On behalf of the American Committee on Africa may I thank the members of the Special Political Committee for this opportunity of sharing with you some of our concerns about current developments relating to South Africa.

ACOA was founded in the 1950's to mobilize support in the US for the growing struggle for freedom and independence then sweeping across Africa. Even in those early days it was clear that some of the toughest struggles lying ahead would come at the southern end of the continent, where intransigent settlers and colonial regimes had entrenched themselves in positions of great privilege, power, wealth. And indeed the history of the past twenty years has confirmed that no such group has voluntarily or willingly given up its monopoly of political power, and its ability to use such power for the generation of enormous wealth. In Angola, Mozambique and Zimbabwe we saw that to achieve their rights as men and women shaping their own destinies the people were forced to engage in intense and extended conflict.

We do not believe that it can be different in South Africa. The system of racial domination and exploitation now called apartheid in South Africa has produced the most extraordinary privilege and wealth for
sections of the white population. No realistic examination of the
evidence can conclude that these interests are now preparing to
abandon this power. On the contrary they are in fact mobilizing on
all fronts to preserve and protect their positions in the face of
a growing challenge from the majority black population.

It is now popular in corporate and western political circles to see
"hopeful change" in South Africa and to interpret these changes as
signs that the State is moving to incorporate all South Africans,
black and white, into a unified society, where access to resources
wealth and political power will no longer be determined on a racial
basis.

On the contrary, we believe that these changes now occurring in South
Africa are designed to preserve and protect the present racist system
by improving its flexibility and efficiency. For example, the South
African economy has both expanded and diversified tremendously for the
past 30 years. In the old days mines and farms dominated the economy,
with a need for lots of cheap unskilled labor - and the system of
reservations or Bantustans, pass laws, and migrating labor was designed
to fill those needs. Then one pair of black hands was completely inter-
changeable with another. Today complex manufacturing plants require
different labor qualities - men and women with considerable skills.

Thus we see legislative shifts to allow some skilled black job training
to allow some workers permanent urban status, so that they will keep
coming to the same job, even to allow some carefully controlled union
organization, to act as stabilizing safety valve. But all these changes
are responses to new needs within the power elite economy. Their pace
and direction are controlled by that elite. They have nothing to do with
Paragraph 3 should read:

Under the banner of "Total Strategy" we are seeing the increasing militarization of the whole society, concentration of political power within a smaller and smaller circle even inside the white sector and the careful preparation of the economy for increasing self-sufficiency. These are not signs that South Africa's rulers are planning to concede power to black South Africans. They are the warning signals of its ruthless determination to destroy such a challenge.
responses to the overwhelming black need and demand for a full share in the running of South Africa. Black South Africans are simply being manipulated in new ways to meet new needs. Nothing has changed in the basic relation of power.

At the same time as the state is streamlining aspects of the economy it is also, most menacingly, streamlining and expanding its capacity to deal with any challenge to the whole system.

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In this context accommodationist arguments such as that presented by President elect Reagan's chief Africa advisor Chester Crocker, are particularly dangerous. Crocker, director of African Studies at the Georgetown University Center for Strategic and International Studies advocates what he calls a "serious and sustainable US policy" favoring "evolutionary change toward a non-racial society". The theory is that given enough time and prosperity the South African state will reform itself and that policies of sanctions, corporate divestment and isolation are counterproductive. This is the same type of thinking that underlies the US corporate defense of their continuing presence in South Africa.

The theory has no base in fact. My Committee has long argued that a
continuing US corporate presence in South Africa gives support to the apartheid system in an infinite number of ways, direct and indirect. At the crudest level, this is shown by the continuing sales to the South African government by US businesses like Ford, General Motors and Mobil. Much of the material sold inevitably has repressive police and military applications, even if it was not specifically sold for that purpose. As long as corporations continue producing in South Africa their products will be subject to such use.

But recently the government has introduced legislation which strips naked the inevitable security collaboration between it and any US corporation which produces anything more significant than toothpicks or paperflowers. Under the new National Key Points legislation, introduced after the African National Congress attacks on the SASOL plants, the Minister of Defense can declare any place or area a national key point "whenever he considers it necessary or expedient for the safety of the Republic". Since the large majority of direct US investment in South Africa is in key industries such as oil, auto, and electronics most will likely be declared key points in the event of any serious threat to the apartheid regime.

