Using Films on South Africa: an activation kit on investments
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Introduction

You're probably reading this handbook because you are about to show a film on apartheid.

Every decent American abhors apartheid. That isn't the problem. Rather, they ask, what can they do about it? South Africa is 10,000 miles away and events there seem out of our hands. Once everyone agrees that apartheid is deplorable, then what? What can you do when screening a film to help translate this concern into social action?

More and more organizations feel that one answer lies in the use of their investment dollars. It is, after all, our money which is both invested by corporations and loaned by banks to South Africa. Around the nation, church, student, labor, civic groups, and even municipalities are beginning to look at their bank account, investment, pension fund, and consumer dollars as potential instruments for influencing U.S. government and corporate policy towards South Africa.

In a further exciting development, many of these same groups are beginning to examine ways to use these monies of theirs to meet some of the pressing needs—such as jobs and low cost-housing—in neglected areas of their own communities. This approach allows for many possibilities of concrete actions, actions which also provide a very real link between the futures of our own communities and the lives of black South Africans.

Films such as Six Days in Soweto and Last Grave at Dimbaza can play an effective role in promoting such activity. But the effectiveness of these films is limited by the methods you use while presenting them.

Making use of questionnaires, simulation games, checklists, a discussion guide, background readings, and a resource guide, this handbook will help you place your film in a context where it will not only inform, but initiate specific action programs. It is intended to help a group develop a sense of itself as investors working together to take responsibility for the social consequences of their investment dollars. After first demystifying the role of investment as a social phenomena and helping the group realize that they themselves actually are investors, the kit will then facilitate the re-examination and re-definition of the group’s own social role and potential activities with respect to apartheid.

What Do You Do When the Lights Go On?

Upon the return of one of our films a few months back we asked the booker what he did directly following the screening. “Turned on the lights, of course,” he replied somewhat quizzically.

Though his complete lack of comprehension of the terms of the question was in itself unusual, practically speaking, the great majority of those who use our films do little more following a screening.

We’ve all had the experience of sitting in a darkened room estranged from our invisible neighbors, staring at a larger than life-size moving ikon up on the screen in front of us. Suddenly, the lights go on and the pupils contract. Perhaps we rub our blood-shot eyes. The group ‘facilitator’ stands up and tentatively asks, “Any questions?” A deadening, anxious silence roars across the room. We unconfortably squirm in our seats averting our eyes from those of the facilitator hoping that someone will just say something, anything. Whatever discussion is finally elicited then all too often concerns the merits of the film itself. Though the film is over the focus of audience activity remains the film.

This is not surprising. Film viewing is generally a passive experience. We go to the movie, turn on the TV, or view a film in class, we expect to be entertained and, at most, informed. We sit back passively and consume the film’s information content or story line.

But how do we throw attention off the screen and back upon the group itself? How can we use the film not just to learn about what’s on the screen, but to give ourselves a new perspective on our own situation?

Remember, yours is a non-theatrical film screening. People are not coming to the film as ‘film goers’ as they would to see Star Wars or Apocalypse Now. Rather, they come as church members, or students as students, or as concerned citizens. They come as members of your class or organization. Their interest in the film is not so much its ‘filmness’ as its relationship to the ‘matter at hand.’

In this case, the ‘matter at hand’ is South Africa and your group’s relationship to it. Perhaps you’re students whose university endowment is invested in companies in South Africa. Or perhaps you’re members of the International Longshoremen and Warehousemen’s Union who handle cargo coming from or destined for South Africa. Or perhaps you’re a member of a church whose funds are deposited in banks that make loans to South Africa.

Though reasons for the specific screening vary, all of you are presumably showing our films because you find apartheid abhorrent and you’d like your group to do something about it.

But if our aim is to move beyond the generation of concern and sympathy, if our aim is to encourage actual involvement, then we must develop more effective methods of presenting and utilizing film for this purpose. Simply screening the film and asking “are there any questions” will not do.

Active Viewing

We at California Newsreel’s Southern Africa Media Center feel that education is not simply a means of implanting ‘correct ideas’ in people’s minds. Rather, education should empower people with tools which promote the conscious reflection and action upon their environment in order to
transform it. We must develop people's critical capacities, not short-circuit them. Education should help people move from positions of submissiveness and apathy to involvement, activity and self-reliance.

Our experience suggests that the key to developing the effectiveness of film in organizing and educational situations is the degree to which the film can be integrated into a well-defined context of active inquiry, and into a collective exploration of new paths of social action. We call this method of using films 'active viewing.'

We believe that the customary methods of film presentation must be re-conceived for these purposes. This handbook will help you develop a structured context intended to promote your group's active viewing of the film you are to screen. It will help you develop an integrated program of learning activities centered around the film screening. These activities will help your group understand apartheid and, most importantly, its own potential for involvement in ending it. For, as many organizations are finding out, even apartheid 10,000 miles away is subject to influence by the initiative of their group.

The Handbook

This handbook is divided into three sections: Preparation; Procedures, and Follow-Up. At the end comes the Appendices containing the various questionnaires, fact sheets, and other materials referred to within. You can copy and pass out the appendices to your group when appropriate.

There is not yet any one single film that directly addresses the question of the role that our investments play in South Africa. However, there are a number of films that implicitly shed light on the issue and can be used with this handbook.

Last Grave at Dimbaza, despite being slightly dated, remains the best film for this purpose. Others you will find useful include Six Days in Soweto, Free Namibia!, and Generations of Resistance. You might also use the kit with the slideshow Banking on South Africa. The kit can be adapted for use with the film on multinational corporations, Controlling Interest.

PART ONE: PREPARATION

The success of your session will probably be determined more by your preparation than by any other single factor. This includes both preparation for:
—Your plan of action for the session itself.
—The actual mechanics of film projection.

Step #1: Purposes.

To begin, of course, you will want to sharpen your purposes.
A. What do you want the group to be and do differently?
B. What interests, preconceptions, and resistances will people bring to the film screening?
Try to answer these questions in writing to help you clarify your thoughts.

Step #2: Planning.

Now read through the rest of the handbook. It presents a specific program of learning activities to be used with your film. You may want to follow it closely, or you may want to develop your own original program, perhaps borrowing material from the handbook and from other sources as well.

To help you decide, when reading the handbook, look for sections that are either superfluous, irrelevant, insufficient, or contradictory to your written purposes. Then change that section of the program to better reflect your aims.

Always remember that whatever program you ultimately follow a guide is just that, a guide. Do not be too rigid. Sometimes the most informative and insightful discussions and suggestions occur at the most unexpected moments. Be flexible, and most importantly, listen.

But always be aware of the process becoming pointless, repetitive, or descending into acrimonious debate. Sometimes discussion will be dominated by one or two strong and intimidating personalities. At these moments, do not be afraid to step in, sum up, and move on to the next step.

Step #3: Preview.

Preview the film yourself before the screening. How can you lead a discussion if you've never seen the film?

Step #4: Film Projection.

Many people—probably yourself included—associate film screenings with breakdowns, fuzzy pictures, and (most irksome) inaudible sound. Do not learn how to project a film at your group's expense! Here are some points to consider.
A. The Hall.
1. Light: Does the room black out?
2. Acoustics: Bad sound is unquestionably the most serious fault of all film screenings and therefore deserves special attention! High ceilings and concrete floors and walls make for echoey rooms and the boomy, unintelligible sound you've heard so often. The more carpets, drapes, and soft furnishings (including chairs) in the room, the better the sound. Stand in the middle of the empty room and clap your hands. If it echoes and booms, the room is poor. Look for another.
B. The Projector: All projectors are simple to operate when you know how. Get the lender to show you how to thread the film. Most projectors have a threading diagram attached. Always have a trial run before the show starts. Points to watch:
1. Is the film correctly threaded around the sound head? If not, the film will sound like it's coming from underwater.
2. Picture size: biggest is not necessarily best. A small bright picture may be better than a large dull one.
3. Place the projector as high as possible so late comers don't cast shadows on the screen.
4. Speakers: If you have external speakers place them high as well (shoulder high is ideal). Otherwise, the sound gets lost in the audience's feet. Place them in front of the room by the screen.
5. Sound: Adjust the volume. A full hall soaks up more sound than an empty one. Check sound quality away from the projector. If the sound is not clear and crisp enough, turning up the volume does not help! Instead, turn the bass control right down and the treble right up!
6. When all this has been done (before the group has arrived), run the film, adjust the focus on the leader or the titles, and adjust the volume. Rewind and relax.

C. Don't forget:
1. Proper size take-up reels.
2. Extension cords with the right plugs for the outlets.
3. Fuses, spare bulbs, and a screwdriver.

PART TWO: PROCEDURES

This section consists of an actual five-step program of learning activities to use with the film.

Step 1: Media Environment of Concern
Our Media Environment of Concern consists of two parts: a photo exhibit and an audio cassette.

The photo exhibit (adapted from one produced by International Defense and Aid) is portable and easily mountable. It contains scenes from life under apartheid along with a brief descriptive text.

The audio cassette contains a recording of freedom songs and music from South Africa interspersed with recordings of Steve Biko and South African poets. It can be played either along with the photo exhibit or by itself as people arrive at the film screening. It is particularly well-suited for setting the mood for the event.

If your group meets regularly, you should consider mounting the photo exhibit and playing the cassette in advance of the event. In this manner, people can begin to reflect upon the problems to be considered ahead of time. Well-trafficked places such as a church lobby, a lunchroom or a classroom make good locations. An event that takes over a full day or so—such as a conference—also offers and an excellent opportunity for mounting the exhibit.

(Note: The Media Environment of Concern is a separate item from the handbook. It can be rented from the Southern Africa Media Center for $10.00 plus shipping.)

Step 2: Questionnaire
As stated in the introduction, this handbook aims first to develop the group’s sense of itself as investors, and then to develop its sense of responsibility for the social consequences of its investment decisions.

To successfully develop a responsible action program with regards to our investments in South Africa, we must first make conscious the group’s own underlying preconceptions of the issue. Filling in and discussing the Questionnaire (Appendix A) will help people begin to conceive of themselves as investors, and to reconsider the nature of investment.

Background.
We usually don't think of ourselves as investors. Yet, if we have a bank account, contribute to a pension plan, contribute to a university or church endowment, or simply pay taxes (which are then paid into public employees' pension funds), we are. For citizens, as well as organizations and public bodies (such as churches, universities, union pensions, city, county, and state public employee pension systems, etc.) regularly place hundreds of billions of dollars in savings accounts, corporate stocks and bonds, and real estate. The City and County of Los Angeles, for example, has $7 billion in investments, most originating from their public employee pension funds. A good-sized church may have hundreds of thousands of dollars in its building and other funds which it invests; the denomination as a whole, millions. Individuals in the U.S. have a total of $125 billion deposited in savings accounts.

The most we usually demand of these billions of dollars is that they bring us a return, in the neighborhood of 5 or 6% for a savings account. If we place $100 in a savings account, this means we simply hope to have accumulated an extra $6 one year later.

But what happens to this money? Most of the group probably won't be conscious that our savings have additional effects upon our lives other than bringing us our 6% return. We don't consciously realize that these monies of ours are used by others—banks and corporations. How they are used determines the very nature of economic development and the quality of life in our society. This is investment.

- Why is there a parking garage here but a new factory there?
- Why is there old, dilapidated housing in one part of town while new, luxury condominiums go up in another?
— Why is one plant filled with old, out-of-date machinery and laying off workers, while another of the same company has recently purchased new machines and is expanding and hiring?
— Why has one town been deteriorating for years, the shops boarded up and nothing new being built, while another town is filled with new factories or gleaming office buildings?

This never-ending process of economic growth and decay is not 'natural.' Rather it is the result of conscious decisions to invest money in specific ways—decisions made by others with our money which effect all our lives.

— Will there be enough jobs?
— What kinds of jobs will there be?
— What products will be manufactured?
— What forms of energy will be developed? Nuclear? Solar?
— What kind of transportation system will we have?
— Will there be adequate housing?

Again, all are determined by how investment funds are employed. Out of investment comes the material fabric upon which we live our lives. Investment has always taken place. Indeed, it is because of thousands of years of investments that we can wake up in the morning not in a bed of pine needles in a cave, but in a king-size four-poster. But it has only been upon the recent development of our capitalist economy that investment decision-making power became vested in banks and corporations.

At the same time, today, fully one-half of all new investment in this country originates from citizen savings in the form of bank accounts, pension funds, stocks, bonds, endowments, etc. Investment can be said to be truly 'social' both in its source and its effects. Yet it is privately controlled.

(The other half of investment funds originates from that portion of corporate earnings which are then re-invested by the company, that is, profit made by the company that was not distributed as dividends to the owners. In Great Britain, this portion of the profit is often referred to as the 'social wage,' i.e. that portion of the workforce's 'unpaid wages' which are invested by the company, thereby having an impact on society. Implicit in the language, social wage, is the notion that this money should be subject to social control.)

To summarize, control over the use of investment funds is vested in banks and corporations and separated from both the source and impactee of these funds, the public.

Filling Out the Questionnaire.

You can make copies of the Questionnaire from Appendix A in the back of the handbook. Pass it out at the beginning of the event. Often people find it most effective to fill it out as a part of a group process rather than individually. Keep a running list of the answers on a black board, a large sheet of butcher paper, or newsprint. If you are pressed for time and your group meets regularly, consider passing out the Questionnaire ahead of time, asking people to fill it out before they arrive at the event.

The Questionnaire consists of two parts:

A. The Investment Profile will help people realize that they themselves are investors and determine the scope and scale of their investments.

B. The Investment Survey will help people look at the consequences of the uses to which investment dollars are ultimately put. It will challenge them to identify what's done with their money, how those decisions are made, and who makes them. Finally, it will ask some open-ended questions such as whether they feel that their monies are invested in such a way as to best meet social needs and to list other considerations, if any, besides 'rate of return' when looking at investment possibilities.

As you take an inventory of the various responses to the Questionnaire, the group should begin developing a sense of the wide range of ways that all of the people in the room are indeed investors. If the group either itself constitutes or is part of a formal organization such as a church, trade union, school, etc., the group-as-a-whole is an investor as well, since it undoubtedly has surplus funds in bank accounts, stocks, bonds, etc. Make this clear.

Yet, as the group fills in the Investor Profile, its members will probably come to realize that they have very little idea of how their investment dollars are actually employed. Do they know, for example, that more of the public monies of San Diego are invested in companies which have investments in South Africa than in San Diego? What about their own city? These are good points to bring up while discussing the meaning of the results of the Profile.

The Investment Survey attempts to help the group see that the use of these monies determines the shape and direction of economic development, that investments affect us all. Remember also to refer to the degree to which public monies are the source of investments (as noted in the background section above) when answering question #3 in the Survey.

Even though investments affect us all and even though public monies are a major source of investment capital, banks and corporations retain sole control over investment decisions. Once they acquire our money (be it through savings accounts, stocks, bonds, pension, whatever), they use it as they see fit (albeit they must make their investments within the confines of certain laws; if GM, for example, is to invest in new auto production, it must produce autos which meet certain minimum pollution standards). This is brought out in question #7.

Does allowing banks and corporations sole control over investment best ensure that investment monies will be employed to meet social needs? Should there be greater social controls over the use of this money? What kinds? Do you feel that you
Step 3: Film Introduction and Fact Sheet
A. Now it's time to introduce South Africa. Either pass out copies of the Fact Sheet (Appendix B) or list the facts included in Part One of the Fact Sheet on your blackboard or newsprint.
B. Point out that some of the group's investment dollars are no doubt being used in South Africa. Again, you may bring up the example of San Diego (#6 on the Fact Sheet). Investment is one hidden umbilical cord that ties the group to that seemingly remote country.

Has your bank loaned money to South Africa? As the Fact Sheet points out, over $2.2 billion of U.S. bank loans were outstanding to South Africa in 1976. Perhaps you may have purchased stocks or bonds that helped companies open or expand their operations in South Africa. By the end of 1976, U.S. firms had almost $1.7 billion invested in South Africa.

What role do U.S. corporate investments—and consequently, the billions of dollars of our money—play in South Africa? Do these investments play a socially useful function? In other words, do they promote change or do they function to prop-up the universally condemned apartheid regime?

From both a moral standpoint as well as that of self-interest, it behooves us to determine the answer to this question. Afterall, it is our money.
C. Part Two of the Fact Sheet contains two statements. One is by Henry Ford II, Chairman of Ford Motor Co., a large investor in South Africa. The other is by the African National Congress (ANC), one of the organizations recognized by the United Nations as the legitimate representatives of the South African people (the South African government was expelled from the General Assembly in 1974). The two statements make contrasting claims as to whether U.S. investments are good or bad for black South Africans.

Divide the group into two separate viewing teams. Have one team pretend that they are top executives for Ford, the other, members of the ANC. Have them read the respective statements aloud. Then instruct them to watch the upcoming film looking for evidence that supports their own opinion as expressed in the statements.

Step 4: Show Film:
Now you may screen the film. Synopsises and evaluations of Six Days in Soweto, Last Grave at Dimbaza, and Free Namibia are contained in Appendix C.
(Note: If you are using Last Grave at Dimbaza, note that the film was produced in 1974. Consequently, some of the more blatant details of segregation under apartheid have been changed since the film was completed. Most claim that these changes have been generally cosmetic, taken up by the regime in an attempt to placate international opinion and undercut the increasingly militant and dangerous threat of the black majority. Grand Apartheid, the strategy of separate development and bantustans described in the film and the essence of South Africa's racist system, remains. An article describing the implications of the most recent trends and changes can be found in Appendix C)

Step 5: Post-Film Discussion
A. SECTION DISCUSSIONS AND REPORTS.

Have each of the two viewing teams talk amongst themselves for a few minutes. Ask them to draw up a list of evidence from the film that supports their respective positions.

Then ask each team to select a spokesperson or two to share their points with the group as a whole.

As the spokespeople report, you might list their points on the blackboard or newsprint.
B. GROUP DISCUSSION.

At this point, dissolve the two teams and let the groups as a whole subject the two contrasting opinions to scrutiny. Try to have the group argue out the question fully and take a firm position either for or against economic withdrawal from South Africa.

It is often hard to stimulate discussions, doubly so if those present are strangers to each other. The following questions may help you direct and focus the discussion:
1. The last 20 years have seen an extraordinary increase in foreign investment in South Africa and with it an increase of economic growth.
   a. Have blacks reaped the benefits of this growth?
   b. Has repression increased or decreased during this period?
   c. Does there seem to have been any change in the actual structure of apartheid, i.e. that system of legal domination of one race over another?
2. You have seen the size and strength of South Africa's military, police force, prison system, pass system, bantustan administration, and other forms of apparatus needed to enforce apartheid and insure continued racial domination. Could South Africa afford these outlays without foreign bank loans and investments?
3. After the Soweto uprisings, Citibank, Morgan, and the Bank of America lent the South African government $110 million to help cover the government deficit caused by increased internal security and military spending necessitated by the crisis. Should this loan have been made?
4. What would be the effect of economic withdrawal upon blacks, both economically and politically?
5. Why do companies so fiercely oppose the idea of economic withdrawal from South Africa?
6. Where does the capital (investment funds) that companies use to invest in South Africa come from?
7. Can you think of better uses for your money than loans to or investments in South Africa?
8. Do citizens have any right or responsibility to control the use of investment funds, or is the prevailing mode of allowing banks and corporations sole determination of the fund's uses adequate in today's world? (This question is similar to question #8 in the Investment Survey. Compare the answers.)
9. Should we as a group attempt to re-assert control over the use of our investment funds?

As the moderator, be sure to look for appropriate moments to refer back to the group's original conceptions
elucidated in the Questionnaire about the need for social controls over investment. Note which of their conceptions have been either strengthened or changed. Remind the group that they are talking about the use and effects of their own money.

Appendix E contains one outline and two articles which present the respective sides of the divestment and economic withdrawal issue. They provide excellent background which you may find useful in moderating the discussion. In some circumstances you might want to make copies of the articles and hand them out, perhaps after the event as a form of follow-up.

The opposing arguments can be summed up as follows:

1. Against Economic Withdrawal: Foreign investment contributes to economic growth which benefits all South Africans. Indeed, multinational corporations, with their progressive hiring practices and need for skilled labor, provide positive influence and pressure and are a moderating force on apartheid. Furthermore, the withdrawal of investment will cause unemployment and hardship among blacks.

