

PULLING OUT FROM APARTHEID. A Guide for Action

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from  
**Apartheid**  
a guide for action.

TWIS  
Tower Hamlets International Solidarity

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## **Acknowledgements**

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1.

# Apartheid Now

The Republic of South Africa is the richest African nation possessing both immense natural resources and a range of highly advanced industries. Yet whilst other African nations struggle to develop their own often meagre resources for the benefit of their people, South Africa, with so much potential, has remained frozen in the grip of the apartheid system that denies the most basic quality of life to the vast majority of its population.

Apartheid, which means literally 'separateness', is a system of government based on the total and arrogant enforcement of racism. The black majority, 85% of the country's people, are dominated by a white minority, the descendants of European colonists, who make up the remaining 15% of the population. That domination is rigidly and brutally maintained and affects every area of an individual's life. Apartheid defines where people must live, what work they can do and with whom they can associate. Any questioning of the white minority's presumption to govern is ruthlessly suppressed.

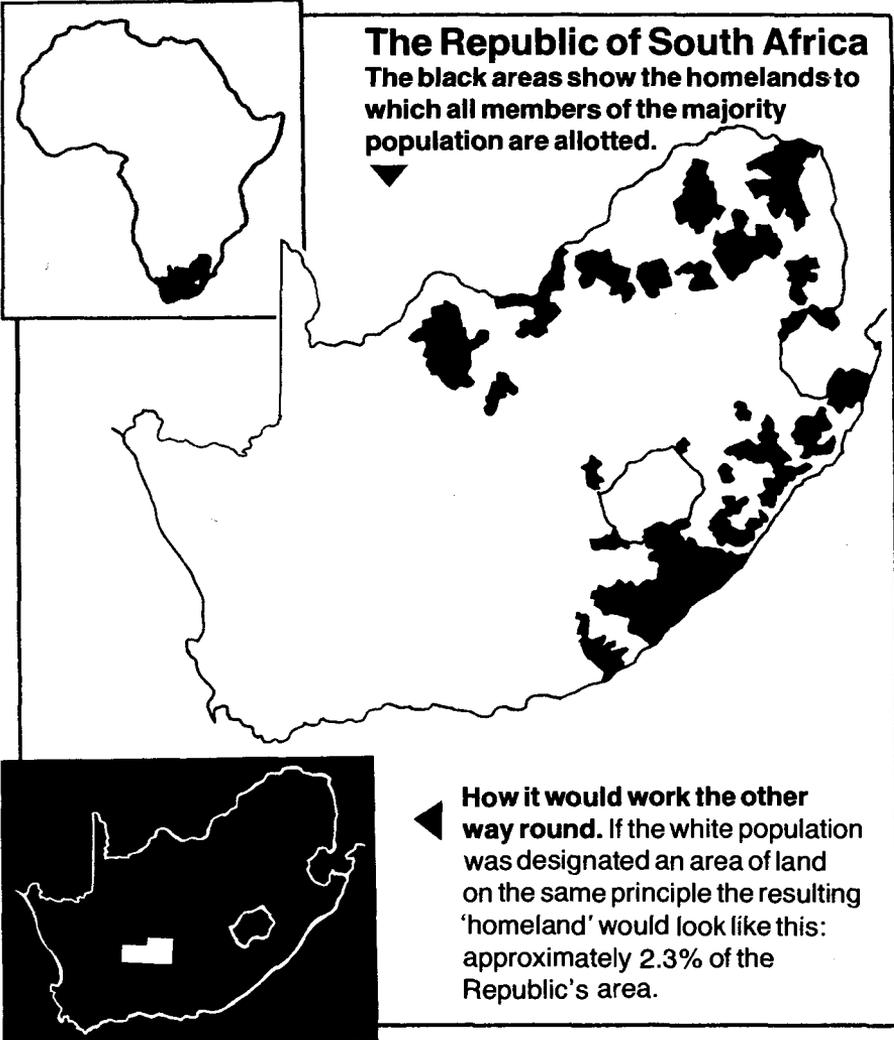
South Africa is unique in having developed a system of government centred on the practice of racism — in doing this the only society with which it could be compared is the Germany of the Nazi period.

