Secret Plan To Undercut Boycott Backfires

A secret plan prepared for Shell Oil Co. to undercut the boycott campaign has backfired and has fueled added boycott support.

Many of the individuals and institutions targeted by the plan have been outraged by the company's tactics and have intensified their commitment to the boycott.

Code-named the Neptune Strategy, the plan was outlined in a 265-page secret document, a copy of which was obtained by the Interfaith Center on Corporate Responsibility.

The heart of the plan was to justify Royal Dutch/Shell's continued support for South Africa's apartheid economy by claiming that Shell and other companies are needed to train black managers, business entrepreneurs, and technicians for a "post-apartheid South Africa."

To engage anti-apartheid groups in "post-apartheid planning should deflect their attention away from the boycott and disinvestment efforts and direct their vision and energy into productive channels," the plan said.

The following are a few of the Shell plan's "highlights."

Pagan International: Shell's Boycott Buster

The Neptune Strategy was prepared by Pagan International, the boycott-busting consulting firm hired by Shell.

The firm was founded by Rafael Pagan, who helped Nestle counter a boycott of its products called because its marketing practices led to increased deaths among babies in poor countries. Pagan also has worked for Campbell, which faced a boycott over mistreatment of farm workers, and Union Carbide in the wake of the chemical plant explosion in Bhopal, India.

Surveillance of Critics

The Shell plan referred to an operation to gather "intelligence" about boycott supporters.

The operation was directed by Pagan International staffer Arion Pattakos, a former U.S. Defense Department analyst.

One technique spelled out in the Shell plan was to have Pagan's intelligence agents pose as reporters and tape "interviews" with boycott activists.

One such agent, Allen Fuehrer, told a Dutch television station, "All I did was send in the tapes to Pagan. He knew my name from a list of former U.S. foreign service officers. Pagan solicited a whole bunch of people like that."

The Shell plan called for the agents to collect information on "personal characteristics" of boycott leaders.

International Contacts: 'We Were Deceived'

A particular area of failure for the Shell Neptune Strategy has been in trying to discourage boycott support in other countries.

Despite company efforts to make private contacts with key figures in both Europe and South Africa, the boycott has spread to a total of 12 major industrialized countries, and the discovery of the secret strategy has angered those who were contacted.

For example, the Church of England has blasted Shell for using Pagan International in a deceptive attempt to win support from the Archbishop of Canterbury. Church staffer John Gladwin said he met with Pagan, but that "he never told me that he was working for Shell, and I feel we were deceived."

In the Netherlands, the top staff member of the Dutch Council of Churches (Continued on next page)
charged that "Shell is trying to split the churches" after learning that company representatives secretly sought separate meetings with Catholic bishops despite an agreement among the churches to act jointly in dealing with Shell.

The plan also called for meetings with South African anti-apartheid leaders to urge them to oppose the boycott, yet many of them have stepped up their calls for pressure on multinationals such as Shell.

In a statement Nov. 10, 1987, for example, Frank Chikane, general secretary of the South African Council of Churches, stated, "It is critical that the international community bring to bear every remaining pressure at its disposal for peaceful change in South Africa... "It is therefore particularly important that apartheid's opponents around the world call on companies like Royal Dutch/Shell and Mobil Oil—whose products serve the South African government, police and military—to sever all its ties to South Africa."

Civil Rights Strategy

To make contacts with key civil rights leaders, Shell's consultants, Pagan International, hired Rev. Gilbert Caldwell, a former national staffer of the United Methodists.

Caldwell helped establish the "Coalition on Southern Africa," a committee of black church leaders and university administrators focused on preparing South African blacks for the "post-apartheid period."

In an interview with Washington Post columnist William Raspberry, the committee called for exactly the same programs the Shell plan outlined, such as more U.S. scholarships for potential black South African leaders and joint business ventures between Americans and South African blacks.

After the Shell anti-boycott plan became public, however, Caldwell abandoned his role with the Coalition.