2. For Economic Withdrawal: Despite the dramatic increase in foreign investment over the last 20 years, conditions for blacks have actually worsened and the oppressive reigns of apartheid have been strengthened. The very recent changes have come as a response to the threat of economic withdrawal and rising militance and strength of blacks. Furthermore, apartheid is an elaborate political system of domination which can only be maintained by the coercive power of the police and military which takes billions of dollars to finance. Only foreign loans and investment has been able to provide the margin of economic growth necessary to pay for this expensive system of repression.

C. RESOLUTION
Once the group comes to a decision for or against economic withdrawal from South Africa, you might want to pass your own group resolution on the subject. You will probably find that either reading from or passing out copies of Appendix F, "Voices for Withdrawal" helpful. This contains similar resolutions by various South African, international and American church, labor, and civic organizations in favor of economic withdrawal.

PART III: FOLLOW UP
How many times have you been to an event where you became concerned, perhaps even enraged, over a matter of social injustice and then went home angry and frustrated asking, "But what can we do?"

The investment issue offers a unique opportunity to do something, to move beyond pious sounding resolutions to concrete actions, to transform the concern and outrage into ongoing activity.

Step 1: Goal.
During Step 1 of the Procedures section, 'Questionnaire,' it probably quickly became apparent that people were generally unaware of how their investment monies were being used and how those decisions were made. Control over their investment funds were 'entrusted' to others: bankers, investment houses, corporations... The group then went on to realize that social needs do not determine the use of these investment funds. On the contrary, we have seen these monies invested in South Africa propelling up apartheid.

Implicit in what has been learned so far is the key to developing an action strategy: If allowing banks and corporations sole control over the use of our investment funds results in misappropriation of these funds, then it is logical to assume the need for the group to reassert control over these funds. This is the goal the group should now set for itself and commit itself to achieve, based on its resolution.

The challenge now becomes one of the group's taking responsibility for the social consequences of its investments by actively intervening in the investment process. Being accustomed to abdicating this responsibility to the banks and corporations, most will find this a new and unfamiliar form of social endeavor.

Step 2: Form of Action.
What type of intervention is most appropriate for your group? To date, organizations are generally pursuing one or more of the following activities:

A. BANK ACCOUNT WITHDRAWAL.
Bank account withdrawal is the form of action most often taken. Individuals, churches, trade unions, pension funds, universities, and even municipalities are beginning to remove their funds from banks which make loans to South Africa. There is a national campaign to encourage the removal of funds from such banks. It is being coordinated by the Campaign to Oppose Bank Loans to South Africa (COBLSA). There are a number of regional affiliates. Check with COBLSA for further advice and the affiliate near you (see Appendix M: Resources). An article describing the bank campaign is contained in Appendix G.

B. DIVESTMENT.
Many organizations have also divested themselves of (sold) all stocks and other securities in corporations which have investments in South Africa. This has been a particularly favorite strategy among student groups since universities often have large endowments invested in stocks and bonds. An article on the divestment movement is included in Appendix H.

C. ALTERNATIVE INVESTMENTS.
Some groups are beginning to take the exciting next logical step of looking at alternative ways their funds can be invested in order to benefit their own communities. This may include community development corporations, daycare, home solarization, low cost, government-secured housing mortgages and other investments. John Harrington's California Alternative Investment Task Force (see Resources) has done a lot of work in this area. An article on some of the possibilities is included in Appendix H.

D. STOCK PROXIES.
Rather than sell their stocks, some organizations, notably some churches, have decided to vote their stock proxies
at annual meetings in support of resolutions demanding the company’s withdrawal from South Africa. Many of these proxy actions are coordinated by the Interfaith Center on Corporate Responsibility (see Resources).

Step 3: Procedure.

To determine which form of action your group should take and then carry out will take time. Nonetheless, it is a process which you should begin now.

What type of investment monies does your group have at its disposal (General fund, building fund, pensions, etc. see Questionnaire)? Where are they invested (savings accounts, stocks, bonds, etc.)? Which of these monies end up in South Africa? Does the group itself constitute the governing structure of its organization with the power to make financial decisions, or should you bring the issue up with the Executive Board, Board of Trustees, general membership, City Council, or whatever the governing body of your organization happens to be?

These are questions the group must answer before it can take responsibility for the use of its investment funds. If the group has committed itself to this goal, then you can begin by setting tasks and establishing committees to carry them out and a date to get together again to share your new information. To help you research this needed information, we have included an Investment Reference Guide and an Investment Inventory.

A. INVESTMENT REFERENCE GUIDE.

Different types of organizations will have different types of investments as well as different administrative structures governing their investment decisions. In some cases your group will itself constitute the body invested with the power to make binding decisions over the future of your organization’s investments. But most likely, you will have to convince a separate Executive Board or other official government body of the value of economic withdrawal.

To help you determine your organization’s financial governing structure as well as the forms your organization’s investments most commonly take, we have prepared an Investment Reference Guide in Appendix J. It includes information on churches, trade unions, universities, and municipalities.

B. INVESTMENT INVENTORY.

Once you determine the process by which your organization’s money is invested, then you have to determine just where this money ultimately winds up. This is a two-tiered process. First, you must identify which stocks and bonds you own. Then you must determine which of these companies have investments in South Africa. Likewise, you must determine which bank your money is deposited in and whether this bank is a lender to South Africa.

The Investment Inventory (Appendix K) is a list of known banks and corporations with investments in South Africa. Once you identify the stocks, bonds, and bank accounts you have, you can use it to determine which of these firms invest in South Africa.

Note that the list is not complete. If your bank, for example, is not on the list, that does not necessarily mean that your bank doesn’t make loans to South Africa. Write to the bank yourself and ask if they are in any way involved in lending to South Africa. This would include loans to the government and government-owned agencies (parastatals), as well as trade, interbank, or private sector lending. Ask them if they have any current loans outstanding and also ask if they have a public policy prohibiting all such lending until apartheid has been eliminated. It might be a good idea to take this list of questions to your local bank manager personally. Put them on the spot. (Even if your bank is on the list, you might find that asking these questions anyway provides an excellent exercise for the group, allowing individuals an opportunity to involve themselves personally.)

(As of 1979, banks are required by federal law to make public both their community lending policy and local loans broken down according to census tract. This information is contained in each branch’s Community Re-investment Act Report and by law they must allow you to look at it. In this way you may be able to determine if your bank is withholding capital from areas of need in your community (redlining). As your group eventually expands its concern and area of self-activity from South Africa to that of the role of investment in general, you will probably want to explore alternative investments that meet social needs. Again, you may want to refer to the article in Appendix G as well as a more complete bibliography included in the Resources section.)

Step 4: Outreach.

Ultimately more important than any specific action your group ultimately takes, is the extension of your initiative to others. Obviously, the money that you withdraw from let’s say the Bank of America will not in and of itself influence the Bank to change its lending policies towards South Africa and your own community. Your actions must be multiplied. Investment decisions must become subject to public control and not remain the sole prerogative of corporations.

When you withdraw your money or decide to divest a stock, publicize it. Write a letter to the bank manager explaining that you have withdrawn your account because of the bank’s involvement in South Africa. Draw up a press release. Call a press conference. Write letters to the editor of your local newspapers. A sample press release is included in Appendix L.

Most importantly, tell your friends and associates about your actions and encourage them to follow suit. No doubt, most if not all members of the group are members of another organization as well. Encourage them to do the same with the organizations they belong to. Almost every organization has some sort of account or pension fund handled by a bank: Women’s clubs, political clubs, taxpayer’s leagues, the NAACP, the Urban League, the local Ecumenical Council, church stewardship council, local union executive board, local labor council, etc.

Consider forming an outreach committee whose task it would be to publicize your actions, link up with others, and systematize attempts to encourage other organizations to follow your lead in your community. This would include leading similar sessions to this one with other organizations.
APPENDIX A: QUESTIONNAIRE

INVESTOR PROFILE—Identification of Your Personal Investment Funds.

1. Have you placed any of your money in a checking account? ______. A savings account? ______. What does your bank do with these funds until you withdraw them? ____________________________________________

2. Do you receive a portion of your wages as a contribution to your pension fund? ______. What happens to this money until you reach retirement and collect it? ____________________________________________

3. Have you ever contributed to a university endowment? ______. What happens to this money? ____________________________________________

4. Do you pay membership dues to a church or synagogue or other organization? ______. How are those monies (above and beyond what is required to pay expenses) used? ____________________________________________

5. Have you ever contributed to a church or synagogue endowment or special fund (e.g. building fund)? ______. What is done with these funds until they are ultimately used for their prescribed purpose? ____________________________________________

6. Have you ever purchased a corporate stock or bond issue? ______. Which ones? ____________________________________________


8. Have you ever purchased a mortgage-backed security? ______. Which ones? ____________________________________________

9. Portions of your city, state, and federal income taxes, as well as part of the sales and property taxes you pay, go to meet current government expenses. However, some of these public funds are always idle. For example, the City and County of Los Angeles has between $1.5 billion and $3.2 billion of idle funds at any one moment. What is done with all this money? ____________________________________________

10. Furthermore, a portion of your tax dollar goes to support public employee pension funds. Money in Los Angeles pension funds, for example, came to almost $4 billion in 1978. What is done with all this money? ____________________________________________

11. Does this group in which you are now meeting have any funds? ______. Identify them and say what is done with each. ____________________________________________

INVESTMENT SURVEY

1. What areas of your community has seen significant new investment over the past few years and which areas have not? ____________________________________________

2. More specifically, what changes in your community over the past few years have you seen which are the result of investment decisions? (Rate each category on a 1-5 basis, with 1 being insignificant and 5 being an extremely significant tendency).

   a. ______ Old downtown shopping district decaying.
   b. ______ New shopping centers.
   c. ______ Low-cost housing construction.
   d. ______ New middle income and luxury housing construction.
   e. ______ Factories becoming obsolete, worn out, etc.
   f. ______ New factories being constructed.
   g. ______ New office buildings being constructed.
   h. ______ New community health care facilities.
   i. ______ New private health care facilities.
   j. ______ New senior citizen facilities.
   k. ______ Increase in number of jobs available.
   l. ______ Decrease in number of jobs available.
   m. ______ Increase in interesting, well-paid jobs.
   n. ______ Increase in beginning, entry level jobs.
   o. ______ Increase in boring, mechanical jobs.
   p. ______ Public transportation deteriorating.
   q. ______ Other (describe: ____________________________)

3. Where do you think the money for investments (such as those noted above) comes from? ____________________________________________

4. What portion of your own investment money (identified in Investment Profile) do you estimate is being used to meet pressing social needs? ______. Can you specify? ____________________________________________

5. Below are a series of criteria for making investment decisions. Rank each one as to what you think its importance should be on a 1-5 basis, with 1 being of no importance and 5 being of great importance.

   a. ______ Will the investment promote job growth in the local area?
b. Will there be no risk that the investment might lose money?

c. Will the investment add to the amount of adequate housing available to those with low or moderate incomes?

d. Will the investment promote local public policy goals (e.g. revitalization of the inner city, jobs, public transit, increased housing stock, improved day care, promote equal employment opportunity, conserve energy, etc.)?

e. Will the investment bring the most profitable return possible as opposed to a modest return?

f. Will the investment bring capital into areas of local need which are capital deficient (e.g. community economic development, cooperative enterprises, socially useful technology, etc.)?

g. Will the investment strengthen a corporation which practices discrimination, engages in unfair labor practices, the environment?

h. Will the investment strengthen the economic viability of a country which denies its citizens basic human rights (e.g. South Africa)?

6. Now go back and rank the importance of these same criteria as if you were the chief executive of the Bank of America or Citibank?

7. Who decides what investments are made in our society?

8. Do you feel that such control over the investment process adequately insures that investment monies will be allocated in a way to best meet social needs?

APPENDIX B: FACT SHEET

Part One: Scope of U.S. Investments in South Africa.

1. Overseas capital has played an increasing role in South Africa’s economy. By 1975, foreign investment constituted almost 1/4 of all investment there. (Source: South Africa Reserve Bank, Quarterly Bulletin, March 1973; June 1976)

2. The U.S. is South Africa’s largest trading partner, second largest overseas investor, and supplier of nearly 1/3 of its international credit. (“U.S. Corporate Interests in Africa: Report to the Committee on Foreign Relations of the U.S. Senate,” January 1978, p.6)

3. From 1974-1976 international bank lending to South Africa nearly tripled. By the end of 1976, U.S. banks held $2.2 billion in loans and credit to South Africa. (Source: Ibid, p.6)

5. The United Nations has identified 539 U.S. companies which invest money in South Africa. Among the largest are:

   - Mobil
   - Exxon
   - Standard Oil of Calif.
   - Ford
   - Control Data
   - ITT
   - General Electric
   - Firestone
   - General Motors
   - Goodyear
   - Texaco
   - Caterpillar
   - Newmont Mining
   - Union Carbide
   - Coca Cola
   - Goodyear
   - IBM
   - Fluor
   - Kodak
   - U.S. Steel
   - Kennecott Copper

6. Among the largest banks which have been identified making loans to South Africa in 1975 are:

   - Bank of America
   - Citibank
   - Chase Manhattan
   - Manufacturers Hanover Trust
   - Morgan Guaranty
   - Chemical Bank
   - Continental Illinois
   - Bankers Trust
   - First National Bank of Chicago
   - Security Pacific
   - Wells Fargo
   - Crocker

(Source: U.S. Senate, op. cit. p. 38)

7. The County of San Diego has invested $20.8 million in companies which are involved in South Africa while it has $18.6 million invested in companies which are involved in San Diego. (Source: Walker, Chris; “Public Investment Practices of the City and County of San Diego; 1978; p. A-1)

Part Two: Contrasting Statements

“Our policy is that we are remaining in South Africa. In our opinion, we do more for the people of South Africa by staying here and employing them and having equal opportunity to the extent we can... In the final analysis, only a strong economy—built upon profitable businesses—can pay the bills for social progress.”

Henry Ford II
Chairman, Ford Motor Co.

“We demand total isolation of the racist regime—no investment and withdrawal of existing investment... It is our firmly considered view that liberal opinion—however well intentioned it may appear—that opposes our campaign for this withdrawal is, in the long run, only delaying the change that is essential if South Africa is to be rid of apartheid and slave labor. It is not enough to grant higher wages here, better conditions there, for this leaves the apartheid system intact, in fact it props it up for longer—the very source of our misery and degradation.”

African National Congress (ANC)
In 1906, the African chief Bambata led a guerilla uprising in opposition to the hut tax imposed by the British colonial power. But the Africans were not match for the Gatling gun. The revolt was savagely suppressed. The British cut off Bambata's head, then placed its picture on a postcard that British troops sent home to their sweethearts. Today, when Africans are again taking up arms to re-claim their country, it is in the name of Bambata.

So begins Generations of Resistance, the dramatic story of the rise of black nationalism in South Africa. Using rare and illuminating archival footage and the insightful testimony of those who led and participated in the events depicted, Generations of Resistance sweeps through the hidden history of South Africa.

Among the people and events the film brings to life are Pixley ka Seme and the founding of the African National Congress (ANC), the Native Land Act and disinheritance, the construction of apartheid, Nelson and Winnie Mandela, Oliver Tambo, the Women's movement, the Sharpeville massacre, the Pondo revolt, the building of the underground resistance, the hunger strikes at the Robben Island prison, Bantustans, Steve Biko and the Black Consciousness Movement.

We feel that Generations of Resistance is the most important film release about South Africa since Six Days in Soweto. More than a chronology of events, this film provides an historical framework for understanding the meaning and direction of contemporary South African developments. Generations of Resistance fills a glaring gap by portraying blacks as makers of their own history and not merely victims of an inhuman system. In so doing, it provides a positive counterpoint to the grim mood of Last Grave at Dimbaza.

The review of Generations of Resistance is taken from the catalogue of the Southern Africa Media Center, a project of California Newsreel.

Free Namibia
1978
Color
27 minutes
Produced by the United Nations

A study of the effects of South Africa's apartheid policy on Namibia, and the growth of SWAPO (Southwest African People's Organization).

MAJOR HEADINGS: Namibia, Apartheid, Liberation, South Africa

MAJOR CONTENT:
1 min—Images of white life.
1 min—Geographical location of Namibia; German colonization.
1 min—Descendants of German immigrants discuss their commitment to the land.
3 min—History of apartheid in Namibia and the designation of "homelands."
1 min—Illegality of South Africa's control of Namibia.
1 min—Bishop Wood states that the only security of white rule in Namibia is based upon South African support.
1 min—Namibia's gem wealth.
1 min—Comparison of black and white labor practices and conditions.
3 min—History of SWAPO; interviews with SWAPO supporters on the change from peaceful demonstrations to armed struggle.
1 min—Namibia's economic base; farming and cattle.
3 min—Life of an African worker; workers are paid in small amounts of food which often yields a poor diet, malnutrition, and disease.
3 min—Interviews with white Namibians defending apartheid; examples of law enforcement procedures; interviews with Namibians who have been detained.
1 min—Chances for a peaceful resolution of the situation.
1 min—UN resolution for a free Namibia.
1 min—Plans for a continued liberation struggle.

APPROPRIATE USES:
Secondary, undergraduate, and graduate level courses in political science, history, sociology, and economics. Public groups interested in liberation. An update on the current situation in Namibia is necessary for all audiences.

ACCURACY: 4 PHOTOGRAPHY: 1
PRESENTATION: 4 SOUND: 2
CAMERA AND EDITING: 1

The self-condemnation of the whites by their statements regarding their role in Namibia and the portrayal of the Namibian willingness to die for freedom are the strengths of this film. Beyond these two points and a few updated facts, COLONIALISM: A CASE STUDY, NAMIBIA, is a much better film. FREE NAMIBIA suffers not only from ideas beyond a superficial level. Although the film does discuss the liberation struggle (a weakness of Colonialism), it takes a pro-SWAPo viewpoint to the exclusion of other groups.

PRICE: $40, $30
DISTRIBUTORS: California Newsreel, New York University
OVERALL RATING: 2

Colonialism: A Case Study, Namibia
1974
Color
27 minutes
Produced by the United Nations

A study of the history of German conquest and African resistance, the establishment of the South African mandate, and an update on efforts of the Namibian people to free themselves.

MAJOR HEADINGS: Namibia, Liberation, South Africa, Colonialism, Apartheid

MAJOR CONTENT:
2 min—Introduction to the locale and geography of Namibia.
3 min—Ovambo and Herero lifestyles compared and contrasted.
3 min—History of present-day racial strife in Namibia.
7 min—History of German colonization and African resistance.
3 min—WWI and the initiation of the UN mandate system.
3 min—Illegality of South Africa’s continuing rule in Namibia.
2 min—Beginnings of intensive liberation efforts and establishment of SWAPO (Southwest Africa People’s Organization).
2 min—Karl Waidheims visit to Namibia.
1 min—Creation of the special UN Council on Namibia.
1 min—Future of Namibia’s liberation efforts.

APPROPRIATE USES:
Secondary, undergraduate, and graduate level courses in history, sociology, political science, and economics. Public groups interested in the liberation of Southern Africa.

An update on the current situation in Namibia is necessary.

ACCURACY: 5 PHOTOGRAPHY: 5
PRESENTATION: 5 SOUND: 5
CAMERA AND EDITING: 5

One of the few films on the Namibian situation, this film is also valuable for its depiction of the initial resistance to colonization by the Herero and Ovambo. Few films on Africa take the time to examine such examples of resistance. The film clearly details the process by which Namibia became a League of Nations Mandate and a United Nations Trust Territory under South African dominance. The sequence on liberation efforts is outdated, but still relevant to this overview of the Namibian situation. With the introduction mentioned above, the film is a very good introduction to Namibia; however, the liberation efforts could be discussed in greater detail.

PRICE: $10 or $25
DISTRIBUTORS: UW Lutheran Campus Center, California Newsreel.
OVERALL RATING: 5

Last Grave at Dimbaza
1974
52 minutes
Color
Produced by Morena Films (Nana Mahomo)

A systematic investigation of the effects of apartheid on the day-to-day life of South African blacks.

MAJOR HEADINGS: South Africa, apartheid.

