International Seminar
on
The Role of Transnational
Corporations in Namibia

Sheraton Washington Hotel
Washington, DC
November 29- December 2, 1982

Address by H.E. Mohamed Sahnoun
(Algeria), Vice-President of
the United Nations Council for
Namibia, November 29, 1982.

Organized by the
American Committee on Africa
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with the support of the
United Nations Council for Namibia
Mr. Chairman

Distinguished Delegates,

Ladies and Gentlemen,

On behalf of the United Nations Council for Namibia and of the delegation of this Council, I wish to thank the American Committee on Africa for taking the initiative of organizing this inspiring seminar and for the invitation extended to the Council to take part in deliberations. Whatever contribution the Council could make to the success of this seminar we will endeavor to do.

It is with great interest that we participate in this conference devoted to an examination of the role of Transnational Corporations in Namibia. The organization of this meeting is in itself an indication of a growing awareness of the impediments which the activities of these corporations pose to the independence of Namibia.

The South African regime has, in recent years, and with the collaboration of transnational corporations, accelerated the process of the exploitation of Namibia's natural resources. Their activities have gained momentum despite strong protests by the international community, and numerous resolutions of the United Nations against such exploitation.
Mr. Chairman,

The exploitation by transnational corporations of Namibia's natural resources is, as you know, concentrated in the mining sector. Namibia ranks fifth or sixth in the world production of diamonds, producing profits accounting for from 50 to 70 per cent of the Territory's annual export earnings. Namibia is also the world's fifth largest producer of uranium oxide mine and produces a vast variety of metals and minerals, including such base metals as copper, lead, tin, zinc, cadmium, vanadium, silver, etc.

It was then by no accident that, as early as 1974, the United Nations Council for Namibia, as legal Administrator of that Territory until independence, enacted its Decree No. 1 for the Protection of the natural resources of Namibia, against further usurpation by the apartheid regime and its allies. It was not through inadvertence that the General Assembly has adopted several resolutions, including resolution 36/51, not only demanding that the Pretoria regime and its collaborators desist from their shameless exploitations of Namibia's mineral wealth, but also calling on the international community to bring pressure to bear on transnational corporations to refrain from their exploitative activities.

As recently as 1981, the Security Council attempted to impose comprehensive mandatory sanctions against South Africa; sanctions which, because of their proposed comprehensive nature,
would have proved a hindrance to the despicable activities of trans-
national corporations in Namibia in the economic, political and
military fields.

The fate of the proposed sanctions is now a well known
fact; they were demised by the negative votes of certain Western powers.

Mr. Chairman,

A large proportion of firms whose transnational corporations
operate in Namibia are based in Canada, France, the Federal Republic
of Germany, the United Kingdom and the United States. The latest
available information reveals that there are as many as 88 trans-
national corporations operating in Namibia. Of these corporations 35
are based in South Africa, 25 in the United Kingdom, 15 in the United
States, 8 in the Federal Republic of Germany, 3 in France and 2 in
Canada. The operations of these corporations, including those
registered in South Africa, are made possible by means of licenses
issued by the Pretoria regime, which is illegally administering
Namibia. In 1981 alone, South Africa approved over 250 mineral
prospecting licences to international mining companies.

Mr. Chairman,

Approximately 80 per cent of the total mining assets are
held by just three mining companies: the 1st Consolidated Diamond
Mines of South West Africa; the second, Tsumeb Corporation, controlled by American Metal Climax (Inc. AMAX) and the Newmont Mining Corporation of the United States; and third, Rossing Uranium, in which the largest stake, nearly 47 per cent, is held by the Rio Tinto Zinc Corporation of the United Kingdom.

Of these three main mining companies the Consolidated Diamond Mines has exploited the Namibian diamond deposits for nearly 60 years. Its parent company, De Beers Consolidated Mines which is the largest producer of gem diamonds in the world, is in turn 30 per cent owned by the Anglo American Corporation. The United States is the major market for these gem-diamonds, from where uncut stones filter into other large diamond cutting centers.

Mr. Chairman,

Another target of vast exploitation of Namibia's natural resources by transnational corporations, is its uranium deposits. The largest open-cast uranium mine in the world, which contains most of Namibia's uranium reserve, is owned and operated by Rossing Ltd., a consortium of Western and South African firms incorporated in 1970. As mentioned before the major equity holder in Rossing is Rio Tinto Zinc of the United Kingdom. The other partners in the venture include the Industrial Development Corporation of South Africa with 13 percent, the General Mining and Finance of South Africa with 7 percent and, most recently, the Compagnie Miniere et Nucleaire of France, a subsidiary of Compagnie Francaise des Petroles, with 10 per cent.
A uranium exploration program is being undertaken by the Anglo American Corporation in Swakopmund district in conjunction with the Union Corporation, the CFP and Aquitaine (SWA), a subsidiary of another French company, Societe Nationale Elf Aquitaine. Estimates put the project cost at over R 120 million.