"I continue to believe that the Church, in particular the Black Church, has a role to play in achieving racial justice in South Africa and in the U.S.A.," Caldwell said. "I believe, however, that unique role is accomplished best when the corporate and other sectors respond to our agenda, rather than attempt to use us to achieve their agenda."

Church Leader Used

Through Pagan International, Shell employed James Armstrong, a former Methodist bishop and former president of the National Council of Churches.

Armstrong used his past contacts with church leaders to set up meetings to talk about the role of churches and multinational corporations in "post-apartheid South Africa."

According to Tim Smith, director of the Interfaith Center on Corporate Responsibility (ICCR), one such meeting involved Armstrong, Pagan, and representatives of the National Council of Churches, United Church of Christ, and the ICCR.

"Ray Pagan and Jim Armstrong went to great lengths to move the discussion to focus on post-apartheid South Africa," Smith recalled. "The church representatives continued to bring the discussion back to Shell's role in South Africa and how Shell's actions, including sales to the police and military, continue to support apartheid."

Reacting to discovery of the secret Shell strategy, a number of churches are now considering ways to increase pressure on the company.

Already, the United Church of Christ has urged its 1.7 million members "to abstain from purchasing products produced or marketed by the Shell group of companies until Royal Dutch/Shell and its subsidiaries withdraw from South Africa."

'Gaining Entry' to Universities

The "Neptune" document outlines a plan for Shell to "gain entry into the academic community" and "build a network between Shell U.S. executives and members of the academic community."

Again, the strategy is "to deflect attention from targeted actions regarding individual company divestment and to set the stage for broader topics such as operating in a police state, possible scenarios for a post-apartheid South African society, and other issues as they develop."

Two specific campus-based projects would be established at Notre Dame University and Georgia Tech. At Notre
Meetings with Unions

Shell’s anti-boycott strategy called for approaching the unions through “a senior, respected, well-known public figure as an ombudsman between Shell and organized labor.”

“The informational meetings would be aimed at calming the rhetoric used by the unions and seeking points of mutuality,” the Shell plan said.

“Such points of mutuality might involve union training programs for Black South Africans . . .”

Shell Plan Reveals “Son of Sullivan” Strategy

The secret Shell anti-boycott plan outlined a strategy which could replace the “Sullivan Principles” as the main defense multinational corporations will use for their continued involvement in South Africa.

Anti-apartheid activists always have argued that corporations must help end apartheid by cutting off the investment capital, technology, computers, and energy which they supply to the apartheid economy and the South African military and police.

For the past ten years, corporations tried to distract critics from calling for withdrawal or “disinvestment,” and instead tried to make the issue whether multinational companies followed fair employment guidelines at their South African operations.

The Sullivan Principles, developed by Rev. Leon Sullivan while he served on the General Motors board of directors, dealt with such subjects as personnel policies but did not challenge the corporate role in keeping the apartheid system going.

In June, 1987, Sullivan himself withdrew support for his Principles, saying they had not brought about fundamental change in South Africa. The corporations clearly needed another strategy.

Now, the corporations plan to defend their continued role in the apartheid system by saying that they are only trying to help black South Africans to prepare for “post-apartheid South Africa.”

When apartheid ends someday, blacks will need to be ready to step into new roles as corporate managers and technicians, goes this line of argument. Multinational corporations must stay in South Africa to train blacks to take on those roles.

American churches, universities, unions, and other institutions should stop trying to cut off corporate economic support for apartheid and instead should help the companies conduct that training, the corporations argue.

The current corporate emphasis, outlined in the Shell plan, was made clear at a conference hosted by the City University of New York in September.

The “International Conference on South Africa in Transition” was coordinated by Dr. Prakash Sethi, a professor of management who previously had been hired by Shell through Pagan International to direct the “university strategy” of its anti-boycott campaign.

Shell consultant Rafael Pagan served on the conference planning committee.

Corporate speakers at the conference represented Shell, Mobil, Ford, R.J. Reynolds-Nabisco, DuPont, Colgate-Palmolive, and Monsanto.