The legislation provides that owners of places declared national key points will have to satisfy the Minister of Defence that they have taken steps to provide adequate security for their plants. Owners who do not take such steps will be subject to jail and large fines. The government can also choose to provide the security and bill the company for the cost.
The Key Points Industries legislation also provides for strict control of the press. The government can prevent publication of any news about incidents involving security at classified national key points. All such news will have to pass by military censors before publication.

Under the bill the government can grant police powers (arrest, search, use of firearms and "reasonable" force) to company employees who will become essentially an extension of the military.

Thus even the best of intentioned company will find itself directly and militarily confronting the liberation movement. In fact, evidence suggests that many foreign corporations will collaborate as a matter of course, with the South African government, in protecting their investments against people they regard as dangerous radicals. Members of this committee may recall the 1978 exposure by ACOA of a secret General Motors (South Africa) contingency plan which made provision for the fullest co-operation with police and military in times of so called "civil unrest".

More recently SWAPO has released secret documents relating to a similar plan being implemented by the British multinational, Rio Tinto Zinc, at its uranium mine in Namibia.

In our view giving South Africa time simply enables it to strengthen itself for a coming confrontation with the liberation forces.

Let me quote two brief further examples. Because the international arms embargo and restrictions on the transfer of military application technology have been at best intermittently applied by Western countries since the first Security Council resolution on the issue in 1963, South
Africa has been able to build itself vast military power and production capacity although it must still depend on imports for very sophisticated equipment.

Similarly, delays in the imposition of an effective oil embargo, and continued Western corporate collaboration with Pretoria's plans to build an oil-from-coal capacity domestically, are allowing South Africa to move towards considerable energy self-sufficiency. But that process still has a long way to go despite South African boasts, the country must import some 300,000 or more barrels of oil everyday and will not achieve even 50% self-sufficiency when it has completed all present plans.

Arms and oil sanctions tightly and swiftly imposed on South Africa could have a tremendous effect - but the longer the delays the greater South Africa's capacity to construct for itself survival mechanisms.

International recognition that the South African regime is not an impregnable giant has been greatly heightened by the growing waves of black resistance now battering the walls of apartheid. In the US we are working with more and more Americans who are coming to realize that they can play a role in supporting this struggle for liberation by cutting the many economic links which continue to sustain the apartheid regime.

Widespread student activism has for several years focused on working to achieve the withdrawal of US corporations from South Africa, and the ending of bank loans to all borrowers connected to that country. This work continues and Dumisani Kumalo of our staff has just returned from an extended campus tour during which he was enthusiastically received
at 14 colleges.

The campaign to end all bank lending has already produced significant withdrawals involving many millions of dollars from offending banks from diverse groups including trade unions such as the United Auto Workers, church bodies like the National Council of Churches and The Board of Global Ministries of the United Methodist Church and many others.

Perhaps the most striking new initiative is the one being taken by state and local legislators to prohibit the investment of public money in banks and corporations involved in South Africa. Already legislation has succeeded or is being negotiated in at least twelve cities and ten states.

Bills which discourage or forbid financial links to companies doing business in South Africa have already passed the legislatures of Connecticut, Massachusetts and Nebraska.

In 1980 Massachusetts required the divestment of state pension funds from banks which make loans to the racist government, and from corporations which employ more than 500 workers in South Africa or have investments of $10 million or more in South Africa. No new pension fund money is being invested in such companies.

Cities involved in the same campaign have included Gary, Indiana; Berkeley, Cotati and Davis, California; Madison, Wisconsin; Cambridge, Massachusetts; and Hartford, Connecticut.

The interest in legislative action on South Africa has brought together
coalitions which include trade unions, churches, black organizations, students and other progressive groups and individuals as well as the commitment of one or more legislators.

ACOA has been an initiator of the newly formed Co-ordinating Committee for the Campaign for State and Local Legislative Action, which hopes to help build this campaign nationally in the coming months. Many billions of dollars of state funds are currently invested in corporations active in South Africa; the fear that such money may be withdrawn should exert a powerful influence on corporate managers as they weigh future deals in South Africa.

In this way we hope to add new muscle to the vital international campaign to cut all ties with apartheid. In conclusion we would add our voice to the many calling for the immediate imposition of comprehensive and mandatory sanctions against South Africa as the only effective way of supporting the people of South Africa in their struggle for freedom.