## **Profits for the few...**

It is racism with a clear purpose: whilst the country's resources provide white South Africans with one of the highest standards of living in the world black South Africans experience some of the worst poverty. Over two thirds of the

wealth produced in the Republic of South Africa is used for the benefit of the one sixth of its people who are white. The other beneficiaries are the foreign based companies who make immense financial profits from their involvement in the apartheid economy and the modern form of slavery it uses.

Nowhere is the inequality and inhumanity of the apartheid system more apparent than in the division of land. Through a policy of enforced evictions and 'resettlements' the majority are deprived of rights of residence and citizenship in areas other than designated 'homelands' — the bantustans.



These are barren rural areas with few resources and little industry which make up a mere 13% of the Republic's area. The aim of this policy is that by forcing the black population into the homelands, which are being granted nominal independence, South Africa will theoretically have no black citizens. South Africa will become a whites-only state in which all black people will be treated as visiting aliens.

Since the 1960's an estimated 3 million people have been uprooted and sent to homelands in accordance with this policy.



**Black and White South Africa:  
Contrasting Standards of Living.**

### **... Poverty for the majority**

In 1984 an extensive, independent survey, backed by the US Carnegie Corporation, showed the condition of the people herded into these areas. The survey showed that over a third of black children under 14 were stunted as a result of malnutrition; it found that the death rate amongst black infants in the homelands was thirty one times higher than amongst the white population; medical provision in these areas was so minimal that it was calculated there was only one doctor for every 174,000 residents. The survey concluded that nine million people were living on an income below the barest minimum needed to feed and clothe them whilst one and a half million were found to have no income whatsoever.

The desolation and poverty of the homelands ensures a constant supply of cheap labour for the apartheid economy. With no means of survival available to them people there must journey to work in industry or on white farms, either travelling long distances each day or living away from their

families in segregated urban areas or special hostels. If their labour is not required they are forced to remain in the homeland to which they are allotted. The system of pass laws prevents people leaving their homelands unless they are employed. Blacks found without a pass or without the necessary stamp from an employer explaining their presence in a white designated area are liable to arrest, imprisonment and deportation to the homeland. In 1982 200,000 were detained under these laws.

### **Government by force.**

The domination over the black majority and the ability of the white minority to remain in control ultimately rests on brute power. South Africa bears all the characteristics of a totalitarian state — a host of oppressive laws prohibiting opposition to the minority's rule are backed up by a military and police machine that is the largest in Africa.

South Africa's affairs are increasingly shaped by the minority's determination to defend its position militarily. Government expenditure on armaments has increased thirteen fold in the last decade whilst conscription for military service has been extended to turn the adult white population into a reserve force to augment the huge permanent army in times of crisis.

Any challenge to apartheid policy has always been met with calculated and enthusiastic displays of butchery from the security forces. In 1960

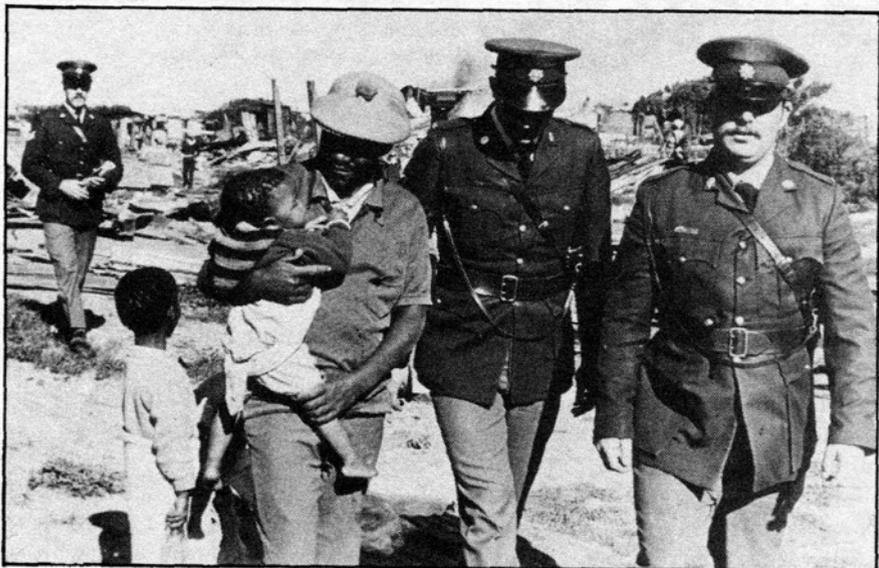


Photo: IDAF

Eviction.