MAJOR CONTENT:
3 min—scenes of life in black townships and bantustans; statistics on the break-up of black families due to apartheid
2 min—scenes of wealthy white areas of Johannesburg; statistics on apartheid
2 min—scenes of the Nationalist Party’s military strengths; statistics on the division of land between blacks and whites
7 min—scenes of life in the bantustans; history of policy of “separate development” and statistics on the poor quality of life in the bantustans
2 min—scenes of a cattle auction near the Transkei; statistics on the wealth of white farmers who exploit black labor
2 min—scenes of wealthy South Africa; statistics on the degree of this wealth relative to South African blacks and to the world in general
2 min—the instability of life in the townships for its “temporary sojourners”
2 min—the takeover of coloured areas of Cape Town for use by whites; squatter housing for the displaced coloureds on the Cape flats
4 min—life for a black worker in the cities; evidence of the “colour bar” statistics on wages, the contract system, the pass system, etc.
5 min—life of a domestic in Johannesburg
3 min—comparison of educational support and opportunities for blacks and whites
4 min—the role of foreign corporations in South Africa; their collusion with apartheid
2 min—life in the townships
6 min—hope for peaceful change; whites preparing for a confrontation, arsenal of weapons; black workers; strikes
3 min—scenes of Dimbaza in the Transkei; the children’s graveyard; statistics on childhood mortality

SUGGESTED AUDIENCES:
Secondary, undergraduate, and graduate courses in history, political science, sociology; general audiences.

For most audiences, a short introduction to the history of apartheid and an update on the current liberation efforts is necessary.

ACCURACY: 5 PHOTOGRAPHY: 5
PRESENTATION: 5 SOUND: 5
CAMERA AND EDITING: 5

Though there are other more contemporary films on South Africa, this film is still one of the best introductions to the country’s racially based social, political, and economic problems. Shot secretly inside South Africa, it reviews the full impact of apartheid, especially the effects of the system on black family life. Utilizing camera movement, background music, and editing patterns, the film presents a cohesive concept moving quickly from scene to scene in newsreel-like fashion. The cumulative effect is of the overpowering might of the regime.

The film’s major weakness that makes an introduction imperative is its failure to document any African liberation organizations at work against apartheid.

PRICE: $65, $30.85
DISTRIBUTORS: California Newsreel, University of Michigan
OVERALL RATING: 5

Six Days in Soweto
1978
50 minutes
Color
Produced by Anthony Thomas for ITV

An in depth study of the June 1976 riots in and around Soweto, South Africa.

MAJOR HEADINGS: South Africa, Apartheid, Contemporary History, Families, Liberation, Race Relations

MAJOR CONTENT:
3 min—Introduction; scenes of the British in
South Africa: scenes in Soweto; Anglican church; shooting practice for whites in Johannesburg.

2 min—Scenes of the destruction in Soweto during the riots.

2 min—Johannesburg one year after the riots; changes in petty apartheid; continued distance between blacks and whites socially, politically, and culturally, is contrasted to their geographical proximity.

3 min—Interviews with blacks lunching at a Holiday Inn regarding the meaning of true freedom.

2 min—Scenes of Soweto.

3 min—Interviews with black families in Soweto who discuss the responsibilities of children in Soweto (“these children are not children at all”) as a justification for a background to the children’s and students’ struggles.

3 min—A definition of “Bantu education;” examples of the overcrowded classrooms and curricula oriented toward subservience that are deeply resented by the blacks, especially the students.

1 min—The Johannesburg labor exchange; classes being taught in Afrikaans.

1 min—SSRC (Soweto Student Representatives Council) members discuss plans for the demonstration that preceded the riots.

4 min—A methodical consideration of the facts of the first day of the riots; scenes of Orlando High School, once the pride of Soweto, now depleted; interview with the school’s headmaster regarding recent provocation by the police and how attitudes toward school have changed since June 1976.

6 min—A description of the events of June 16 by students who were there, emphasizing the escalation from a peaceful demonstration to a riot; interview with a girl who is paralyzed as a result of the violence that occurred.

1 min—The white upper class response to and apathy toward the riots.

3 min—The military comes out in force; interviews with students describing the impact of the military.

1 min—A man details the destruction of his family as a result of the riots.

2 min—Other examples of police brutality and destruction.

2 min—St. John’s Church; the Queen’s Silver Jubilee.

1 min—The “hostel massacres;” a decapitation of life in the hostels.

2 min—An interview with Gatsha Buthelezi who believes the police incited the riots.

2 min—Description of the hostel massacres by victims of the assault.

5 min—Police involvement in the riots, according to witnesses, increased after the first outbreaks; victims describe the shooting and violence that resulted.

3 min—October 24, 1976; witnesses describe the so-called “cemetery killings.”

2 min—A girl who lost her leg during the riots expresses her conviction that the struggle will continue until liberation is achieved.

APPROPRIATE USES:
Secondary, undergraduate, and graduate courses in sociology, anthropology, political science, and history. Also highly recommended for general audiences and research/archival use.

For all audiences, a follow-up discussion of the impact of the riots, as well as a brief history of apartheid are suggested.

ACCURACY: 4 PHOTOGRAPHY: 5
PRESENTATION: 5 SOUND: 5
CAMERA AND EDITING: 5

SIX DAYS IN SOWETO is a carefully detailed study of the June riots in 1976 in Soweto and the most powerful film in current distribution in 1980 on South Africa. Beginning with the original intent of the students to hold a peaceful demonstration, the film systematically examines each event, allowing students and their families who were involved in the ensuing violence to describe the events. As the events are explored chronologically, several other major themes are included: the life of a child in Soweto; the life of a worker in a hostel, and the courage of the students who are struggling for liberation. These interviews give the film a strength and view of the reality of life in Soweto that is missing from films that interview only the leaders of the various movements. The extremely high production qualities of the film underscore the strengths listed above.

The weakness of the film is the lack of even a cursory introduction to the history of apartheid or an update on the effect the riots had on South African society, but this can easily be corrected by an introduction and follow-up discussion. In essence, the film is a dramatic, powerful, positive counterpoint to the somewhat hopeless mood of LAST GRAVE AT DIMBAZA.

PRICE: $75.00
DISTRIBUTORS: California Newsreel
OVERALL RATING: 5
BREAKING THE LINKS

After Wiehahn—
New Forms of Control

by Michael Shafer

Black strikers in 1974 . . . protest will still be difficult.

The new legislation does not herald the reform of South Africa's apartheid labor policies, nor even the beginning of such a process. Rather, it marks the start of a new and sophisticated effort to control and, if possible, to break the black trade union movement. Like many other recently announced "reforms," this legislation displays the characteristic features of the "moderate" apartheid policies of the present Botha government: cosmetic de-racialization and concessions to a tiny minority of blacks, combined with substantial tightening of the restrictions on most Africans.

Wiehahn's Roots

Today's efforts to control the black union movement are but the most recent in a long history of labor repression that began at the turn of the century. In the 1920's the African trade union movement mustered 146,000 members. The Depression and a special amendment to the R userInput
one, to develop a new strategy for apartheid.

In constituting the Wiehahn Commission in 1977, the government charged it to make recommendations for "the adjustment of the existing system." The commission found many aspects of the South African labor system "exemplary" and proceeded in its task on the assumption that as much as possible of it should be retained or simply "modernized." At no point did Wiehahn challenge or even question what has been, since the beginning of settler rule, the central proposition of South African labor policy: that Africans are not equal citizens and that black workers do not and cannot constitute "civilized" labor.

Registration a New Weapon

The most often cited "reform" called for by the Wiehahn Commission is the registration, or official recognition, of black unions for the first time in the history of South Africa. What is overlooked is that registration provides the most effective means of controlling unions. The requirements for registration allow recognition of only those unions directly supportive of the government and its definition of "the national interest." Unions not found to be "legitimate," "bona fide," and "relevant" will be effectively eliminated.

Whether a union fills this description will be decided by the industrial registrar in secret and without reference to a fixed and known standard. In the language of the new legislation, a union seeking recognition may initially be registered "provisionally" by the registrar "on such conditions as he may determine." The registrar is also free to amend any of the conditions at will and "at any time and without giving reasons therefore, [to] withdraw the registration of a trade union." Black unions thus may apply for registration, but it may be denied without explanation or granted provisionally under whatever terms, however arbitrary, that the registrar desires. Registration may be rescinded without reason.

The new legislation will emasculate the presently unregistered black unions. By its definition of eligibility, estimates Helen Suzman, opposition member of parliament, fully 80 percent of their members will not qualify and will consequently be stripped of their union rights. The Financial Mail points out that as a result of Wiehahn, "the Durban black union movement, regarded by many as the backbone of the entire movement, could be put out of business." A registered union caught with ineligible members will be subject to a fine of almost $600 per worker and may lose its registration, while unregistered unions seeking recognition must purge ineligible members to qualify.

Excluding Migratory Work

But the cutting edge of the new legislation is its exclusive definition of eligibility for membership in a registered union. Contrary to the Wiehahn Commission, which recommended that in time eligibility be extended to migrant laborers, the new law denies it to all but a small minority of African workers with residency rights in the white areas and with long-term employment. In South African usage, the term "migrant" refers not only to foreign workers, but also to South African blacks from the various bantustans, both those such as Transkei which Pretoria considers "independent" and those such as KwaZulu still administered directly by South Africa. Thus, the vast majority of African workers are denied the status of "employee"—a person eligible for union membership because, either they fail to meet the residency requirements or, even if they do, they do not work at an approved job.

Barred from union membership are African miners, agricultural workers, and domestics, to name just a few, although they constitute 90 percent of the workforce in mining, 75 percent in agriculture, and virtually 100 percent in domestic service. These workers are the potential strength of the black union movement and those most in need of unionization. According to the most recent figures available, a full-time agricultural worker receives in cash and kind the equivalent of just $47 a month, or less than one-third of the amount referred to by the Financial Mail as the "scientific measurement of the rock-bottom income an ordinary African family needs to keep body and soul together." Similarly, the 666,000 blacks employed in South Africa's $7 billion mining industry take home far less in wages than their white counterparts who constitute just 10 percent of the mining workforce.

No Politics Allowed

In order to register, a union will also have to cease all contacts with political or quasi-political organizations as they are defined by the government. This measure will break the close link between the African unions and the black consciousness movement. Unions will be forced to file detailed reports of membership, revenues, and expenditures, and any other information that the government may desire. The new legislation strips the black unions, both registered and unregistered, of the right to engage in industrial-relations training. The white paper on Wiehahn explains that the government should assume this essential union function in order to apply "corrective training" and "to impart a distinctive character" to labor relations in South Africa.

Job and Skill Limits

Both Wiehahn and the new labor legislation have been highly praised for the elimination of laws barring blacks from skilled jobs. This is only partially true and very misleading. In fact, the commission recommended the immediate removal of only those job reservation categories no longer in use. As for the remaining five categories, it suggested that they be "phased out" over an undetermined period "in cooperation with the parties concerned," that is, the white unions at whose insistence job reservation was first instituted. Among the categories still in force is that which regulates the motor assembly industry and the operation of the
potentially threatened white workers, the commission also suggested a battery of protective measures including recourse to the minister of labor. The report does not address the Mines and Works Act and the Black Building Workers Act, both of which still contain job reservation clauses and regulate industries employing hundreds of thousands of African workers.

Statutory job reservation covers less than one-half of one percent of the work force and is neither the most common nor the most effective tool used to deny Africans skilled jobs. Today access to these positions depends far more on closed shop contracts with white unions. Citing the possibility of "labor unrest" if these contracts were outlawed, the commission sanctioned their continued use. As a result, overtly racial job discrimination has been removed from the statute books, but not from practice.

**Wiehahn Didn't Blink**

The author of a recent Sunday *New York Times* article on South Africa suggested that the government "winked" at the violation of petty apartheid laws by American multinational signatories of the so-called Sullivan principles. The author does not speculate on the government's likely response to calls for more fundamental change, but the commission's report supplies the answer.

Wiehahn's work attempts both to reduce growing international pressures against the regime, such as that brought to bear by the divestiture movement and the Campaign to Oppose Bank Loans to South Africa, and to block any effect such pressures might have. To achieve the first end, the commission's report embraces many of the cosmetic changes demanded by Sullivan and the other corporate codes-of-conduct in the hope of strengthening the multinationals' hand at home.

The report recommends, for example, that statutory segregation of work and rest facilities in the workplace be ended, although it diminishes the recommendat-

**Prospects for the Future**

During a recent tour of the United States, Minister of Cooperation and Development Pieter Koornhof told a Palm Springs audience, "If there are any who are still skeptical about our real intentions, they need only to study recent developments in South Africa." Taking Wiehahn in evidence, those intentions seem to be to break the autonomy of the African trade union movement, to create a settled, semi-privileged class of blacks in the urban areas to fill shortages of skilled labor, and in doing so to strip the African majority of its logical leaders. Whether South Africa's "labor reforms" will achieve their end is an open question. African unionists' successes in overcoming past efforts to cripple them suggest that they may not.

**Wiehahn Update**

Since our press-time, the South African government has announced the extension of trade union rights to migrant and commuter black South African workers.

As reported above, this move was recommended by the Wiehahn Commission but rejected by the government when it drew up enabling legislation. Bowing to the right wing, Pretoria only gave union rights to the relatively small group of "settled" black workers. That cost the government dear. Having aimed at winning international praise for its "reforms," the regime instead found itself widely criticized for the niggardliness of its actions.

Responding swiftly, Pretoria announced that the legislation had been "careless" and on September 25 Minister of Labor Fanie Botha issued a decree extending union rights to migrant and commuter workers.

See the November issue of *Southern Africa* for a full analysis of the new developments.
APPENDIX E: THE CASE FOR AND AGAINST U.S. INVESTMENT IN SOUTH AFRICA.

Outline of 'Against' Argument, by Larry Adelman

1. Two conflicting opinions on the relationship between the activities of multinational corporations and South Africa.
   A. Foreign investment is investment in apartheid and must stop.
   B. Companies say:
      1. Companies contribute to economic growth which benefits all South Africans.
      2. Multinational corporations provide a positive influence on apartheid.
      3. To disinvest will increase black unemployment.

2. All abhor apartheid—or claim to.

3. But, as the scale of black resistance to apartheid escalates, it becomes ever more crucial to evaluate the contributions of multinationals to South Africa and their effects upon apartheid and to influence such companies' policies accordingly.

4. The corporate claims can be examined empirically, analytically, and by specific example.
   A. Empirically.
      1. Foreign investment has increased dramatically (over 7-fold) in the past 20 years.
      2. Despite all this investment, in this same period:
         a. The income gap (in absolute terms) between black and white has increased
         b. Black unemployment has reached 2 million. Per capital income of blacks (in the urban areas; lower in Bantustans) is only the 19th highest in Africa.
         c. Only 1% of the black workforce employed by U.S. firms.
         d. The implementation of apartheid has been greatly furthered with the tightening of influx controls and the institutionalization and 'independence' of the Bantustans, etc.
         e. Repression has increased (Soweto, Preventive Detention Act, muzzling of the press, etc.).
   B. Analytically.
      1. Apartheid is essentially an elaborate system of domination by the white minority over the black majority based upon legalized theft and political repression.
      2. Apartheid is made possible by the coercive power of the police and military—the biggest and most modern in Africa.
      3. The strength of this military and police apparatus is made possible by the strength of the South African economy.
         a. 20% of budget to police, military, and prisons.
      4. Foreign investment has been a 'critical' (Financial Mail, U.S. Senate Foreign Relations Committee Report) component of South African economic growth, and thus contributes to this military and police power necessary to contain internal rebellion and the continued subjugation of blacks.
         a. Concentrated in strategic sectors of the economy.
         b. A critical source of capital.
            1. From 1975-78 South Africa received $9 billion in foreign loans, as much as was loaned to all the other sub-Saharan nations combined.
            2. Helped to offset growing deficit caused by defense expenditures and increased cost of oil imports.
            c. Loans to the parastatals—permanent institutions of the apartheid government.
            d. If loans were not available to the parastatals, the South African government would have to finance them, thus limiting money available for maintaining apartheid.
            e. Foreign investment is an important source of irreplaceable new technology—accounts for 40% of growth of GNP between 1957-72).
      5. Can any force that has been integrated into and is part of an exploitative and repressive system be anything other than an exploitative and repressive force?
   C. Examples.
      1. After Soweto, Citibank, Morgan and Bank of America lent the South African government $110 million to help cover the growing government deficit caused by increased internal security and defense spending coupled with decreased revenues because of repression.
      2. IBM has the computer contract for maintaining the "Book of Life" passbook.
      3. Fluor is building SASOL II, the coal-oil conversion plant that will provide South Africa with 25% of its petroleum needs, consequently saving it millions of dollars in foreign exchange and increase the country’s capability of withstanding the threat of international oil sanctions.
      4. ITT’s partially owned subsidiary provides communications equipment to the police and to Simonstown Naval Base.
      5. Allis Chalmers helped build the SAFARI I nuclear research reactor which developed South Africa’s capacity for enriching uranium, and hence its capability to build nuclear weapons (South Africa has not signed the nuclear non-proliferation treaty).

5. Organizations and groups throughout the world have called for sanctions and disinvestment by transnationals.
   A. South Africans themselves, including ANC, SASO, Steve Biko, Christian Institute, 'man-in-the-street,' etc.
   B. International organizations: the UN, OAU.
   C. Church and trade unions: e.g. World Council of Churches, AFL-CIO.
   D. Confirmed by U.S. Ambassador to South Africa Bowder's confidential report to the State Dept: "Among black youth and more militant groups, as well as some businessmen, any foreign investment is viewed as propping up the South African economy and its social system. They argue that jobs provided are marginal compared to numbers suffered by apartheid."

6. But investing in apartheid is very profitable.
   A. 29.9% return in 1975. Though less now, still one of the highest profit rates in the world. Citibank claims that profits are so high "they're embarrassing."
B. Ex-President Fbrd in a Houston seminar entitled "South Africa, a Golden Opportunity: A Seminar on Business Opportunities in a Free Enterprise Economy" said that U.S. business "should continue to invest in South Africa."

7. The South Africa government recognizes their need for foreign investments and desperately wants them to continue.
A. Under South African law, calling for sanctions is a treasonous offense, and thus can be punishable by death.
B. New South African law makes it illegal to publish certain business data.
C. The government is spending millions in public relations and lobbying campaigns.

8. Investment funds are citizen monies.
A. Individual, church, university, trade union, and municipal bank deposits provide capital for bank loans to South Africa.
B. Individuals, churches, universities, and municipalities (especially public employee pension funds) invest in securities of companies making investments in South Africa.
C. At the same time that banks loan money to South Africa, they often refuse to place monies in needed projects such as low-cost housing in the impoverished ghettos of the U.S.

9. Examples of citizen action
A. Withdrawals of deposits and trust (including pensions) funds from banks making loans to South Africa.
B. Divestment of stocks and other securities (from either union or public employee pension funds, church and university endowments, etc.) from companies with investments in South Africa.
By Caryle Murphy

Faced with the prospect of an intensified campaign by governments, church bodies and the United Nations for heightened economic pressures on South Africa, many people here cling to the belief that private businesses already deeply involved in South Africa will resist pressure to pull out. Ford's visit is viewed as an encouraging indication that "financial interests" are "taking an increasingly strong stand against the political campaign (to divest)," said the pro-government Afrikans language newspaper, Die Vaderland.

Foreign Minister Roloef 'Pik' Botha, who met with Ford for 90 minutes yesterday, said, "I think there can be no doubt that (companies that remain in South Africa) are making a specific contribution, not only to the economic growth of South Africa, but also towards the improvement of standards of the blacks in this country."

"It is therefore incomprehensible that any right-thinking persons who insists and wishes that the economic and material standards of the blacks should improve, insists that these companies should withdraw from South Africa."

At his midday press conference at Johannesburg's Carlton Hotel today, Ford hinted that such pressures prompted his visit here at this time.

"I am aware of the importance of the internal and external difficulties that face South Africa today. The Western world is deeply concerned about the pace of social development here. Business firms like Ford are questioned by various organizations and government officials about our role in your country. We are obliged to be responsive to all such inquiries," he said.

Asked by a South African reporter whether he expected opposition to the decision to remain here from his minority shareholders, Ford said that at the annual stockholders meeting in April, he would tell them today.

