you think that there would not have been the changes that you enumerated yesterday if you had not come up with the Principles? I want to believe that because of the shortage of white workers, because of certain economic pressures, those changes would have taken place anyway.

Dr Sullivan: I actually believe had there not been the Principles, you would not have had one fifth of the movement that exists in the companies now. I think the Principles were the main push that got companies to begin to do these things.

It happened because there was a push behind in America on these companies — it's either you do that or stock is going to be taken away... It was done because of economic reasons.

And I say not one fifth, and I am sorry to have to say this as Sullivan not one fifth had it not been for the initiation of the Principles.

POST: I see some contradictions in your position — a scheme like "Adopt A School" for instance, where you adopt a Bantu Education school. In other words, helping the system. Is that not a contradiction?

Sullivan: The educational level was so low in the communities that I thought the business in those areas should do something at least in books, in some sort of educational assistance while the effort was being made towards equality of education in this country.

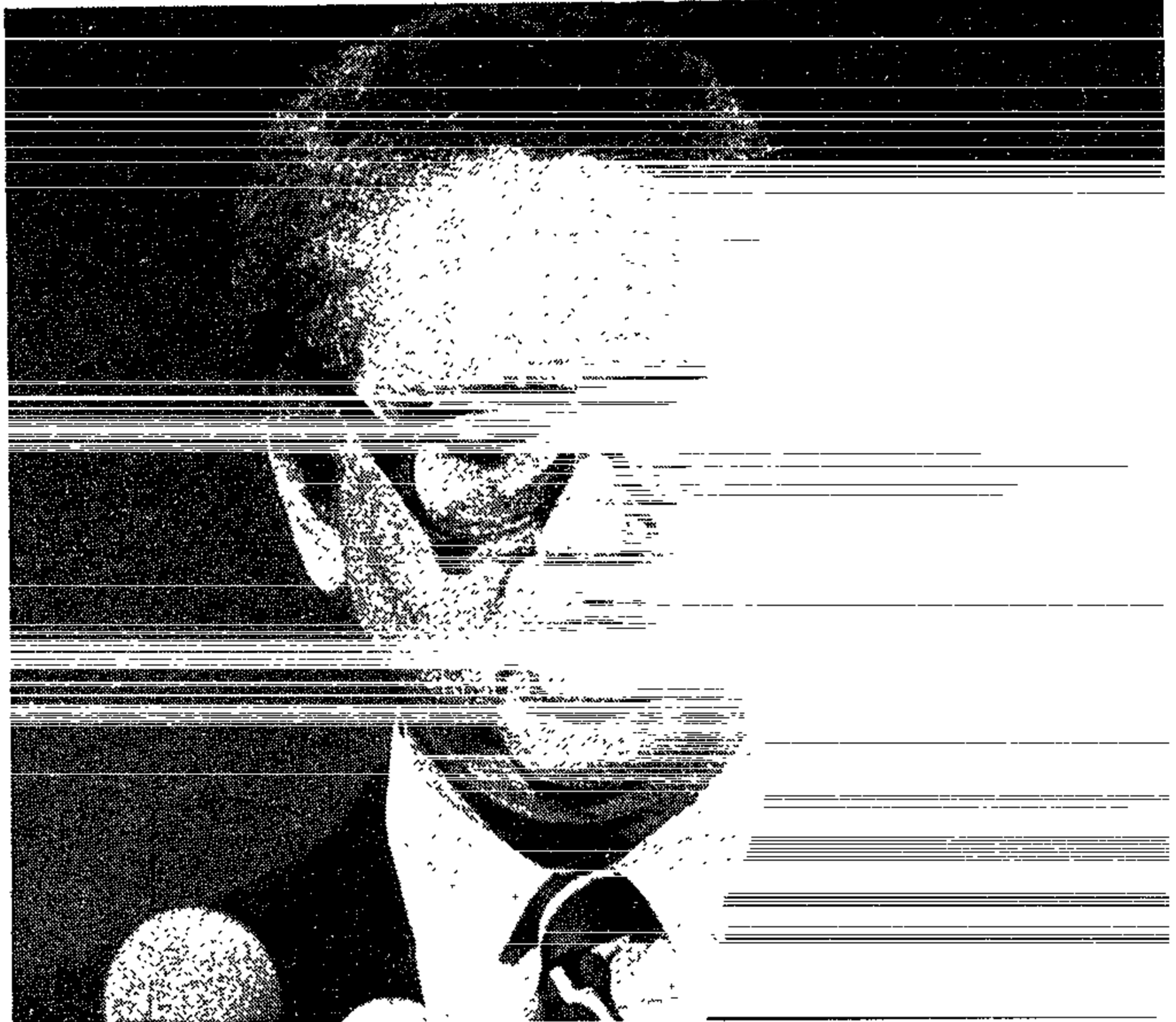
Q: But we see it as a bolstering of the system.

A: I should hope not. I see it as an interim effort, while the effort is made for the full integration of the schools.

I have been searching and I want more blacks on the task force so they can give me an interpretation and the value of the programme.

Q: Under what circumstances would you abandon the Principles for something stronger?

A: That is a possibility.



Dr Sullivan . . . giving the Hoernle Memorial Lecture at the University of the Witwatersrand last Thursday.

When the American companies are not to my satisfaction and to the satisfaction of the people measuring and monitoring them begin implementing the principles.



The Rev Leon Sullivan, centre, with leader of the Soweto Committee of Ten, Dr Nthato Motlana, and trade unionist Mrs Emma Mashinini.



● Joe Thlooe

Some years ago, an ad man came up with the slogan "there's a Ford in your future." He might well have been talking about South African labour relations.

Mr Ford has a habit of being the first to experience new labour trends. And just as that economy-driven last year he decided to cut back on the number of workers in the plant, he was the first to experience the effects of a new law on the factory floor.

One of the reasons is the fact that the law is the first to experience the effects of a new law on the factory floor. It was the first to experience the effects of a new law on the factory floor.

The other reason is the fact that the law is the first to experience the effects of a new law on the factory floor. It was the first to experience the effects of a new law on the factory floor.

It was formed by disenchanted workers at the Ford Cortina plant, who felt that the law was too "management-oriented" — a charge that Law men hotly deny.

Most of Macwusa's office-bearers are members of Pebro, which sprang to prominence last year, died down and is now in the process of being revived.

But Macwusa men stress that Pebe played no part in launching the union. An important feature of the new union is its stated belief that unions must be involved in "community development" that they must look beyond the factory floor and take an interest in township conditions.

Thus far, Macwusa has recruited about 600 of the 600 odd black workers at Ford's Cortina plant, about 600 of whom have been seen the law.

It has also been active at the other neighbouring plant, General Motors, which also deals with a company which makes motor cars. It has been active in the area of its interest.

From the past Ford has put a lot of effort in setting up a union with management. It has been active in the area of its interest.

62
24/10/80

Ford's militants of yesterday become moderates of today

STEVEN FRIDMAN examines the claim that Ford in Port Elizabeth has a habit of being the first company in South Africa to experience new labour trends.

The fact that Ford's recognition of the law had been channelled, through the government's Haysen committee system.

The union remained weak on the factory floor and the workers' committee saw it as a management ploy.

The union's image was damaged when its president, Mr John A. M. Agnew, agreed to a temporary settlement during the strike — a move which the law now concedes was a mistake.

Macwusa men charge the law with not negotiating toughly enough during the strike and of not winning back strikers' bonuses when they returned to work.

Law spokesmen insist they intervened only when requested to do so by workers and that the union played a significant role in hammering out the settlement that brought workers back to work.

The post-mortem after the strike led to significant changes at Ford. Both the company and the law recognised the need for a strong union presence on the factory floor and both worked to bring this about.

Several changes were introduced, culminating in an agreement that the union's members could elect full-time shop stewards, whose job it would be to take up worker grievances and do union organising work at the plant.

But the dispute between the two factions continued. Earlier this year, a law meeting attended chiefly by Cortina plant workers, voted Mr. M. Agnew and his Port Elizabeth branch executive, out of office and elected their own committee, made up of worker committee representatives.

But the meeting was unconstitutional and the executive remained in office. The dissidents left to form Macwusa. The "militant" law was now challenged by a "more militant" union.

Thus far Macwusa has recruited a majority of Cortina plant workers and

has made some headway at GPT and Felter. It believes it can expand further.

The law concedes Macwusa has support in the Cortina plant, but insists it has little worker backing outside it.

"At best, they could win a majority in Ford as a whole, that would make them in effect a company union. But they have to be supported outside Ford and they aren't likely to gain any," says Mr. Vee-Not Ah Shene, a law organizer.

I don't observe in the area are not so sure. They see Macwusa as a growing force and expect it to win majority support at Ford. This support, they argue, could spread to other companies in the area.

Ford has two plants in Port Elizabeth besides Cortina. But worker militancy has always stemmed chiefly from Cortina.

The reasons for this are significant. "Cortina plant workers are younger and have a higher standard of education. We are more worried about exploitation," say Mr. Makhandha and members of his executive.

In other words, younger, more articulate, workers with higher expectations are coming into the factories and they are

that they want to negotiate, that they want to fulfil all the traditional functions of a union. Their complaint, they say, is simply that Law hasn't been tough enough.

Their union, they claim, is non-racial, a "people's union." But Macwusa members say tension between black and white workers at Ford is high and they have doubts about coloured workers.

"We're not sure whether we can trust them. They have been from some of the crumbs of apartheid and they don't always identify with us."

But they stress that they are prepared to recruit workers of other races who "identify" with the struggle.

Macwusa rejects also government registration, which law has accepted. Registering means becoming part of the system, its executives say.

Put one of the chief divides remains the issue of community involvement. Law men argue that unions cannot be involved in community political issues, their role lies in the factory, they say.

But Macwusa men want their union to be actively involved in community issues. "You can't separate a worker's work life and his home life. Everybody who pays rent in the township is a worker," says Mr. Makhandha. Organisations like

Pebro "need a helping hand" from unions. The government, of course, is concerned to prevent unions from community involvement, although only direct links with a political party are

illegal. But community involvement is regarded as important by a growing number of black unions. Not that they want to be directly involved, but they do believe in co-operation with organisations.

Indeed, Mr. Brian Matthew, director of the Midland Chamber of Industries, argues that some part of community involvement by unions is inevitable, and employers will have to come to terms with it.

The law's leadership are skilled unionists, and there's no doubting their commitment to unionism. However, the unions are making significant strides in the struggle, where it enters the support of key

Macwusa has no additional union backing, but it has support, whatever its future, its emergence is important.

Labour relations take place in a political context and, particularly in South Africa, political tensions are felt on the factory floor.

In such a situation what appeared is likely to seem yesterday's likely to seem moderate today. The backing of black worker representatives is sufficient to ensure that

As black workers become better trained, better educated, and as they win fights in the factories, militancy seems certain to increase. Other new and more militant unions have shown remarkable growth — in East London for example.

Letters — Page 2

FM 24/10/80

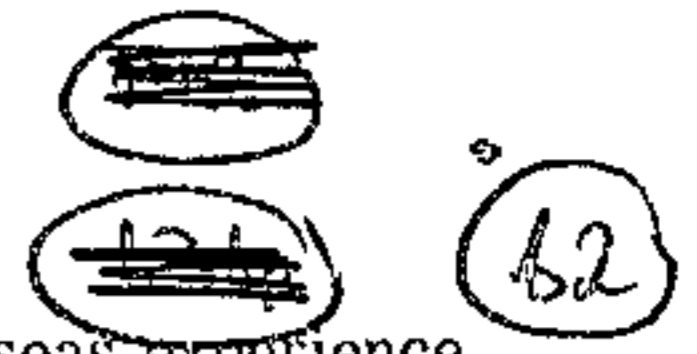
SULLIVAN'S FEW

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The Rev Leon Sullivan says only 87 of the 290 US companies in SA are making good progress in implementing his Code of fair employment practices. In London it is alleged British firms have provided false information in terms of the EEC code on their SA operations.

A signal from Ford

FM 12/9/80



A worker in a factory feels he has been underpaid. He raises the issue with his union leaders, who seek redress from management. As happens all too often there is a "communications breakdown." Victimisation might be involved, personalities intrude — the result could be a spreading wildcat strike.

