Taking the Profit Out of Apartheid

The American anti-apartheid movement has had cause to celebrate in recent months, with the passage of the Anti-Apartheid Act of 1986 and the flood of corporations announcing their withdrawal from South Africa. These events are a measure of public outrage at US complicity with apartheid and are important symbolic victories. But a closer look at both the new sanctions bill and the latest divestment moves should also tell us there’s a lot more work to be done. Apartheid has been dealt a moral sting, but the economic blow has yet to be delivered.

The Sanctions bill, passed over Reagan’s veto, is a compromise that does not go far in changing current corporate practices or changing the Cold War framework of Reagan’s Southern African policy. Here are some key provisions:

TRADE: The bill bans imports of South African and Namibian coal, steel, textiles, uranium, agricultural products and Krugerrands. It also bans the exports of crude oil and the sale of computers to some South African government agencies. However, this leaves about 82% of existing US trade with South Africa untouched. US oil companies will be allowed to continue the sale of crude oil freely on illegal international markets.

INVESTMENT AND LOANS: All new investment and bank loans are prohibited, except to firms owned by black South Africans. However, there is virtually no new American investment or lending in South Africa at this time due to the political crisis and falling profits. The bill permits US companies to reinvest profits in South Africa and permits US ownership of stocks in South African corporations. The bill also permits short-term trade credits which in the past have accounted for a substantial part of US lending, and allows banks to reschedule current loans.

TAX CREDITS: US companies will no longer be able to claim a credit on their US corporate income tax for taxes paid to the South African government.

LANDING RIGHTS: The bill denies landing rights to South African Airways and prohibits direct flights between the two countries.

LIBERATION MOVEMENTS: The bill calls for a CIA investigation of “communist infiltration” of anti-apartheid organizations in South Africa. It specifically calls for the investigation of the African National Congress (ANC) as a terrorist organization and sets forth conditions under which the ANC could be excluded from US-recognized negotiations between the South African government and black leaders.

Even in this compromised version, the sanctions bill was viewed as a grave setback in Pretoria. And it provides a starting point for more effective sanctions legislation in the next Congress. Stronger sanctions will be especially important given the new trends in corporate divestment, with many US companies pulling out of South Africa in name alone.

DIVESTMENT: END OR END RUN?

The rollcall of US companies announcing their departure from South Africa, and the indignation with apartheid, has gotten impressively long: General Motors, IBM, GE, Honeywell, Coca-Cola, Kodak, Fluor, Exxon and approximately 55 others in the last two years. But in many cases, the terms under which divestment is occurring puts their avowed good intentions in doubt. IBM, Honeywell and GE, for instance, have sold out to their top South African managers, who will in essence operate distribution franchises for their products. IBM even published a notice to its customers in the Financial Mail which declared:

(continued on back page)
The State of Emergency imposed in South Africa last June continues to take a heavy toll. One obvious casualty is the press, which is barred from reporting detentions, trials, police actions, and mass protests such as funerals, boycotts, strikes, and assemblies. Despite sweeping censorship powers, however, the Botha regime cannot mask what is in fact the most extreme crack-down in South African history.

Up to 22,000 people have been detained under the current Emergency regulations, according to the Detainees Parents' Support Committee (DPSC). A DPSC survey of known detainees indicates that the largest number are community activists, followed by educators and students, and trade unionists.

The DPSC estimates that 8,800 of the detainees have been children under 18. By the end of November, over 4,000 children were still in custody or missing. There have been numerous reports of brutality and torture directed against children, as well as against adult detainees.

The Emergency has actually grown harsher in recent weeks. In December, the entire leadership of the National Education Crisis committee was arrested and, in January, their meetings were outlawed. The regime has also forbidden the use of all educational materials that are not approved by the government. The United Democratic Front is only a step away from being banned and many of its local leaders are in jail. New regulations prohibit any mention of the End Conscription Campaign, virtually shuttering down organized white resistance to service in the South African Defence Forces.

The government is also escalating efforts to remove blacks from townships and relocate them in the barren rural "homelands." According to the Weekly Mail, 55,000 blacks across the country are currently threatened with forced removals. Monitoring groups claim that the government is using the disarray created by the detention of so many community leaders to carry out these relocations, a central feature of apartheid's long-range "grand design."

The State of Emergency demonstrates unequivocally that the Botha government has no intention of dismantling apartheid in any significant aspect. Its strategy is a war of attrition against the opposition, while buying time against international sanctions.