unarmed protesters against the Pass Laws were fired on at Sharpeville, sixty nine people were killed. In 1976 in the black township of Soweto children demonstrating against the imposition of the Afrikaans language in their schools were shot down by police and soldiers, many hundreds died. On 21st of March 1985 the anniversary of Sharpeville was marked by yet another massacre — on this occasion in the Eastern Cape township of Langa.

Incidents such as these have brought condemnation from the international community but it is the continuous and unremitting violence built into the apartheid system that must not be forgotten — the deaths in detention, the use of the police and army against strikers, the uprooting of whole communities at gun point. Violence is the daily currency of apartheid not its occasional or accidental by-product.

### **Namibia: South Africa's Colony.**

Apartheid's dependence on military force is most evident in its occupation of the neighbouring country of Namibia. Here 100,000 South African troops impose every feature of the apartheid system of government upon a population of one and a half million people. The ratio of soldiers to civilians makes Namibia the most heavily militarised state in the world. This army of occupation, in contravention of repeated declarations by the United Nations and rulings under international law that the South African presence should cease, oversees the pillaging of Namibia's mineral and natural

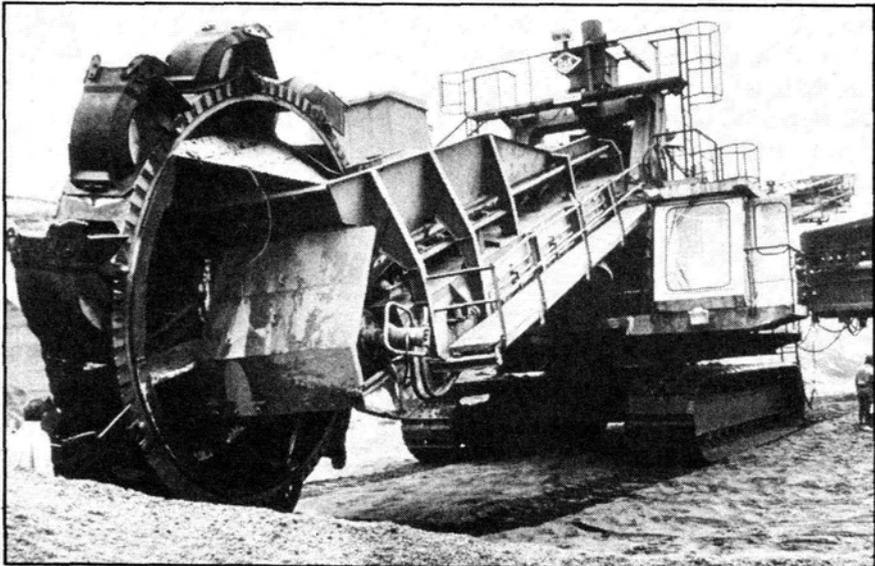


Photo: IDAF

**Diamond Mining in Namibia.**

resources by multi-national companies. One third of the wealth produced in Namibia each year is removed as profits by these foreign based corporations — only one tenth remains for the use of the black population who make up nine tenths of the country's people. Much of the area's natural wealth is in immediate danger of exhaustion, the once plentiful fishing stocks of the Namibian coast have already been destroyed by systematic over-exploitation.

## **Resistance.**

South Africa's use of the most extreme techniques of repression has not been able to stifle the movement of mass popular resistance to apartheid. The African National Congress remains at the centre of that movement despite having been banned in 1960 in an attempt to silence its campaign to achieve freedom for the majority. The ANC survives as an underground organisation — a recent poll in Soweto found that its imprisoned leader, Nelson Mandela, was the choice of over 80% of the people as the leader of a non-racial South Africa. This is in the face of laws which make any support for the ANC illegal and even the quotation of many of its leaders' words an offence.