That scenario is familiar enough. The question is, how to defuse a problematic situation before it reaches the crunch?

In what has been hailed as a major breakthrough in SA labour relations, Ford last week formally instituted a system of shop stewards in its Port Elizabeth plants (*Current Affairs* September 5). In so doing, it has fallen in line with a grievance-solving procedure which has gained widespread acceptance throughout most of

the industrialised world. Other firms might very well have to come to terms with the system in the near future. Volkswagen and GM are in the process of doing so.

Shop stewards

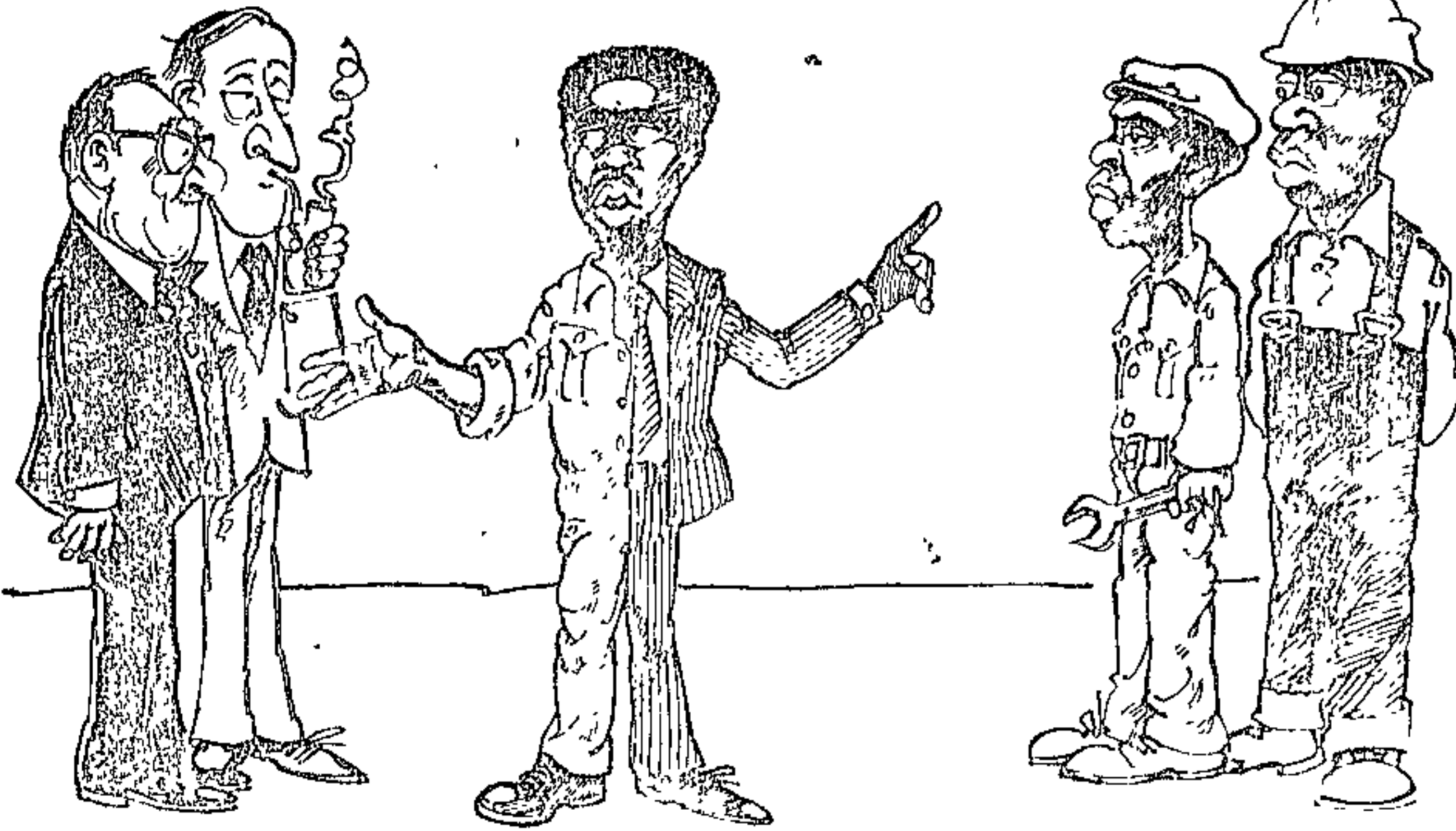
The Seventies saw a massive spurt in black worker unionisation. Indeed, government was forced to legitimise these aspirations through acceptance of many of the recommendations of Professor Nic Wiehahn — a step which some regard as too much, others as nugatory. But by common consensus, black worker power is here to stay. What is new at Ford is the installation of the shop steward as the primary vehicle of factory conciliation. Labour observers are already drawing comparisons

with overseas experience.

What, then, is a shop steward? What advantages, and what dangers, are implicit in the system?

In most foreign industries with a fair degree of trade union organisation, union members generally choose a representative spokesman at plant level. In the British printing industry, as in SA, the post is held by a "chapel father." The western European nations have equivalent posts, though many smaller industries prefer to work through committees made up of shop floor representatives.

Whatever the title, the principle is common — hassles are dealt with at plant level, not on an industry-wide basis. Legitimate grievances are dealt with at their source by the union-appointed (and often,



as at Ford, company-paid) stewards. The threat of wider strike action is, in theory, averted.

The system developed, and flourished, overseas because union officials found negotiating for a large number of workers with employer associations unsatisfactory. The union leaders could deal only with broad issues, while individual members were faced with a variety of specific complaints. To obviate the wastage of man-hours that resulted, shop stewards were introduced.

They are, therefore, essentially grassroots bargainers. Their duties fall into two broad categories: industrial relations, and trade union affairs.

As unionists they can negotiate on a wide variety of issues such as wages, hours of work, dismissals, manning of machines, and pace and quality of work.

But, wedged between labour and management, they are not purely unionists — though the system can only work fruitfully if they enjoy the trust of both "sides." This happy situation is not always the case. Unions often regard the shop stewards with a degree of ambivalence. Some even feel that shop stewards can, and do, undermine the authority of the union; after all, their power is frequently unregulated, and some are prone to external influences often more radical than their unions. The arrogant shop steward has become a stereotyped figure in popular imagination.

In the UK this situational conflict has expressed itself in wildcat strikes instigated

by shop stewards, disregarding the unions' wishes. Witness the disruptions at Leyland last year.

Conflict can best be avoided by involving shop stewards in the broader union negotiating mechanism, i.e. on an industry level. It means increasing their powers, but as Fred Ferreira, Ford SA's industrial relations manager, says: "I don't think this is an inherent weakness of the system. So much depends on the attitude of management and of the union."

Shop stewards' trade union duties include recruiting and organising workers as well as keeping members informed of union affairs. Overall they can be a crucial link between the union as an organisation and its membership.

What does management get in exchange? For one thing, there is an ensured continuity of production if petty grievances are met and dealt with on the factory floor. Employer and employee are historically natural bargaining opponents in the West. Given this, one observer notes, "shop stewards are considered more of a lubricant than an irritant" by management.

From the union side, there is sometimes the suspicion that shop stewards are collaborators with management. In its handbook, the Transport and General Workers' Union in the UK warns shop stewards against becoming "mere messengers." During negotiations "they must stand on (their) own two feet."

In SA the system of factory floor representation has hitherto been poorly used,

with established white unions relying heavily on the Industrial Council mechanism to resolve worker grievances. Since the wave of motor industry strikes began nine months ago, there have been warnings that to persist with the existing system (of which the Wiehahn recommendations are rather a sophistication than a radical rethink) would simply be asking for trouble, particularly as far as black workers are concerned.

The Industrial Council is a slow problem solver, and workers are increasingly dissatisfied with its processes. So, also increasingly, they have been taking matters into their own hands. This was certainly the case in the Ford, General Motors, and Volkswagen strikes.

But, says Ferreira: "Although wildcat strikes cannot be eliminated, they can be minimised. The shop steward system is an attempt to do just that."

Not that the introduction of shop stewards is a threat to the industrial council system, it is an extension, and modernisation, of it. As the nature of production has changed in SA a whole new set of industrial problems has set in.

Usurped activities

Says Loet Douwes-Dekker, leading labour academic: "We need a centralised body, such as an industrial council system, to deal with industry issues. But this body must not deal with issues that arise on the factory floor. The industrial councils have usurped certain activities which should be, and normally are, handled in the plant."

Adds another observer: "The industrial councils are viewed by blacks as far too remote to handle many problems. The black person wants to see his problems solved on the shop floor, by people he knows, and in a manner he understands."

Union leaders and labour watchers have greeted the Ford agreement with enthusiasm. However they fear that if more companies do not follow suit, workers will continue to express their grievances through wildcat strikes and militant action such as consumer boycotts.

As Fred Sauls, secretary for the National Union of Motor Assembly and Rubber Workers, said after the Ford agreement had been signed: "It's a move in the right direction for SA industrial relations. Let's hope it rubs off on other companies."

LEON SULLIVAN

FM 12/9/80



From the pulpit

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The Rev Leon Sullivan was in SA last week to deliver the Hoernle Memorial lecture. As the author of the Sullivan Principles, setting out labour guidelines for multinationals operating here, Sullivan's performance was keenly anticipated and assessed. Many found him bombastic and ambiguous. For the radicals his codes are "camouflage." For businessmen, many of whom do not need outside advice on how to run their affairs, he was often an "embarrassment."

Before his departure, the *FM* sought some clarification.

FM: How, practically, can you ensure the implementation of your codes?

Sullivan: I can bring pressure to bear on signatories in the US because I have a very close relationship with the black church in America. Although I may not have the power of government, I am building up the support of the people.

Are representative black American bodies — such as the National Association for the Advancement of Coloured People — aware of, and satisfied with your codes?

There is a split among the groups. A number are concerned about the codes because they feel they aren't strong enough.

Can the codes initiate the changes needed in SA labour relations?

They can do a limited amount. They can help, certainly, to eliminate segregation in the work place, factories and

businesses and they can act as a catalyst for change — as they have done. But as long as apartheid is still legal, the codes can only go so far.

What are the chances of the US introducing legislation to ensure subsidiaries adhere to the codes?

The introduction of legislation is a definite possibility. I cannot say when this could happen but I do and will continue to encourage it.

What form could any penalties take?

I will continue to encourage divestment and disinvestment from those companies who refuse to become signatories and those who fail to implement the codes. I do not encourage new investment and I will oppose bank loans to this country unless there are signs of change.

Will this affect your position on General Motor's board of directors?

I have no idea. I have no idea.

Are you satisfied with developments to date?

I'm encouraged, but far from satisfied. Companies have to demonstrate that they are committed to change and mean business before I will be completely happy with developments.

Would you consider withdrawing the principles?

I will consider anything at any time. Yes, it is a possibility — if US companies do not begin implementation to my satisfaction, I will consider withdrawing the codes.

Do the codes represent unnecessary interference in SA's internal affairs?

If this criticism is being levelled at me I would consider it a compliment. In dealing with organised black workers, does the issue of whether the unions are registered or not play a part?

No. Companies must deal with organisations — registered or non-registered — which are representative of the workforce. I hope things will change where this is not happening at present.

What monitoring procedures do you intend introducing to ensure tighter control on subsidiaries?

I'm hoping companies will voluntarily permit themselves to be monitored by groups with which they are willing to co-operate. These will be either American or SA monitors. I hope this will happen in the next few months.

I also feel very strongly that blacks themselves must be able to influence the assessments.

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Ford trade union showdown

By Sieg Hannig
Labour Editor

In a showdown between black consciousness and black trade unionism, nearly a third of Ford's black workers in Port Elizabeth have cancelled their stop orders for union dues.

The move is a sequel to the two-month strike at Ford's Cortina plant in which 700 blacks lost their 1979 year-end bonus and the Ford-recognised black United Auto

Workers' Union (UAW) was left out in the cold.

Last week a committee representing the strikers concluded an agreement under which Ford will pay the lost bonus at the end of this year.

Bolstered by the victory, the black consciousness group won the support of 800 motor workers at the weekend for the establishment of a black union in opposition to the UAW.