With a 1977 investment of $110 million and sales in 1976 of $288 million, Ford ranks among the top ten U.S. companies operating here. At its automobile and truck assembly plant in the coastal town of Port Elizabeth, Ford employs the largest number of South Africans—4,600 in 1978—of any American firm here.

Although it sells its products in many
THE CASE AGAINST U.S. INVESTMENT IN SOUTH AFRICA

Church groups have long been concerned about U.S. corporate investment in South Africa and its effects on the black majority. Among the first shareholder resolutions ever submitted by church investors was a proposal in 1971 to General Motors from the Episcopal Church, asking the company to withdraw from South Africa. In the intervening years, church investors have requested that companies operating in South Africa take a variety of actions, including disclosure of information, an end to expansion and new investment, withdrawal of operations from South Africa, and an end to loans to the Republic of South Africa.

This brief is excerpted from a longer paper by Father Charles Dahm, O.P., outlining the reasons why many church investors oppose U.S. investment in South Africa. Father Dahm is chairperson of the Illinois Committee for Responsible Investment, whose membership is comprised of 20 Catholic and Protestant church organizations in Illinois.

Introduction

A growing number of American institutions oppose loans to and investment in South Africa by U.S. corporations. Churches, universities, unions, and civic groups are demonstrating their opposition by, among other things, initiating shareholder resolutions seeking corporate withdrawal, removing funds from banks lending there, and selling stock in corporations operating in South Africa. U.S. corporations, along with the government of South Africa, have objected to these actions with the following claims:

- foreign investment has improved conditions for blacks in South Africa;
- the South African economy offers good opportunities for sound investment;
- blacks in South Africa want foreign investment;
- U.S. investment in South Africa is not significant; and
- not investing in South Africa is a "political decision" which belongs to the U.S. government and not to private corporations.

Churches and other groups maintain that the facts fail to support these arguments, and the documentation is presented here for each one.

I. Foreign investment has not improved conditions for blacks in South Africa

- Social and political conditions. Social conditions are hardly better now for blacks than they were decades ago. Foreign loans to the South African government and investment in private industry wind up supporting the economic and political system of apartheid - the official policy of racial discrimination and white supremacy.

Under apartheid, blacks are assigned to remote rural reservations called bantustans. Although blacks (including coloreds and Asians) constitute 84 percent of the population, they are allotted only 13 percent of the land. This land, most of which is of poor quality, is scattered throughout the country in 81 separate and non-contiguous segments. Even in these remote reservations, white South Africans control the police, most sources of public funds, and most private enterprises.

During recent years, while private foreign investors argued for their positive effect on the black majority, the South African government has accelerated the program of forcing blacks into these territories. Blacks can enter white areas only for purposes of work, and their presence there is strictly controlled by police through a system of "passbook" identification. An average of 250,000 Africans are arrested for pass law violations each year. Apartheid not only guarantees that blacks and whites are separated, but it assures white supremacy. Africans are barred from equal access to housing, schooling, medical care, job opportunities and the like.

While education for whites is free, blacks must pay - and this in a country where blacks, the vast majority, earn about 30 percent of the wages paid in the nation while whites earn 70 percent. The government spends approximately 15 times more for a white student than for a black. Black education is so inferior and opportunities so limited that two-thirds of the black students drop out by sixth grade, and only 0.3 percent of those who actually begin secondary education complete high school. Nearly all whites, on the other hand, finish higher education.4

While the South African government does not publish data on the conditions of health among Africans, it is estimated that about half of the babies born in the bantustans die before the age of one.

Blacks face rigid barriers not only in education and health but also in public accommodations, transportation, pension, entertainment, job placement and promotion and in being able to establish businesses for themselves. Blacks enjoy no right of assembly, organization, and most importantly, the vote.

Blacks are kept from exercising their human rights by a barrage of repressive laws and by a notoriously effective security police. Abuses such as the death in prison of black leader, Steve Biko, in September 1977, resulted in a unanimous vote by the United Nations to impose an arms embargo against South Africa. But, since Biko's death, several additional black leaders have died "mysteriously" in government prisons. Virtually all government critics, black and white, are banned or under arrest. The Christian Institute and other religious organizations opposed to apartheid as well as all major black publications and several community development projects in black townships have been outlawed.

- Economic conditions. One of the key arguments of American investors in South Africa is that continued investment helps blacks, first economically and then politically. The argument takes two forms: that benefits "trickle down" to blacks, and that the American presence can set an example and create incremental progress toward a more just society.

 Somehow, the alleged trickling...
down celebrated in the United States has failed to work in South Africa. In its most important industry — mining — a study at Capetown University showed that earnings of blacks in South African gold mines bought more in 1911 than in 1970. But much of the current American expansion in South Africa — a new $50 million operation by Union Carbide, a new $100 million joint investment by Phelps Dodge and Consolidated Goldfields, and a new $125 million investment by Kennecott Copper — is in mining.

Despite 30 years of trickling down, the African wages are miserably low, and they have not gained against inflation. The officially reported average wages of Africans in all sectors of the economy remain below the Poverty Datum Line (PDL), the minimum income estimated by the government as essential to survive in South Africa. The Financial Mail commented, “It is generally conceded that if any kind of reasonable living standard is to be reached, a family’s income must be 150 percent of the PDL...”

In recent years some blacks have advanced in the economy by obtaining skilled jobs, but the South African Department of Labor says that the proportion of black Africans in almost every skilled category declined between 1975 and 1977. The proportion of blacks in administrative, executive and managerial positions, for example, dropped from 2.9 percent to 0.5 percent. Meanwhile, black unemployment rose over 25 percent in 1978, while that for whites declined under 1 percent.

Between 1970 and 1976, the average real monthly earnings of blacks in manufacturing increased 52 percent (from 52 to 70 rand), while that for whites rose only 11 percent (from 307 to 340 rand). But the gap between average white and average black wages grew from 225 rand a month to 261. In mining, according to Business Week, “Whites in mines [in 1976] average $1,027 per month, compared with $124 for blacks — a gap of $903 against 1974’s gap of $722.”

Some U.S. companies, although they have increased their investment, have trickled down unemployment. Caltex is an example. During a period of economic expansion between 1962 and 1977, Caltex (jointly owned by Texaco and Standard Oil of California) reduced the proportion of blacks in its labor force from 32.3 percent to 24 percent. Nor was this due to the labor force expansion. The labor force actually dropped 18.6 percent from 2,400 people to 1,953. That kind of reduction is one of the hidden benefits to American companies of increased capital investment.

A close look at the claim that U.S. companies provide an American example shows why it is mistaken. U.S. companies in South Africa employ a miniscule 70,000 blacks out of a total black labor force of 8,000,000. Meanwhile, U.S. investment provides capital and technology that benefit the racist government and its policies and programs.

Let us inspect the “better working conditions” Americans have provided for the few South African blacks. These conditions, under the so-called “Sullivan Principles” (equal employment guidelines proposed by Dr. Leon Sullivan, a black director of General Motors), include: non-segregation of facilities; equal and fair employment practices; equal pay for equal work; training programs; an increase in the number of blacks and other non-whites in management and supervisory positions; and improvement in the quality of employees’ lives outside the work environment in such areas as housing, transportation, schooling, recreation and health facilities.

The litmus test of the effectiveness of these drastically limited “principles” is whether the American companies are willing, as the principles require, to defy South African law. Clearly, they are not. Berg-Warner, Motorola and International Harvester, all endorsers of the principles, have stated they have no blacks supervising whites. The companies are far more afraid of offending the powerful “host” government than of offending powerless blacks. Their own racist policies are explained away as an observance of proper decorum, as if they themselves had no direct interest at stake. American companies, however, cannot escape the fact that their profits derive from a stability caused by and sustained only by a system of white oppression against blacks.

The U.S. Ambassador to South Africa wrote in a confidential memo to the State Department in March 1977 that while U.S. affiliates feel they are doing a good job in South Africa, confidential meetings with black workers suggest otherwise. Ambassador Bowdler wrote, “Most of these workers complained of inadequate training, job reservation, lack of union status, arbitrary promotions, abuse by South African foremen and job insecurity... Most liaison committee members agreed that [their] company acted basically like a South African creation despite the best intentions of American management.”

A Senate Foreign Relations subcommittee reflected this position also when it reported in January 1978: “The net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa’s apartheid regime.”

II. The South African economy is not a sound investment.

Since 1975, South Africa has had its worst recession in 40 years. The accompanying decline in foreign investment during this period further cooled the economy and aggravated unemployment. In 1978, for example, one out of every five machines stood idle, and the automotive industry operated at 60 percent capacity. In 1977, South Africa had a net loss of $1.2 billion in foreign capital due to a variety of factors, such as a drop in the rate of return to investors, increased political risk, and ceilings on foreign credit exposure. Total U.S. investment in South Africa grew only 5.5 percent in 1976, down from an average of 24 percent for the three previous years. In 1967 direct investment accounted for 67.8 percent of South Africa’s gross foreign liabilities. By 1977 it had diminished to only 45.2 percent. In 1977, South Africa raised only $33.2 million in the international bond and Eurocurrency markets, a mere 3 percent of the 1976 figure. The South African government devalued the rand twice in 1975, and in January 1979, responding to a massive flight of capital, set its rand free to float against other currencies.

South Africa now has a new problem with the recent political changes in Iran. Since the fall of the Shah, Iran, which had been providing about 90 percent of South Africa’s oil, has discontinued sales to South Africa.

The economic slowdown has serious political ramifications, which in turn have a dampening effect on the investment climate. In 1978, the University of Delaware’s political risk index described South Africa as a moderate risk, but predicted that by 1980 it would be a prohibitive risk and by 1984, at the top of the prohibitive risk list.

The state has tried partially to fill the vacuum left by private capital and insulate itself against possible economic sanctions by increasing investment in government corporations. Public (parastatal) corporations accounted for only 6 percent of the new gross domestic fixed investment between 1950 and 1960, 8 percent in 1965, 11 percent in 1970, and 17 percent in 1975. Conversely, the private enterprise share of gross domestic fixed investment fell from 55 percent in 1950 to 49 percent in 1975. This growth of the public sector reflects South Africa’s staunch commitment to apartheid.

The uncertainty of South Africa’s economic future has caused some international lenders to limit their investment in South Africa. Some major U.S. banks, such as Citibank in New York and First
National Bank in Chicago, declared in early 1978, after a few years of heavy lending, that currently they were not making loans to the South African government or parastatals (even though they continued to lend to private companies there). In 1979, Merrill Lynch, the largest brokerage firm in the world, stated its intention not to underwrite further government bonds or make new loans to South Africa until social and economic conditions changed. These are bad omens for South Africa, which now needs new long-term loans in order to pay back previous loans and support economic expansion.

In June 1978, the London Economist said that without foreign loans, the South African economy will not grow and will not be able to absorb the expanding black population. South Africa, it wrote, "is sitting on a time bomb of rising unemployment, hence of discontent and revolution-fodder." Officials in South Africa estimate a future growth rate of 5.5 percent in order to absorb the workers coming into the job market. Although predictions indicate a growth rate in 1979 that will surpass the 2.5 percent rate of 1978, there is little evidence that 5.5 percent will be reached in the near future.  

III. Blacks in South Africa do not want foreign investment.

To oppose foreign investment in South Africa is a federal offense punishable by death. Leaders, therefore, must state their positions cautiously. Bishop Desmond Tutu, General Secretary of the South African Council of Churches said in an interview in 1978:

We ask our friends to apply economic pressure... Our last chance for peaceful change lies in the international community applying political, diplomatic and especially economic pressure.

Although he did not call for economic sanctions, he added:

Any black leader who calls for economic sanctions is already guilty of treason under the Terrorism Act and subject to five years in prison or death. We have said as much as we can possibly say. We hope we have reasonably intelligent friends overseas who will know what we're saying.

When asked about withdrawal of U.S. corporations, Dr. Nthato Moltana, chairman of the Soweto Committee of 10 who was recently released from prison, carefully stated:

If I said that the only way to bring change would be total economic sanctions, I would be liable to go to jail. So let's just be cagey. Let's just say that I support 'pressures,' and leave it at that.

Bishop Mansa Buthelezi, a leader of the Black People's Convention, stated:

There is no doubt that if South Africa suffers, the black people will suffer as well. But we must remember that even when a country goes to war, it does so knowing that some of its citizens are going to die in the process. The same thing applies here. We know that there will be suffering, but we realize that it is by suffering that something better may happen. We don't mind taking the consequences.

The Christian Institute in South Africa wrote in 1976:

The argument that economic growth can produce fundamental change has proven false. Many black organizations have opposed foreign investment in South Africa, and this would be the opinion of the majority of South African blacks if their voices could be heard.

Even U.S. Ambassador Bowdler wrote to the State Department in 1977:

Among black youth and more militant groups, as well as some businessmen, any foreign investment is viewed as propping up the South African economy and its social system. They argue that jobs provided are marginal compared to numbers suffering from apartheid.

The more conservative South African Council of Churches, representing some 15 million members, urged foreign firms in July 1978 to "radically revise" their investment policies since they "have largely been used to support the prevailing patterns of power and privilege."

IV. U.S. investment in South Africa is significant.

Almost every major U.S. corporation does business in South Africa. Approximately 350 U.S. corporations have operations there, while thousands more are involved through agents and distributors. U.S. direct investment in South Africa now represents approximately 37 percent of total U.S. investment in all Africa. American companies have at least $1.665 billion of direct investments in South Africa, comprising 17 percent of all direct foreign investments there.

By 1970, over 50 percent of U.S. investment was in manufacturing, 10 percent in mining and 25 percent in petroleum. Manufacturing contributed a larger proportion of South Africa's gross domestic product (22.1 percent in 1974) than any other sector. Its growth has in part been promoted by American expertise and technology. At the end of the 1960s, the official Fanzen Commission estimated that 40 percent of South Africa's manufacturing was controlled by foreign interests.

A relatively few U.S. corporations control most of U.S. investment. As of 1973, three-fourths of U.S. direct investment in South Africa was in the hands of 12 companies. Three of the oil companies—Caltex, Mobil, and Exxon—control about 44 percent of the country's petroleum products market. General Motors, Ford and Chrysler control at least one-third of the auto market, and is estimated that 70 percent of the computer market is controlled by U.S. firms. IBM stands as the single largest supplier and servicer of data-processing equipment in the country. Estimates of its market share range from 38 percent to 50 percent. At least one-third of all IBM's business in South Africa is with the South African government, and U.S.-marketed and serviced computers are in use in at least 18 government agencies, including the departments of Defense, Prisons, Atomic Energy, and the Interior (which enforces the apartheid laws).

Foreign capital enters South Africa through three major paths: direct investment, long-term loans, and short-term loans and trade credits. Until the late 1960s, direct foreign investment accounted for two-thirds of South Africa's foreign obligations. This situation changed in the 1970s when foreign loans became increasingly important. The rising price of oil imports to South Africa, the declining markets for South African exports in a world suffering from economic recession, and increasing government spending on arms required to assure white supremacy, created even greater demands for foreign capital.

More than 50 U.S. banks helped to prop up South Africa during this period. By the end of 1976, South Africa's debt to foreign lenders had reached $7.6 billion, more than double the $2.7 billion outstanding in 1974. Loans by U.S. banks provided nearly one-third of these credits. This increase was roughly equivalent to the amount of foreign exchange required to cover South Africa's defense and oil im-
port costs for the same years. After 1976, foreign long-term lending declined, largely as a result of economic and political factors explained above. South Africa, however, compensated for this loss by increasing its reliance on short-term trade-related loans from foreign banks. U.S. banks hastened to supply these funds, and simultaneously, the U.S. replaced Great Britain as South Africa's number one trading partner.

Between 1970 and 1976, the average net inflow of new capital was about $1 billion per year, an average annual contribution of over 13 percent to gross domestic investment. The average net inflow of foreign capital into the United States, meanwhile, contributes between 1 percent and 2 percent of gross domestic investment. These figures underestimate the total contribution of foreign business because they refer only to new foreign capital brought into the country each year. They exclude profits foreign corporations make in South Africa and then reinvest there. For example, from 1973 to 1974, the shares, premiums and undistributed profits from foreign firms in South Africa totaled more than $5 billion, with most reinvested there. In many years, these retained earnings plowed back into the South African economy equal or exceed the amount of new foreign capital flowing in from outside the country. In such cases the total foreign contribution to gross domestic investment will be double the figures cited above.

Nor do these figures suggest the special qualitative importance of U.S. investment, its concentration in major sectors of the economy, or its domination by a significant but limited number of strategic firms. Research by British economist John Suckling attempted to quantify the importance of technological inputs. He estimated that about 60 percent of the growth in South Africa's gross domestic product between 1957 and 1972 could be ascribed to technological change, two-thirds of which was the result of new technology entering the country through foreign investment.

In a strongly worded article in November 1977, the Financial Mail asked the question "Who Cares about Foreign Investment?" and concluded:

We do. For without it South Africans can forget about better living standards. ... It would be highly unrealistic to expect the Republic to buck the world trend and chalk up fast growth without the aid of foreign funds. Yet fast growth we must have. We must have 5 percent or more. And for that we must have foreign capital. It is really as simple as that.

V. U.S. investment in South Africa is not "apolitical."

U.S. investors argue that they are essentially "apolitical" and as "guests" in a country, they cannot offend the "host government." In fact, U.S. investors in South Africa are immersed in politics whether they like it or not. When General Motors sells vehicles or Mobil sells petroleum to the police and military, the political consequences are clear. When Citibank makes a loan to the government or Union Carbide confesses that it would be taken over by the government if it tried to leave, their political involvement is obvious. Bishop Tutu, General Secretary of the South African Council of Churches stated in 1978:

They know their money is not neutral. Wherever their money is needed, they have considerable leverage. Even the Chamber of Commerce in South Africa has begun to say to the government, "If you expect us to operate economically, we cannot continue to work under these regulations." To stand on the fence is as political as jumping either way because you are siding with the status quo.

In summary, there is mounting evidence that U.S. investment in South Africa acts in a political fashion, constitutes a financial risk, and has not measurably improved conditions for the black majority. As church organizations, universities, and other U.S. investors continue to pressure companies on these issues, it becomes clear that the responsibility for the effects of U.S. corporate involvement in South Africa remains in the hands of corporate officials and the American people. In the words of Steve Biko:

While it is illegal for us to call for trade boycotts, arms embargoes, or withdrawal of investments under current South African law, America is quite free to decide what price South Africa must pay for maintaining obnoxious policies.

Notes

3. Ibid. p. 10.
4. Ibid. p. 11.
10. Financial Mail, September 16, 1977, pp. 10-64-5. Figures have been left in hand for comparison over time, as the exchange rate between the dollar and rand has been subject to several significant changes since 1971. Quoted in Jennifer Davis, "U.S. Dollars in South Africa: Context and Consequences," New York: The Africa Fund, 1978, p. 2.
11. Financial Mail, October 1977. The gap between the wages of blacks and whites in the mines is worse than in any other sector of industry, and it has been widening. The ratio was 9 to 1 in 1946, and 20 to 1 in 1970. W.J. Bauschardt as quoted in Counter Intelligence Service, Consolidated Gold Fields Anti-Report, London, 1976.
24. Ibid.
28. Bowdler, "Confidential Cable.
31. Litvak, South Africa, p. 44.
34. Litvak, South Africa, pp. 44-60.
35. Senate Subcommittee, U.S. Corporate Interests.
41. "Voices for Withdrawal," p.3.
Voices For Withdrawal

"Corporations stress the positive advantages of the creation of some tens of hundreds of jobs. They boast of training programs and equal pay, even sometimes of equal opportunity. THEY USE MICRO ECONOMICS TO OBSCURE MACRO TRUTHS.

Firstly, they ignore the fact that the whole structure of the society is carefully designed to prevent generalized equal opportunities for black and white. At the same time they continue to benefit from the effects of that deliberate design by way of a cheap, intimidated labor force. Their claims as reformers never speak of the fact that the system of apartheid in South Africa prevents blacks from acquiring education; prohibits them from organizing effective trade unions; forces them to live in restricted, culturally and economically deprived areas; denies them any freedom of movement; only allows blacks access to factories, towns and cities by special permit; denies them any right to seek alternative and better employment; prevents land ownership; prohibits black entrepreneurs and black business except in the tiny black bantustans and specifically prohibits any black from supervising any white. The complex web of apartheid makes a mockery of individual attempts at "equal opportunity employment.”

