February, 1970

STRATEGIZING - ACTION

Madison Area Committee will hold an important General Meeting on Sunday, February 15 at 4:00 in the YWCA, 306 North Brooks Street.

Everyone with interest in and concern for southern Africa is urged to attend. Newcomers are most welcome.

This Sunday, 4:00, YWCA.

POLICY AND ACTION DIRECTIONS
a tentative working paper

Although the armed struggle against white supremacy in southern Africa has begun, there is little hope for an immediate resolution of the situation. In the face of booming prosperity in South Africa, and increasingly in Rhodesia, Angola, and Mozambique, 15 years is an optimistic timetable for victory for human rights.

Southern Africa's position in the international financial community has generally improved in the past decade, as private companies, the World Bank, I.M.F., etc. recognize the potentials for high profits in southern Africa.

Due to the Vietnam War, there has been decreased activist interest in southern Africa, though some symbolic victories have been won (Olympics, Chase Manhattan Bank), and there has been increased church interest in the situation. Management and government fears of black American reactions have probably been responsible for most of the symbolic victories.

Efforts to seek change in the US context have been, for the most part, sporadic, symbolic, unsupported by careful research, and uninstitutionalized. Only four organizations (2 in New York, one in St. Louis, and New Jersey) have sustained efforts for more than two years. However, there is a growing campus constituency of Africanists, returned volunteers, blacks, African students,
faculty and radical students. Efforts to achieve change are most likely to make some immediate impact if lodged among Afro-Americans or liberal whites with sympathetic congressmen.

These realities have several important implications for MACSA, in terms of goals, strategy, and priorities. Our primary political goals should be:

1. preventing increased U.S. military engagement in southern Africa
2. support of liberation movements
3. U.S. economic disengagement

Our strategic means would include:

1. immediate Congressional and Administrative pressures against engagement
2. development of information, concern and organization in the U.S. black communities
3. putting pressure on U.S. decision-making elites (professors as consultants and advisors, corporation and government managers).

The organizational priorities, in descending order, for MACSA are:

1)locally based political pressure for military disengagement, 2)long-term development of information in the organizations of U.S. black communities, 3)research information provision for all, 4)symbolic actions to make issues public and real.

Our priorities of public audiences are, in descending order, 1)black students and communities, 2)Africanists and returned volunteers, 3)faculty and administration, 4)students at large, 5)churches, 6)corporate management.

Finally, our targets of symbolic action are, indescending order; 1)U.S. Government and military, 2)U.S. corporations investing in southern Africa, 3)U.S. corporations trading with southern Africa, 4)U.S. institutions in exchange with southern Africa, churches, universities, voluntary associations.

FRELIMO FILM AVAILABLE

MACSA has received a copy of the film Venceremos, taken in 1967 in the liberated zones of Mozambique. It will be available for showing to groups. Contact Anne Crane or Ruth Minter in the MACSA office, 257-2534.

ECONOMIC RESEARCH COMMITTEE

The MACSA research groups has divided into two broad areas: 1) Wisconsin-oriented research on the activities of Wisconsin based firms that have extensive South African subsidiaries. People in the group include: Dick Kaluzny, Jeanne Busacca, Dave Wiley, Mike Rahoy, Andy Neuwall, Elliot Dresher, and Richard Goodwin. Mike Savage and Kay Daut are examining the wider aspects of U.S. involvement in southern Africa.

2) African oriented research, in which the effects of white southern African policies are examined from a)an internal perspective and b)as they affect independent black African states. This group includes George Lowe, Neil Cohen, Allan and Barb Isaacman, and John Schamper.

The Economic Research Committee urgently needs more workers. Call George Lowe at 251-1909.

WISCONSIN COMPANIES IN SOUTH AFRICA

It is certainly no news that American business is heavily involved in the South African economy. But usually we think of that involvement as being from the big international companies headquartered in New York, or elsewhere on the "internationalist" east coast. But South Africa seems to be attractive enough for the midwest also, and for somewhat smaller as well as the giant corporations. The following is a list of those companies headquartered in Wisconsin which have
subsidiary or affiliate companies in South Africa. It does not include, therefore, the many other companies, such as American Motors, or Gulf Oil Company, which operate in both Wisconsin and South Africa, but which are not headquartered here.

The list of American companies in the House Committee on Foreign Affairs report of October 10, 1969 includes ten that have head offices in Wisconsin:

1. Parker Pen Company, Janesville, operates, through its subsidiary Parker Pen (Pty.) Ltd., a plant in Isando, South Africa. It also has a subsidiary in Rhodesia - the Parker Pen Co. (Private) Ltd. Both are wholly-owned. A Parker Pen recruiter visited the UW campus on February 16.