On Wednesday, the leaders of the proposed union, the Motor Assem-

blies and Components Workers' Union of South Africa (Macwusa), submitted 568 stop order cancellations to Ford.

Ford had agreed to stop deductions for UAW subscriptions from its payroll on the receipt of such cancellations, said Mr Dumile Makanda, chairman of Macwusa's interim leadership.

More cancellations were in the process of being signed, and the new union intended to recruit coloured workers as well, he said.

Non-discrimination in the work place — it's no easy job for SA companies

Questionnaires extra problems can cause

FORM DS-1800 seeks exhaustive information in an eight-page questionnaire on employment policies and practices of South African purchasers of US capital goods before the Export Import Bank will grant trade loans, guarantees or insurance.

The form, according to South African businessmen, is similar to codes now monitoring the abolition of discrimination in the workplace. The Sullivan code for local subsidiaries of US firms, the EEC code for those with European parent companies, and the SACCOLA/Urban Foundation code originating in South Africa.

All of this means an immense amount of often unproductive work, which although virtually impossible to quantify, has now reached proportions where it is actually threatening the implementation of some advancement programmes.

Companies which participated in the survey were those with particularly good images and they made clear that they considered themselves in the vanguard of progressive employers. Barclays National Bank, Ford, Tollgate Holdings, Pick 'n Pay and BP Southern Africa.

Those which did not take part were Volkswagen which said it adhered to the EEC code and was prepared to provide a synopsis of its compliance record. General Motors which provided equally comprehensive information in the form of a recent public interest report; Barlow Rand which said it could not further burden the group as it had its own code of employment practice — one which was being monitored in great depth — and some of its companies were also involved in a SACCOLA questionnaire; Total and South African Breweries for similar reasons; and the South African Railways which simply said it could not complete the questionnaire.

South African Breweries went deeper into the problem of intense monitoring of its affairs imposed by the codes and questionnaires. "Due to the numerous questionnaires generally of a voluminous nature that companies are being confronted with at the present time, it has been determined that we will only consider responses to organised and recognised bodies such as SACCOLA, FCI, etc and then only subject to workload considerations.

"We have found that the assembly of numerous detailed facts and the completion of long-winded forms is taking up an inordinate amount of time and these are really distracting us from our endeavours of actually implementing our goals and objectives in the critical areas of labour and community affairs."

In subsequent issues the Cape Times will report fully on the detailed replies to the list of questions.

THE SOUTH AFRICAN business community is probably the most closely monitored on earth with three major codes, two of them originating from abroad, regulating company employment practices. In an attempt to evaluate some of the consequences of this scrutiny and how firms react to it, the Cape Times Industrial Reporter, Gordon Kling, has undertaken a survey of key firms representing a cross-section of commerce and industry in the Republic. The survey is based on a questionnaire compiled by the US State Department. This questionnaire must be completed by purchasers in South Africa wishing to make use of valuable benefits available from the \$5-billion worth of US Export-Import Bank assistance approved by the American Senate for fiscal 1980. It is an appropriate vehicle, illustrating the onerous red tape encountered by the carefully watched community and the discouraging consequences: no successful applications have yet been processed.



Gordon Kling, Industrial Reporter.

personnel? Barclays, for example, answered that it has "a manpower plan which has been circulated to regional managers throughout the country who are in turn responsible for the implementation of the strategy set out in the plan. The plan has and continues to be communicated at presentations to executive staff responsible for executing relevant strategies."

The staff manual, readily available to each member of staff, detailed formal personnel policies. Staff circulars were set to all staff whenever changes in policy matters were introduced. The internal house journal regularly published articles on these matters and the managing director's review and photographic features in the bank's annual financial statements also reported on these matters. There was also "verbal communication by regional personnel managers to branch executive staff in their areas".

Pick 'n Pay said it had about 20 people in its personnel department which carried the task of communicating company policy to its employees. "The department is very involved in the welfare and development of people," said chairman Raymond Ackermann and to support this he enclosed

considerable research follow in the questionnaire, but it is those pertaining to training which provide one of the most dramatic indications of the pace of change. BP said that in collaboration with the National Institute of Personnel Research, it had completed a study to assess the development potential of all its black employees, with eight or more years education, to enable planning of their training and careers, and to promote them to more senior positions. An objective had been set to fill 50 percent of all vacancies in middle and senior positions for which outside recruitment is necessary with non-whites, providing the candidates were available and could be trained. The company gave a breakdown of positions showing blacks, coloured people and Asians now occupied numerous positions previously held by whites.

Figures provided by Ford showed that non-whites were being trained at twice the rate of whites and expenditure on their training was also double. Pick 'n Pay said it now has two blacks in senior management, four coloureds and 2 Asians. Whites are now in the minority in middle management.

"The company has recently begun to get involved in organisational development with outside consultants."

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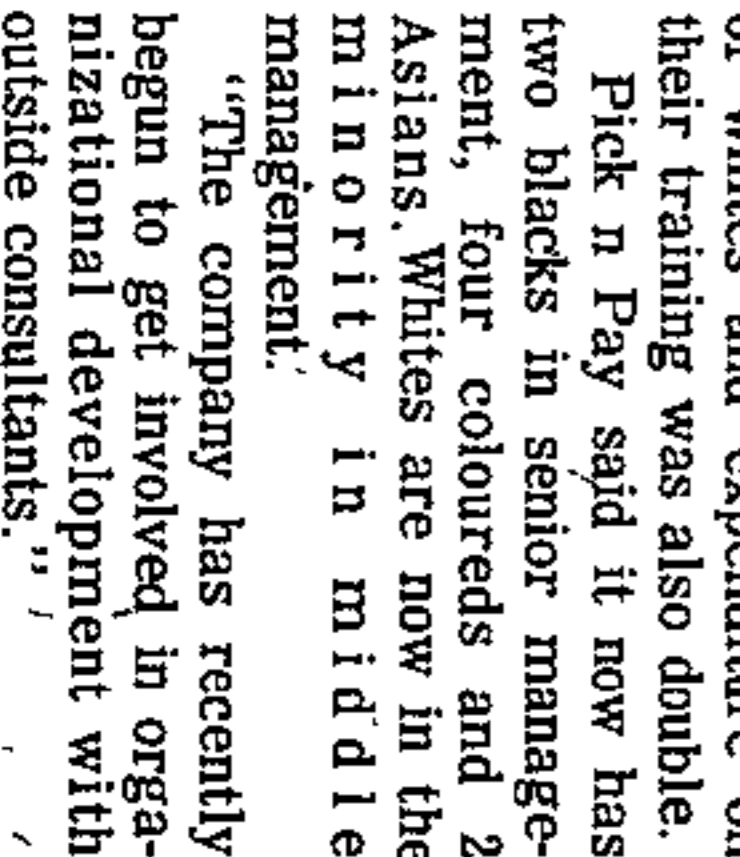
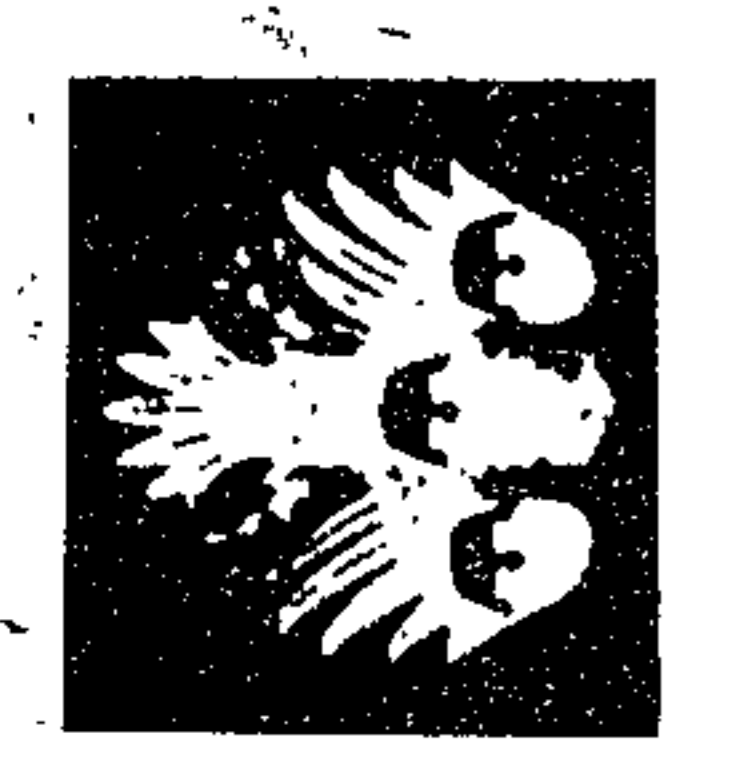
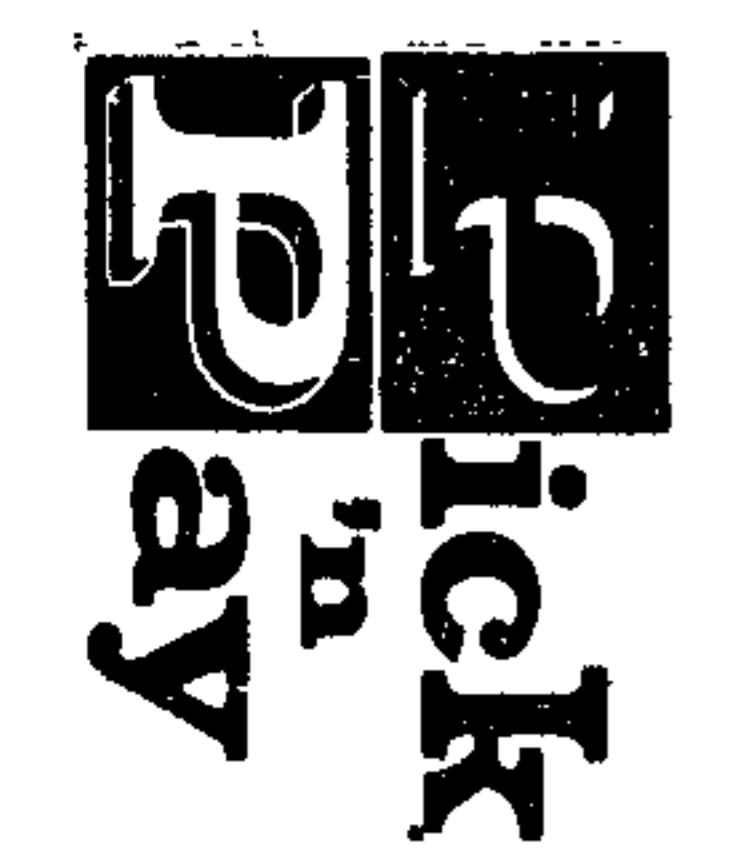
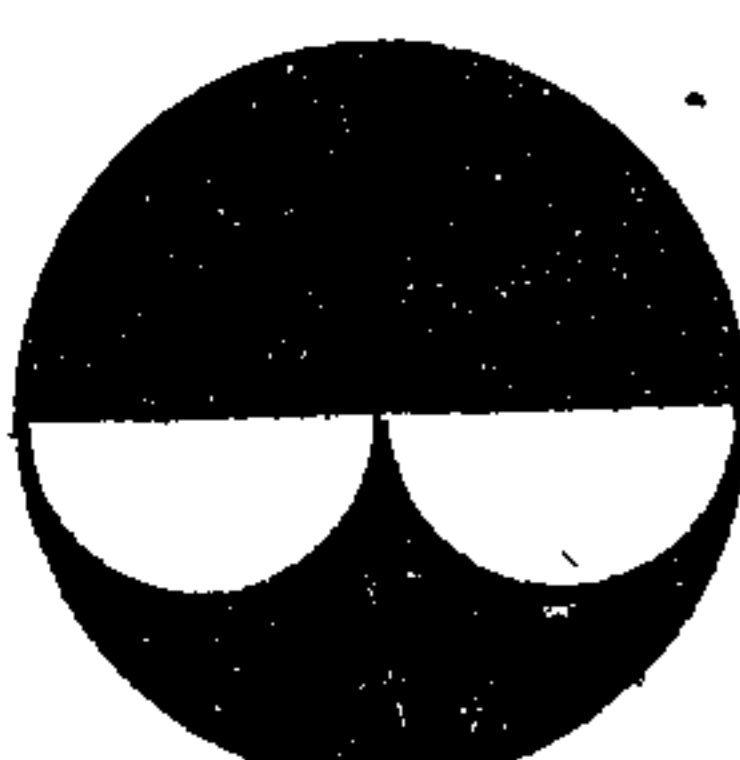
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FIVE OF the biggest industrial and commercial concerns operationally endorsed the principles enshrined in South Africa's new comprehensive analysis of their progress in implementing non-discriminatory policies and practices throughout their fields of activity. All endorse the fair employment principles set forth in the US Export Import Bank act, which in essence demands compliance with non-segregation of races in all work facilities: equal and fair employment for all employees; equal pay for equal work; training programmes to prepare blacks for supervisory, administrative, clerical and technical jobs; increasing the number of blacks in management and supervisory positions; willingness to engage in collective bargaining with labour unions; and improving the quality of life for employees in housing, transportation, schooling, recreation, and health facilities. Tollgate Holdings, however,

responded it had never formally endorsed the principles "for the simple reason that for very many years it has been company policy to apply them in practice. By the same token no formal communication of the endorsements was required — the policy is very well known to all personnel". Referring to black promotion to management and supervisory positions it said this was subject to the strict proviso of merit. Historical legal restrictions on the admission of blacks to registered trade-unions were a problem and attempts were now "underway to have blacks admitted to membership of unions representing their white and coloured colleagues, or where this is technically impossible to registered black unions". The companies responded as follows to the detailed information requested in the questionnaire:

