Firms Seen Defying UN By Locating in Namibia

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A substantial portion of the mining, smelting and energy industries in Namibia is controlled by major U.S. corporations, despite United Nations restrictions on investment in the South Africa-dominated territory, according to a new report by a New York study group.

Either directly or through subsidiaries, such corporations as Newmont Mining, Amax Inc., Superior Oil, and Texaco Inc. are engaged in the mining of copper and other metals, smelting and processing, and petroleum distribution, the report says. It also notes that the parent company of Bank of America recently bought a share of a Namibian bank.

Most of the information in the report is not secret—it is verifiable in corporate disclosure documents on file with the Securities and Exchange Commission. But, in the aggregate, it is sensitive because it indicates that American corporations are profiting from South Africa's control of Namibia, or Southwest Africa, in defiance of the United Nations.

The Reagan administration has been trying to arrange a regional settlement in southern Africa in which South Africa would grant independence to Namibia in exchange for the departure of Cuban troops from neighboring Angola, but those talks reportedly reached a deadlock two weeks ago. An independent Namibia, probably controlled by the South West Africa People's Organization (SWAPO), would certainly change the favorable rules under which foreign corporations operate.

The report was written by Gail Hovey, research director of The Africa Fund, a nonprofit organization that compiles information about the apartheid government in South Africa. Her report, to be published next month, is strongly critical of South Africa-dominated territories.

NAMIBIA, From D8

corporations that participate in the Namibian economy under South African domination.

Much of the information in Hovey's heavily documented report is extracted from the annual reports and other papers of the corporations.

Superior Oil Co., of Houston, for example, has denied that it has any concessions or investments in Namibia. But the company has a 46.3 percent interest in Falconbridge Ltd., a Canadian nickel-mining concern that does have mines in Namibia.

Newmont Mining Co., one of the world's largest mining combines, states in its annual report that it mines and smelts copper in Namibia. In addition, Newmont owns a majority interest in the O'okiep Copper Co., a major copper producer in Namibia and South Africa.

Another part owner of O'okiep is Amax Inc., another U.S. mining giant. The three companies together—Amax, Newmont and O'okiep—control the Tsumeb Corp., identified by Hovey as the largest producer of base metals in the 318,000-square-mile territory.

Pierre Gouseland, chairman and chief executive officer of Amax, is also a director of O'okiep and of Tsumeb, according to Amax reports to the SEC. Hovey says in her report that working conditions for Tsumeb's miners are "among the worst of any major mining company."

Hovey says that Mobil Oil Co. and Caltex Oil Co., a partnership of Texaco and Standard Oil Co. of California, hold leading positions in the distribution of gasoline and fuel oil throughout Namibia, a conclusion the companies do not contest. Citing reports in Petroleum Economist and other journals, she concludes that this distribution network aids South Africa in its "illegal occupation" of Namibia and "helps South Africa defeat the oil embargo imposed by the Organization of Petroleum Exporting Countries on the apartheid government."

The United Nations Council for Namibia issued a decree in 1974 prohibiting foreign companies from extracting Namibian minerals because of the illegality of South African occupation of the territory. The council noted that any corporation doing so "may be held liable in damages by the future government of an independent Namibia."