Secondly, the corporations deliberately ignore history. The argument that economic growth and increasing industrialization automatically create pressures that will inevitably force whites to allow greater black participation in society has been totally disproved by the last 10 years of South African history. Yet the corporations and their apologists continue to detect “signs of change.” The last ten years have seen intensifying political oppression and land dispossession, the creation of the bantustans and the eventual total exclusion of the Africans from any right to an identification as South Africans all at the same time as there was rapid economic growth. The pressures were there but they were dealt with by greater control, not by relaxation of control.

Even the corporate micro-economics is wrong. Black wages have grown in South Africa, but so have white wages and inflation; the wage gap between white and black in absolute terms is still growing. Figures released by the Institute for Planning Research of the University of Port Elizabeth in May 1976 show that Africans still earn less than the Poverty Datum Line wage (minimum subsistence) in almost all sectors of the South African economy. The PDL (or Household Subsistence Level), as it is sometimes called, allows for only the barest necessities for an African family of six; it comprises the cost of rudimentary diet, clothing, fuel, light, washing materials, rent and the transport of the breadwinner to and from work. It makes no provision for any taxes, medical care, education, transport for other members of the family or furniture. The HSL is now approaching R130 ($120.00).

In other words African workers are still, on average, earning well below the poverty datum line.

Thirdly, the corporations consistently underplay the significance of the particular roles that U.S. corporations play within the South African economic and political structure. These are not small peripheral corporations, creating a few jobs while manufacturing insignificant consumer products with simple machines in the back alleys of the cities. In fact significant U.S. corporations in South Africa are the heavy weights—prominent names on Fortune’s 500 list. They frequently dominate the sector of the South African economy in which they operate. (e.g.: General Motors, Ford and Chrysler control 60 per cent of the auto market). They provide a level of the most advanced modern technology which small, isolated, domestic companies could not afford. They have access to the capital so desperately needed for the continuing economic expansion of a white-owned, white-controlled, white-benefit economy.

Fourthly, the corporations attempt to veil the direct cooperative relationship that often exists between them and the South African government, and the very direct role that they play in the maintenance of the South African state by the provision of strategic materials, technology and technical services to the government.

Fifthly, the corporations refuse to deal with the reality that continuing profitable operations in South Africa require a constant level of stability. Nor do they acknowledge that the well-established links between corporations and the United States government must inevitably involve the U.S. government in a similar quest for the maintenance of “peace and stability,” while the black population of South Africa in contrast seeks the total destruction of the system as it now exists.”

Jennifer Davis, research director of the American Committee on Africa. Excerpts from testimony before the U.S. Senate Subcommittee on African Affairs hearings held 9/29/76.

THE SOUTH AFRICANS

"Heavy investments in the South African economy, bilateral trade with South Africa...are amongst the sins of which America is accused. All these activities relate to whites and their interests and serve to entrench the position of the minority regime. America must therefore re-examine her policy toward South Africa drastically...Whilst it is illegal for us to call for trade boycotts, arms embargo, withdrawal of investments, etc., America herself is quite free to decide what price South Africa must pay for maintaining obnoxious policies.”


“Q. What is the Black community’s response to international calls for sanctions?
A. There is no doubt that if South Africa suffers, the Black people will suffer as well. But we must remember that even when a country goes to war, it does so knowing that some of its citizens are going to die in the process. The same thing applies here. We know that there will be suffering, but we realize that it is by suffering that something better may happen. We don’t mind taking the consequences.”

Bishop Manas Buthelezi, a leader of the Black People’s Convention, in an interview in the South African Financial Mail 11/18/77
"Advocates of continued investment claim that if foreign investors withdraw this would result in large scale unemployment of Blacks. Withdrawal can only mean the downfall of the Vorster regime. Black people have pledged themselves to fight for freedom whatever the cost. Black people have endured much suffering and cannot suffer beyond this. Black people in general are prepared to suffer any consequences if this means ultimate Black freedom...

Foreign investors claim their presence in this country contributes toward the development of the Black community. This claim is disputed by the reality of the Black experience in this country. We resolve therefore:

To reject the involvement of foreign investors in this exploitative economic system.

To call upon foreign investors to disengage themselves from this white-controlled exploitative system."

- Statement adopted by the Black People's Convention Congress, 1972

"SASO sees foreign investments as giving stability to South Africa's exploitative regime, with its extensions of the likes of the Bantustans, and committing South Africa's trading partners to supporting this regime. For this reason SASO rejects foreign investments."

- Policy statement of the South African Students Organization (SASO), June, 1977

"If I said that the only way to bring change would be total economic sanctions, I would be liable to go to jail. So let's just be cagey. Let's just say that I support 'pressures,' and leave it at that."

- Dr. Nthato Motlana, chairman of the Soweto Committee of 10, in an interview in the New York Times 4/4/78

"What we in the ANC want to see is what the people of South Africa want to see—our people are not only ready and willing to accept the consequences of action against the regime on the economic front, but they have themselves demanded the total political, economic, cultural and military isolation of the racist regime. We demand total isolation of the racist regime—no investment and withdrawal of existing investment."

- Oliver Tambo, Acting President-General of the African National Congress, South Africa, in an interview with the Guardian (US) 3/22/78

"The economic boycott of South Africa will entail undoubted hardship for Africans. We do not doubt that. But if it is a method which shortens the day of blood, the suffering to us will be a price we are willing to pay. In any case, we suffer already, our children are often undernourished, and, on a small scale (so far), we die at the whim of a policeman."

- The late Chief Albert J. Luthuli, Nobel Prize winner and President of the African National Congress.

"The ending of foreign investment in South Africa is, of course, a tactical question; it is a means of undermining the power of the apartheid regime. But it is of such importance that there can be no compromise whatsoever about it from our point of view. Foreign investment is a pillar of the whole system which maintains the virtual slavery of the Black workers in South Africa."

- John Gaetsewe, General Secretary of the South African Congress of Trade Unions, quoted in the December, 1977 newsletter of the Madison (Wisc.) Committee on Southern Africa.

"...disengagement might not itself deal lusty economic blows against a very wealthy country such as South Africa, but it will deal a firm psychological blow against the structure and the system of apartheid. The white government in South Africa is terribly conscious of world opinion—it affects not to be, but it is extremely conscious of it..."

- Donald Woods, South African editor, in remarks at Yale University reported in the Yale Graduate Professional, 2/3/78

Black Americans

"The NAACP should call upon US corporations to withdraw their investments in South Africa...The conduct of American firms to date...has failed to make a significant impact on the elimination of the total concept of apartheid...The NAACP should maintain its call for economic sanctions against South Africa until all vestiges of apartheid are eliminated."

- NAACP policy proposal adopted by the Board of Directors 1/16/78

International Organizations

"THE COUNCIL OF MINISTERS...

Convinced that South Africa's isolation by the strict application of sanctions in all fields of activity would help to accelerate the elimination of Apartheid in South Africa and would contribute considerably to the liberation of the South African people... LAUNCHES an appeal to all countries of the world, particularly the Western countries, to exert pressure on the racist regime of South Africa by totally and completely isolating it through the strict application of sanctions..."


"THE GENERAL ASSEMBLY.

Noting with grave concern that some Governments, in pursuing strategic and economic and other interests, continue to collaborate with the racist regime of South Africa and thereby encourage it to persist in its criminal policies.

Calls upon all Governments to take effective action to prohibit all loans to or investments in South Africa by banks and corporations within their national jurisdiction.

Requests all agencies within the United Nations system to refrain from any dealings with corporations which provide any loans to, or make any investment in South Africa."

- U.N. General Assembly Resolution 31/6H, adopted 11/9/76
US Government

"Measures which only relieve hardships like marginal raises, subsidized meals, school fee allowances, and personal loans are seen as panaceas which evade question of basic rights of workers. Moreover benevolence toward workers which may impress stockholders at home fails to get at issue of whether presence of foreign firms represents collusion and effort to profit from apartheid...

With radicalization of black attitudes, tendency to call for disinvestment grows stronger. Added to heightened expectations from new US administration on South African issues, must be expected that role of American firms here will become increasingly controversial and rationale for continued presence will seem less and less persuasive to growing number of blacks."


US Trade Unions

"Since the AFL-CIO has repeatedly called for an end to the system of apartheid practiced by the government of South Africa, it is deplorable that the subjugation and repression of the non-white citizens of South Africa by a white minority government has escalated...US corporations should immediately divest themselves of South African affiliates, and sever all ties with South African corporations."

- AFL-CIO Executive Council statement 2/24/78

"Apartheid provides a powerful incentive for US companies to make South Africa a haven for runaway plants. It is the interest and obligation of American unionists to fight the corporations' immoral support for the racist South African regime."

- United Radio, Electrical and Machine Workers Union, resolution adopted by 1977 national convention. The union withdrew a $4 million payroll account from Chase Manhattan Bank, a major lender to South Africa.

"We in the UAW don't believe that the hard-earned dues money of our 1.5 million members should wind up being used directly or indirectly to aid a country that practices such racist, repressive and undemocratic policies."

- Douglas A. Fraser, president, United Auto Workers Union, in a statement 3/3/78. He announced that the union would withdraw funds from institutions making loans to South Africa.

US Churches

"The governing board of the National Council of Churches of Christ in the United States of America, recognizing the grave injustices in Southern Africa and guided by its commitment to Christian principles and its own affirmations of human rights, declares its support for the following actions...

-Support efforts to end all economic collaboration between South Africa and the United States government and its private institutions involved in banking, commerce and industry until black majority rule is a reality...

-Undertake to withdraw all funds and close all accounts in financial institutions which have investments in South Africa or make loans to the South African government or businesses and urge constituent membership to adopt this policy."

- National Council of Churches governing board, statement adopted 11/10/77

"Voices for Withdrawal" is available from The Africa Fund for .30¢ ea., over ten .20¢ ea., over twenty .15¢ ea.
APPENDIX G: THE BANK CAMPAIGN

Bank Campaign: Planning for the Eighties

by Bill Hartung

The Campaign to Oppose Banks Loans to South Africa (COBLSA) gained new impetus in late July as representatives of 12 local committees from the United States, Canada, and England met in Minneapolis to discuss their organizing experiences and to plan a coordinated strategy for the next nine months. Activists from California, Oregon, Seattle, Minneapolis, Chicago, Rochester (New York), New York City, Philadelphia, Washington, DC, Toronto, Montreal, and England attended, along with representatives of the American Committee on Africa and Clergy and Laity Concerned, the two sponsoring organizations for the campaign in North America. Reports of recent organizing efforts by local committees served as a basis for discussion of how to strengthen the campaign and broaden its base of support.

New Victories

"More than $127 million has been withdrawn from banks lending to South Africa," reported Dumisani Kumalo, campaign coordinator and exiled black South African journalist, in his summary of the campaign's achievements to date. Important new victories for the campaign in Oregon, Montreal, and California were described in detail by local organizers.

In Oregon, the state's largest bank, US National Bank of Oregon, pledged to make no further loans of any kind to or in South Africa and to sell its stock in the Private Export Funding Corporation (PEFCO), a consortium of banks and corporations that has financed trade with South Africa. "This action by the bank is clearly a response to pressure mobilized by the campaign, and it is the first time that a member bank has ever decided to withdraw from PEFCO," stated activist Marion Malcolm at the conference.

The Oregon campaign won its victory in a surprisingly short time. The first major public action came in early April of this year, when 18 organizations and 100 individuals withdrew accounts worth more than $300,000 in protest of the bank's involvement in lending to South Africa. By mid-June the campaign had won its demands.

Marion Malcolm noted several key factors leading to the victory. She said that because new, competing banks are opening in Oregon, the bank was even more concerned with the effect of the campaign on its public relations than it was with actual losses due to withdrawals. A second factor was the marginal importance of the bank's involvement in lending to South Africa relative to its total business. Also important was the careful homework which had armed campaign representatives with extensive information about the bank's operations and about the various ways in which credit could be extended to South Africa and to corporations involved there. This helped to impress the bank with the seriousness of the campaign demands.

Finally and most importantly, the bank felt threatened by the campaign's growing links with labor unions. Like most banks in the United States, US National Bank of Oregon is not unionized, but in addition Oregon activists had publicized the bank's use of non-union contractors in the construction of one branch and the renovation of another. US National Bank of Oregon's statement on halting lending to South Africa and on withdrawing from PEFCO came shortly before a meeting of the Lane County Labor Council in which bank campaign activists had the votes to win pledges of union withdrawals from the bank.

Pat Bolland of the Dawson College anti-apartheid bank campaign in Montreal described how his group had pressured the college into withdrawing a $25 million per year account from Bank of Montreal. This is the largest withdrawal so far in the Canadian bank campaign. Unlike many other campus-based campaigns, which have been initiated by students, members of the Dawson teachers union took a leading role in this campaign.

As in Oregon, the campaign at Dawson maintained strong momentum from the start. From its inception in early November 1978 with a "Canada-Southern Africa Week" held on five Dawson campuses with speakers, films, slide shows, classroom presentations, and visual displays, the campaign gained support rapidly. By mid-November the Dawson teacher's union had passed a resolution transferring its own funds out of the Bank of Montreal and calling on the college to do the same. By November 17, 2000 students and workers at the college had signed a petition asking that Dawson's funds be removed from the Bank of Montreal because of its lending to South Africa.

At a college Board of Governors meeting on the same date (to which the Bank of Montreal refused to send a representative) a motion supporting the petition demand was passed ten to zero with one abstention.

From that point on much of the campaign involved monitoring the actions of the college's finance committee to implement the motion. The search for a new bank revealed the intense competition for institutional accounts among banks in Quebec province, as well as details of financial dealings with South Africa by two banks that had not been previously implicated. A decision was made to move the college's account to Banque Provinciale du Canada, which had no financial dealings with South Africa in five years, on the condition that the bank inform Dawson College of any loans to South Africa it makes in the future.

The bank agreed to these terms, understanding that any future loans it might make to South Africa would be met with action for withdrawal by the Dawson bank campaign. The move, completed in May 1979, also saved the college $8000 a year in service charges, undercutting the argument that action against corporate support for apartheid is "too costly." Commenting on factors involved in the campaign's success, Pat Bolland said that the college had been concerned about its image in the community. Also, unlike many colleges, Dawson's board of governors is not composed of corporate directors with direct interests in investments in South Africa. The Dawson committee plans to mobilize at other community colleges, at health centers, and among non-governmental organizations in the fall.

California Successes

Stop Banking on Apartheid (SBOA), the California chapter of the campaign, also reported several recent successes. The passage of the Berkeley Responsible Investment Ordinance in April marked the first time that a city had been required by law to divest its funds from banks lending to South Africa, and the action is serving as a model for other cities. Similar initiatives are likely to come to a vote in 12 California cities on their next ballot. Another important step was taken when the California Nurses Association committed itself in June to withdrawing its $10 million dollar retirement account from Wells Fargo Bank because of its loans to South Africa.

The California actions offer an example of a sustained, creative campaign which has...
continued to reach new people while operating in the home territory of Bank of America, the largest bank in the United States. $BOA has sought to serve as a resource center for the broader movement for social change in the US. It has not asked other groups to join it as a coalition but rather hopes to call on other groups for specific support at specific times. $BOA distributes alternative investment packets with positive suggestions for organizations seeking to divest their funds from banks or corporations involved in South Africa, and "special interest" leaflets showing the connections between US corporate support for corporations involved in South Africa, and seeking to divest their funds from banks or other groups to join it as a coalition but $BOA has helped women employees of that Bank of America contact union organizers, and it has assisted a community health center, Clinica de la Raza, in setting up a credit union. In turn, groups that have been helped in this way will often support the campaign on a day of leafletting or withdrawals. In $BOA's view the key to its success is the strength their campaigns had gained by joining with local community chapters of Non-Intervention in Chile (NICH) to demand an end to bank loans to South Africa and Chile. Many of the same US banks that have participated in lending more than 3 billion dollars to South Africa in recent years have also greatly increased their loans to the Chilean junta. In 1978, private bank lending to Chile reached $272 million. The D.C. bank campaign has also expressed its solidarity with the Sandinista movement in Nicaragua by exposing a $2 million loan by Riggs Bank to the regime of deposed dictator Anastasio Somoza and by organizing a picket against the bank in conjunction with Nicaragua support groups. The demand for an end to redlining, the bank practice of denying home mortgage and home improvement loans to specific neighborhoods (often on a racially discriminatory basis) has been an important issue in many local campaigns. Carolyn Long, of the D.C. bank campaign said that information on Riggs Bank's redlining practices had often commanded the most immediate reaction from bank customers. The Minneapolis committee has been working closely with local anti-redlining groups, and the New York committee, having exposed the redlining practices of five New York-based commercial banks, which also lenders to South Africa, has adopted the demand, "Redline South Africa, Not New York." Until recently anti-redlining activity had focused exclusively on the activities of savings banks. COBLSA has shown that commercial banks are also involved. As the campaign progresses more people are realizing that the same banks that drain much needed funds from communities in the US also supply funds in abundance to help maintain some of the most repressive regimes in the world.

Uniting Demands

Many local campaign representatives stressed the importance of uniting with other groups opposed to discriminatory or oppressive bank practices. Representatives from Washington, DC, Seattle, and California noted the strength their campaigns had gained by joining with local chapters of Non-Intervention in Chile (NICH) to demand an end to loans to South Africa and Chile. Many of the same US banks that have participated in lending more than 3 billion dollars to South Africa in recent years have also greatly increased their loans to the Chilean junta. In 1978, private bank lending to Chile reached $272 million. The D.C. bank campaign has also expressed its solidarity with the Sandinista movement in Nicaragua by exposing a $2 million loan by Riggs Bank to the regime of deposed dictator Anastasio Somoza and by organizing a picket against the bank in conjunction with Nicaragua support groups. The demand for an end to redlining, the bank practice of denying home mortgage and home improvement loans to specific neighborhoods (often on a racially discriminatory basis) has been an important issue in many local campaigns. Carolyn Long, of the D.C. bank campaign said that information on Riggs Bank's redlining practices had often commanded the most immediate reaction from bank customers. The Minneapolis committee has been working closely with local anti-redlining groups, and the New York committee, having exposed the redlining practices of five New York-based commercial banks, which are also lenders to South Africa, has adopted the demand, "Redline South Africa, Not New York." Until recently anti-redlining activity had focused exclusively on the activities of savings banks. COBLSA has shown that commercial banks are also involved. As the campaign progresses more people are realizing that the same banks that drain much needed funds from communities in the US also supply funds in abundance to help maintain some of the most repressive regimes in the world.

Labor Ties

All the local bank campaign committees aim to build ties with the labor movement, but the campaign against Seattle First National Bank (SeaFirst) has achieved the most direct cooperation to date. The United Food and Commercial Workers recently formed in a merger of the Retail Clerks International Union and the Amalgamated Meatcutters, has initiated a withdrawal campaign against SeaFirst because of its refusal to bargain with them as the legitimate representative of the bank's 4800 clerical employees. SeaFirst had previously had a company union, but in 1978 union members voted to affiliate with the Retail Clerks, partially as a response to attempts by the bank to break the union.

The significance of the campaign from the point of view of the banking community was stressed by Patrick M. Fahey, SeaFirst vice president for "public responsibility," who told Business Week, "Banking is a vast, untapped group of unorganized workers." Needless to say, Mr. Fahey and his colleagues would like to keep it that way.

The union has drawn support from the local American Friends Service Committee chapter, NICH, and groups concerned with funding for conversion from military to civilian production. These groups have raised demands for an end to SeaFirst lending to South Africa and Chile along with the union's demands, and weekly pickets outside SeaFirst have helped inform customers about bank policies.

Mike Young, head of the United Food and Commercial Worker's campaign against SeaFirst, has been very receptive to the linking of the union issue with the broader question of how the bank uses its funds. In addition to helping to pass a resolution in the Seattle council of churches calling on its members to withdraw their funds from banks that lend to South Africa, he spoke with Oregon trade unionists on the issue at the invitation of local activists. The latest move against SeaFirst was a vote in mid-July by the local AFL-CIO executive council urging all its members and all SeaFirst customers to withdraw their accounts from the bank.