How has this endorsement of fair employment principles been communicated to all your



Black unions clash at Ford car plant

By Sieg Mannig
Labour Editor

A showdown between black consciousness and black trade unionism lies behind a new trade union which is flexing its muscles at Ford in Port Elizabeth. So informed sources.

The new black Motor Assemblies and Components Workers' Union of South Africa (Macwusa) was formed at the weekend because of "dissatisfaction" with the recognised black United Auto Workers' Union (UAW).

Macwusa has sprung from black consciousness backed workers who disrupted work for weeks at Ford's Clifton plant last year, leaving the UAW out in the cold.

CREDIT

And it takes credit for a recent settlement under which, it is understood, the former strikers will receive the forfeited year-end bonuses, payable at the end of this year.

The source said the UAW had strengthened the former strikers' hand in negotiations for the payment of the forfeited bonus by presenting them with a set-aside fund which did not have to be paid out.

The UAW had not taken up the issue of set-aside bonus. It had been told to keep out of the strike.

MANAGEMENT

Ford is following a strictly neutral policy in the confrontation.

The company would recognise any union which was recognised by all its employees - whether it was recognised or not, said Sir Fred Parry, Ford's industrial relations manager.

He was not prepared to comment on any deal, the company must have with the new union, he said when asked whether Ford had been approached for Macwusa recognition.

Unfortunately in their natural function of the changing scheme attempting to tend to buy in. This can also function is to kill deliveries are often mu

One of the most constant change forecasts of quantity of these costs, situation, rate required or quality of inventories de inventory co

12.3 Inventory

Inventory models In particular consumed and so on.

ing theoretical the production high costs in inventory. In balancing department of dislocate. The management to provide quick goods inventories

inventories is the to often make by also affect the sold to maintain with the supplier materials at the over the quality of care, the p and not only affect for production.

of certain assets, consumed, held,

At this stage our discussion is limited to determining the most economical ordering quantity, (E.O.Q.)

In doing so we shall be concerned with:

- (a) Developing the basic model
- (b) Describing the accounting issues relating to the model's parameters.
- (c) Supplying information to implement the various inventory management systems
- (d) Evaluate alternative inventory management systems.

All taken within the context of the simple model and set of assumptions.

12.3.1 Balancing Inventory Costs

Inventory models are designed to achieve two objectives:

- 1 A balance between the cost of acquiring and holding an inventory
- 2 The opportunity cost of not holding an inventory.

Row over US bank loan to SA Government

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Fig. 23
Diagram of particle

Corrected
Decoded

The Star Bureau
WASHINGTON — A row is brewing after yesterday's disclosure that a major American bank is participating in an international R225-million loan to the South African Government.

The participants include Dresdner Bank of Germany, Barclays Bank of Great Britain, Union Bank of Switzerland, and Citibank — owned by Citicorp, the United States' largest financial holding company.

to South Africa, the loan will revive the campaign to limit American economic involvement in South Africa.

A spokesman for the House Africa subcommittee, which leans strongly towards legal limits on investment in South Africa, said yesterday the committee was examining the situation with "concerned interest."

William Howard, president of the National Council of Churches, which campaigns against economic ties with South Africa, predicted a "chorus of opposition" from churches, universities, unions, Congressional leaders and institutional investors.

The money will be used for black schools and housing in South Africa. Citicorp said: "We said we would participate in loans that we determine would have a beneficial effect for all South Africans. This loan fits that category."

Two years ago, Citicorp told its shareholders that it would no longer make direct loans to the South African Government.

IMPROVEMENT

Citicorp's decision to resume lending to South Africa is a "sign that the financial community already perceives an improvement in South Africa's image internationally," according to the Washington Post.

While this almost certainly means an increase in American bank lending to South Africa, it also means a change in the way the financial community views the country. The Post says Citicorp's decision is a "sign that the financial community already perceives an improvement in South Africa's image internationally."

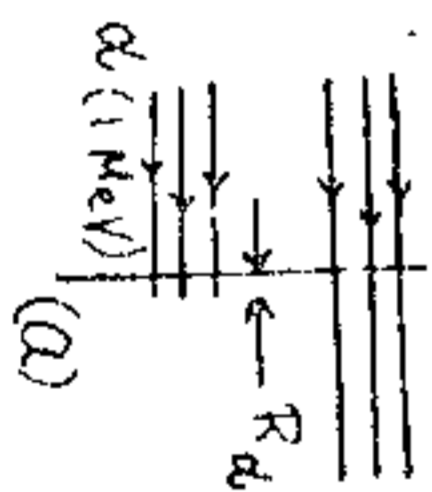


Fig. 24

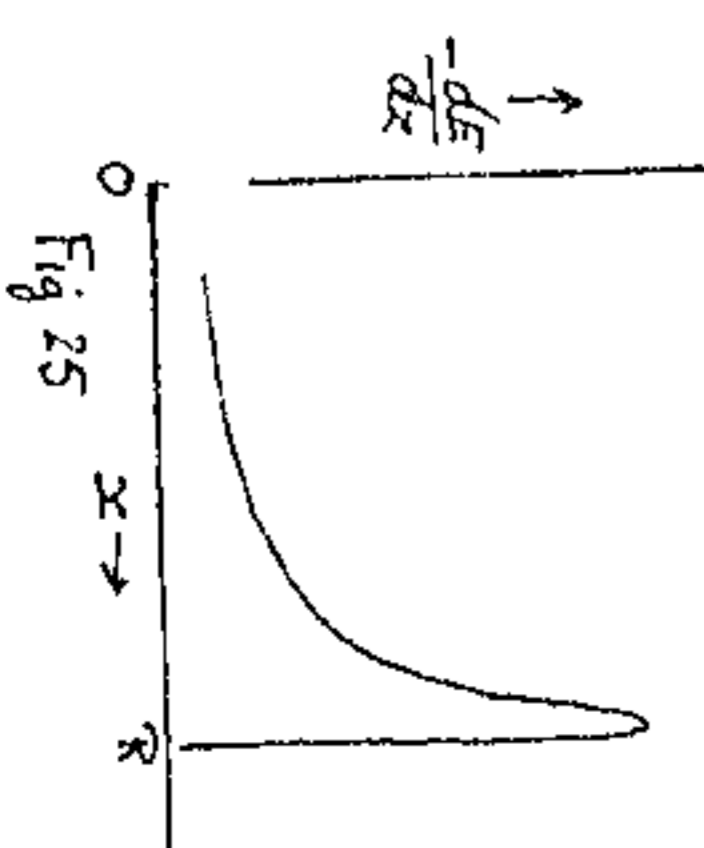
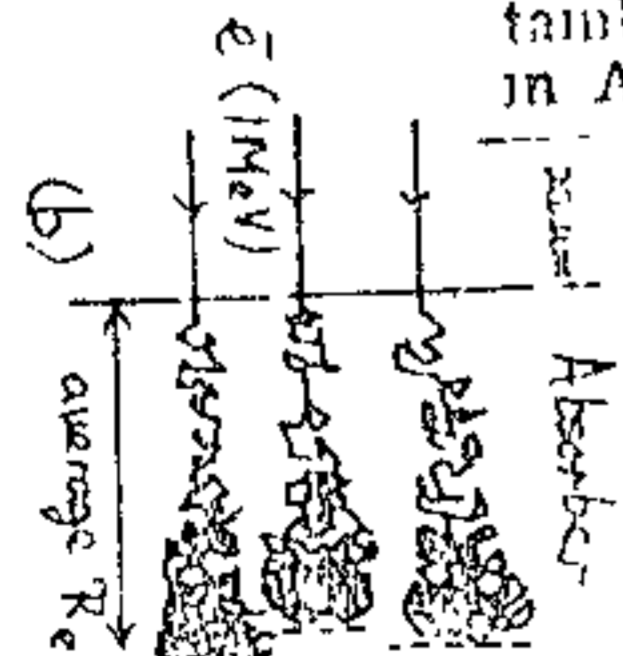


Fig. 25

Interactions and Measurement of Nuclear Radiations

We consider only radiations (particles) having kinetic energies in the energy range (between 0.1 MeV and a few 10 MeV) typical of nuclear physics. The interactions of these radiations with matter are basic to many phenomena and to many aspects of nuclear technology. Examples are the detection of nuclear radiation, the design of radiation shielding and the assessment of radiation dose.

5.1

Interaction of Charged Particles with Matter

As a representative group of particles (radiations) we will consider the electron, proton, alpha particle, neutron and gamma photon (γ , β , α , n , γ). Within these the charged particles form a natural group or subset which it is convenient to consider together.

(a) Charged particles (e.g. e , p and α) interact predominantly with the atomic electrons in matter. Their interactions with nuclei are extremely rare, in comparison, at the energies we are considering. The interactions lead to the ionization and electronic excitation of the atoms in matter in a process which can be viewed as a series of collisions between the incident particle (e , p or α) and the electrons of the absorber atoms. The particle loses kinetic energy in these processes and it will carry on losing energy until it is brought to rest (assuming that the absorbing medium is thick enough to completely stop the particle). The distance (thickness) required to bring the particle to rest is called the range of that particle (in that particular medium) at that particular incident energy.

particle therefore depends on the rate at which it loses energy along its path of travel, that is, on the rate at which it loses energy per unit distance ($-dE/dx$) along this path. This rate depends on the density of the medium and the velocity of the particle. It is also dependent on the energy of the particle. For example, the range of a 1 MeV electron in air is about 3.5 m, while the range of a 1 MeV alpha particle is only about 0.05 m.

End separate development Rev Sullivan

HOMELANDS and separate development must be ended, said Reverend Leon Sullivan, architect of the code of conduct for American companies operating in South Africa, minutes before he flew home on Friday evening.

Reverend Sullivan had been in South Africa for four days as the guest of the South African Institute of Race Relations. He delivered the annual Boerhaave Memorial Lecture this week in which he dealt with the role of multinational companies in South Africa.

Said the towering black American civil rights activist: "American companies must do more. They must reach their two million black workers here and upgrade them."

He warned he would seek the support of the American government in a call for sanctions against South Africa.

"American companies must be instruments of change," he said. "Struc-

By
Z B MOLEFE

tural discrimination in this country must be ended. Separate development must be ended. It means the homelands must be ended. That means there must be structural change in this country. There must be a crack in the wall."

What did he think of Elizabeth Schmidt's book, *Decoding Corporate Camouflage: US Business Support for Apartheid*,

Reverend Leon Sullivan . . . believes he's pointing the way.

File by Mac Mogerosi.

in which she charges that the Sullivan reforms have helped divide rather than unite South Africa's black people and have helped to modernize apartheid instead of eliminating it?