Increasingly within South Africa's own borders and inside Namibia the security forces are challenged by the military wings of the ANC and SWAPO (South West African People's Organisation) which have proved capable of sabotaging military and economic installations in both rural and urban areas. The bloodshed of 1976 drove a whole new generation of young people into exile as well as into the conviction that the violence of the regime could only be defeated by the use of reciprocal force.

The period since 1976 has also seen the rise of a new militancy amongst South African workers organised into non-racial and democratic trade unions. Major strikes have taken place which have shattered the regime's assumptions that black workers could be treated as an expendable and passive resource.

## **Buying time for Apartheid.**

At the present time there is evident confusion within the ranks of the government as to how it can best defend the privileges of the white minority from this growing movement against its rule. As ever there are those who can see only one response to a threat from the black majority — recourse to the harshest possible repression coupled with economic and political reorganisation to make South Africa into a fortress state capable of surviving in isolation from an outside world that may impose sanctions. Others within the white establishment hope that a longer term future for

apartheid may be obtained through the restructuring of the system and some limited reform. Such 'reforms' would leave the basis of apartheid — the concentration of political and economic power in the hands of the minority — unchanged, but, so the theory goes, could buy off the opposition of some groups within the black majority. More importantly they could buy the continuing co-operation of the Western powers, whose support is crucial to the regime, but who feel the need to justify their involvement in apartheid with some evidence of it undergoing a transformation into a more acceptable form.

In 1984 it was made clear that the black majority are not prepared to live under apartheid however it may be dressed up. Constitutional elections allowing Coloured (mixed race) and Asian people to elect separate assemblies, which were mounted as part of this strategy of reform, backfired in the government's face. The United Democratic Front, an umbrella grouping of hundreds of different black and community organisations, campaigned against the elections exposing them as a sham exercise in democracy from which the African majority was entirely excluded and which would produce assemblies without any real powers. The call for a boycott of the elections met a massive response with four out of five of those eligible to vote staying away from the polls.



Photo: IDAF

UDF posters against the new constitution

The agitation over the elections was followed by a wave of unrest that spread throughout the country with industrial stoppages, rent strikes and demonstrations by students. The extent of this unrest has alarmed the regime and shows no sign, in early 1985, of abating. For the first time it is spreading into the smaller towns and settlements, the rural heartlands of Afrikaanerdom where the power of the white minority has never before been defied.

What happens in South Africa in the future will be decided by the ability of such diverse displays of anger and frustration to coalesce into a force capable of paralysing the power and resolve of the regime. But the capability and determination of the regime to resist change will be largely determined by outside factors. The remainder of this booklet looks at these, specifically the economic links with other countries that sustain and perpetuate apartheid, and suggests ways that people in Britain, which to its shame remains racist South Africa's main ally, can take action to begin breaking those links.



Photo: IDAF

Soweto 1976.

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# 2. Britain and South Africa

Britain has always been South Africa's main economic partner. Presently over 650 British firms are known to have operations in South Africa; 66% of foreign investment in that country comes from the sterling area. In addition over eighty British firms are operating in Namibia in flagrant contravention of United Nations rulings.

The oppression of the black majority provides a source of cheap labour that makes the country highly attractive to foreign investors. In the past South Africa has proved spectacularly profitable earning British companies a 21% return on their investments compared to an average of only 9% for the rest of the world. Firms in other countries have not been slow to realise this potential and in recent years American and West German investments have risen sharply.

In the past British companies invested directly in South Africa either through branches or, more commonly, by setting up or acquiring subsidiary companies. Profits from these were either repatriated to Britain or reinvested to further expand the companies' South African operations.

British companies are active in almost every sector of the apartheid economy including banking, mining, manufacturing, engineering, food and tobacco, petro-chemicals and transport. Many of the companies profiting enthusiastically from the brutalities of the apartheid regime are house-hold names in this country with respected public images.

Besides this direct investment in South Africa British financial institutions organise the sale of shares and stocks in South African

companies and public corporations. These are bought in Britain by private investors and, more significantly, by institutions such as insurance companies, pension funds, banks and unit trusts. The holders of these shares and stocks receive a return on their investment in the form of interest payments or dividends but have no direct control over their investment.