2. Lakeside Laboratories, Milwaukee, has a plant in Boksburg, South Africa. Its parent company, Colgate Palmolive, has manufacturing and selling operations in South Africa and in Portugal, as well as in the independent African states of Zambia, Kenya and Nigeria.

3) Kimberly-Clark Corporation, Neenah, through its subsidiary Kimberly-Clark of South Africa (51% owned) operates two consumer products mills, in Springs and in Merebank, South Africa. Kimberly-Clark, the "Kleenex" company, will be recruiting February 17-20.

4) Cutler-Hammer, Inc. Milwaukee, produces for the Defense Department here, operates in South Africa through Cutler-Hammer Igranic Ltd. Their recruiter will be on campus February 18.

5) J.I. Case Co., Racine, is listed in the Johannesburg Consular District; it produces farm implements. Its parent corporation, Tenneco, is more deeply involved, in oil exploration in South Africa and in sulphur mining in Angola.

6) Allis Chalmers Corporation, Milwaukee, was instrumental in constructing and servicing South Africa's first nuclear reactor. They will be interviewing here March 9-13.

7) Nordberg Manufacturing Company, Milwaukee.

8) George J. Meyer Company, Milwaukee.

9) S.C. Johnson and Sons, Racine.

10) Doughboy Industries, New Richmond.

The American Zinc Company, near Benton, Wisconsin, is an example of U.S.-South African ties, but in reverse. Since 1963 it has been owned (60% control) by Consolidated Gold Fields of South Africa, Ltd., with offices in London and Johannesburg.

A survey of American businessmen in South Africa taken several years ago showed that more than half of them supported the Apartheid government there. A small fraction supported "one man, one vote." Is it any wonder American governmental policy is what it is???

LESOTHO ELECTION HALTED: ANTI-APARTHEID CANDIDATE ARRESTED

Chief Leabua Jonathan, Prime Minister of Lesotho, has arrested opposition Congress Party leader Ntsu Mokhehle, and confined King Mosheshoe II to house arrest, interrupting the election count in which the Congress Party was leading by 60,000 votes. The Congress Party has hoped to carry out a somewhat more independent policy vis-a-vis South Africa. Lesotho is surrounded by South Africa. Chief Jonathan claimed "My country was going to be used as a base for a Communist attack against South Africa.", and decided that the election should be stopped. South Africa seems to have a willing ally in Chief Jonathan.
CAMPUS RECRUITMENT, CIVIL RIGHTS, AND SOUTH AFRICA

On February 4, 1967, the University Faculty passed a resolution to allow organizations to recruit on campus only if they did so in accordance with the provisions of Title VII of the Federal Civil Rights Act and the Wisconsin's Fair Employment Practices Statutes Sections 1131-1137. Both of these pieces of legislation state categorically that it is unlawful for any employer to discriminate and deny employment against people because of race, color, religion, sex or national origin.

Any question about the U.S. companies that have subsidiary plants or offices in South Africa, regarding their position vis à vis hiring practices and racial discrimination in South Africa, will receive the stock answer that the civil rights legislation mentioned above only applies within the national boundaries of the United States. Within South Africa the companies are bound by labor laws that establish quota systems for the number of black people that can be hired, strictly limit the opening of skilled jobs and promotions that black people can attain and under no conditions allow a black to hold a position higher than a white. This applies not only to South African blacks but also to black American citizens if they should work in South Africa. Of course this rarely happens. The parent companies are careful not to offend the South African government and generally follow a policy of not sending black U.S. employees to work in South Africa, even if they are skilled and qualified to fulfill the work obligations. Even though more emphasis is being placed on recruiting, training, and appointing black executives in U.S. firms, these men could never represent their companies in South Africa. Black people are not supposed to be of executive calibre under the South African "philosophy" of apartheid.

This is certainly a moral violation of the spirit of the Civil Rights Legislation. An opening for an executive promotion in a U.S.-owned but South African-based firm can never be filled by a black man, U.S. or South African. Thus in fact the firm is discriminating against a qualified person because of his skin color. To say this is in a country not covered by U.S. law is begging the question. What kind of corporate morality allows U.S. citizens to be discriminated against without protest? Companies must be forced to consider the ethics of their continued production and operation in South Africa. Unfortunately the lure of cheap unskilled labor and high returns on investments seems sufficient to still whatever conscience might exist at the boardroom level.