Coordinated Actions Planned

Several important decisions were made at the Minneapolis meeting. Campaign members agreed to maintain the current demand for no more credit of any kind to South Africa until genuine majority rule has been achieved. It was agreed that the campaign should place a high priority on supporting bank workers' struggles. It was resolved that whenever possible groups should work with Chile solidarity organizations on a local basis to raise common demands against bank loans to Chile and South Africa. A commitment was made to expand outreach among trade unions, black organizations, students, religious organizations, and anti-redlining and other community groups.

To help spread more widely the bank campaign's message, plans were made for two national weeks of coordinated action, November 11-16, and March 16-21. In February, black history month, local bank campaign groups will sponsor educational and cultural activities, and Dumisani Kumalo, coordinator of the national campaign, will make a speaking tour.

THE NEED FOR ACTION

Black people in South Africa live under apartheid, a tightly meshed system of total dispossession that deprives them of their citizenship, freedom of movement, land ownership, organizing rights and education. This system is official policy and exists to maintain the black population as a vast reservoir of powerless, cheap labor to be used when and where the government and corporations decide.

For more than forty years, U.S. corporations and banks have been investing in South Africa, not merely aware of the repressive system, but clearly defending it. In exchange for the enormous profits on cheap black labor, U.S. corporations and banks have helped provide the capital and technology for the nuclear, military, police and prison systems needed by the white minority to maintain control of the black majority. Continuing U.S. corporate support for apartheid is evidenced by the tripling of corporate investments in South Africa over the past two decades, making the U.S. the largest foreign investor next to Britain. U.S. banks have also bolstered the apartheid economy with more than $2.2 billion in recent loans.

The uprisings in the sprawling black township of Soweto in 1976, the death in detention of black consciousness leader, Stephen Biko, in 1977, and numerous reported bannings and arrests are a telling sign that apartheid not only continues in South Africa but is becoming even more repressive. It is time to end U.S. support for the apartheid system by withdrawing corporate investments and ending bank loans that are so crucial to its survival.

WHY DIVESTMENT

After years of claiming neutrality or defending apartheid, U.S. firms have only recently begun to claim that their investments in South Africa are vital to the prospect of reforming apartheid. But a close look at the corporate reformist strategy demonstrates that it is aimed at pacifying critics of South Africa in the U.S. The most progressive reforms imaginable cannot change apartheid which is based on the bantustan system of land distribution. Thirteen percent of the land is all that blacks are allocated and, until this is altered, blacks will be slaves in their own country. Corporate reforms do not even address this problem nor the problem of political disenfranchisement.

Only a strategy which considers the need for fundamental redistribution of wealth and power will suffice. Among the strategies tried by anti-apartheid groups in the U.S. have been shareholder resolutions and divestment.

Shareholder resolutions work within the arena of corporate shareholder meetings. Occasionally the resolutions have called for corporations to withdraw from South Africa. More often they call for the gathering of information about operations in South Africa. They have been a way of raising the issue among stockholders. However,
over the years they have had limited success and when it is clear that corporations will continue their South African investments, stronger action is needed. The President of Brandeis University, Marvin Bernstein, whose administration recently sold its stock in Ford and GM as a result of a divestment campaign, illustrates the point: "Last year a shareholder resolution got 2.7% of the vote at GM's annual meeting. This year, despite the increased focus on college campuses regarding divestment, the same resolution at GM's meeting got only 1.8% of the vote. That's when we decided to sell our stock in GM." It is the clear lack of corporate response to ending support for apartheid that makes divestment necessary. Divestment means the sale of stocks and bonds from U.S. corporations and banks operating in South Africa. Divestment represents a clear message to corporations from shareholders that their continued profits from apartheid are morally repugnant. Douglas Fraser, President of the United Auto Workers, addressed the moral issue when he recently said, "We in the UAW don't believe that the hard-earned dues money of our 1.5 million members should wind up being used directly or indirectly to aid a country (South Africa) that practices such racist, repressive and undemocratic policies."

CAN DIVESTMENT WORK? ●

Divestment from companies involved in South Africa is not likely to affect the market price of the stocks in the short term since most U.S. firms have a relatively small percentage of their overall investments and assets in South Africa. However, if enough organizations and individuals divest from these corporations in a campaign with considerable publicity, a "climate of resistance" can be created around the issue of South Africa. Corporations are extremely sensitive to bad publicity and are fearful that such a climate will extend to questioning all of their practices. Continued negative publicity can, in fact, make companies unattractive investments. For example, the stock of J.P. Stevens is undervalued today, reflecting the long battle and bad publicity generated by the confrontation between the firm and organized labor over Stevens' labor practices.

Corporations must increasingly count the costs of remaining in South Africa when faced with the possible loss of investors, loss of future markets for their goods and a decline in stock value. The days when investment returns in South Africa were double that of domestic returns are gone. This dramatic drop in investment returns reflects, among other factors, the increasing political turmoil within South Africa. Of course, divestment alone will not bring an end to apartheid. Some opposed to divestment see it as a "one shot" strategy which then leaves the institution helpless to work for change. But the strength of divestment is in the expanding campaign made possible by the efforts of individual institutions.

Freedom in South Africa will ultimately be won by those South Africans struggling for liberation, and divestment can contribute to that struggle by posing a threat to continued U.S. investments and support for the white minority government. The threatened loss of U.S. dollars is far more serious to the South African government than any so-called U.S. corporate influence while continuing to operate in the country. U.S. Senator Paul Tsongas of Massachusetts, commenting on a strategy for ending apartheid, recently said; "Divestiture represents the quickest and least violent path to the eradication of apartheid. Without pressure the South African government will remain committed to apartheid as they have for the past thirty years."

The South African government has already reacted by endorsing studies which are aimed at determining the status and impact of the divestment campaign. One such study, done by Meyer Feldberg, a South African consultant to American and South African companies concluded; "When an issue such as South Africa becomes significant among several hundred students at a great university, the policy (makers) and decision-makers in the university, in government and in business take note."

SOME ARGUMENTS AGAINST DIVESTMENT CONSIDERED ●

A successful campaign for divestment necessitates a refutation of those arguments used most often against divestment, such as the following:

1) Portfolio responsibility would be violated if financial managers are called upon to divest: Those responsible for investment portfolios are generally bound to invest in the most productive and profitable ways possible. Often referring to the original "prudent man" ruling by a Massachusetts judge more than 150 years ago, many investment managers are concerned that if they divested from corporations doing business in South Africa, they would lose money since many of these corporations are the largest American companies.

This concern is based on the assumption that stock in these large U.S. multinationals is essential to a prudent portfolio. There is strong evidence to the contrary. A recent study which appeared in the Journal of Portfolio Management concluded that: "the effect on portfolio risk of excluding the companies operating in South Africa, the 150 to 200 major U.S. companies, is, contrary to intuition, not particularly important." A study done a year ago by Salomon Brothers, a well known Wall Street firm, on the investment returns of the Standard & Poor's composite index (which includes the majority of firms operating in South Africa) indicated an average return of just 2.8% over the last decade. Consequently, Dr. Robert Schwartz, Vice-President of Shearson, Hayden, Stone, Inc., a New York investment firm, suggests that a portfolio, in some cases, "might even be improved by divestment."

While it is too early to fully assess whether it has meant a loss or gain to those institutions having already divested, it is clear that there are substantial alternatives. At the University of Wisconsin, which recently divested, Joe Holt, Secretary of the Board of Regents, explained that "there were a lot of stocks left to invest in, to replace those we sold."

Beyond portfolio obligations on financial risk, many institutions also have principles written into their founding charters or legislation which include a provision that the institution's behavior should be consistent with the Constitution and laws of the United States. Corporations operating in South Africa violate many of the major tenets of American law, including equal rights under the
The following is a list of some institutions and organizations in the U.S. that have adopted a policy to divest from corporations and banks doing business in South Africa:

<table>
<thead>
<tr>
<th>Total Divestment</th>
<th>Partial Divestment*</th>
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<tbody>
<tr>
<td>Antioch College</td>
<td>Amherst College</td>
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<tr>
<td>Hampshire College</td>
<td>Boston University</td>
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<tr>
<td>Michigan State University</td>
<td>Brandeis University</td>
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<tr>
<td>Ohio University</td>
<td>Columbia University</td>
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<tr>
<td>Stanford University Chapter, YWCA</td>
<td>State University of New York, Oneonta</td>
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<tr>
<td>University of Massachusetts</td>
<td>Smith College</td>
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<td>University of Oregon</td>
<td>Tufts University</td>
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<td>University of Wisconsin</td>
<td>University of Michigan</td>
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<tr>
<td>Sisters of Notre Dame de Namur, Connecticut</td>
<td>Vassar College</td>
</tr>
<tr>
<td>District Council 1199, National Union of Hospitals &amp; Health Care Employees</td>
<td>Yale University</td>
</tr>
</tbody>
</table>

These organizations can be contacted regarding alternative investments for portfolios which have been divested of stocks and bonds of firms operating in South Africa:

**Alternative Investment Resources**

- **California Alternative Investment Task Force**
  1932 Fourth Avenue
  Sacramento, California 95818
  Telephone: 916-442-3838

- **Community Economics Associates**
  6529 Telegraph Avenue
  Oakland, California 94609
  Telephone: 415-653-6555

- **California Public Policy Center**
  304 South Broadway, Room 224
  Los Angeles, California 90013
  Telephone: 213-628-8888

- **Community Investment Fund**
  120 Boylston Street
  Boston, Massachusetts 02116
  Telephone: 617-542-1060

- **Strategic Investments Advisers**
  1320 Campus Drive
  Berkeley, California 94709
  Telephone: 415-548-1320

- **Wisconsin Center for Public Policy**
  1605 Monroe Street
  Madison, Wisconsin 53711
  Telephone: 608-257-4414

Many of the stocks probably would have been sold anyway. Most institutions calculate general transaction costs into their estimate of expenses for the year, meaning that only any additional costs over what the institution would normally spend is a realistic figure for costs. Institutions, particularly colleges and universities, and some religious institutions, also cite the possible loss of donations to the institution by individuals and corporations upon divesting. This argument is difficult to assess and raises questions about the interconnections between these institutions and the corporate world, suggesting economic blackmail and interlocking directorates at the very least. Such an argument also challenges those such as the President of Harvard University, Derek Bok, who maintain that universities must be politically neutral. Many institutions who depend upon donations have long taken moral stands not limited by the corporate ethics of the day.

2) **The costs involved in divesting make it a prohibitive risk**: The costs most frequently cited by those opposing divestment are the transaction fees charged by the portfolio management to divest and also the possible loss of donors to an institution. Both the Massy Report from Stanford and the Eckland Report from Yale emphasized the high brokerage fees involved in their recommendations against divestment. This argument appears to be more rationalization than fact. Portfolio managers turn over stock regularly, perhaps an average of 15% annually. Estimated at between .27% and .6%, these fees are of little consequence when managers buy or sell stocks and bonds. The change of a percentage point in the price of a stock swamps these transaction costs. Commenting on the costs involved in the recent $7.5 million divestment at Michigan State University, Nancy Elliot, Director of Investments and Trusts, said that “the fees involved were not significant enough to be of concern.

3) **We feel we can be more effective by working within the system in South Africa by encouraging U.S. corporations to sign the Sullivan Principles and to institute reforms in the workplace**: This claim assumes that what U.S. corporations can do for the 70,000 blacks they employ is more important than the repression of the 22 million blacks they do not employ, whose repression their very presence helps to maintain. While petty
reforms in the workplace may mean improvements in the lives of a few blacks, the vast majority only know the U.S. computers and police vehicles used to enforce apartheid.

The Sullivan Principles have been endorsed by more than 100 U.S. companies and call for measures such as non-segregation of work and eating facilities and equal pay for equal work. Rather than contributing to genuine change in South Africa, the Sullivan principles are a public relations success that helps to secure U.S. corporate presence in a basically unchanged system. The Sullivan Principles are dangerous because they give the impression that South Africa can be reformed by U.S. corporations. In fact, U.S. corporations have neither the will nor the power to bring about fundamental change. They support the South African government and are allied with it against the struggle for freedom of the majority of South Africans.¹⁵

THE BENEFITS OF DIVESTMENT ●

Much of the time divestment campaigns are put on the defensive by the many counter-arguments and rarely is there serious consideration of the benefits of divesting stocks and bonds from corporations and banks operating in South Africa.

First, divestment of the portfolio can end an institution’s direct support for U.S. funding of apartheid. Secondly, although much of what is loaned to South Africa is in the form of Eurodollars, the extension of loans to South Africa lessens funds available in the U.S. for mortgages, home improvement loans, low-interest student loans, small business loans, community improvements and the like. Money can only be spent in one place and there are better things to invest in than apartheid. An example is the practice of redlining, whereby banks draw a line around poorer neighborhoods and virtually cut off funds to these communities which they perceive as high risks.¹⁶ While the inner cities decay, the apartheid government of South Africa has enjoyed almost unlimited credit. The divestment strategy not only calls for an end to the financing of apartheid, but also for a return of such deposits to communities at home.

U.S. corporations with operations in South Africa continue to profit from cheap black labor there while plants at home are being closed. Paying blacks near starvation wages in South Africa means increased unemployment in the United States. This is not to suggest an end to all multinational operations, but that American workers cannot compete with the wages of apartheid labor.

Perhaps the most significant benefit of divestment is the contribution it can make in the ongoing struggle for liberation in South Africa. In response to increasing international pressure, Prime Minister P.W. Botha has declared that South Africa has adopted a “total war strategy.”¹⁷ Part of this strategy is the National Supplies Procurement Act which authorizes the South African government to order any U.S. company to supply the government with goods determined to be necessary for national security. General Motors, for example, has already been designated a key industry which would undoubtedly be seized in the event of “civil unrest.”¹⁸ While divestment cannot prevent bloodshed in the struggle for liberation in South Africa, it can make a significant contribution to this struggle, by eliminating much of the fuel that feeds the violent fires of apartheid.

Dominiique Colon
Truman Dunn
October 1979

FOOTNOTES

1 Extensive information on U.S. investments in South Africa is available from the American Committee on Africa/Africa Fund.
2 For further information on bank loans to South Africa, contact the Campaign to Oppose Bank Loans to South Africa, 198 Broadway, N.Y., N.Y. 100038, telephone: 212-962-1210
4 To divest from a bank would be the sale of stocks or bonds held in a bank as a corporation. Personal and institutional accounts held in banks can be withdrawn, which is the strategy of the Campaign to Oppose Bank Loans to South Africa.
5 UAW Press Release, March 3, 1978
6 “The Divestiture Issue Hangs on for Colleges”, The Boston Globe June 24, 1979
8 Charles Pillsbury, a pension lawyer in New Haven, Connecticut told us that no Federal, State, or local “prudent person” statute would be violated by divesting stock from corporations operating in South Africa.
10 “Growth by Stocks Traded Other Investments During the Past 10 Years According to Study”, Wall Street Journal, July 6, 1978
11 Telephone interview, August 24, 1979
12 Telephone interview, August 24, 1979
13 Telephone interview, August 24, 1979
14 In response to the divestment campaign, President Bok issued a series of letters to the campus community, maintaining that institutions of higher learning are, and should continue to be, outside the political arena.
16 For further information on redlining, contact the NY Committee to Oppose Bank Loans to South Africa, 313 W. 78th Street, 4R, N.Y., N.Y. 10023, telephone: 212-865-8972 or the National Training and Information Center, 1123 W. Washington Boulevard, Chicago, Illinois, 60607, telephone: 312-243-3035.
17 “Wiehahn-Exposing the Contradictions”, National Union of South African Students, 1979, p.5

“South Africa: Taking Stock of Divestment” is available from The Africa Fund for .15¢ ea., over ten, .10¢ ea., over twenty, .05¢ ea.
APPENDIX I: ALTERNATIVE INVESTMENTS

(From Hagelberg, Public Capital and Community Needs, Center for New Corporate Priorities, 1979)

"Retirement funds should be used as much as reasonably possible to benefit and expand the business and economic climate within the State of California, so long as such use would be consistent with sound investment policy."

(In part. California Government Code: Section 31595.3; amendment added 1974.)

I. INTRODUCTION

The City and County of Los Angeles have under their control "quasi-public" funds which total, depending on the time of year, between 5.5 and 7 Billion Dollars. This sum represents the assets of public employee retirement systems and the temporary idle surplus operating funds of the City and County.

Managers of these funds are charged with investing these monies, in accordance with State law, City Charter and Federal banking regulations. Prudent management of these funds directly benefits the present and future recipients of public pensions and the City and County treasuries. Proper investment of idle surplus funds also benefits the City or County that would suffer the losses from mismanagement (or no investment at all). Thus, proper investment benefits the taxpayers and residents of the City or County who receive the services paid for by generated income.

The various laws and regulations which govern the investment of these funds are quite clear as to the fiduciary responsibility of fund managers: they are required to seek safety and reasonably high rate of return.

Most of these funds, when not needed for disbursement, are placed in 'conventional' investments which include corporate, industrial and utility stocks and bonds. While such investments are not considered imprudent from the perspective of the fund managers, the impact, or lack of it, of such investments on the economy of Los Angeles or California can and should be considered. When such monies leave the state, those funds are no longer available for California's needs. Further, investment in out-of-state corporations can frequently mean jobs created somewhere else, perhaps at the expense of (or in competition with) jobs in the local economy.

Not only are there negative impacts from some investments (in terms of lost economic development), there are tremendous potential impacts from certain alternative investments which can directly or indirectly increase the amount of capital invested in the City or County in housing (construction, rehabilitation, weatherization, solarization), business and industrial development (construction or expansion of commercial properties), job creation (guaranteed loans to small, innovative, labor intensive businesses), community economic development (community cooperatives for food, housing, health care and other services), and other areas of local need.

What makes many of these positive benefits possible is the recent development of a large number of programs (public and private) which offer the public fund investment manager reasonable yields, a high degree of safety and some amount of positive community economic impact.

Many of these investment mechanisms or options fulfill the public fund's requirements for safety (by carrying the "faith and credit" of the federal government as guarantee), for yield (7% to 9% return is typical) and all provide capital for areas of local economic need.

These considerations are of pressing importance in a period of economic difficulty in which most City and County residents are feeling the financial pressures generated by a slowed economy and by inflation. While the overall inflation rate hovers near 9%, the inflation rate for necessities — food, energy, housing, health care — are much higher. Nationally, the costs of housing (as reflected in the increase in the cost of a new house) have risen by 109% between 1970 and 1977; the annual inflation rate for food in 1978 was 11.8%; rates charged for natural gas use by Southern California Gas Company have risen, on the average, 14.4% per year between 1975 and 1979; the costs of health care rose 68% from 1970 to 1977.

Unemployment has become a national concern, with California somewhat better off than the national average. Still, lack of jobs in urban areas for minorities is serious, upwards of 15% to 20% and higher. In many urban centers in which the level of unemployment is high and the level of provided services is very low, there is a vital need for economic development and community revitalization.

The purpose of this study is to examine the current investment practices of the City and County of Los Angeles, in the context of the various capital needs (housing, jobs, energy, food, community economic development) of the area; to discuss model alternative investment programs and options of other state and local governments; to analyze investment options and mechanisms (some immediately available, some proposed, some soon to be operational) which can be used to address the problems and needs presented and, finally, to make some recommendations for the City and County to act upon.

Given the existence of a number of local needs (economic and social), it is time to examine the role of the public fund manager as a public servant; it is time to examine the role of the fund manager in an enlarged social and economic context; it is time to request of the fund manager a finer sense of community or social economic responsibility in the decision-making process.

An additional purpose of this study is to pose the following question to fund managers and investment advisors (and to provide most of what is necessary to answer the question): "If rates of return and safety can be shown to be comparable, why would managers of public funds choose not to invest such as to increase housing, jobs and community economic development within the City and County?"
APPENDIX J: INVESTMENT REFERENCE GUIDE

This is a guide. It is by no means complete. Research your own situation specifically. This Guide is only intended to set you off in the right direction.

### CHURCHES

Governing Body: Usually a Board of Trustees, occasionally in larger churches financial decisions are vested in a special Stewardship Council.