This type of indirect or portfolio investment from Britain is currently estimated to total £6 billion.

As a major financial centre the City of London plays a crucial role in organising investment into South Africa. In recent years the pattern of British investment in apartheid has become more complex. The proportion and amount of investment going directly into subsidiaries has declined whilst indirect investment has increased.

### **Recession bites.**

The effect of the world recession began to filter through to the South African economy in 1981. The country began to run up a growing foreign debt, largely as a result of the falling price of gold on the world market. Gold is traditionally one of the Republic's major sources of foreign currency.

At the same time the regime began a massive programme of military and economic re-organisation trying, in the words of a government minister, to build a 'war-seige economy'. This was in response to events in the 1970's that included the fall of every colonial regime in Southern Africa sympathetic to the apartheid regime, a massive surge of revolt amongst the majority population of South Africa and Namibia and increasing demands for sanctions against the regime from sections of the international community. The government, sensing that time was running out, determined to build an industrial and military base that would allow apartheid to survive into the next century in total isolation.

### **The Banks come to the rescue.**

To be able to undertake this programme of investment, modernisation and militarisation whilst the country's income was falling has meant that the government has had to borrow huge amounts of money from abroad. It is British banks that have raised the funds to prevent the regime from going bankrupt. In the first three-quarters of 1984 South Africa was able to raise loans worth US\$1 billion of which 40% were organised by British banks.

The importance of these loans to the apartheid state cannot be overstressed. Much of the money has gone to the Electricity Supply Commission's nuclear programme and to finance the SASOL oil from coal projects which are intended to make South Africa self-sufficient in the field of energy generation, an area in which it is presently extremely vulnerable.

These and other loans to state corporations in turn release money which is available to the government allowing its military expenditure to have risen to 5 billion rand, an estimated 27% of its budget.

Whilst British companies have been nervous of expanding their direct investment through their subsidiaries British banks have shown their determination to sustain the apartheid system as a viable area of investment by lending strategic support to the regime.

But South Africa's economic crisis appears only to be worsening. Inflation is running at 15% per year whilst manufacturing output is falling. Drought has led to falling agricultural production and for the first time maize, the staple diet of the majority, has had to be imported causing it to increase in price by nearly 20% and leaving eight out of ten people in rural areas living below the poverty line. In Namibia the situation is even more catastrophic with half of the country's agricultural land being taken out of production due to drought.

## **The Case for disinvestment**

For all its rhetoric about independence South Africa is clearly tied into the international economy. Whilst these links at present strengthen the regime they also explain the logic at the heart of the argument for disinvestment: the apartheid system's economic dependence on the rest of the world provides a powerful lever with which that system can be destroyed. Without the support of international banks the economy would collapse; without the high technology and capital equipment provided by multi-national companies industry would be paralysed, without oil and petroleum products the apartheid army and police forces would grind to a halt. Deprived of international support the regime would no longer be able to silence the voices demanding freedom and equality but would be forced to surrender its power.

## **Who would be hurt?**

South Africa expends a great deal of money and energy on a propaganda campaign against disinvestment, a fact that betrays its fear of the withdrawal of economic support.

It is argued that foreign investment in South Africa benefits all the people of that country, including the black majority, and that disinvestment will have a disastrous impact on the living standards of everybody. Yet the clear evidence is that far from guaranteeing a standard of living to the majority foreign investment has only strengthened and prolonged gross inequalities. The majority in apartheid South Africa have always lived on or below the line of barest poverty and the massive increase in foreign investment in the

last three decades has done little to alter that. The profits from the apartheid economy go to a small white minority and to the investors who back them. This is not a side effect of the apartheid system but its reason for being.