Shell’s spokesman, R.W. Tookey, spoke at a session called “Large Corporations and Financial Institutions: Their Current Activities and Future Role in Building a Non-Racial Democratic South Africa.” His particular topic: “Securing the Future.”

Another workshop was devoted to “The Development of Entrepreneurship and Managerial Talent in the Black Community” of South Africa.

To preserve credibility, some prosanctions activists also were given a chance to speak.

Upon learning of the secret Shell plan which led to the conference, a number of participants from the U.S. and South Africa withdrew financial support and refused to attend.

Special efforts should be made to discourage support from the National Education Association and the American Federation of Teachers, the plan said, because teachers could be an important force in supporting the boycott in their communities.

No official appointment of such a go-between was ever announced by Shell. However, top union officials did receive calls saying Shell wanted to discuss areas of common ground. True to form, Shell representatives were willing to talk but not to seriously discuss a timetable for withdrawal from South Africa.

British Boycott Gets Boost

The annual convention of the British Labour Party, one of the country’s two largest political parties, adopted a resolution urging all citizens to “support actions that give effect to people’s sanctions;” and to support the boycott Shell campaign . . . .

Meanwhile, the annual convention of the British Trades Union Congress said the TUC “calls on all unions to campaign for increased support for the consumer boycott and for the withdrawal of British firms from South Africa and Namibia. [The] Congress supports the campaign aimed at the withdrawal of Shell . . .”
Help More People See ‘The American Connection’

You can use the new video, "The American Connection," to help people in your organization or community to understand the Shell boycott and the stake Americans have in events in South Africa.

Both a 10-minute and a 27-minute version are available.

You also can help by encouraging local TV stations to broadcast the longer version, which they can do without charge.

The show features American workers from Birmingham, Alabama, explaining that they want living standards and human rights improved in countries like South Africa for both moral reasons and self-interest.

It also presents rarely seen footage of South African police violence and an interview with a representative of South Africa's largest union about conditions there and the need for support from Americans.

The longer version includes a discussion with Bill Lucy of AFSCME and Gretchen Eick of the United Church of Christ.

To order "The American Connection" or the original boycott slide show/video, "Stop Apartheid, Boycott Shell," please use the coupon below.

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<td>Bumper sticker: □ # _____ &quot;Stop Apartheid, Boycott Shell&quot; □ # _____ &quot;Save U.S. Jobs, Stop Apartheid, Boycott Shell&quot; 50¢ for 1-200, 15¢ for over 200.</td>
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<td>Buttons: &quot;Stop Apartheid, Boycott Shell&quot; 50¢ for 1-200, 30¢ for over 200.</td>
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<td>Wallet-size &quot;Discredit Card&quot;: A reminder of your commitment to boycott Shell products. $2.50/hundred.</td>
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<td>Basic 16-page booklet: Gives the basics on apartheid, why Shell is a boycott target, and Shell's involvement in South Africa. 75¢ for 1-100, 50¢ for over 100.</td>
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<td>Basic leaflets: □ # _____ A leaflet to use while picketing, explaining the campaign. □ # _____ A leaflet for particular use in labor meetings and conferences. □ # _____ A leaflet for outreach to sympathetic general audiences. $5/hundred.</td>
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<td>Campaign slide/tape show: A 9-minute show featuring boycott leaders and the president of the South African National Union of Mineworkers. Also available in video format. $40 each. No rentals.</td>
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<td>&quot;The American Connection&quot;: A TV documentary on Americans and South Africa that features the boycott. ½-inch VHS format. □ # _____ 10-minute version. □ # _____ 27-minute version. $40 each. No rentals.</td>
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<td>Workplace stickers: &quot;Stop Apartheid, Boycott Shell&quot; 10¢ for 1-100, 5¢ for over 100.</td>
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<td>Poster-size &quot;Discredit Card&quot;: $5 each. (Free with orders of $250 or more.)</td>
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<td>Poster for stores: &quot;No Shell Products Sold Here&quot; and why. 50¢ for 1-200, 15¢ for over 200.</td>
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