Some of these firms involved in Southern Africa will be coming onto the University of Wisconsin campus to recruit the next crop of middle-management people. Recruitment by these firms should be protested. (Elsewhere in this newsletter is initial information on specifically Wisconsin corporations with Southern African ties.)

One recently reported new tie is Holiday Inn, which is opening a chain of hotels and motels throughout South Africa. Six have been built, five more are in the pipeline to be completed at a rate of one every three months. Even if a US black family should want and could get a visa to South Africa as tourists, they would not be allowed to book into a Holiday Inn because of their skin color. This is extremely ironic, given the large black clientele of Holiday Inn in the US. The black community here is becoming aware that Holiday Inn made a deliberate decision to seek the South African market knowing that it would have to discriminate against black travellers. Some American blacks have begun to pressure...
Holiday Inn through letters of protest and, implicitly, through the threat of boycotting Holiday Inn establishments.

People willing to help with further research into Wisconsin corporate involvement in Southern Africa should contact George Lowe (Phone 259-1909) and join the research committee of NACSA. The sooner hard facts are uncovered, the sooner action can be planned to protest this involvement.

REUSS OPPOSES SOUTH AFRICAN GOLD POLICY

One of the ties between the United States and South Africa is gold. But it is also an area of conflict; South Africa would like a higher price than it now gets. Representative Henry S. Reuss (D., Wis.) has been a key Congressional figure in this controversy.

Although his reasons are apparently unrelated to broader issues of American relations with South Africa, he has been strongly against any compromise with South Africa on the gold issue.

Representative Reuss has consistently opposed South African plans to undermine world monetary stability based on the "two-tier" gold agreement. The two price system, established among central bank representatives in March, 1968, to stem gold losses to speculators, isolated monetary gold from industrial and speculative dealings. The monetary gold is exchanged by central banks at the fixed rate of $35/ounce while non-monetary gold is left to establish its own price on the basis of supply and demand in a free market.

The South African proposals sought to allow sales of gold to the International Monetary Fund regardless of the free market price. In this situation, South Africa could maintain the gold price at an artificially high level by restricting the supply of gold while still meeting its foreign exchange needs by sales to the IMF. A continued high free market price might have renewed speculative favors and renewed pressure for upward adjustment in the official monetary price of gold.

Reuss opposed a compromise negotiated by the US and favored by many of the European central banks who traditionally hold large gold stocks. The new plan, announced at the end of last year, establishes a rough floor at $35/ounce for the price of gold. South Africa has agreed to sell all newly produced gold on the free market in an "orderly manner" to prevent the price from rising much above $35. The IMF has agreed under special conditions to allow South Africa to sell monetary gold when the free market price is $35 or less, thus preventing the price from falling much below $35.

Reuss argued that the "US has gained nothing from this agreement." Reuss feels there is no need to guarantee South Africa a minimum price and that gold should be as low as possible in the market. The Congressman applauded US support for an IMF amendment allowing member nations to meet future Fund gold subscriptions with Special Drawing Rights or "paper gold." This reduces the dependency of the international financial community on gold and South African production. The extent of that dependency is and will be a major determinant of western policy as the conflict in Southern African escalates.

U.S. DIPLOMAT SUPPORTS SOUTH AFRICA

In a recent issue of "News from South Africa" (No. 4, Jan. 28, 1970), it was reported that the commercial office of the US Consulate General, Mr. B. Blankenheimer, addressing an executive group in Johannesburg, stated that "South Africa, with its skilled manpower, can be the industrial workshop of the continent, and I feel that South
African economic ties with Africa must inevitably expand," he went on to list social and economic indices of South Africa's superiority (S.A. with only 4/5 of Africa's land area, yet has 57% of total electricity, 49% of all telephones, 60% of all freight traffic. Gold and diamonds, of course, were mentioned). He went on to imply South Africa's moral and cultural superiority: "We Americans, perhaps in the first blush of the independence movement in Africa, expected too much of these newly independent countries, in the sense that they just did not react in the way that we had expected them to." After this rather arrogant and ethnocentric assertion, Mr. Blankenheimer concludes, "We now tend to see these new states as inherently unstable, and we begin to question whether, in fact, they are ready for their independence from colonial rule."

Though Mr. Blankenheimer made the usual disclaimer that he was speaking in his personal capacity, the statement is disconcerting enough. Is he really expressing the private (but sincerely held and therefore semi-official) views of the State Department? Why does he American Government employ men like Mr. Blankenheimer who tell his South Africans what they most want to hear, thus reinforcing their conviction that the American government and people really support their apartheid policies?