Retorted the American: "Well, I understand what she is talking about. But she is talking about. But years ago.

"Two years ago little was being done. I have developed something and am still developing it. I

have to strengthen it. And I'm still going to have criticism. I'm not bitter."

He was determined to push America companies to upgrade blacks. "They must demonstrate the spirit of the code of principles I have no illusions. The companies can be a catalyst for change. But I'm still not satisfied. They must do more."

Sullivan 'has only started'

STOP P. 1/15/50 (62)

Political Reporter
American civil rights leader, Dr Leon Sullivan, is returning home with plans for more rigorous monitoring of the activities of American companies in South Africa.

Dr Sullivan, author of the Sullivan Code for American companies, said at a Press conference at Jan Smuts Airport last night he hoped to have a

monitoring system in which blacks would have a voice

He hoped to get the cooperation of a South African body in the monitoring process.

Dr Sullivan placed emphasis on black workers getting a better deal, rather than just an elite few.

He believed that his code had been an impor-

tant force for change.

In Port Elizabeth, the Minister of Foreign Affairs, Mr Pik Botha, faced a barrage of interjections and questions from Herstede Nasionale Party supporters when he spoke in Port Elizabeth last night.

Mr Botha "guaranteed" the audience that he would "do something" about the appearance of the Rev Leon Sullivan on

television
"In any case, I will make sure he answers me before he goes home on how many African countries are implementing this Sullivan code," Mr Botha said.

Mr Botha accused the HNP of sowing suspicion and confusion and of helping South Africa's enemies "just like the PFP."

Sullivan code 'entrenches' apartheid

C. Howard 6/9/80 (62)

HF Sullivan code which American companies in South Africa are supposed to be using to get rid of apartheid in their businesses is 'modernising' rather than eliminating apartheid, according to a book soon to be published. The man who devised the code, the Rev Leon Sullivan, is due in South Africa this week to deliver a lecture on the role of multinational companies in his country.

The book, Decoding Corporate Camouflage: US Business Support for Apartheid is being published by researcher Elizabeth Schmidt next month. Most blacks at US firms are still work in segregated workplaces. Equal work for equal pay is an empty slogan, and the top jobs are still held by whites and the lowest jobs by blacks, she says.

She criticises the Sullivan code as a 'flimsy camouflage' to disguise the collaboration of US businesses with apartheid. It has divided rather than united blacks here, she says, and perpetuated apartheid.

The six principles of the code are:

- Non-segregation of the races in all eating, comfort and work facilities;
- Equal and fair employment practices for all employees;
- Equal pay for all employees doing equal work for the same period of time;
- Training programmes to prepare substantial numbers of blacks for supervisory, administrative, clerical and technical jobs.
- Increasing the number of blacks in management and supervisory positions; and
- Improving the quality of employees' lives outside the work place.

According to the October report-back by the signatories to the principles, 75 percent of the 244 businesses claim their facilities are now 'compliant'.

But this, says Ms Schmidt, is misleading. While most companies may no longer post race signs, 71 percent of blacks still work in segregated workplaces.

This is not because they are black, but because they perform the most mental or semi-skilled jobs.

Lunch rooms, toilets and locker rooms that were previously reserved for white workers are set aside for salaried staff.

According to the report-back, 76 percent of the workers in the lowest job category are black and two percent are white. 99 percent of the top job category are white, one percent is black.

Two-and-a-half years after the introduction of the principles, half of the businesses that reported back had no blacks in managerial or supervisory positions.

As late as October 1979 only one company had signed a contract with a trade union.

Ms Schmidt is highly critical of the system set up by Sullivan to keep an eye on the implementation of the principles in South Africa.

The costs of checking on the progress of implementation of the Sullivan Code are met by the E. D. n. a. McConnell Clark Foundation — which has R65-million worth of its own business in South Africa.

The firm which writes the progress reports, Arthur D. Little Company, also has little of which to be proud.

For more than a decade the firm has had links with the Space Research Corporation, the company whose top officials this month pleaded guilty to shipping 33 000 howitzer shells and a number of howitzer parts to South Africa.

Ms Schmidt also criticises the grading system used to chart a firm's progress in implementing the principles.

The computer company Control Data, where in June 1979 only 14 of 270 employees were black, was considered to be making good progress, although there were ten categories of work in the company, all of the blacks were employed in the bottom three.

No blacks were being trained for the top categories and nearly 73 percent of all white workers outranked the senior black employee.

Many of the signatories appear to be directly proping up South Africa's State apparatus.

Motorola Corporation has hotly defended its South African activities, which included the sale of two-way radios to the South African Police.

General Motors, Sullivan's own company, comes under fire for its contingency plan to be implemented in the event of civil unrest.

The company agreed in the plan to co-operate fully with the South African authorities and to encourage its employees to join a local civil defence unit.

Sullivan lashes US companies

62
KPM
5/9/80

THE author of the nonracial fair-employment code for United States companies operating in South Africa, the Rev Leon Sullivan, yesterday warned several hundred American businessmen that they would be exposed and punished if they did not abide by it.

Speaking at a luncheon in Johannesburg, the Baptist minister and veteran civil rights campaigner said: "I'm going to turn the screws on you. I will reach into corporation boardrooms and take the cover off your companies."

Later he added: "You American businessmen in South Africa and other parts of Africa had better get yourselves together."

Other black leaders have said the code perpetuated apartheid by simply improving — not changing — conditions. They advocate complete disinvestment as the only way foreign countries can force change in South Africa.

On the other side, the Government views Mr Sullivan's efforts with an equally critical eye.

Last week the outgoing Minister of Transport Affairs, Mr Chris Heunis, intimated in a speech while opening a General Motors company in Port Elizabeth, that foreign companies should keep their noses out of South Africa's internal affairs.

PATRICK LAURENCE writes that Professor Michael Whisson, Professor of Social Anthropology at Rhodes University, maintains that the Sullivan Code is unattainable and of no significance.

Prof Whisson, who last year monitored the implementation of the code at the Port Elizabeth Ford plant, says this in the latest issue of "Social Dynamics"

He said the pressure which Mr Sullivan could bring to bear on companies in South Africa was only marginally greater than the leverage of like-minded people in South Africa.

Mr Sullivan also accused US companies in South Africa of being too busy making money to notice the world of apartheid round them, United Press International reports.

"You are not going to make that money that easily any more," he thundered

The businessmen left the luncheon visibly shaken.

About 140 of the 350 US companies operating in South Africa — American officials estimate they represent more than 75% of the total US investment of R1 340-million — have already pledged themselves to implement Mr Sullivan's code.

The code's first principle is non-segregation in all eating, toilet and work facilities.

After the luncheon, one US businessman who declined to identify himself or his company, said: "We American companies are at the forefront of non-discriminatory labour practices. I certainly did not expect to be rapped over the knuckles like that."

Mr Sullivan is on his first full visit to South Africa since he drew up the code in 1978. Five years ago he passed through Jan Smuts Airport, but did not leave the complex.

He has spent most of his four-day visit, which ends today, in talks with black leaders.

The visit was at the invitation of the the Institute of Race Relations. It has aroused considerable controversy among the Left and the Right.

Dr Nthato Motlana, chairman of Soweto's Committee of Ten, has said the Sullivan Code "lacked teeth" and was worthless to blacks.

Anger at Sullivan attacks

STAR 62
5/19/60

American companies in South Africa were "mad as hell" today after being attacked twice at big meetings with the Reverend Leon Sullivan yesterday.

This was revealed by one American company spokesman who attended both meetings but declined to be named for fear of further repercussions.

"We agree with what he says, but the reaction is that the companies who have assisted him most in the implementation of the Sullivan Principles of fair employment practice are being hit the hardest," he said.

First Dr Sullivan had lashed into the signatories of his principles at a luncheon, and then he had hit them again at a public speech last night with his opposition to new investment in South Africa.



The Rev Leon Sullivan speaking at Wits last night.

Change or else, warns Sullivan

Post 5/9/80 (DPA) 62

By JOE THOLOE
THE Rev Leon Sullivan yesterday threatened a disinvestment campaign against South Africa if change did not come fast enough.

Delivering the Hoernlé Lecture at the University of the Witwatersrand, he defended the labour code he started in 1977 and attacked companies which refused to implement it.

Dr Sullivan, head of the Zion Baptist Church in Philadelphia, said any American company that did not do its part to help alleviate oppression had no moral justification to remain in this country.

"As far as I am concerned they should pack-up — pack-up and get out," Dr Sullivan said.

On his return to the US he would be support-

ing selective disinvestment against American companies which did not co-operate with his principles or which refused to be monitored.

"I will also be calling for strong United States Government action — I will be calling for tax penalties and sanctions if they do not implement these principles.

Embargo

"And if change still does not come fast enough I will consider stronger measures including a return to total disinvestment and ultimately a total embargo on all American imports and exports to and from South Africa."

Dr Sullivan is a guest of the South African Institute of Race Relations.

He also attacked European and Japanese companies which were not

doing anything to bring about change. He said they were major beneficiaries of oppression in South Africa.

He warned that time was running out for South Africa. "Apartheid must come to an end, and I intend to bring it to an end, hopefully by peaceful means."

In an apparent reference to criticism of his code, Dr Sullivan said American companies had to talk to black unions whether they were registered or unregistered.

**Mainstay
Cup
draw
shock**

Industrial breakthrough

Ford in PE to employ shop stewards

NAM
increased
5/19/80

(62) (100M) (100K) (1000)

Mercury Reporter

FIVE full time union shop stewards and 15 part-time shop stewards are to be employed by the Ford Motor Company in Port Elizabeth next week in what has been described as a breakthrough in industrial relations in the country.

Mr Fred Fierreira, director of Industrial Relations at Ford said yesterday the stewards would be employed as a result of negotiations between the company and the unions representing the 4000 workers at the company.

The stewards will be elected by the workers, he said. Their employment will, we hope, go a long way to resolving any labour problems that might arise.

According to Mr Alec Erwin, secretary of the Federation of South African Trade Unions, the employment of the stewards is a breakthrough in industrial relations in South Africa.

I am not certain, but I think it is the first time in the history of the labour movement in South Africa that an employer has agreed to the full-time employment of shop stewards, he said.

Direct link

The shop stewards — who will take up their positions next week — will have direct links with workers and be able to negotiate on their behalf.

They will be paid at the rate for the job they were doing before they were elected to their new positions.

The unions representing the Ford workers are members of Fosatu.

One full-time shop steward has been appointed for every 750 workers and 25 part-time shop stewards for every 250 workers.

The stewards cannot be sacked by Ford without the agreement of the trade unions concerned.

The Volkswagen motor company in Port Elizabeth is negotiating with unions representing their workers for a similar deal.

The general approach will not be 530 which follows.

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to (or slightly higher) Re: Term 3: Here it is suggested

62

Ford in gear

In an unprecedented step, Ford SA has introduced full-time shop stewards — a move hailed as a major breakthrough for trade unionism in SA.

The agreement, signed last week, is between the company, the United Automobile Rubber and Allied Workers, the National Union of Motor Assembly Workers, and the SA Iron, Steel and Allied Industries Union. It allows for the introduction of full and part-time shop stewards on the factory floor.

The move has sparked interest among all SA trade unionists. Says a labour observer: "This represents a watershed in SA industrial relations. The system of shop stewards has never been fully utilised before — not even among white unions. This marks a clear move towards the belief in solving problems on the factory floor."

Fred Ferreira, Ford's industrial relations manager, adds: "For the first time shop stewards have been accepted as legitimate representatives — not just functionaries working on a flexible, part-time basis."

The agreement states that each trade union recognised by the company will be entitled to nominate:

- One full-time shop steward for every 750 hourly employees, or major fraction thereof, who are eligible for membership of that union; and
- One part-time shop steward for every 250 hourly employees.

There will be as many as 20 part-time and six full-time shop stewards. Those working full-time are under the direct authority of their respective unions but are being paid by the company at the rate they were earning when elected.

Best possible

Alec Erwin, national organiser for the Federation of South African Trade Unions (Fosatu), says this proportion offers the "best of both worlds." Fred Sauls of the National Union of Motor Assembly and Rubber Workers adds: "The part-time shop stewards can communicate with workers on a daily basis. Those working full-time will ensure a continual flow of information between the unions and their workers and will co-ordinate the various part-time shop stewards in the area."

