U.S. Coal-to-Oil Technology to Go to South Africa

New York, N.Y. September 17, 1979........At a time of energy crisis, a U.S. corporation has a billion dollar contract to provide critical coal-to-oil technology to a country whose policies our government describes as "abhorrent". The South African government's Coal, Oil and Gas Corporation (SASOL) has contracted with the Fluor corporation of Los Angeles for $4.2 billion to oversee construction of two coal-to-oil conversion plants.

Research by The Africa Fund, a non-profit group in New York, charges that Fluor's contract is "lending direct support to apartheid", South Africa's racial policies of white minority rule.

"Oil is the one key resource which South Africa does not possess" the report notes. This alarming state of affairs for the white minority government was exacerbated by the decision of the new Iranian government to adhere to oil sanctions against South Africa. Iran formerly supplied 90% of South Africa's requirements.

The Fluor Corporation is the major contractor overseeing construction of the largest and most expensive project ever undertaken by South Africa. By 1982, SASOL plants are expected to account for 35% of the country's oil production.

Fluor lobbied heavily a few years ago to receive U.S. government credits to help finance the project. These were rejected in a high level decision in June 1976 following the Soweto rebellion where hundreds of African schoolchildren were shot by South African police.

The Africa Fund report also reveals that Fluor has worked to support pro-South Africa politicians in the U.S. For example, Fluor-PAC, the company's political fund gave $1,000 to help defeat Senator Dick Clark of Iowa, the liberal chairman of the Senate African subcommittee. The former information secretary for South Africa, Eschel Rhodie, has charged that Clark was the target of a concerted South African government campaign to unseat him.

Among the top ten shareholders in Fluor identified by the Corporate Data Exchange of New York are Manufacturers Hanover Trust Co., BankAmerica Corp., and the New York City Teachers Retirement System. Other union-related plans with significant holdings include those of Bell Telephone employees, Chrysler and Ford Workers and the International Longshoreman's Association.

Providing oil for South Africa is in violation of resolutions of the Organization of African Unity and the UN General Assembly, calling for an oil embargo of South Africa.

As the study concludes: "Without oil the ability of South Africa's economy to function would be considerably impaired. Far more important, without oil the minority regime would be unable to employ the tanks, police vans and airplanes on which it relies to maintain control."