Most representatives of the majority population, when they have been free to express an opinion on this subject, have spoken out resoundingly in favour of foreign disengagement from South Africa:

**“The argument that the blacks would be the first to suffer is may be true yet there are at least two rejoinders; a cynical one is, when did whites become so altruistic? After all they have benefited from black misery engendered by low wages, migratory labour etc. for so long. The less cynical is that blacks would probably be ready to accept suffering that had a goal and purpose and would therefore end, rather than continue to suffer endlessly.”**

**Bishop Desmond Tutu. Nobel Prize Winner 1984**

South Africa attempts to silence such calls for disinvestment by defining them as ‘acts of economic sabotage’ punishable with imprisonment.

## **A disaster for Britain?**

The other argument put forward by the friends of apartheid, in Britain by the UK-South Africa Trading Association, is that disinvestment will have dire consequences to the home economies of countries taking such action. It is claimed that the loss of valuable export market and vital supplies of rare minerals will lead to havoc in the British economy and the destruction of a quarter of a million jobs.

The truth is very different. South Africa has declined in importance as an export market. Between 1967 and 1980 it fell from being the third largest export market for British goods to thirteenth. British companies earn three times as much exporting to other African nations, nations generally opposed to apartheid and who increasingly will look more favourably at dealing with companies not involved with South Africa. With South Africa’s stated determination to become self-sufficient in manufactured goods its importance as an export market, under present conditions, can only decline further.

A detailed study\* of British firms exporting to South Africa suggested that a less fanciful calculation of the numbers of jobs threatened by disengagement would be below 14,000 not the quarter of a million the propagandists suggest. This lower figure takes no account of the possibilities of redeployment within the companies and industries involved or the creation of alternative markets. Most importantly it does not consider the employment benefits to the home economy resulting from the removal of South African goods — coal, steel and agricultural products — from the

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\* “Sanctions Against South Africa: exploding the Myths”, Barbara Rogers and Brian Bolton.

domestic market.

In any event damage to the British economy would be far more containable within the framework of an organised and principled withdrawal from the apartheid economy than the damage created at the moment of the final collapse of that system should companies remain. The redundancies caused in British firms, such as Vickers, by the fall of the regime of the Shah or Iran provide recent evidence of the foolishness of dependence on unstable regimes as markets for goods. The collapse of banks in Britain and America brought about by the debt crisis of newly developing countries should provide an even clearer warning of the dangers of uncontrolled financial involvement in a country such as South Africa with an economically uncertain future.

As for South Africa's importance as a source of mineral supplies the case, again, is exaggerated. Not only can substitutes be used for many of these metals' industrial applications but the demand for them could be met from other sources. The apparent significance of South Africa as the major supplier of these metals (platinum, manganese, chrome, vanadium) reflects a geographical concentration by mining companies in that part of the world so as to profit from the apartheid labour system as well as the uncontrolled way in which they are exhausting the area's natural resources.

### **Now is the time.**

Whatever the Apartheid regime may say, we need South Africa far less than South Africa needs us. Economic withdrawal, correctly planned and carried through, could be achieved without incurring serious damage. But in the end that should be the last of our considerations. We have a clear moral duty not to profit from the violence and racism of South Africa and a duty to do everything in our power to precipitate as quickly as possible the demise of that system. If there are some discomforts arising from that course of action — a penny on the price of an apple, a few pounds less interest on our bank account — then we should accept them realising they are nothing compared to the suffering and humiliation to which millions of black South Africans are subjected every day.

### **What can we do?**

At first sight it may appear that there is little most of us can do to halt the massive flow of funds from this country that aid apartheid or to question the power of the internationally based institutions that provide those funds.

Individually our powers are limited. As consumers of goods and services we can choose to boycott South African products and refuse to buy from or deal with companies profiting from apartheid.

As members of groups however, as trade unionists, subscribers to pension funds, members of voluntary or church organisations, or as rate payers and voters our voices are amplified. In such capacities we have the chance to question and direct the way organisations with much larger resources use and direct them and we can begin to exert both more effective and more public pressure on this country's financial links with apartheid.

Local campaigns, such as "Brent Out Of Barclays", or campaigns mounted by groups of shareholders within specific companies, such as within Shell and Rio Tinto Zinc, show what can be achieved by combining with others and concentrating on initially limited objectives.

By extending the number of sites in which the issue of apartheid is raised and British involvement questioned we build an awareness and a consensus that can lead to the adoption of comprehensive sanctions to isolate apartheid and aid the movement for freedom in Southern Africa.