Their responsibilities are restricted to handling "legitimate" grievances or other "legitimate trade union representation functions."

The agreement defines a legitimate grievance as "a dispute or difference of opinion ... on wages or any condition of



Sauls . . . "a move in the right direction"

employment . . . provisions regulating conditions of employment, training, health and safety . . . administration of benefit programmes and disciplinary action regardless of the infraction and penalty."

However, shop stewards may not "negotiate or represent on the shop floor matters involving company policy . . ." or make representations on "non-work related issues."

The agreement, the first of its kind to be drawn up between a company and trade unions, comes into effect immediately. Shop stewards are being trained by the unions and have taken office.

Factory floor representation is a contentious issue in SA. White unions have tended to rely on union representatives and the industrial council system to resolve disputes and answer worker grievances — a system which has been criticised as time consuming and unsatisfactory, particularly for black workers.

Says Erwin: "Management and registered unions have relied on the industrial council system for their industrial relations. This may have been satisfactory for artisans, who enjoy greater mobility, but it cannot suffice for the great mass of semi-skilled and unskilled workers now being unionised."

Ford's initiative may also introduce a new trend in the white labour movement where white unions have been slow in utilising full-time shop stewards, preferring union representatives, worker elected committees, and ultimately the industrial council.

Says Ferreira: "Grievances should be resolved quickly and on the shop floor. The agreement is a step towards that objective."

Adds Sauls: "The agreement is a move in the right direction for SA industrial relations and should show the way for other companies. We hope it will help workers in their demand for better representation on the factory floor."

result of the fragmented nature of the project part-

Sullivan Code 'of no ^{C. Turner} 5/19/80 significance'

JOHANNESBURG — The Sullivan Code of Principles for American companies in South Africa is unattainable and of no significance, according to Professor Michael Whisson, professor of social anthropology at Rhodes University.

Professor Whisson, who last year monitored implementation of the code at the Ford plant in Port Elizabeth, gives this assessment at a time when the author of the code, the Rev Leon Sullivan, is on a visit to South Africa.

"The story of the Sullivan Principles would appear to be a classic case of incorporation of an idealist position by big business," Professor Whisson says in an article in the latest issue of *Social Dynamics*.

While acknowledging Mr Sullivan's success as a civil rights campaigner against the business sector in the United States, Professor Whisson says his attempt to pressurize for change in South Africa has not achieved similar results.

Focusing on the difference between the US and South African societies, Professor Whisson says "The vast majority of Americans would vote against racism and were thus a sympathetic sea in which Sullivan and his cohorts could hunt down great white racist sharks."

But in South Africa the stake of American-based companies was small and the pressure which Mr Sullivan, who joined the board of General Motors after his American campaign, could bring to bear was only marginally greater than the leverage of like-minded people in South Africa.

"The Sullivan Principles were thus born out of political impotence and moral fervour — a combination familiar to many readers of English-language newspapers."

Professor Whisson differentiates between two sorts of companies which supported the Sullivan Code.

Companies which saw the code as a means to mute criticism in the US with the argument, "We are committed to change, we are doing what we can within the law." Professor

Whisson describes their activities as "corporate camouflage."

Companies who take on a longer view of their involvement in South Africa and who use the Sullivan Code as a strategy for survival rather than a slogan to quieten critics abroad.

But Professor Whisson says black workers have grave doubts about the various codes (the Sullivan Code is one of several seeking to improve the position of black workers).

"They have noted that since the codes were imposed real wages have not increased markedly — and, although some of the lowest paid workers may have benefited by wages being linked to Poverty Datum Line scales, this has been done at the expense of the semi-skilled by narrowing differentials."

"For the mass of workers, if the codes do not mean a rise in their real income, then they mean nothing."

'The goal is the dismantling of apartheid'

Sullivan hints at tough line

By JOE THOLOE

THE Reverend Leon Sullivan might get tough with American companies that do not implement his labour code — the "Sullivan Principles".

He hinted at sanctions and disinvestment during his meetings with various people in Johannesburg yesterday — people ranging from the chairman of the South African Indian Council, Mr J N Reddy, to the secretary of the South African Council of Churches, Bishop Desmond Tutu.

But he was not giving much away until after his Hoernle Memorial Lecture to the South African Institute of Race Relations, his hosts, tonight.

Some time today he will be meeting the managers of the companies that have signed the Sullivan Principles.

At least one of his guests at the Carlton Hotel yesterday told Dr Sullivan that his Principles had no effect on the structure of apartheid.

"Amelioration of our condition, yes — but no fundamental change." Others made suggestions to improve the

of talking?

He is not answering questions until after his lecture at Wit's

He gets excited again when he talks about his Opportunities

Industrialisation Centres (IOC) all over the world — where skills are taught to the disadvantaged.

"That is why I am again asking questions."



THE Rev Leon Sullivan Hotel guests yesterday. Among his guests are: Mrs Ten, Mr Gibson Thula of Emma Mashinini, a trade unionist, Mr Leonard Moyo, a member of the Soweto Committee of Inkatha, the Rev Allen Hendrickse, Mr M Mahanye, of Natfoc.

From early morning Dr Sullivan met his guests. His appointments were arranged at one hour intervals.

As his guests left we saw among them Mr Peter Davidson, an Inkatha regional executive member.

And there was Dr Sullivan, more than two metres tall — the personification of my images of American black preachers.

Dr Sullivan thanks us for coming. He has read the papers and comments on Mr Percy Qoboza's Washington appointment.

And then he asks questions.

He gets animated, grabs three items from the coffee table.

"I started here," he says, placing one item on the table. "I have moved to here." This is a few inches away from the first. "The destination is there." He throws the third about two metres away.

"The goal is the dismantling of apartheid. We are learning as we go along. That is why I am here — to listen to what people say.

Would not this be a better programme than the Principles — independent of reluctant companies?

"Yes, that has been suggested. We will look into that."

What direction should we take?"

As he talks he keeps saying: "If we continue with the Principles."

A hint at abandoning them? Or merely a way

STAR
62
4/9/80
BWA

Sullivan Code did little, says Tutu

Re: Term 3: H

Staff Reporters
The Rev Leon Sullivan, author of the controversial Sullivan Code, knows it has done little to promote equal working conditions and employment opportunities in American firms working in South Africa. So says Bishop Desmond Tutu who met him yesterday.

the Inkatha movement, told Dr Sullivan the monitoring of the code left much to be desired.

Mrs Lucy Mvubelo, the trade unionist said Dr Sullivan promised to put pressure on employers to recognise registered and unregistered black unions.

Dr Sullivan toured black, coloured and Indian townships of Johannesburg today.

Tonight he will give a public lecture on "The role of multinational corporations in South Africa" in the Great Hall of Witwatersrand University at 8 pm.

Re: Term 4: T

Bishop Tutu said he told Dr Sullivan "his principles are being used as a kind of buffer" by firms interested in public relations.

Mr Gibson Thula, the urban representative of

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Re: Term 5: The riskiness of this flow is likely to be equal to that of Term 3 thus the same discount factor is suggested. This stream is the tax shield arising from the tax deductibility of the interest on an equivalent (the displaced) loan.

The general approach will now be applied to the problem in MAN. 530 which follows.

Work code files union

POST
62
3/9/80
EAM
CONTROVERSY over the "Sullivan Principles" erupted yesterday when the author, the Rev Leon Sullivan, arrived in South Africa for a four-day visit.

The controversy ranged from a demand by an unregistered trade union that he clarify one of his principles, to a refusal by a member of one of the task forces monitoring the code to meet Mr Sullivan.

The Chemical Workers Industrial Union yesterday recounted their battle for recognition with a signatory of the Sullivan Principles, Colgate Palmolive and asked for "an immediate clarification of whether the Sullivan Principles support the right of black workers to be represented by the union of their choice or whether the principles insist that the union should be approved by the State — ie, be registered."

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wed
The union said that Colgate Palmolive had refused to deal with them despite "strong support for the union from a large majority of workers."

The union said the company interpreted the second principle to mean that they need only "recognise a union or unions which have been registered in terms of the laws of the country."

me
"Clearly, the code of conduct is intended to set standards for the practices of American companies in South Africa," the union statement said. "The most important demand by workers is not for fringe benefits but for effective and democratic representation through their own organisations."

A leading member of the education task force, Mr T W Kambule, said last week that he believed a meeting with Mr Sullivan would be worthless.



The Rev Leon Sullivan and Mrs Leah Tutu in a Johannesburg hotel yesterday. Mr Sullivan is to deliver the Hoernle Memorial Lecture at the Institute of Race Relations.

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Another man who has been involved in the implementation of the Sullivan Principles said yesterday they were a "farce." He did not want to be named at this stage.

Training centres planned as a Sullivan spin-off

STAR 3/9/80

62

Labour Editor

Several training centres for workers of races other than white are to be opened in South Africa soon as a result of the Rev Leon Sullivan's labour initiatives.

This was announced in Johannesburg today by Mr Daniel Purnell, executive director of the international council engaged in the implementation of the Sullivan Principle of fair employment practices.

He said one of the party who is with Dr Sullivan on his first South African visit, Mr Garry Robinson, had been paving the way for the training centres on two previous visits.

Yesterday Dr Sullivan met the local committee which was "very, very busy with the opening up of the training centres," Mr Purnell said.

Dr Sullivan, who arrived yesterday, will have a busy day today

meeting black community leaders and the chairman of the task forces assigned to promote the implementation of the six Sullivan Principles.

Later he will meet the National African Federated Chamber of Commerce and the American Chamber of Commerce before spending the evening with trade union leaders.

Among the labour leaders will be Mr Seakes Sikhakhane, chairman of the Consultative Council of Black Trade Unions in the Transvaal, and Mr Ronnie Webb, senior vice-

president of the Trade Union Council of South Africa

Representatives of the Federation of South African Trade Unions are to meet Dr Sullivan on Friday.

A Fosatu spokesman said today. "Fosatu's major problems with the Sullivan Principles are that they are too vague on the issue of recognition for representative unions and that there are no enforcement powers to ensure that companies do not merely pay lip service to them."

SHOCK awaits Sullivan

A SHOCK awaits the Rev. Leon Sullivan, author of the Sullivan Principles, when he lands at Jan Smuts Airport tonight — two members of his local Sullivan Education Task Force will not be working with him on his South African tour.

The two are Mr Tamsang Kambule, respected black educationist who has pulled out of the committee, and Mr Percy Qobeca, Editor of POST, who is on sick leave.

Mr Sullivan, director of General Motors who set up the Sullivan Principles — the code of conduct for American companies operating in South Africa — is a guest of the South African Institute of Race Relations. He is expected to meet directors of American companies during his South African visit. He will be in the country "just for a few days" and will give the institute's Hoernle Memorial address.

Mr Sullivan has invited black leaders in the educational task force for a meeting tomorrow. The task force committee, includes Mr Kambule, Editor of POST, Mr Percy Qobeca, Dr Nthato Motlana, chairman of the Committee of Ten and Mr Gibson Thula of Inkatha. The Sullivan Educational Task Force was initiated to improve facilities in black education through American companies in the country. The task force was to see to it that proper schools were built, existing ones improved and also to offer bursaries. Mr Kambule said that he believed that meeting Mr Sullivan was worthless. He said that since the task force started two years ago, nothing worthwhile had been done to improve black education.

"And over the last two years, the black membership in the task force has dwindled because of the disillusionment.

"This would be merely to put a stamp of credibility to this committee which has no possibility

of achieving anything and would give a strong impression that it has the support of black leadership".