<table>
<thead>
<tr>
<th>FUNDS</th>
<th>INVESTMENT CATEGORY</th>
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</thead>
<tbody>
<tr>
<td>General Fund:</td>
<td>1. Checking Account</td>
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<tr>
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<td>(current)</td>
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<tr>
<td></td>
<td>2. Savings account, Certificates of accounts) Deposit, Bankers Acceptances</td>
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<td>Building Fund:</td>
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<tr>
<td></td>
<td>2. Govt. bonds and securities</td>
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<td></td>
<td>3. Real estate and mortgages</td>
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<td></td>
<td>4. Corporate stocks</td>
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<td></td>
<td>5. Corporate bonds</td>
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<tr>
<td>Endowment:</td>
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<td></td>
<td>3. Real estate and mortgages</td>
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<td></td>
<td>4. Corporate stocks</td>
</tr>
<tr>
<td></td>
<td>5. Corporate bonds</td>
</tr>
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</table>

### MUNICIPALITIES

Governing Body: The legislative body of the region, e.g. City Council, Board of Supervisors, State Legislature, etc. Can be superseded by a public referendum.

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<tr>
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<th>INVESTMENT CATEGORY</th>
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<td>4. Corporate bonds</td>
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<tr>
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</tr>
<tr>
<td></td>
<td>3. Govt. bonds.</td>
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### UNIVERSITIES

Governing Body: The Board of Trustees for private colleges. Public schools are tied into the state system —often a special state Board of Regents or the Treasurer (controlled by the State Legislature).

<table>
<thead>
<tr>
<th>FUNDS</th>
<th>INVESTMENT CATEGORY</th>
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<tr>
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<td>4. Corporate bonds</td>
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<td>(current)</td>
<td>2. Savings account, Certificates of accounts) Deposit, Bankers Acceptances</td>
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</table>

### TRADE UNIONS

Governing Body: The Executive Board. However, in the case of pension funds, the union does not have exclusive control. It may share control with either management or control may be vested in an outside body. Note, though, that even in these cases, the nature of the fund can be subject to collective bargaining.

<table>
<thead>
<tr>
<th>FUNDS</th>
<th>INVESTMENT CATEGORY</th>
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<td>4. Corporate bonds</td>
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<td>Strike Fund:</td>
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<td>2. Govt. bonds and securities.</td>
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<td>General Fund:</td>
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<tr>
<td></td>
<td>2. Savings account, certificates of deposit, bankers acceptance</td>
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*Often managed by a bank, sometimes a special investment company. |
*May be more than one pension fund.
The following symbols have been used:

- **(A)** American parent controls less than 50 percent of capital
- **(B)** Branch (primarily service organization)
- **(S)** American parent controls 50 percent or more of capital

### U.S. Corporations and Banks in South Africa

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<tr>
<th>Name of Local Firm</th>
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<td>(A) AFRATIIC</td>
<td>106</td>
<td>AFR-INTERNATIONAL CORP., 1100, Louisville, Kentucky 40201</td>
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<tr>
<td>(B) AMERICAN AFRICA</td>
<td>60</td>
<td>American AFRICA &amp; CO., 99 West Washington St., Chicago, Illinois 60602</td>
</tr>
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<td>(C) AMERICAN AFRICA</td>
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<td>(D) AMERICAN AFRICA</td>
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</tbody>
</table>

### Supporting Information

The following symbols have been used:

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- **(A)** American parent controls less than 50 percent of capital
- **(B)** Branch (primarily service organization)
<table>
<thead>
<tr>
<th>Name of Local Firm</th>
<th>No. of Employees</th>
<th>Name &amp; Address of American Parent</th>
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<tr>
<td>CALTEX Oil (S.A.) (Pty) Ltd.</td>
<td>**</td>
<td>Galveston Petroleum Corporation, 345 Madison Ave, New York, N.Y. 10017</td>
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<td>CAM T.W.W. (South Africa) (Pty) Ltd.</td>
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<td>TRW Inc., 23658 Saticoy St, Chatsworth, Cal., 91311</td>
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<tr>
<td>CARBON UNLIMITED, Universal S.A. (Pty) Ltd.</td>
<td>190</td>
<td>The Carbonudum Company, Islaqua, Falls, New York 14302</td>
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<td>CALTON Paper Corporation Limited</td>
<td>1462</td>
<td>Kimberly-Clark Corporation North Lake Street, Neenah, Wisc. 54956</td>
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<td>CARRA-TIDE Company (Pty) Ltd.</td>
<td>1,587</td>
<td>Cannon International 8545 Whittier Blvd., Los Angeles, Cal. 90038</td>
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<tr>
<td>CASCADE Corp (Pty) Ltd.</td>
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<td>Cascade Corporation, P.O. Box 20177, Portland Oregon 97220</td>
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<td>CASE South Africa (Pty) Ltd.</td>
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<td>J.I. Case International, 700 East St., Racine, Wis.</td>
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<td>CATRIN PILAR Automotive (Pty) Ltd.</td>
<td>111</td>
<td>Caterpillar Overseas SA, P.O. Box 408, 1211 Geneva 2, Switzerland (In turn wholly owned by Caterpillar Tractor Co., 100 Northland Avenue St., Peoria, Illinois 61629)</td>
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<td>CENTRAL ENGINEERING Works (Pty) Ltd.</td>
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<td>Reservoir Inc., Milwaukee, Wis.</td>
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<td>CHAMBER LAINS (Pty) Ltd.</td>
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<td>Warner Lambert Company, 201 Taber Rd, Morristown, New Jersey 07960</td>
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<td>90</td>
<td>Champion Sears Plug Company, 1021 Geneva 3, Switzerland (in turn wholly owned by Champion Insulator Co., P.O. Box 910, Toledo, Ohio 43661)</td>
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<td>CHASE Methodist Overseas Corporation Representative Office</td>
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<td>The Chase Manhattan Bank, N.A. Through Chase Manhattan Overseas Corporation, New York</td>
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<td>CHESS BROUGH Pond's International Limited</td>
<td>432</td>
<td>Chessborough-Pond's Ltd., 53 Bernam Place, Greystones, Co. Wicklow, Ireland</td>
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<td>CHROME Corporation GE &amp; S. I. (Pty) Ltd.</td>
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<td>Union Carbide Corp., 375 Park Ave, New York, N.Y. 10017</td>
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<td>Chrysler Corporation, P.O. Box 1919, Dearborn, Mich. 48231</td>
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<td>CITIBANK N.A. Ltd.</td>
<td>212</td>
<td>Citibank N.A., 369 Park Ave, New York, N.Y. 10022</td>
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<td>COASTAL Powder Handling (Pty) Ltd.</td>
<td>50</td>
<td>Phillips Brothers Division of Engelhard Minerals &amp; Chemicals Corp, 289 Park Ave., New York, N.Y. 10017</td>
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<td>COCA-COLA Bottlers Export Corporation, P.O. Drawer 58487, Atlanta, Georgia 30346</td>
<td>**</td>
<td>The Coca-Cola Company, 120 20th Street, N.W., Washington, D.C. 20005</td>
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<td>COLGATE Palmolive Company, 300 Park Avenue, New York, N.Y. 10022</td>
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<td>Colgate-Palmolive Company Limited</td>
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<td>COLLIER Macmillan Investments, 866 Third Ave, New York, N.Y. 10022</td>
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<td>Collier Macmillan Investments, 866 Third Ave, New York, N.Y. 10022</td>
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</tr>
<tr>
<td>Name of Local Firm</td>
<td>No. of Employees</td>
<td>Name &amp; Address of American Parent</td>
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<td>(1) ESSO Standard</td>
<td>190</td>
<td>East Africa Inc. 15-17 Suffolk Street, London SW1 4HS, England</td>
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<td>(1) SPRING McDonald &amp; Company (Pty) Ltd</td>
<td>228</td>
<td>E. Randolph Drive, Chicago, Illinois 60601</td>
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<td>(1) PNC South Africa (Pty) Ltd</td>
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<td>PNC Corporation, 200 E. Randolph Drive, Chicago, Illinois 60601</td>
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<td>(1) FMC (Pty) Ltd.</td>
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<td>Federal-Mogul Corporation, P.O. Box 1968, Detroit, Michigan 48225</td>
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<td>Ferro Corporation, International Division, One Easton Plaza, Cleveland, Ohio 44114</td>
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<tr>
<td>(1) PIAT-ALIA</td>
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<td>PIAT-ALIA Construction Machinery Inc., P.O. Box 822, Milwaukee, Wisconsin</td>
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<td>(1) FIBRE GLAS South Africa (Pty) Ltd</td>
<td>120</td>
<td>Osmo-Corning Fiberglass Corporation, P.O. Box 29778, Dallas, Texas</td>
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<tr>
<td>(1) FIRESTONE South Africa (Pty) Ltd</td>
<td>5000</td>
<td>Firestone Tire &amp; Rubber Company, 1200 P.O. Box 87701, Akron, Ohio 44317</td>
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<tr>
<td>(1) P l a c h b a c h and Mendenall Systems South Africa (Pty) Ltd</td>
<td>120</td>
<td>F &amp; M Systems Company, P.O. Box 29778, Dallas, Texas</td>
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<td>Ford Motor Company, The American Road, Dearborn, Michigan 48121</td>
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<td>(1) FORDOM Molding Ltd.</td>
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<td>Walter E. Miller Overseas Corporation, Chicago, Illinois</td>
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<td>(1) FRAN</td>
<td>15</td>
<td>Fran Corporation, P.O. Box 199, Kapepe, Rhodes Island</td>
</tr>
<tr>
<td>(1) G A R I E L  S.A. (Pty) Ltd.</td>
<td>100</td>
<td>Garmon Corporation, 200 E. Randolph Drive, Chicago, Illinois 60601</td>
</tr>
<tr>
<td>(1) G A M L E N (South Africa) (Pty) Ltd</td>
<td>213</td>
<td>Gamlen Corp., 1100 Michelson Towne Ranch, Los Angeles, California 91454 (HYSE SYB)</td>
</tr>
<tr>
<td>(1) G A R V E R - Denver Company Africa (Pty) Ltd</td>
<td>310</td>
<td>Gardner Denver Company, P.O. Box 65114, Dallas, Texas 75247</td>
</tr>
<tr>
<td>(1) GATES South Africa (Pty) Ltd.</td>
<td>61</td>
<td>The Gates Rubber Company, 800 South Broadway, Denver, Colorado 80221</td>
</tr>
<tr>
<td>(1) G E N E R A L Motors Corporation South Africa (Pty) Ltd</td>
<td>300</td>
<td>General Motors Corporation, 767 Fifth Ave., New York, New York 10022</td>
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<tr>
<td>(1) G E N E R A L South Africa (Pty) Ltd</td>
<td>500</td>
<td>General Motors Corp., 10,000 General Motors Building, West Grand Blvd., Detroit, Michigan</td>
</tr>
<tr>
<td>(1) G E N E R A L Rubber Company, South Africa (Pty) Ltd</td>
<td>211</td>
<td>Associated company in U.S.A. General Tire International Company</td>
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<tr>
<td>(1) G E O S O U R C E Smith &amp; Fergus Systems Division</td>
<td>10</td>
<td>Smith Fergus Systems Division, 1820 Wupper Ave., Eau, Pa. 16112</td>
</tr>
<tr>
<td>(1) G I L B A R C O South Africa (Pty) Ltd</td>
<td>180</td>
<td>Gilbarco Monarch Co., P.O. Box 230677, Greensboro, North Carolina 27459</td>
</tr>
<tr>
<td>(1) G I L L E T T E South Africa (Pty) Ltd</td>
<td>30</td>
<td>The Gillette Company, P.O. Box 102, Building, Boston, Mass. 02199</td>
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<tr>
<td>(1) A. M. S. T. Special Tyre Co., South Africa (Pty) Ltd</td>
<td>2916</td>
<td>The Goodyear Tire &amp; Rubber Company, 1144 East Market Street, Akron, Ohio 44315</td>
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<tr>
<td>(1) H E N S T E R  W. R. (Pty) Ltd</td>
<td>15</td>
<td>Hemstreet-Wrprach Co., P.O. Box 29778, Dallas, Texas</td>
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<tr>
<td>(1) H E L E N A  South Africa (Pty) Ltd</td>
<td>10</td>
<td>Helena Rubiconen Inc., 500 Park Ave., New York, New York 10022</td>
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<tr>
<td>(1) H I I M O N T South Africa (Pty) Ltd</td>
<td>26</td>
<td>Inmont Corporation, 1150 Avenue of the Americas, New York, New York 10036</td>
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<td>(1) I N T E R - N A T I O N A L Factors (South Africa) Ltd</td>
<td>85</td>
<td>The First National Bank of Boston, P.O. Box 1816, Boston, Massachusetts 02107</td>
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<tr>
<td>(1) I N T E R N A T I O N A L Harver Company (Pty) Ltd</td>
<td>1008</td>
<td>International Harver Company, 401 North Michigan Avenue, Chicago, Illinois 60611</td>
</tr>
<tr>
<td>(1) JOHN Deere &amp; Company (Pty) Ltd</td>
<td>400</td>
<td>Deere and Company, John Deere Road, Moline, Illinois 61268</td>
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<tr>
<td>(1) JOHNSON &amp; Johnson</td>
<td>816</td>
<td>Johnson &amp; Johnson, 100 George St., New Brunswick, New Jersey 08903</td>
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<td>(1) K N O R R  S.A. (Pty) Ltd.</td>
<td>300</td>
<td>The Knorr Company, North Canton, Ohio 44720</td>
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<tr>
<td>(1) HYDRO AIR International (South Africa) (Pty) Ltd</td>
<td>1439</td>
<td>Hydro-Air International Limited, St. Louis, Missouri</td>
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<tr>
<td>(1) J. A. E.  Inc.</td>
<td>40</td>
<td>J. A. E. Inc., P.O. Box 7728, Philadelphia, Pennsylvania 19101</td>
</tr>
<tr>
<td>(1) S. A. M. E V I N Company Inc.</td>
<td>20</td>
<td>Riverside-Rand Corporation, 200 Chippewa Rd, Ridge Rd., Woodstock, Lake, New York 07868</td>
</tr>
<tr>
<td>(1) S. A. M. E V I N Company Inc.</td>
<td>50</td>
<td>Riverside-Rand Corporation, 200 Chippewa Rd, Ridge Rd., Woodstock, Lake, New York 07868</td>
</tr>
<tr>
<td>Name of Local Firm</td>
<td>No. of Employees</td>
<td>Name &amp; Address of American Parent</td>
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<tr>
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<tr>
<td>AIA KEROSMEN LTD.</td>
<td>87</td>
<td>Keramos Inc., 1 Park Ave., New York, N.Y. 10016</td>
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<tr>
<td>AIB KELLOGG</td>
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<td>AIB KENWOOD CO.</td>
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<td>AIB KODAK</td>
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<td>AIB LAVINCO</td>
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<td>AIB LEXICON</td>
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<td>AIB LEGUS</td>
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<td>AIB LOCK HEAT PIPE COMPANY</td>
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<td>AIB MALONEY</td>
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<tr>
<td>Name of Firm</td>
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<td>Name &amp; Address of American Parent</td>
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<tr>
<td><em><em>PEPSI-COL'</em> CO. (Pty) Ltd.</em>*</td>
<td><strong>PepsiCo Inc.</strong></td>
<td><strong>PepsiCo Inc., Purchase, N.Y. 10577</strong></td>
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<tr>
<td><strong>THE UNIVERSITY OF EMERAC (E.A.) (Pty) Ltd.</strong></td>
<td><strong>2</strong></td>
<td><strong>43</strong></td>
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<tr>
<td><strong>PERMATEX</strong> (E.A.) (Pty) Ltd.</td>
<td><strong>Permatex Incorpor. P.O. Box 8300, Provo, Utah 84602</strong></td>
<td><strong>Permatex Incorpor. P.O. Box 8300, Provo, Utah 84602</strong></td>
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<td><strong>PFIZER</strong> (Pty) Ltd.</td>
<td><strong>230</strong></td>
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<td><strong>PHILIPS LED</strong></td>
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<td><strong>POTTER &amp; MEESE INTERNATIONAL (S.A.) (Pty) Ltd.</strong></td>
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<td><strong>POTTER &amp; MEESE INTERNATIONAL (S.A.) (Pty) Ltd.</strong></td>
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<td><strong>PRELOAD AFRICA (Pty) Limited</strong></td>
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<td><strong>PRICE WAREHOUSE &amp; CO.</strong></td>
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<td><strong>800</strong></td>
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<td><strong>PYOTT LIMITED</strong></td>
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<td><strong>627</strong></td>
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<td><strong>QUADRANT INTERNATIONAL (SOUTH AFRICA) (Pty) Ltd.</strong></td>
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<td><strong>R. &amp; M. PHARMACEUTICALS (Pty) Ltd.</strong></td>
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<td><strong>21</strong></td>
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<td><strong>RAMBERG ENGINEERING AFRICA (Pty) Limited</strong></td>
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<td><strong>REMED</strong></td>
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<td><strong>REXALL</strong></td>
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<td><strong>THE ROBBINS CO. (S.A.) (Pty) Ltd.</strong></td>
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<td><strong>SMITH &amp; NESS</strong></td>
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<td><strong>SOUTH AFRICAN ELECTRIC COMPANY</strong></td>
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<td><strong>SOUTH AFRICA</strong></td>
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<td><strong>STEIN</strong></td>
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<td><strong>SCHERAG</strong></td>
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<td><strong>SCHOLL</strong></td>
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<td><strong>SIMPSONS</strong></td>
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<tr>
<td>Name of Firm</td>
<td>No. of Employees</td>
<td>Name &amp; Address of American Parent</td>
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<tr>
<td>(S) STERLING Drug (SA)</td>
<td>500</td>
<td>Sterling Products Inc., Inc., 90 Park Ave., New York, N.Y. 10016</td>
</tr>
<tr>
<td>(S) STOWE Woodford (S.A.) (Pty) Ltd.</td>
<td>**</td>
<td>Steel-Woodford Co., New黄山, Mass.</td>
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<td>(S) SUPER BIRD Carborundum (Pty) Ltd.</td>
<td>618</td>
<td>International Telephone and Telegraph Corporation, 325 Park Ave., New York, N.Y.</td>
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<tr>
<td>(S) TAMPAX S.A. (Pty)</td>
<td>**</td>
<td>Tampax Inc., 6 Davis Dr., Lake Success, N.Y.</td>
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<tr>
<td>(S) TANATEX South Africa</td>
<td>10</td>
<td>Tenax Chemical Corporation, P.O. Box 138, Lyndhurst, N.J. 07643</td>
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<tr>
<td>(S) TAYLOR Instrument</td>
<td>24</td>
<td>Taylor Instrument Company, 85 Ames St., Rochester, N.Y.</td>
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<tr>
<td>(S) TECHNI-CAL Adhesives &amp; Chemical Products (Pty) Ltd.</td>
<td>20</td>
<td>National Starch and Chemical Corporation, P.O. Box 4800, Bridgeport, New Jersey 06605</td>
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<tr>
<td>(S) TECHNI-CAL COM (Pty) Ltd.</td>
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<td>Teknokar Corporation, Troytown, N.Y.</td>
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<td>(S) TO EXPLORATION (Pty) Ltd.</td>
<td>14</td>
<td>Transoil Inc., 200 Park Ave., New York 10017</td>
</tr>
<tr>
<td>(S) TOWER-Miss Proton Industries (Pty) Ltd.</td>
<td>**</td>
<td>Mellon Laboratories Inc., Ethel, Indiana</td>
</tr>
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<td>(S) TINHENA South Africa</td>
<td>**</td>
<td>The Tien Company, Canton, Ohio</td>
</tr>
<tr>
<td>(S) TITAN Industrial Corporation (SA)</td>
<td>212</td>
<td>Titan Industrial Corporation, 777 Third Ave., New York, N.Y. 10017</td>
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<tr>
<td>(S) TOKEIM South Africa (Pty) Ltd.</td>
<td>40</td>
<td>Tokeim Corporation, 4202 Hudson Ave., Fort Wayne, Ind. 46801</td>
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<td>(S) TRANS So. Africa (Pty) Ltd.</td>
<td>87</td>
<td>The Trans Company, La Crosse, Wis. 54601</td>
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<td>(S) TRANSLOR Aerospace Inc., (Service Office)</td>
<td>**</td>
<td>Transworld Airlines Inc., 805 3rd Ave., New York, N.Y.</td>
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<tr>
<td>(S) TUNNEB Corporation Limited</td>
<td>5977</td>
<td>Newmont Mining Corporation, 12th Floor, 320 Park Ave., New York, N.Y. 10002</td>
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<tr>
<td>(S) THE TUFFERWARE Company</td>
<td>200</td>
<td>Dart Industries Inc., P.O. Box 3151, Tarzana Annex, Los Angeles, Calif. 90051</td>
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<tr>
<td>(S) TWENTIETH Century Fox Film (Pty) Ltd.</td>
<td>**</td>
<td>20th Century-Fox Film Corp., 444 Wilshire Blvd., Los Angeles, Calif.</td>
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</table>