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# 3.

# The Companies

Before moving on to discuss the areas in which it is possible to take action it is important to clearly identify the British Banks and Companies that control the flow of trade and money with South Africa.

The Anti-Apartheid Movement has drawn up a list of 650 companies with operations in South Africa. A recent United Nations Economic and Social Council report named 188 British companies operating in sectors “which contribute to the development of South Africa’s economic and industrial infrastructure and military capabilities and thereby enable that country to pursue its policy of self-reliance and to strengthen its military apparatus.”

Among these many companies there are some which stand out as being the main British allies of apartheid not only because of the scale of their operations and the huge profits they make but because they are the ones most consciously working to shore up the system.

This short list includes the banks bailing the government out of its financial crisis, companies providing equipment and materials in contravention of United Nations embargoes on arms, companies that are breaking sanctions on the export of oil to South Africa and companies that have a particularly bad record of labour relations.

These before any others should be the target of disinvestment campaigns.

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## **The House of Apartheid**

This is the share that Jack bought

This is the firm  
that sold the share that Jack bought

This is the mine  
that belonged to the firm  
that sold the share that Jack bought.

This is the gold  
that lay in the mine  
that belonged to the firm  
that sold the share that Jack bought.

This is the black  
that dug the gold  
that lay in the mine  
that belonged to the firm  
that sold the share that Jack bought.

This is the heart which began to bleed  
that beat in the black  
that dug the gold  
that lay in the mine  
that belonged to the firm  
that sold the share that Jack bought.

This is the shot both swift and hard  
that sank in the heart which began to bleed  
that beat in the black  
that dug the gold  
that lay in the mine  
that belonged to the firm  
that sold the share that Jack bought.

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**BARCLAYS:** is the most notorious of the British banks operating in South Africa through its subsidiary Barclays National. In 1983 Barclays profits from South Africa rose 32% on the previous year to 200 million rand (£107m) this represented 18% of its profits world-wide although only 12% of its assets are invested there. In March 1984 the bank organised a loan to ESCOM, the Electricity Supply Commission, currently developing the Koeberg nuclear plant which will give South Africa access to weapons grade plutonium. Barclays is heavily involved in mining providing 55% of loans to that sector, a sector in which wages, conditions and labour relations are appalling.

Barclays operates branches in Namibia and actively seeks the accounts of servicemen of the illegally occupying South African forces.

Members of the banks board have served on the Defence Advisory Board which helps procure arms for the military.

In 1984 Barclays was shown to be involved in providing credit for arms sales to South Africa in contravention of the UN embargo on such transactions.

In its own employment practices Barclays faithfully pursues apartheid policies with separate wage levels and facilities for black workers.

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**BL:** the South African subsidiary of the firm, Leyland South Africa, is a major supplier to the police who used Leyland landrovers at Soweto in 1976 and on many occasions since then to viciously break up demonstrations. Leyland vehicles are also used by the South African army in Namibia. Leyland South Africa has a long history of resistance to union organisation including the mass sackings of strikers and victimisation of union members in co-operation with the security police. The company has assisted in the 'Atlantis Project' designed to make the country self-sufficient in the production of diesel engines.

**"The Security Council decides that all states shall cease forth with any provision to South Africa of arms and related material of all types, including the sale or transfer of weapons and ammunition, military vehicles and equipment, paramilitary police equipment and spare parts of the aforementioned and shall cease as well the provision of all types of equipment and supplies and grants of licensing arrangements for the manufacture or maintainance of the aforementioned."**

**UN Security Council Resolution 418, 1977**

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**BP:** Oil could be the achilles heel of apartheid as it is the one essential natural resource South Africa lacks needing 320,000 barrels a day to keep its industrial and military machine working. BP is one of the multi-nationals that has helped meet this demand since the fall of the Shah of Iran deprived apartheid of its main supplier. BP has helped the regime to dodge the sanctions imposed by the OPEC countries.

In recent years the company has expanded its South African interests by buying into coal, gold and other key mining operations.

BP operates in Namibia in contravention of international law and in some cases pays its workers below the poverty line.