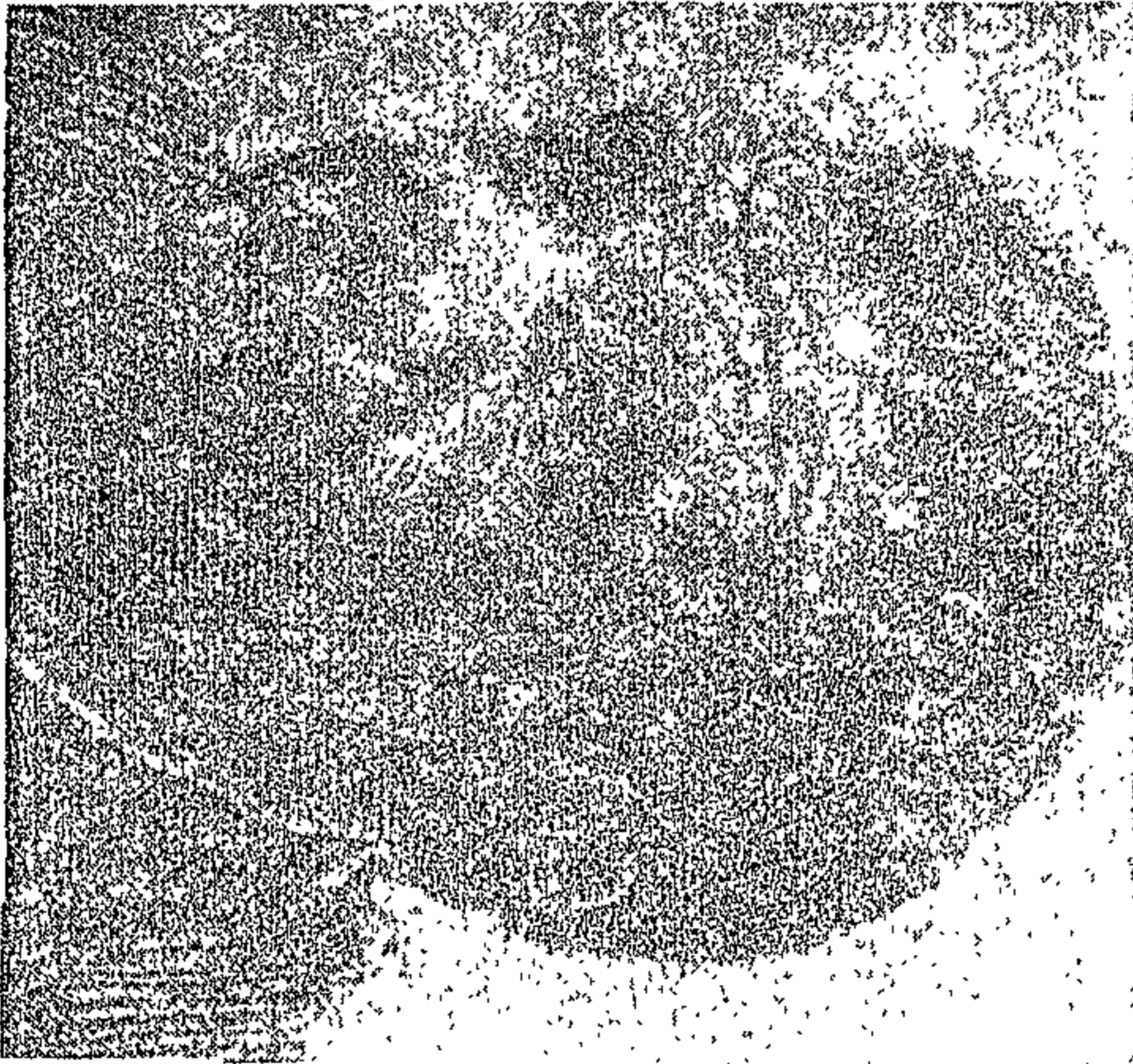
Mr Kambule said that the task force was started to justify continued operation of foreign companies in South Africa under the pretext of an educational upgrading of blacks.

Mr Kambule said that the task force's achieve-

ments had been minute, and could not "offset the glaring imbalance" between black and white education.

"Blacks are disillusioned; hence they are staying away from committee meetings of the task force."

He said that had he agreed to meet Mr Sullivan, it would have led to him being used to give credence to the scheme.



Mr Tamsang Kambule . . . not meeting the Rev Sullivan.

Also
Top blacks
deride
Sullivan
principles

from page 1

Sullivan may ask him:

"The question of my continued participation in the monitoring process will obviously come up. My response will partly depend on his attitude," Dr Motlana said.

Mr Kambule said he would have nothing more to do with the Sullivan Principles.

"I don't doubt Dr Sullivan's sincerity and good intentions, but his employment principles are a real farce in terms of what has to come about in this country," he explained.

"Among blacks these principles are hardly known to exist because their role is negligible."

He refused to give credence to the scheme by meeting Dr Sullivan, he said.

The tall, imposing Dr Sullivan, who will spend his entire visit in Johannesburg, said he had come to look and listen.

The prime purpose of his visit was to deliver the Hoernle Memorial Lecture for his hosts, the Institute of Race Relations, on Thursday.

"Also I want to meet the black and other non-white leaders to hear their views . . . to see if there is any way I can be of any help," he said in an airport interview.

Asked why he had not visited South Africa earlier, he said he had stopped over at Jan Smuts Airport five years ago.

It was after this trip to black neighbouring states that he decided to "attempt the principles."

● Page 23: All eyes on Sullivan visit.

Black leaders deride Sullivan principles

By Sieg Hamer
Labour Editor

A controversy erupted today when the Rev Leon Sullivan, draftsman of the United States voluntary employment code, arrived on his first South African visit.

The "Sullivan Principles" of non-racial employment practice were described as a farce by Mr Tamsanga Kambule, a black educationist who served on the Sullivan task force on education.

And Dr Nthato Motlana,

Chairman of the Government Committee of Enquiry and also a member of the task force, revealed that a lot of blacks who were involved in the Sullivan negotiations have resigned.

He said "I have been under tremendous pressure not to speak to Dr Sullivan."

Unlike Mr Kambule who today turned down several requests to explain his attitude to Dr Sullivan, Dr Motlana will respond to the questions Dr

To Page 3, Col 10

ALL EYES ON SULLIVAN'S SA VISIT

By Sieg Hannig
Labour Editor

black American pre-her who probably wields more influence in South Africa than most foreign governments arrived on his first fact-finding visit to South Africa today.

He is the Rev Leon Sullivan, the man responsible for the six "Sullivan principles" of anti-apartheid employment practices signed by about 140 American companies operating in South Africa.

Both supporters and opponents of foreign investment in this country will watch his four-day visit to Johannesburg with baited breath because Dr Sullivan could do much to turn the tide either way.

RIGHTS ACTION

During the American civil rights campaign he is reported to have resorted to selective boycotts against key firms with discriminatory practices.

And in 1971, when he became the first black director on the board of General Motors, he voted against his 24 co-directors

for a resolution calling on the corporation to wind up its business in South Africa.

Later he took a second look at the situation and decided to convert business into a force for human rights in South Africa.

Initially 12 big companies associated themselves

with the Sullivan Principles, formulated in 1976, for constructive engagement in South Africa."

ANTI-APARTHEID

Dr Sullivan's goal is the destruction of apartheid.

Amid warnings that bloodshed might be only a few years away, he rein-

forced his principles with regular monitoring exercises as well as gathering bodies to promote their implementation.

This process of stepping up the pressure is still continuing.

Most recently, Dr Sullivan's call for his principles to be made legally binding on American

These are the principles

SIAR

62

The Sullivan principles, subscribed to by about 140 American companies operating in South Africa are:

- Non-segregation of races in all eating, comfort and work facilities.
- Equal and fair employment practices for all employees, including non-discriminatory benefit plans.
- Equal pay for all employees doing comparable work, including an equitable system of job classification.
- Instituting training programmes which will prepare substantial numbers of blacks for supervisory, administrative, clerical and technical jobs.
- Increasing the number of blacks in management and supervisory positions.
- Improving the quality of employees' lives outside the work place in areas such as housing, transportation, schooling, recreation and health facilities.



Leon Sullivan . . . power in high places.

firms, with penalties on defaulters, received the attention of the House of Representatives Subcommittee on Africa.

TURNING SCREW

"I will be turning the screws on American companies more and more," he told the sub-committee in May.

"But I've reached about as far as I can go on a voluntary basis and I want to see the companies under the hammer — that's why I'm asking the government to come and help me."

Clearly his main targets were the 164 non-signatory companies. But only 84 of the 135 signatories monitored late last year were found to have made good or acceptable progress in the implementation of the principles.

Where does Dr Sullivan intend going from here? No radical switch in his policy is likely, since he has been watching the South African scene closely through the monitoring

process as well as through the eyes of personal aides who have visited South Africa on various occasions.

CONTRADICTION

But much will depend on the possibly contradictory and certainly confusing views which scores of American business leaders and South African community leaders and trade unionists of all races will put to him before he flies back to New York on Friday.

From all accounts this charismatic civil rights activist is sure to leave an impression on the people he meets here.

Who knows, he might even leave behind some more concrete reminder of his visit.

If so, this could well be an offshoot of his other initiative which has made a big name for itself — his Opportunities Industrialisation Centre (OIC) which has found jobs for large numbers of unemployed blacks through training and retraining in the United States.

OIC branches have been established in at least five African countries. Why not in South Africa?

SUNDAY POST

Pik's guarantee

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FOREIGN AFFAIRS Minister Pik Botha has "guaranteed" to "do something" about the appearance on television on Friday night of the Rev Leon Sullivan, author of the "Sullivan Code of Conduct" for American companies operating in South Africa.

The only reason for Mr Botha's anger is that Mr Sullivan came out very strongly against companies which do not implement the code. He warned that if they continued doing this he would seek a trade embargo against South Africa and tax penalties for those companies which continued operating in South Africa.

Mr Botha reacted in typical South African way. Instead of seeing the problem from Mr Sullivan's point of view (after all, it was his "code" which helped turn off the pressure for disinvestment) South Africa has accused Mr Sullivan of poking his nose into their affairs.

Even more amazing is the threat to "do something" over Mr Sullivan's appearance on television. Does this not confirm what we have always said: that if people do not agree with the government, they will not appear on the holy box? Does this not reflect badly on those who have appeared — and much too often, too?

Does it also not reflect on the journalistic ethics of those who work for television?

As we have said before, we do not expect the SABC to run around looking for anti-Government spokesmen. However, we do believe the box must not be the preserve of those who agree with the Government.

We believe Mr Sullivan must have felt disappointed at the failure by companies to adhere to his code. He said so, and in fact told American businessmen he would "turn the screw" on them if they did not do something about it.

There are many reasons why the code cannot be successfully implemented, the chief one being restrictive legislation. But as long as companies hide behind the "law", so long will there be no progress.

Mr Sullivan's warning that change will come violently unless the country's whites adapt to the times of the present and work for peaceful change, is nothing new. It has been said before by people right here in this country, so we cannot see why it suddenly becomes "meddling" if Mr Sullivan says so.

This country must stop pointing fingers at other countries, and try to find solutions to problems instead of creating further problems.

By Sieg Hannig, Labour Editor

A stand against new investments in South Africa until there is concrete evidence that apartheid has ended was taken last night by the Reverend Leon Sullivan.

Such evidence included official meetings between the white Government and leaders of other races, such as a national convention and an agreed timetable to fully include the other races in the economic, social and political life of South Africa, he said.

At such a meeting or convention, he hoped there would be real spokesmen for the people... and leaders that are in exile, banned or like Nelson Mandela."

The black American draftsman of the Sullivan Principles of fair employment practices was delivering the Hoernlé Memorial Lecture of the Institute of Race Relations before about 700 people in the Great Hall of Witwatersrand University.

In a foot-stamping fiery speech against "racial injustice" Dr Sullivan also:

Opposed any further American bank loans to the South African Government or its agencies, saying consideration should be given only to specific projects developed in co-operation with races other than white for their advancement and equality.

Gave notice that he would support "selective divestments" against American companies which did not co-operate with his principles, failed to comply favourably with them or refused to be monitored.

Said he would call for US Government action such as tax penalties and sanctions against such firms.

Hard Line ON NEW Investments

Third World countries. South Africa provided the setting where they could answer the criticisms with progress.

DESIRE

Dr Sullivan called on the "muted" voices of protest in Europe and elsewhere to be heard again.

There was more desire among some South African companies to improve conditions than among foreigners, he said.

South African companies employing more than 750 000 workers had committed themselves voluntarily to the Sullivan principles.