Yet the past year has revealed a deep demoralization among the ruling whites as they find themselves increasingly isolated internationally and increasingly reliant on sheer force to maintain their authority. By many accounts, whites are becoming sharply polarized—within the government, business circles, and Afrikanerdom itself. For the first time, apartheid's rulers face the new year without a common program for dealing with the crisis.

The Struggle Shifts

While the government crack-down makes national resistance more difficult and more fragmented, there is evidence that the anti-apartheid movement remains strong at the grassroots and increasingly prepared for a long struggle. 1986 was a record year for industrial strikes, up 30% from the previous year. Factory sit-ins and underground sit-ins by miners emerged as new forms of industrial action. On October 1, the National Union of Mineworkers (NUM) mobilized 320,000 members in a day-long strike to mourn the 177 miners who died in an underground fire at the Kinross mine.

The labor movement has become increasingly involved in political actions as well. Over 1.5 million workers participated in the May Day walk-out and 2 million took part in the Soweto Day protest on June 16, which paralyzed large sections of the economy and triggered the Emergency decree.

Demonstrating their deep organizational roots, unions belonging to the Congress of South African Trade Unions (COSATU) have stepped up job actions in response to the Emergency and the detention of hundreds of labor leaders. The NUM, the Commercial Catering and Allied Workers and the Chemical Workers embarked on a series of rolling strikes to demand the release of jailed leaders. The Metal and Allied Workers Union has been at the forefront in joining job actions with community struggles, including resistance to the round of township removals.

The community movement has taken several steps forward with the formation of street and area committees in at least four African townships. The committees are umbrella organizations uniting youth, student, women's, civic and labor groups. They coordinate actions around evictions, rent strikes, consumer boycotts, school boycotts, detentions and trials.

The street committees are also guiding township improvements and the establishment of a people's education system to replace apartheid's segregated "bantu" education program. The spread of such self-governing committees will be crucial to developing new layers of leadership, discipline and unity under the siege conditions now facing the townships.
NYLCAA members Kate Pfordrescher and Josh Brown spent six weeks in South Africa last fall teaching audio-visual production to representatives of labor, community and alternative education groups. The workshops were part of a joint project between the American Social History Project at the City University of New York and the History Workshop at the University of the Witwatersrand in Johannesburg.

The first thing we noticed upon arrival in Johannesburg was an absence: there were no police in evidence in the white city, not even a traffic cop during rush hour. A trip to Soweto, the sprawling black township a few miles away, solved the mystery. There, early in the morning on a quiet weekday, we saw armoured troop carriers parked every few blocks and police vans covered with wire mesh roaming the streets. Mounted police rode through the backyards of the tiny, square brick houses.

The military occupation of townships, ushered in by the State of Emergency last June, is a fact of daily life for black South Africans, a continual physical and psychological threat. One parent told us of the anxiety she lives with each day as she leaves home to work in Johannesburg, never certain that her kids, who were out of school, would be safe from police provocations. Where children from the squatters camps used to fashion toy cars and bicycles from bits of wire, a Cape Town activist noted, they now make "Hippos" or military trucks.

The siege has also had an impact—though clearly unequal and much less damaging—on the white population. In September, the government admitted that it didn't have enough police and army personnel to control the "unrest areas" and cover the white cities and suburbs despite a rising crime wave there. In response, sales of hand guns and attack dogs were rising astronomically and non-sensical results, such as a beer commercial where several black and white men around a campfire enjoy a rustic evening of drink and good fellowship.

Disaffection among young, white conscripts from service in the South African Defense Force also seems to be growing, though this is one change the government has not admitted and the evidence is impressionistic. Stories of psychological break-downs and incidents of disobedience in the ranks abound. The American feeling suggest a tremendous feeling of rejection.

Despite the siege of the townships and the detention of thousands of union and community activists since June, the government clearly has failed to stem the resistance. The school boycotts, now three years old, continue; rent boycotts have spread to townships around the country, pushing the government-appointed town councils into bankruptcy; and strike activity (detailed on page five) has grown—even during the recession. The State of Emergency, we were told, was a real blow, but most organizations had developed new ways to get around the restrictions. Indeed, the level of activity labor and community organizations were able to maintain was inspiring.

But we were also inspired by their humor and cultural resilience as well. The youth in the townships have built "Freedom Parks" in dusty vacant lots. When dabbed with some bright paint, iron drums and other scrap become makeshift playgrounds and symbols of resistance. COSATU union members have formed the Durban Cultural Local to create poems, songs and stories about workers and unions. In addition to organizing food, health and T-shirt co-operatives, Sarmcol workers have produced a play about their two-year strike against the British multi-national BTR.