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<th>GE AND WAR PROFITS</th>
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<td>by Roney Sorensen (reprinted from The Daily Cardinal, Feb. 11, 1970, p. 5-9)</td>
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By its own admission, General Electric is "a major defense contractor." GE is the fifth largest defense contractor, ranking behind Lockheed Aircraft, General Dynamics, McDonnell Douglas, and Boeing. The company's strength in the long-term, strategic nature of the great majority of its military contracts. The company looks for a stable business rather than strong growth.

Some statistics for the years 1959-1968 will point out General Electric's high ranking:

<table>
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<th>year</th>
<th>% of sales military</th>
<th>total $ value of contracts (in billions)</th>
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<tbody>
<tr>
<td>1959</td>
<td>24</td>
<td>no info.</td>
</tr>
<tr>
<td>1960</td>
<td>21</td>
<td>no info.</td>
</tr>
<tr>
<td>1961</td>
<td>24</td>
<td>875</td>
</tr>
<tr>
<td>1962</td>
<td>23</td>
<td>976</td>
</tr>
<tr>
<td>1963</td>
<td>21</td>
<td>1,021</td>
</tr>
<tr>
<td>1964</td>
<td>17</td>
<td>893</td>
</tr>
<tr>
<td>1965</td>
<td>17</td>
<td>824</td>
</tr>
<tr>
<td>1966</td>
<td>18</td>
<td>1,187</td>
</tr>
<tr>
<td>1967</td>
<td>20</td>
<td>1,290</td>
</tr>
<tr>
<td>1968</td>
<td>20</td>
<td>1,200 (est.)</td>
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In 1967 the company's military contracts were 33.3% of all military contracts to corporations. General Electric has led as a producer of military jet engines since 1942. In the "General Electric investor's own words, "These military programs form an important base for our business expansion in the 1970's. The defense sector of the company will continue to produce a wide range of military engines. The most advanced of these being the TF39 for the expensive C-5 Transport, the world's largest aircraft. Another type of engine, the seagoing gas turbine, will be used for hydrofoils, patrol boats, and for the next generation of U.S. destroyers."

Some of the other military projects of this giant are:

1) Development and integration of flight experiments for the Manned Orbiting Laboratory for the Air Force.
2) The Minuteman III re-entry systems are the latest of a series of GE systems for bringing payloads of ballistic missiles back through the earth's atmosphere.
3) Perimeter Acquisition Radar for the Sentinel ABN defense system.
4) Swiveling gunner's stations for use on the Army's new combat helicopter, the AH-56-A Cheyenne.
This system is the first airborne laser ranging system designed for production. This system can pinpoint small ground targets.

Besides the heavy military aspect of GE, there is the lucrative field of foreign investments. GE has 127 subsidiaries and other investments abroad which account for $791 million in sales in 1968. Some of the "free world" countries in which GE has invested are Spain, Brazil, and South Africa. The South African affiliate of GE had delivered its first production of diesel-electric locomotives in 1968. The February 9, 1970 issue of "U.S. News and World Report" explains the reason for much increased U.S. investment especially in South Africa—the extremely high rate of return on capital (i.e., very high profit margins). One reason for the high return, of course, is the cheap labor pools of these countries.

At home, GE is trying now to keep the labor cost cheap by trying to break the strike with tactics like Boulwarism (making one contract offer only).

The time may come five to ten years from now when companies like GE will have sufficient highly profitable investments in pacified areas like South Africa or Latin America, so that when U.S. workers strike again, the company may simply ignore them and let the foreign activities and profits carry them through even a very long strike. This all assumes that the Third World will be stable and pacified under strong totalitarian states like South Africa. This is why it is in the interest of the GE workers, other workers, students and the American public to support the GE strike which is a step toward ending racism, exploitation of women, economic and military imperialism.

*South African General Electric Co., Ltd., has local ranches in 5 major South African cities, as well as a manufacturing plant.*

Let my people go

Nuemiu de Sousa

A warm Mozambican night and the distant tones of marimbas reach me

-firm, constant- coming, I don't know from where.

In my house of wood and zinc
I turn on the radio and let myself drift, lulled... But voices from America stir my soul and nerves

And Robeson and Harison sing for me

Negro spirituals from Harlem:

'Let my people go'
-

oh let my people go

let my people go-

they say.

I open my eyes and can no longer sleep.

Anderson and Paul sound within me

and they are not the soft voices of a lullaby

Let my people go...

"When millet sprouts up in our fields, it is because we had previously prepared the ground and watered the seed with the sweat of our own work. The future is always built on the everyday work of our hands and minds."

1068 New Year message to FRELIMO militants from the Central Committee