Dr Sullivan gave credit to his principles for 600 scholarships granted by last April for the "adaptation" of 70 schools, for literacy programmes reaching 40 000 people, for 70 000 hours spent by company teaching staff, for 1 000 professional, supervisory and managerial trainees, and for skills training, involving thousands.

Progress was encouraging but much more needed to be done, he said.

VISIT

"I want to see apartheid eliminated from the face of the earth, and the world must help make it happen," Dr Sullivan said.

Describing himself as an "African American," he said the oppression of black people had brought him to South Africa although this meant missing a visit which President Jimmy Carter made to his church this week.

would come when representatives of multinational companies would call on Pretoria for an end to racial discrimination, separate development and the exclusion of blacks from the governmental process.

"For if the businesses of the world and of South Africa speak, the Government will listen."

The principles could crack the wall of separate development, but the wall had to come down.

To those who felt it was too late to eliminate apartheid, unless over millions of dead bodies, he said every effort had to be made to achieve this without a racial war which would engulf the Third World and possibly the entire world.

Free enterprise was on trial in South Africa, Dr Sullivan said.

Free enterprise and multinational companies were regarded as enemies of the people in

"remember Poland!"

Predicted that he would be "turning the screws more and more" on American companies to implement his principles faster and faster because "the needs of the black people in South Africa today are beyond description."

Dr Sullivan called on "the companies of the world in South Africa" for co-ordinated efforts in line with his principles, with declines and goals... "before the (black) community believes that all this stuff you're doing is just a whole lot of talk."

It would cost the companies "billions of rands" but this would have to be paid if there was to be a peaceful solution to South Africa's racial problems.

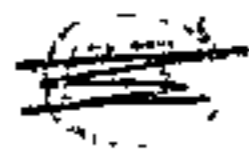
The companies also should use their power to persuade the Government to end racial laws. He hoped the day

Warned that stronger measures, such as total divestment and ultimately a total embargo on all American exports to and imports from South Africa would be considered — with thousands of black churches rallying to his support.

Called on black, coloured and Asian South Africans to "use your purchasing power" of R10 000-million a year to break racial barriers and to open jobs.

Said blacks should elevate their schools and seek equal opportunities for their children at school... "for as long as the enemy can keep you educationally down they'll keep you down always."

Called on American companies to "recognise any representative registered or unregistered trade union" and to work with such unions to their mutual advantage...



The Reverend comes calling

When Reverend Leon Sullivan steps onto SA soil next week to head the apartheid lion in his den, he will find himself a target of criticism from both left and right.

His Sullivan Code of fair labour practice, drawn up in 1972 as a suggested requirement for US corporate involvement in SA, sparked a round of alternative codes such as the JPC and Saccola codes.

He will face opposition from the right, which protests the continual efforts of foreign countries to interfere in SA's internal affairs. Government, for one, views Sullivan's principles with a jaundiced eye, claiming that SA ought to be left to its own devices.

The irony of this criticism is that it plays directly into the hands of critics on the left, who feel that SA ought to be left alone -- in isolation.

They argue that disinvestment is the only effective means by which foreign countries can influence change in SA and that the codes provide a "cover" for multinationals in that, although they may be in "technical compliance", they still do not effect "progressive" labour reforms.

Elizabeth Schmidt, an American research specialist in African affairs, claims: "The implementation of the Sullivan Principles is intended not to eliminate apartheid, but to 'modernise' it and ensure its perpetuation." She feels many signatory companies sign the codes to get the international disinvestment lobby off their backs, or to create a climate for further investment in SA.

Government's criticism is equally scathing.

Opening a General Motors subsidiary in Port Elizabeth this week, Minister of Transport Affairs Chris Heunis warned that although attempts at improving the service conditions of employees was welcome "such improvements should be commensurate with an increase in productivity."

Heunis intimated that foreign companies should keep their noses out of SA's affairs and praised General Motors for continuing to display "its loyal and positive attitude towards this country."

This can only make Sullivan blush, since he sits on GM's board of directors.

When the codes were introduced Professor Nic Wiehahn echoed this: "These codes constitute gross forms of interference in an almost 'sacrosanct' relationship, ie between employer and employee. In a free market economy, this relation-

ship should be left almost entirely to those two parties -- the State should not interfere -- least of all in appropriate areas.

These opposing views highlight the crucial issue facing advocates of labour change. There are those who feel politics have everything to do with industrial relations in SA and there are those who are fighting tooth and nail to isolate the two.

Professor Mike Whisson of the Rhodes Anthropology Department says the Sullivan codes are essentially political as well as economic and that "consentiently workers' responses will follow the pattern. He argues that corporations will have to make the choice of either protecting trade and investments -- or creating industrial democracy."

There can be no industrial peace without social and ultimately political jus-

The guidelines

The firms endorsing the Statement of Principles have affiliates in SA and support the following operating principles.

- Non-segregation of the races in all eating, comfort and work facilities.
- Equal and fair employment practices for all employees.
- Equal pay for all employees doing equal or comparable work for the same period of time.
- Initiation of and development of training programmes that will prepare, in substantial numbers, blacks and other non-whites for supervisory, administrative, clerical and technical jobs.
- Increasing the number of blacks and other non-whites in management and supervisory positions.
- Improving the quality of employees' living outside the work environment in such areas as housing, transportation, schooling, recreation and health facilities.

Signators "agree to further implement these principles. Where implementation requires a modification of existing SA working conditions, we will seek such modification through appropriate channels.

"We believe that the implementation of the foregoing principles is consistent with respect for human dignity and will contribute greatly to the general economic welfare of all people of the Republic of SA."

One implication of support for the codes must therefore be unambiguous political involvement by management on the side of black labour.

However critics on both sides of the fence agree on one issue -- the codes lack impetus.

Trade union spokesmen feel they are paternalistic since they were created by management without consulting black workers, for whom they are primarily designed -- or trade unions representing black workers.

"The codes were drawn up in consultation with white SA business leaders, the final draft was approved by the SA government. At no stage in the initial development were black workers or community leaders consulted," writes Schmidt.

A further problem is that of monitoring the progress of signatories. The companies monitor their own compliance by filling out questionnaires twice a year. Theoretically, completion is obligatory but there are no penalties for failing to do so. This information is then used to classify companies as making good progress, making acceptable progress, co-operating, or not responding.

The report back record looks poor. Nearly half the signatories failed to respond to the first questionnaire, and nearly one-fifth did not return the second and third questionnaires. Critics argue that this indicates that many companies only "pay lip service to the code."

Companies such as Ford and Colgate-Palmolive Ltd have been graded as "making good progress", yet they both refused to deal with unregistered trade unions.

Also, by the end of last year, 84% of the respondents did not negotiate with any employee union -- white or black.

On this issue the code says: "Each Signatory... will acknowledge generally the right of black workers to form their own union or be represented by trade unions where unions already exist."

On the whole, evidence has shown that companies have been slow in implementing the principles. In its report on Ford at the end of last year, the Institute of Race Relations found that although management felt it was progressing well, workers felt that little or nothing had been done. They said their working conditions and mobility had not improved.

Sullivan will no doubt be influenced by these criticisms. But whether he can give teeth to the principles is open to doubt.

US loses favour with white, black

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Curtis Nkondo.

US ATTITUDES toward racial separation in South Africa have never won much applause from either blacks or whites in South Africa.

Now there are signs of growing hostility and disillusionment in both groups toward the American position.

Whites believe Washington's policies are based on an expedient attempt to win favour in the Third World and to be rid of a potential "flashpoint" for superpower conflict. To them, US policies spell the end of white rule — and whites — in southern Africa.

South African whites perceive that the official US position of "full political participation" for everyone in this country means loss of political control by the white minority.

For blacks, it is a case of the US government's not putting its money

where its mouth is. They see the United States as failing to take logical steps to economically, politically and psychologically isolate and weaken the white government, which would hasten eventual black rule. American trade and investment in South Africa are seen by blacks as extension of US government policy.

These attitudes have prompted close scrutiny

American trade and investment in South Africa are seen as an extension of US government policy.

by security police of American diplomats and journalists in South Africa. A Soweto library frequently was visited by plainclothes policemen. Diplomats visiting black activists under house arrest have been followed and questioned. The US Embassy is now checking reports that car rental firms have been told to inform the security po-

lice whenever an American diplomat or journalist rents a car.

Meanwhile, black attitudes toward US policy might be summed up by the snapshot of a US senator that hangs over the desk of a black journalist in Johannesburg. Although the senator is antagonistic to Pretoria, the journalist had inscribed the photo with these words: "The US

will continue to turn a blind eye 'cause we lack vision and/or hindsight."

Anti-Americanism also was expressed in a decision last February by the black consciousness Azanian People's Organisation (Azapo) to cease contact with the US government officials.

Azapo demanded that the United States force American companies to

divest themselves of South African interests, refrain from using its veto against economic sanctions in the UN Security Council and give greater "material assistance" to "your people outside."

A former president of Azapo Curtis Nkondo, was voted out of office when it was discovered that he had attended a dinner given by an US Embassy official in Pretoria. A US consular officer, Richard Roth, was expelled from a meeting of black students in Soweto.

Young blacks working for the American Cultural Centre are accused by their peers of being CIA agents. A visiting black American professor was forbidden entry to a meeting of black students in Soweto. Several young blacks turned down trips to the United States to show their disapproval of US policy. — Washington Post Service.

Reverend

Sullivan

17/8/60 S POST

to come

to SA (62)

THE Reverend Leon Sullivan, the General Motors Director who set up the Sullivan Principles, the code of conduct for American companies operating in South Africa, is to visit the Republic next month.

Rev Sullivan, whose employment guidelines have been the subject of much debate in anti-apartheid circles, has been invited by the South African Institute of Race Relations to give the Hoernle Memorial Lecture on September 4.

This was confirmed yesterday by Rev Sullivan's director of communications, Dr Marius Dorkin. Dr Dorkin said the Rev. Sullivan would be in South Africa for "just a few days to give the Institute of Race Relations address.

However, he also planned to speak to two black leaders. — SUNDAY POST Correspondent.

Sullivan Code man to visit

By ARNOLD GEYER

THE Rev Leon Sullivan — architect of the controversial Sullivan Code which commits US firms operating in South Africa to removing discrimination against black workers — has accepted an invitation to visit South Africa.

He will be the guest of the South African Institute of Race Relations and will deliver the institute's annual Hoernle Memorial Lecture on September 4.

Mr John Rees, the institute's director, yesterday welcomed Mr Sullivan's acceptance.

"We feel the personal presence of the founder of, and guiding force behind, the Sullivan Code would be most advantageous and a positive contribution to the implementation of the code," he said.

Mr Sullivan was the first black member of the board of directors of the General Motors Corporation and is also member of the State Department's African Advisory Council.

His code was the first attempt to lay down principles aimed at removing racial discrimination practised by foreign companies in South Africa and it has had a significant effect on the employment practices of US firms.

US firms operating in South Africa employ about 70 000 workers and 133 of the estimated 300 US corporations involved have endorsed the code.

It has been strongly criticised, especially by black trade unionists, because even those companies which sign it are not

compelled to implement its provisions. And radical black organisations have slammed it, for "merely trying to ease the shackles of apartheid".

But Mr Sullivan has urged the US Congress to make it compulsory for companies to comply with the code. And stricter guidelines may soon be incorporated.

Mr Sullivan has said his goal was total desegregation of all companies by the end of 1981.

Formerly a supporter of an investment boycott of South Africa, he now backs a policy of "constructive engagement", warning that companies that do not actively use their influence to bring about change in the system have no justification for remaining in the country.

In a statement issued yesterday, the institute said it had become increasingly interested in the implementation of the various codes of conduct for foreign companies in the country — the most prominent being the Sullivan Code.

"We therefore believe that this visit would be an important contribution to our understanding of the background and effectiveness of the code."

Mr Rees said his institute was particularly interested in the Opportunities for Industrialisation Centres launched by Mr Sullivan as self-reliance projects for unemployed blacks in the US.

POLITICAL comment in this issue by Alistair Sparks, Benjamin Pogrand, John Ryan, news-bills by John Leask, headlines and sub-editing by Mike Stent, cartoons by Bob Connolly, all of 171 Main Street, Johannesburg