We saw a play titled "the Long March" with a mixed lunch-time crowd in a Cape Town church hall. Following a moment of silence to mourn the death of Mozambican president Samora Machel, six players in factory overalls ran onto the stage chanting. They performed the play with boisterous humor, donning tricycle tails to portray scabs and white ping-pong ball noses for management who screamed hysterically into plastic toy telephones. Margaret Thatcher appeared wrapped in the British flag. Even their supporters were gently teased. When union members approached radical students in the townships to support a general stay-away, the students were mildly disappointed. "Why only one day?" they asked. The actors continually revise the play, adding new scenes as the strike drags on.

In early December, we heard reports that Inkatha supporters murdered two MAWU shop stewards involved in the Sarmcol strike—one was an actor in the play. It is indeed a long march.
Resources

Despite severe press restrictions, first-hand information is available from a variety of excellent South African publications. Below is a preliminary listing. We will try to keep you informed of new ones in future issues of Labor Against Apartheid. Most publications require that you send a bank draft in U.S. dollars or South African rands.

COSATU News is written for the federation's membership and carries news of strikes, negotiations, organizing drives and federation policy. Shopfloor correspondents file reports of union activity in the more remote areas. It is published four times per year and is available by writing to COSATU, P.O. Box 1019, Johannesburg 2000, South Africa.

You should encourage your local to subscribe to COSATU News. Overseas subscriptions cost only 50 South African rands (a real bargain with the current exchange rate), but you can make a contribution to the federation by sending a larger amount—$50, $75, $100 or whatever you can afford.

UMBIKO We MAWU is the newspaper of the Metal and Allied Workers Union, a COSATU affiliate. In addition to information about union, industry and political developments, the paper includes a serialized history of MAWU, a letters page and members' cultural activities. (The September issue ran a story about MAWU worker poets from Natal.) To subscribe, write to: UMBIKO we MAWU, P.O. Box 9451, Johannesburg 2000, South Africa.

South African Labour Bulletin, an informative, accessible journal (approximately 125 pages) on the labor movement, is published eight times per year and is available by writing to SALB, P.O. Box 31073, Braamfontein 2017, South Africa.

Works in Progress is a bi-monthly magazine reporting and analyzing popular grassroots political and labor developments. In each issue, several articles and reports focus on a particular theme such as rent boycotts and vigilante violence. To subscribe, write: P.O. Box 32716, Braamfontein 2017, South Africa.

Learn and Teach is a beautifully produced and illustrated literacy magazine for a general black audience. Though written in “easy English,” the magazine provides serious reporting on such subjects as forced removals, mining strikes and the Namibian liberation movement. Each issue includes a letters and advice page, a practical English lesson, sports and cultural stories and an ongoing comic strip. Published eight times per year, it is available for $25 U.S. from Learn and Teach, P.O. Box 11704, Johannesburg 2000, South Africa.

Learn and Teach has recently published an excellent handbook on mining safety for the National Union of Mineworkers titled A Thousand Ways to Die. It is available from the magazine's office or from NUM directly at COSATU House, 268 Jeppe Street, Johannesburg 2001, South Africa.

There are also several general newspapers covering national and local developments in South Africa:

- The Weekly Mail, P.O. Box 260425, Emerson 2023, South Africa
- The New Nation, P.O. Box 10674, Johannesburg 2000, South Africa
- City Press, P.O. Box 57473, Springfield 2137, South Africa

Shell Boycott Grows

Momentum is building steadily in the international boycott against the Shell Company. The boycott has been endorsed by the National Council of Black Mayors in a resolution urging each city to divest Shell stocks and ban purchases of Shell products. The Interfaith Center on Corporate Responsibility added Shell to its protest list, while the National Council of Churches announced it will sell its Shell stock, valued at $1 million. In Los Angeles, union members successfully pressured the County Board of Investment to divest $15 million in Shell stock from their pension fund.

Internationally the boycott has been very strong in Scandinavia, Britain, New Zealand, Canada and particularly in Shell's home-base, the Netherlands. The impact has apparently been deeply felt by the company, according to unprecedented remarks made by Shell's South Africa chairman, John Wilson, at a public address in Cape Town last August.

"Shell is faced with an onslaught from no fewer than nine different countries and the number is growing... Strategically, one couldn't choose a better or bigger target.

"In the United States, there was the added factor of twenty-month old strike at a coal mine in which Shell Oil has an interest... not only was Shell union-bashing America, but it was doing the same thing in South Africa, where it was accused of using slave labour to boot..."

