Polaroid's S. Africa ban defied?

By Robert Lenzner
Globe Staff

An independent South African distributor has been secretly selling Polaroid film and cameras to the South African government despite a company ban on these transactions, according to a former employee of the distributor.

The allegations were made to The Globe in the last few days in trans-Atlantic telephone conversations with Indrus Naidoo, who was dismissed by the distributor, Frank & Hirsch of Johannesburg, in 1976.

Informed of the charges, Polaroid headquarters in Cambridge dispatched the head of export sales and a British auditor late last week to South Africa to determine whether the secret transactions have actually been taking place.

The Polaroid representatives are scheduled to arrive in Johannesburg this morning.

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Distributor accused of violating Polaroid ban

POLAROID

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Polaroid in the last six years has become the bellwether of United States corporations involved in improving the plight of blacks in South Africa. It has worked to raise substantially the salaries of the distributor's black employees and has donated $478,000 to black organizations.

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He was fired in April of 1976 for refusing to sign a waiver of damages from a lie detector test administered at the distributor's office in an investigation of pilferage.

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Naidoo spelled out for The Globe the intricate dealings of Frank & Hirsch with agencies of the South African government:

- Frank & Hirsch billed all the shipments to the South African government through Muller's Pharmacy, a drugstore in downtown Johannesburg. The films and cameras were placed in unmarked cartons and then transferred to unmarked transport vans for the drive to their destination.

- There were regular deliveries to the Voorstreek Hooge military headquarters outside Pretoria and to several government reference bureaus that issue identification documents to blacks known as passbooks, a symbol of oppression in South Africa.

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order covered a shipment of Polaroid 107 black and white film and number 42 roll film to the reference bureau where the passbook identifications for blacks are made.

The reference number H/D 59957 refers to a transaction with Muller's Pharmacy, which is recorded in the H docket. The docket should have a reference to the delivery note numbered 024513. A copy of this delivery note should be filed numerically in the dispatch department and include a signed receipt from the Bantu Reference Bureau in Pretoria, according to Naidoo.

The Bantu Reference Bureau administers the passbooks which every black African man or woman over the age of 16 must carry. It is officially called a reference book, but resembles a passport, and it contains such details as the individual's name, tribal origin, where he is allowed to live, and what sort of work he or she is allowed to do. Black Africans cannot move anywhere without the pass, which contains their picture.

The two Polaroid representatives were given the information about the reference number before leaving for South Africa.

Polaroid's stated policy has consistently emphasized that no sales to the South African government have been made since early 1971.

"Helmut Hirsch has told us many times he was not selling to the South African government," Peter Wensberg, senior vice president in charge of marketing, said the other day in an interview.

"As far as we're able to determine, he has stuck to the agreement. However, we never took for granted they would follow our stipulations. That's why we have sent people there every year."

Polaroid chose Frank & Hirsch as its sale distributor in South Africa in 1959. It has a standard distribution contract with Frank & Hirsch, which does not restrict sales to any customer, according to a company spokesman.

Thomas Wyman, former general manager of Polaroid, who negotiated the agreement with Hirsch, the owner of the distributor in 1971, says: "I guarantee to you that Hirsch was an author of the plan. He was one of the signers of the constitution not to sell to the government. That was a given. He didn't protest." This agreement was oral, not written.

The distribution of Polaroid products in South Africa is estimated at $3-4 million, in 1977 a tiny portion of the more than $1 billion in revenues expected in 1977 for the entire company.
Since 1971 Polaroid has periodically re-examined its policy of selling products in South Africa. Hans Jensen, export sales manager, makes continuing audits based on findings of annual trips.

Jensen's latest report, made last year, concluded: "We believe that it is still too soon to make a final judgment on our relationship to South Africa... We intend to stay as long as black South Africans and moderate whites feel that progress is being made and that our presence there is helpful. We should acknowledge that our decision to continue is made easier by the fact that our South African distributor has been a willing participant in the changes affecting his work force."

The furor over Polaroid's involvement in South Africa became an issue when two black Polaroid employees organized a protest over sales of products there. Polaroid formed a special 14 person committee in 1970 to study the situation, and sent four members to South Africa to investigate.

In early 1971 Polaroid took out a full-page advertisement in major newspapers and became the first American corporation to publicly announce, "We abhor apartheid, the national policy of South Africa."

Afterwards Polaroid brought pressure on its distributor to raise the salaries of its black employees and offer fringe benefits previously not available.

Between 1971 and October, 1977, the average salary of the distributor's black employees was raised from $96.60 a month to $291.00 a month.

Polaroid also has contributed funds to the Association for the Educational and Cultural Advancement of the African People of South Africa (ASECA), a group that was recently banned. Funds were donated to several other African organizations.

Frank & Hirsch has made a practice of hiring several well known African political figures, including Winnie Mandela, wife of Nelson Mandela, leader of the banned African National Congress who is now serving a life sentence on Robben Island, a political detention center off Capetown. Winnie Mandela has been banned to a remote rural town for five years.

Frank & Hirsch first hired Naidoo in 1960. He was sent to prison for 10 years in 1963 for an act of sabotage, blowing up a signal post and tool shed on the railroad line.

In 1973 after leaving prison, Naidoo was rehired as assistant storeman in the photographic supply shop. He became head storeman of the photographic supplies in early 1975 and assistant manager of all the supplies in 1976. In these positions Naidoo put the film and cameras in the unmarked boxes for delivery to the government.

In April, 1976, Frank & Hirsch hired agents to administer lie detector tests to black employees in a search for persons suspected of stealing. Naidoo told The Globe he was willing to take the test, but declined to sign a form that relieved the "agents or their agents for the responsibility of any after effect of the test."

Naidoo agreed to sign the form if that paragraph were struck. He claimed to have been worried about possible physical or mental damage. But Frank & Hirsch balked and subsequently fired him.

In January, 1977, Naidoo went into exile in London. His family, including a wife and child still live in South Africa.

Polaroid management has recently contacted senior members of the Carter administration to ask advice about whether the company should continue its business relationship there. This request was sent before information was received by The Globe from Naidoo.
Indrus Naidoo, former Frank & Hirsch employee, arranged photostatic copy of this delivery note be sent to US in October 1975. It shows two kinds of Polaroid film, 107 and 42, were delivered to Bantu Reference Bureau in Pretoria on September 22, 1975. Bureau administers passbooks of black Africans that include their picture. Delivery note is not signed because copy was made before film delivered. Top line of order reads 41-107 2000 X Polaroid Films.