<table>
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<tr>
<th>Name of Firm</th>
<th>No. of Employees</th>
<th>Name &amp; Address of American Parent</th>
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<tbody>
<tr>
<td>(S) TWIN Disc (SA) (Pty) Ltd.</td>
<td>12</td>
<td>Twin Disc Incorporated, 1338 Raimer St., Racine, Wis. 53403</td>
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<tr>
<td>(S) UCAR Chemicals Company (SA) (Pty) Ltd.</td>
<td>133</td>
<td>Union Carbide Corp., 270 Park Ave., New York, N.Y. 10017</td>
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<tr>
<td>(S) UCAR Minerals Corporation (Pty) Ltd.</td>
<td>368</td>
<td>Union Carbide Corp., 270 Park Ave., New York, N.Y. 10017</td>
</tr>
<tr>
<td>(S) UNBRAK (Pty) Ltd.</td>
<td>**</td>
<td>Standard Pressed Steel Company, Johnstown, Pa.</td>
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<tr>
<td>(S) UNION South Africa (Pty) Ltd.</td>
<td>82</td>
<td>Union Carbide Corp., 270 Park Ave., New York, N.Y. 10017</td>
</tr>
<tr>
<td>(S) UNIRoyal (Pty) Ltd.</td>
<td>215</td>
<td>Universal Inc., 1230 Ave. of the Americas, Rockefeller Center, New York, N.Y. 10020</td>
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<tr>
<td>(S) UNITED Aeronautics Corp. (SA) (Pty) Ltd.</td>
<td>32</td>
<td>United Aeronautics Corp., 729 7th Ave., New York, N.Y. 10019</td>
</tr>
<tr>
<td>(S) UPJOHN (Pty) Ltd.</td>
<td>**</td>
<td>The Upjohn Company, Kalamazoo, Mich.</td>
</tr>
<tr>
<td>(S) VALVO-Link Oil Co. (Pty) Ltd.</td>
<td>120</td>
<td>Valvoline Oil Company, International Division, P.O. Box 291, Ashland, Kentucky 41101</td>
</tr>
<tr>
<td>(S) VAULENTINE Maple Leaf Ltd.</td>
<td>**</td>
<td>The Veteran Corporation, 22166 Greenfield Rd., Suite 200, Oak Park, Mich. 48237</td>
</tr>
<tr>
<td>(S) VAN Dieen Aircraft Supply</td>
<td>16</td>
<td>Van Denin Aircraft Incorporated, 2801 S. 76th St., Waukegan, Ill. 60085</td>
</tr>
<tr>
<td>(S) WARNER (Amer) (Pty) Ltd.</td>
<td>**</td>
<td>Warner Bros., Inc., 4900 Warner Blvd., Burbank, Calif.</td>
</tr>
<tr>
<td>(S) WESTERN Airlines Inc. (Sales Office)</td>
<td>2</td>
<td>Western Airlines Inc., 6000 Airline Drive, Los Angeles, Calif. 90006</td>
</tr>
<tr>
<td>(S) WESTINGHOUSE Electric S.A.</td>
<td>12</td>
<td>Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222</td>
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<tr>
<td>(S) G.J. WESVELL (Pty) Ltd.</td>
<td>36</td>
<td>M&amp;T Chemicals Inc., American Lane, Greensburg, Conn. 06474</td>
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</table>

**FIRMS NOT SEPARATELY INCORPORATED IN SOUTH AFRICA BUT HAVING DIRECT FACTORY OR COMPANY REPRESENTATIVE**

<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>No. of Employees</th>
<th>Name &amp; Address of American Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>(S) WYETH Laboratories (Pty) Ltd.</td>
<td>234</td>
<td>Wyeth International Limited, P.O. Box 8415, Philadelphia, Pa. 19101/American Home Products Corporation, 880 Third Ave., New York, N.Y. 10017</td>
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<tr>
<td>(S) Arthur Young &amp; Company</td>
<td>350</td>
<td>Arthur Young &amp; Company, 277 Park Ave., New York, N.Y. 10017</td>
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</table>

**Note:** This is not a complete list, but appears to include the majority of U.S. investors. According to the U.S. Department of Commerce publication Survey of Current Business (August 1976) total U.S. investment in South Africa at the end of 1975 was $1,576 million (over $1.5 billion).
HERE ARE THE BIG LENDERS

Here is a state by state listing of banks making loans to South Africa.

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<th>State</th>
<th>Banks</th>
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<td>ALABAMA</td>
<td>City National Bank, Merchants National Bank</td>
</tr>
<tr>
<td>ARIZONA</td>
<td>The Arizona Bank, First National Bank, Northern Trust, Northwestern Trust</td>
</tr>
<tr>
<td>CALIFORNIA</td>
<td>Security Pacific National Bank, United California, Bank of America, Crocker National Bank, Wells Fargo</td>
</tr>
<tr>
<td>COLORADO</td>
<td>American National Bank, Continental National Bank, First National Bank</td>
</tr>
<tr>
<td>CONNECTICUT</td>
<td>Connecticut Bank and Trust, Union Trust, Hartford National Corp, DISTRICT OF COLUMBIA, Riggs Bank, FLORIDA, Southeast First National Bank, Security Trust</td>
</tr>
<tr>
<td>DELORES</td>
<td>First National Bank, Security Trust, Citizens and Southern Bank, First National Bank, Trust Company Bank</td>
</tr>
<tr>
<td>IOWA</td>
<td>Bank of Idaho, Merchants National Bank, Union Bank and Trust, Council Bluffs Bank, First National Bank, Key City Bank and Trust, First Trust and Savings Bank</td>
</tr>
<tr>
<td>ILLINOIS</td>
<td>Central National Bank, Continental Bank, First National Bank, Harris Trust and Savings, Northern Trust, American National Bank, INDIANA National Bank, Indiana National Bank, Merchants National Bank and Trust</td>
</tr>
<tr>
<td>KENTUCKY</td>
<td>First National Bank, Kentucky Trust, LOUISIANA, First National Bank of Commerce, MARYLAND, Equitable Trust, Columbia Bank and Trust, Farmers and Merchants Bank, Bankers and Savings Bank</td>
</tr>
<tr>
<td>MONTANA</td>
<td>Bank of Glacier County, Conrad National Bank, Montana Bank, Northwestern Union Trust</td>
</tr>
</tbody>
</table>

The brokerage houses are also among the big lenders. These include:

- KIDDER PEABODY
- LAZARO FRERES
- LEHMAN BROS
- LOEB RHODES
- MORGAN STANLEY
- PAINE WEBBER INC
- SALOMON BROTHERS
- SMITH BARNEY HARRIS & CO

MERRILL LYNCH
DEAN WITTER
DILLION READ & CO
FIRST BOSTON INC
GOLDMAN SACHS
BLYTH EASTMAN DILLION
J. HENRY SCHRODER
BROWN BROTHERS HARRIMAN & CO

Campaign to Oppose Bank Loans to South Africa
National Union of Hospital and Health Care Employees
RWDSU/AFL/CIO
310 West 43 Street
New York, N.Y. 10036  JU 2-1890

For further information contact...

FOR RELEASE SUNDAY PM - JANUARY 29, 1978

NATIONAL HOSPITAL UNION PENSION FUND TRUSTEES BAN SOUTH AFRICA INVESTMENTS

The pension fund of the National Union of Hospital and Health Care Employees, AFL-CIO, has become the first national labor-management pension fund to ban investments that aid South Africa.

The National Pension Fund for Hospital and Health Care Employees covers 70,000 workers. The majority of them are members of District 1199 in voluntary hospitals, nursing homes and retail drug stores in the New York metropolitan area.

The Fund has assets of $236,000,000.

In a resolution adopted at its January meeting, the labor and management trustees of the Fund declared that:

"no pension funds should be invested in any manner that would financially assist or aid or support the present government or economy of South Africa."

National Hospital Union Pres. Leon Davis, who is chairman of the National Pension Fund Board of trustees, commented on the South Africa policy:

"Loans and investments from the United States that prop up South Africa's repressive regime are an insult to all Americans who believe in justice and fair play."

Montefiore Hospital and Medical Center Deputy Director for Human Resources Allen C. Abramson, first vice-chairman of the National Pension Fund, added:

"The Fund management trustees feel it would be totally unacceptable for pension monies contributed by management on behalf of their employees to be used for investments that help perpetuate racism in South Africa or anywhere else."
The American Committee on Africa, a leader in rallying support for the South African movement, reports the following additional organizations have acted or begun to prevent investment in South Africa of funds they control: National Council of Churches, New York Conference of United Methodist Church, National Conference of Christians and Jews, United Auto Workers, United Steel Workers District 31, California Nurses Association, International Association of Machinists, United Electrical Workers, International Longshoremen's and Warehousemen's Union Locals 6 and 10, the Joint Board of the Fur, Leather and Machine Workers Union and the Furriers Joint Council.

At the same January meeting, the labor-management trustees also adopted a policy that

"...a reasonable ratio of the assets of our Pension Fund should be invested to support socially useful and desirable programs..."
A. Bank Campaign

Campaign to Oppose Bank Loans to South Africa (COBLSA), 198 Broadway, New York, NY 10038

Affiliates (partial list):

Boston Coalition for the Liberation of Southern Africa, P.O. Box 8791, Boston MA 02114
Chicago Coalition on Southern Africa, 22 East Van Buren St., Chicago, IL 60605
District of Columbia Bank Campaign, 110 Maryland Avenue, N.E., Washington, D.C. 20002
Minnesota Clergy and Laity Concerned, 122 W. Franklin Avenue, Minneapolis, MN 55404
New York Committee to Oppose Bank Loans to South Africa, 313 W. 78th St. #4R, New York, NY 10024
People for Southern African Freedom, 1414 Kincaid St., Eugene, OR 97401
Rochester Coalition for Justice in Southern Africa, 713 Montrose Avenue, Rochester, NY 14607
Seattle Committee to Oppose Bank Loans to South Africa, 814 NE 4th St., Seattle, WA 98105
Southern Africa Support Committee, P.O. Box 3453, Pasadena, CA 91103

B. General Information and Support for African Freedom

Africa Resource Center
464 19th Street
Oakland, CA 94612
(415) 783-8011
The Center maintains extensive information files and periodicals on Africa and distributes publications. Source of speakers.

American Committee on Africa/Africa Fund
198 Broadway
New York, NY 10038
(212) 962-1210
The Africa Fund distributes literature on southern Africa, serves as a source of speakers, films, and information on African liberation struggles. Currently in preparation are five new pamphlets on topics such as the Wiehahn Commission, the Sullivan principles, and Fluor Corporation. Write for a list of publications.

Campaign to Oppose Bank Loans to South Africa (COBLSA)
Dumisani Kumalo
198 Broadway
New York, NY 10038
(212) 962-1210
This is the national body responsible for coordinating the activities of the local bank loan committees (see related article this issue). COBLSA publishes a quarterly newsletter which is available on request.

Centre Against Apartheid
United Nations
New York, NY 10017
The center publishes a series of free papers, entitled "Notes and Documents," which deal with foreign investment in South Africa, trade-union actions and other aspects of the struggle against apartheid. Write to be put on the mailing list for "Notes and Documents."

International Defense and Aid Fund for Southern Africa
P.O. Box 17
Cambridge, MA 02138
(617) 495-4940
IDAF is an international organization providing legal and material aid to victims of apartheid. In addition, it produces excellent publications dealing with southern Africa, a number of good pictorial exhibitions and a film and slide show. Write for a publications list.

Liberation Support Movement
P.O. Box 2077
Oakland, CA 94604
Distributes publications and literature on African Liberation struggles.

TransAfrica
1325 18th Street, N.W.
Suite 202
Washington, DC 20036
(202) 223-9666
A black lobbying organization that monitors current US policy towards Africa and provides information on recent policy and legislative developments related to Africa and the Caribbean. TransAfrica distributes regular mailings and a quarterly bulletin. Write for details.

Washington Office on Africa
110 Maryland Ave., N.E.
Washington, DC 20002
(202) 546-7961
Provides information on Africa with special reference to the US government policy towards Africa. WOA also publishes a quarterly newsletter entitled "Washington Notes on Africa." Write them for details.

C. Religious Organizations

Coalition for Responsible Investment
20 Washington Square North
New York, NY 10011

Episcopal Churchmen for South Africa
853 Broadway, #1005
New York, NY 10003
(212) 477-0066

Interfaith Center on Corporate Responsibility
475 Riverside Drive, #566
New York, NY 10027

Lutheran Coalition on Southern Africa
777 U.N. Plaza
New York, NY 10017
(212) 977-2115

Northern California Interfaith Committee for Corporate Responsibility
3410 19th Street
San Francisco, CA 94110
(415) 863-8060

D. Academic Organizations

International Freedom Mobilization
Michigan State University
East Lansing, MI 48824
Have a well established outreach program to help teachers teach about Africa. Can put you in touch with similar programs in your area.
Association of Concerned African Scholars  
P.O. Box 791  
East Lansing, MI 48823  
To formulate and articulate alternatives to U.S. Africa policies.

E. Trade Union Organizations  
Coalition of Black Trade Unionists  
2550 'M' Street, NW #300  
Washington, D.C. 20037  
(202) 293-3812  
Trade Union South Africa Committee  
c/o ILWU Local 6  
255 9th Street  
San Francisco, CA 94103  
(415) 621-7326

F. Investor Resource Organizations  
Alternative Investment Task Force  
1932 Fourth Ave.  
Sacramento, CA 95818  
A California coalition of civic, community, and labor organizations which have pioneered the development of alternative investment strategies.

Center for Community Change  
1000 Wisconsin Ave., N.W.  
Washington, DC 20007  
The Center has information about banking issues in general. It has also done extensive work in the area of the Community Reinvestment Act (national), neighborhood reinvestment and mortgage banking.

The Center for New Corporate Priorities  
1516 Westwood Boulevard, Suite 202  
Los Angeles, CA 90024  
(213) 475-5856  
A public interest research organization which specializes in the examination of banking issues from the consumer viewpoint.

Coalition for Responsible Investment  
20 Washington Square North  
New York, NY 10011  
Will help you in educating your group to the need for economic withdrawal and alternative investment.

Community Economics, Inc.  
6529 Telegraph Ave.  
Oakland, CA 94609  
(914) 653-6555  
A non-profit corporation providing economic analysis, financial feasibility studies, and other technical assistance to community groups and local public agencies regarding community based economic development and cooperative housing.

Conference on Alternative State and Local Policy  
1901 Q Street, N.W.  
Washington, DC 20009  
(202) 234-9282  
A national organization of progressive state and local public officials and community leaders. It serves as a clearinghouse for those interested in redirecting public employee pension funds in more socially useful directions.

Corporate Data Exchange  
198 Broadway, Room 706-7  
New York, NY 10038  
(212) 962-2980  
CDE staff members research and publish data on current and alternative practices in the fields of banking, energy development, agriculture and transportation, and provide consulting services to organizations seeking to adopt this research to their educational programs and activist campaigns.

Council on Economic Priorities  
84 Fifth Avenue  
New York, NY 10011, 691-8550  
Provides institutional and individual subscribers with documented analyses comparing the social performance of publicly held U.S. corporations.

Inform  
25 Broad Street  
New York, NY 10004  
(212) 425-3550  
Concentrates research in areas where private sector activity is a cause of social concern. It looks at corporate performance and the effectiveness of the relevant regulatory structure.

Interfaith Center on Corporate Responsibility  
475 Riverside Drive, Room 566  
New York, NY 10027  
(212) 870-2293  
NC/ICCR  
3410 19th St.  
San Francisco, CA 94110  
(415) 863-8060  
An ecumenical agency actively pursuing issues of social and economic justice through shareholder activity. Membership provides information on how to vote Common Stock for changes in corporate policy and on socially responsible investment.

Investor Responsibility Research Center  
1552 K Street, N.W.  
Washington, DC 20005  
(202) 833-3727  
Nonprofit corporation which conducts research publishes impartial reports on contemporary public policy and social issues with respect to their impact on major corporations and institutional investors.

Strategic Investment Advisers  
1320 Campus Drive  
Berkeley, CA 94709  
(415) 548-1320

G. Official Liberation Movement Representatives  
Theo Ben Gurirab  
SWAPO Observer Mission to the UN  
801 Second Ave.  
New York, NY 10017  
(212) 986-7863  
J.M. Makatini  
African National Congress of South Africa  
801 Second Ave.  
New York, NY 10017  
(212) 697-7910  
Tirivafi Kangai  
ZANU (The Patriotic Front)  
211 East 43rd Street No. 902  
New York, NY 10017  
(212) 697-7910  
L.S. Makhanda  
Pan Africanist Congress of Azania  
211 East 43rd Street, Suite 506  
New York, NY 10017  
(212) 986-7375

H. Research Distributors/Resource  
Africa Resource Center  
464 19th Street  
Oakland, CA 94612

*Note: There are a number of local and regional Trade Union Committees similar to the above in different areas of the country. Check for the one nearest you.
I. Periodicals With a Southern Africa Focus
(Note: Many of the organizations listed above have their own newsletters. Write for details.)

Africa News
P.O. Box 3851
Durham, NC 27702

Africa Today
c/o Graduate School of International Studies
University of Denver
Denver, CO 80208

Journal of Southern African Affairs
Room 413
Art/Sociology Building
University of Maryland
College Park, MD 20742

Southern Africa Magazine
17 West 17th Street
New York, NY 10011

UFAHAMU, African Activists Association
African Studies Center
University of California
Los Angeles, CA 90024

Facts and Reports
Holland Committee on Southern Africa
Du Costastraat 88
Amsterdam, Holland

II. Selected Bibliography


Anti-Apartheid Organizing: On Campus and Beyond, South Africa Catalyst Project 1979, 80 pp.5

South Africa and U.S. Multinational Corporations, Anne and Nena Seidman, Lawrence Hill 1978, 251 pp.4

South Africa: Foreign Investment and Apartheid, Lawrence Litvak, et al, Institute for Policy Studies 1979, 100 pp.2

U.S. Bank Loans to South Africa, Corporate Data Exchange 1978, 46 pp.4

"South Africa Fact Sheet", Joan Harrell and Karen Rothmyer, Africa Fund 1979, 4 pp.7

"U.S. Dollars in South Africa: Context and Consequence", Jennifer Davis, Africa Fund 1978, 6 pp.4

"American Firms, Subsidiaries and Affiliates Operating in the Republic of South Africa," Africa Fund 1977, 6 pp.4


"Our Town Out of South Africa", Stop Banking on Apartheid 1979

"Alternative Investment Packet", Stop Banking on South Africa 1979


"Divide and Rule: South Africa's Bantustans, Barbara Rogers, International Defense and Aid Fund 1976, 86 pp.2


Socially Responsible Investing: Criteria and Proxy Voting Guidelines, California State Senate Select Committee on Investment Priorities, 19781

The California Connection: California Public Investments and Social Responsibility, John Harrington, 1977 ($26.50)1

California State and Local Investments: A Guide for Responsible Ownership, John Harrington, 1975.1

"Pension Funds as a Part of a Movement for the Public Control of Capital," John Harrington, 19784

"Readings on Pension Funds," 1978 selections, compiled by John Harrington, 19781

Strategic Investment: An Alternative for Public Funds, Richard Parker and Tamzin Taylor, 1978

Public Investment Practices of the City and County of San Diego, Chris Walker, 1978.


1Available only from the California Alternative Investment Task Force.
2Available from The African Fund.