The situation is not comfortable. Shell's position is not comfortable. The threat of disinvestment is real. It is important that everyone accepts that."
**New Union Formations**

In October 1986, a new labor federation was formed in South Africa as a result of the merger of the Council of Unions in South Africa (CUSA) and the Azanian Confederation of Trade Unions (AZACTU). The new federation, called CUSA/AZACTU, claims a membership of more than 300,000 workers. CUSA and AZACTU began discussions on merger in 1985 after the two, stopped being party to union unity talks which led to the formation of COSATU.

In his inaugural address, CUSA president James Mndaweni said: "We are a democratic organization which will not impose any ideology upon any of our members . . . " Among the principles adopted by the new federation are: worker control, black majority class leadership and non-affiliation to political organizations.

In a separate development, the Trade Union Council of South Africa (TUCSA) has decided to disband. TUSCA is an older labor federation which had parallel but separate white and black unions. It has traditionally been compliant with apartheid's labor restrictions, and as a result, became increasingly ineffectual and unable to meet the demands of its more militant black affiliates. It is expected that many of TUSCA's black affiliates will join COSATU.

**Inkatha Violence Against COSATU**

The Congress of South African Trade Unions (COSATU) reports a rising wave of vigilante violence against its leaders in Natal province. In December, five officials of the Metal and Allied Workers Union (MAWU) were murdered in a four-day period, including two shop stewards from the 20-month Sarmcol strike.

In addition, Jeffey Vilane, MAWU vice-president, and Kitsa Dlamini of the Health and Allied Workers Union were shot outside their homes. Several unionists' homes have been fire-bombed and other incidents have involved abductions and beatings, the breaking up of community meetings, and death threats to unionists and their families.

The vigilantes, known as "impis," are identified members of Inkatha, the organization of KwaZulu Chief Mangosuthu Buthelezi. As head of the KwaZulu homeland, Buthelezi supports accommodation with the Botha government and is an avowed opponent of COSATU.

Last year, Inkatha founded a rival labor organization, the United Workers Union of South Africa (UWUSA), which opposes international sanctions and is pledged to preserving the "free enterprise system."

Thus far, eight charges have been brought by human rights lawyers in Durban against Inkatha assailants, who include a member of the KwaZulu parliament and the head of the Inkatha Women's Brigade. One Inkatha branch chairman in Natal has been convicted of the murder of one of his own followers, whom he mistook for an "enemy" activist. In addition, KwaZulu police have been implicated in aiding the vigilantes, who on occasion have worn police uniforms and used armored patrol vehicles. Inkatha followers have been associated with similar attacks on members of the United Democratic Front and the National Education Crisis Committee.

It is reported that employers have been inviting the Inkatha union, UWUSA, into plants in order to disrupt shop floor activism and foment factional fighting among workers. According to the *Weekly Mail*: "The particular attention the state has paid to detaining COSATU leaders in areas of potential UWUSA strength prompted the Labour Monitoring Group, an independent research group, to speculate that the government was trying to smash the unions to create space for UWUSA."

**Updates from South Africa**

NY Labor Committee Against Apartheid c/o Amalgamated Clothing and Textile Workers Union 15 Union Square West, NYC 10003

Co-Chairs:

Stanley Hill, Executive Director.
DC 37, AFSCME

Georgianna Johnson, President.
District 1199

Stirling Committee:

Lou Albano, President. Local 325.
DC 37, AFSCME

Ed Allen, Associate Director.
Corporate Campaign, Inc.

John Flynn, Director.
Region 8A, United Auto Workers

Jim Bell, President, New York
Coalition of Black Trade Unionists

Jim Butler, President. Local 420.
DC 37, AFSCME

Arthur Chellates, President, Local 1180,
Communication Workers of America

Charles Enslow, President. Local 297,
DC 37, AFSCME

Barry Feinsteirs, President, Local 237,
Int'l Brotherhood of Teamsters

Henry Tonne, President. Farmers Council,
United Food & Commercial Workers

John Glass, President, Local 802,
American Federation of Musicians

John Hudson, Manager.
Headwear Joint Board, ACTWU

Dan Kane, President, Local 111,
Int'l Brotherhood of Teamsters

Josephine Ledeau, Vice-President.
NYC Coalition of Labor Union Women

Barry Liebowitz, President,
Doctors Council

William Lucy, . President.
Coalition of Black Trade Unionists

James McIntosh, President.
Committee of Interns & Residents

John McMillan, President, Local 1180,
Communication Workers of America

Lee McMillan, President.
Metro Area Postal Workers Union, APWU

Sam Meyers, President, Local 259,
United Auto Workers

Henry Nicholas, President,
Nat'l Union of Hospital & Health Care Employees

Please contact us if you are interested in subscribing to Labor Against Apartheid, obtaining bulk orders for your union, or receiving notices of upcoming events or meetings.

