

NO SUPPORT FOR APARTHEID

There is no doubt that the African majority derives some benefits from foreign investments in South Africa. There is massive unemployment within the African workforce even with \$12,000,000,000 in foreign investment. Surely unemployment would be increased if the net outflow of foreign capital that began in 1976 continues and if foreign companies were to shut down their South African operations.

There is, though, another side to foreign investment in South Africa, one that stands in the way of the well-being of the African majority. Foreign investment is a bulwark of apartheid. The South African regime needs foreign capital for economic and political stability. By 1975 internal funds covered only 30% of new investments. The regime estimates that it needs \$1,700,000,000 in foreign capital each year to develop railways, harbors, steel plants, and uranium production. Without foreign capital the Voster regime will not be able to deal with the black majority from a position of strength. To continue the operation of the multi-nationals now in South Africa and to send in new capital is to give the white minority the economic support it needs to enforce its discriminatory policies.

Those who have suffered from these policies do not see foreign investment as progressive. Donald Woods is a white newspaper editor who was banned in late 1976 and recently escaped to the United States. He points out that the verbal attacks from the outside have only increased repression within South Africa. It is real action, he says, that will help end apartheid. Action in the form of economic sanctions is, he says, what black anti-apartheid leaders want. Woods believes that the blacks have demonstrated their willingness to suffer the unemployment such sanctions would imply.

After all, when has liberation ever been gained without suffering? The Africans have resisted white oppression heroically during the entire course of this century. What message are those responsible for the investments of Indiana University, an institution dedicated to humanistic studies, to send to these people--to the survivors of the Sharpeville massacre, to the mothers of starving children in the resettlement township of Dimbaze, to the courageous students and workers of Soweto? It is the paternalism of the oppressor that would send them the message that it is better for Africans to work for General Motors than to be unemployed. (IU and the Foundation have invested \$140,000 in GM.)

The struggle these people have undertaken is not for the poverty-level wages of General Motors or Coca Cola or Mobil Oil. It is a struggle for something more basic--something Americans were willing to die for two centuries ago. It is a struggle for independence from an oppressive group. Once that independence is achieved, Africans can build their own economy. They will be able to provide for themselves better than the multi-nationals are willing to provide for them. They will not be weighed down with the production of the means for a luxurious living standard for their white oppressors. They will not have to produce for the multi-nationals so much relative to what they are paid that the rates of return for the multi-nationals in South Africa run nearly twice their world-wide average. A short period of unemployment would be worth getting rid of these burdens.

Not only does apartheid flourish on foreign investment; foreign investment flourishes on apartheid. Ford Motor Company, for example, has no intention of trying to subvert apartheid. Henry Ford II met with John Voster in January and then, to placate critics, revealed that in 1978 Ford was putting \$400 into training each of its African employees. Can Henry Ford II expect the world to believe that this token in any way changes the weight of repression in South Africa? Some perspective can be gained on the matter by noting that in 1975 the ever-widening gap between white and black monthly pay in industry rose to \$463. Henry Ford II said nothing about the things that would begin to provide Africans with some rights. As one of the top 15 corporations in South Africa, Ford is not going to help Africans get the right to organize into unions and it is not going to refuse to cooperate with the regime in implementing the brutal pass laws. (IU has invested \$400,000 in Ford Motor Company.)

It was not the kindness of the corporations that improved the wages of blacks in the boom of 1972-74. It was strike actions. The repression brought on by the strikes was predictable. Colgate-Palmolive fired nearly its entire black workforce for an attempted strike for wage increases. Eleven strikers were killed at Harry Oppenheimer's Western Deep Levels mine. Fear of victimization made it impossible for employers to find anyone to negotiate with in the Durban general strike of 1973. Apartheid proved useful to the multi-nationals in preventing even greater gains during this period. The gains black workers make will be due to their struggle and in spite of the multi-nationals. Where has it ever been different? Certainly not in the United States.

In view of all this, the reasons for divesting stocks in corporations in South Africa far outweigh the reasons for keeping those stocks, based on the alleged progressive function of the multi-nationals in South Africa.