It was revealed during the hearings on Namibian uranium conducted by the Council for Namibia in July 1980 that long-term purchase contracts for Namibian uranium, all of it from the Rossing mine, are known to have been concluded with nuclear reactor operators in the United Kingdom, France, the Federal Republic of Germany, Japan and the Netherlands. These contracts are in our view illegal and fraudulent with regard to international law. The testimony given at the hearings on Namibian uranium revealed a complex network of collusion between the Western Powers, their multinational corporations and the racist South African regime. While the major Western Powers regularly pay lip-service to the chorus of condemnation, repudiation and protest, they are simultaneously engaged in the plunder of natural resources of Namibia in violation of international law.

Mr. Chairman,

Among Namibia's export commodities exploited by transnational corporations, base metals copper and lead account for some 80 per cent of the total value of the annual base mineral production. The
other base metal products, as mentioned before, include zinc, tungsten, tin, lithium, silver, etc.

The Taumeb Corporation is by far the largest producer of base metals in Namibia, especially copper and lead, accounting for about 80 per cent of the country's annual output. Until the mid-1970s, Tsumeb alone generated one fourth of Namibia's total mineral export earnings. I already mentioned that the two major shareholders with controlling interests in the corporation are American Metal Climax and the Newmont Mining Corporation (both of the United States). United Kingdom interests in Taumeb are represented by the 14 per cent share owned by Selection Trust and a South African subsidiary of AMAX and Newmont, the O'okiep Copper Company, controls another 9.5 per cent.

Besides AMAX and Newmont, a number of United States commercial interests are reported to be involved through various subsidiaries and associates in the development of Namibian base metals. These include the Bethlehem Steel Corporation, the Nord Resources Corporation and Zepata Norness.

Other important producers include Gold Fields of South Africa, a subsidiary of Consolidated Gold Fields of the United Kingdom, Falconbridge Nickel Mines of Canada and the South African parastatal Iron and Steel Corporation (ISCOR).
Reports indicate that since January 1979 some 30 mining companies have been listed in Windhoek. Many are disguised subsidiaries of larger mining firms, which do not want to reveal their involvement. One of the new firms, Trans-Namibia Mines, has reopened a former manganese ore body north of Ikahanda and plans to export manganese concentrates. Another, Rhyno Prospecting and Mining, has located a gold deposit in the Kamanjab district.

Mr. Chairman,

These are but a few examples of the systematic plunder of Namibia's resources by the Pretoria regime and its western-based transnational corporations. The countries engaged in such operations continue not only to violate the resolutions of the General Assembly and the Security Council, but contribute to the maintenance of a repressive racist occupation regime.

Benefits derived by transnational corporations, from the huge investment capital poured into Namibia are varied and enormous. Under existing tax regulations, for example, mining companies operating in Namibia are able to write off all capitalized pre-production expenditure against their taxation liability. As a result, Rossing Uranium for instance will not become fully liable for taxes until 1983.

Mr. Chairman, the apartheid regime has also derived military gains from its corporate transnational partners. The military
collaboration of its trading partners has resulted in the acquisition and production of arms and arms-related material, by the racist regime, carried out by its state-owned Armaments Development and Production Corporation (ARMSCOR). The increase in South Africa's military strength has resulted in that regime's capability of meeting about 90 per cent of its armament needs, and now ranks tenth in the world in the manufacture of nuclear and conventional weapons. These same weapons, whose acquisition by South Africa are made possible by some western countries and transnational corporations, are used by the racist regime to launch destabilizing military aggressions against Angola and other neighboring states and to pursue SWAPO freedom fighters struggling for self determination and independence.

The same members of the Security Council who vetoed the imposition of sanctions against the Pretoria regime are among countries whose transnational corporations are engaged in the greatest depletion of Namibia's mineral wealth. These friends of the racist regime are often heard arguing on the unconvincing premise, that sanctions against South Africa would prove ineffective, because of that regime's self-sufficiency. They argue that rather than impede progress in territories, including Namibia, the activities of transnational corporations contribute to the development of the territories in which they operate.

Mr. Chairman,
By way of reciprocity for the benefits derived from the Western powers and their transnational corporations, South Africa encourages the illegal and extensive exploitation of over a million acres of the land it had taken from the indigenous Namibians and appropriated to the white minority.

Is it any wonder then that, as far back as 1972, South Africa had the arrogance to declare, through its then-Prime Minister, Mr. Vorster, that, "every new agreement, every new bank loan, every new investment is a new stone in the structure ensuring our existence"? This statement is just as true as it was ten years ago, being fortified year after year by the unswerving economic and political support the racist South African regime is receiving from its allies.

The recent visit of the Foreign Minister of South Africa to Washington has increased our concern. Pik Botha has left here apparently confident in the support of the U.S. and reiterated even more clearly than before the so-called linkage formula between their withdrawal from Namibia and the so-called question of the Cuban troops in Angola. The comments made from American sources after the visit are not encouraging either and the Council will soon examine these new dramatic developments.

Before closing my remarks, Mr. Chairman, I feel duty bound to thank all those participants, institutions and individuals whose contribution to this debate will enable us to scrutinize the operations of transnational corporations in Namibia in depth, and will help us to assess the consequences of these operations for the future of southern Africa. It will then be our task in the Council with your help to inform the world public opinion and the United Nations so that steps are taken to denounce this shameful collaboration between transnational corporations, their countries of origin, and the racist regime.

I thank you.