William Nuchow, Secretary-Treasurer,
Local 840, Int'l Brotherhood of Teamsters

Jan Pierce, Vice-President for
District 1, Communications Workers
of America

Bettie Roberts, President.
District Council 1797, AFSCME

Cleveland Robinson, Secretary-Treasurer,
District 65, United Auto Workers

Edgar Romney, Manager, Local 23-35,
Int'l Ladies Garment Workers Union

Charles Salier, Executive Vice-President,
ACTWU

Mike Shay, Manager, Central &
South Jersey Joint Board, ACTWU

Jack Schenkenman, Secretary-Treasurer,
ACTWU

Cecil Toppin, Manager, Service &
Allied Industries Joint Board, ACTWU

Ida Torres, Vice-President, Local 3,
Storersworkers Union, RSDWU

 coordinators: Bill Henning and Sean MacDonald
"A full range of IBM products and services will continue to be available in South Africa through the current sole supplier... our customers will appreciate that the new company will be able to respond to their needs with greater flexibility than a wholly-owned IBM subsidiary. In the current international climate, such flexibility will clearly be to our customers’ advantage."

The General Motors' pullout represents an added trend. GM is selling its Johannesburg plant because it simply wasn’t profitable enough in South Africa’s slumping economy. While appearing to take a moral stand, the company is cutting off its workers without any benefits or job security in the successor company, to be owned by South Africans with GM as a supplier and investor. When the workers went on strike in protest, GM brought in the police. GM’s version of divestment is more a scorched earth policy against the workforce than a stand against apartheid.

RESPONSIBLE DIVESTMENT

Clearly, the American divestment movement needs to broaden its agenda on US corporations and the monitoring of divestment practices. Aware of this need, five national anti-apartheid organizations, including the American Committee on Africa and Trans Africa, have developed new and broader guidelines for responsible divestment. In essence, they call for terminations of all trade and financial relations between US and South African or Namibian businesses, including franchise and licensing agreements, new or renewed investments and loans, and stock ownership.

In addition, the New York Labor Committee Against Apartheid advocates adding a workers’ rights component which should include:
- Reparation funds—including the maintenance of existing social responsibility programs—to compensate South African workers and communities for any loss of jobs and for the profits extracted by those investors over many years;
- Union rights to bargain collectively over the terms of withdrawal, to control compensatory funds, and to maintain jobs and benefits with successor corporations.

THE FRONTLINE STATES

It is equally important for American anti-apartheid activists to consider the impact of sanctions and divestment on the states neighboring South Africa: Angola, Botswana, Mozambique, Tanzania, Zambia, Zimbabwe, Lesotho, Swaziland and Malawi. The Botha government has openly declared it will try to pass the economic costs of international boycotts onto these countries, which have been tied to the South African economy since colonial days.

Roughly 300,000 migrant workers from the frontline states now work in South Africa. Their wages represent 10-20% of the income of these underdeveloped nations. Pretoria has repeatedly threatened to expel foreign workers, specifically Mozambican mineworkers, in retaliation for sanctions. However, under pressure from the Chamber of Mines, the Government has agreed to allow certain categories of workers to remain.

South Africa also controls vital transportation, communications and utility networks in Southern Africa, in large part through armed aggression along the five port corridors of the region. It is estimated that this aggression, including raids and demolition, costs the frontline states 20% of their annual product. Angola and Mozambique have been the primary targets for military action and destabilization. The most notable incident, of course, is the death of Mozambiques president Samora Machel, whose plane crashed in South African territory in October 1986.

Economic action against apartheid must therefore include substantial foreign aid to the frontline states. At a recent international labor conference, members of the ICFTU urged expanded trade agreements and credits, aid for independent transportation and communication networks, aid for job creation and local development projects. In addition, worldwide union leaders are calling for international assistance to frontline states in securing their borders from South Africa’s attacks.

The time is overdue for pulling economic props out from under apartheid. The task now is to ensure that sanctions and divestment moves cannot be used as blackmail against South African labor or the frontline states. The Reagan policy of “constructive engagement” remains a major barrier to this goal, as the Administration continues to weaken anti-apartheid legislation and to look the other way at South African aggression. The recent successes of the American anti-apartheid movement tell us we can reverse this policy, but only by pursuing a comprehensive agenda.