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**CONSOLIDATED GOLDFIELDS:** Gold is crucial to South Africa as its major export and earner of foreign exchange which it remains despite a falling price on the world market. The second largest producer of gold is Gold Fields of South Africa, a member of the British Consolidated Goldfields group which owns a 48% shareholding in the company.

Gold Fields of South Africa also has a major stake in Tsumeb one of the three main mining operations in Namibia.

It was the early exploitation of South Africa's gold fields which provided the country not only with the financial base for industrial expansion but also



Photo: IDAF

Miner's Hostel.

set the pattern of employment followed by the apartheid system — the use of migrant labour and separate wage structures and privileges for white workers. 95% of black miners are migrant workers and they receive, on average, one seventh the pay of their white counterparts. In the decade from 1972 8,209 miners were killed in the industry. Attempts by miners to set up their own unions have been resisted with attacks on strikers and meetings by the police.

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**GEC-MARCONI:** In 1983 Marconi supplied a new static radar system to the South African Air Space Control Authority. This is an update of a system supplied in the 1960's and is described in 'Jane's Weapon Systems' as a system "used for defence purposes". Such high technology equipment is crucial to the operating capability of the South African Air Force which has launched attacks into Angola and Mozambique and is in constant use in Namibia and within South Africa against the liberation movements SWAPO and the ANC. The supply of this equipment is a clear breach of United Nations Declarations quoted in the section on British Leyland. (see above) GEC itself supplies sophisticated electrical equipment to state agencies including turbines for the Electrical Supply Commission.

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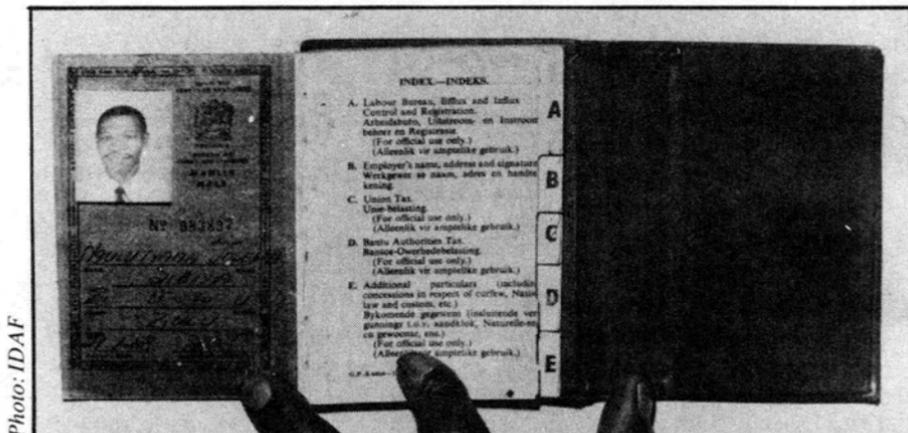
**HILL-SAMUEL:** "We are against discrimination — whether or not embodied in statute — of any type in any country of the world. However, in our view, that does not automatically preclude us trading in or with such countries. We believe, as a bank operating non-politically in South Africa, that our activities are beneficial to the majority of South Africans whatever their colour." These are the views of Sir Robert Clark, Hill-Samuel's chairman.

Yet between December 1982 and 1984 the bank arranged three loans worth over £100 million direct to the South African Government and took part in another nine worth £300 million to the regime or its agencies. As we have seen this money directly helps apartheid to wage its internal war and the increased activity by Hill-Samuel in this area contradicts their statements of disapproval.

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**ICL:** owns 93% of International Computers (South Africa) and is supplying the country with modern computer equipment that its own economy is unable to produce. ICL computers have been supplied to the police and the Bantu Administration department who use them as a means

to enforce the pass laws and influx control systems. Computers have also been supplied to the Atlas Aircraft Corporation, which is building military aircraft under licence, and also to the South African administrative body that is in illegal control of Namibia.



Pass Book.

**PLESSEY:** In 1981 several crates were quietly loaded onto a South African Hercules aircraft at Hurn airport in the South of England, the shipment was identified as consisting of a Plessey AR-3D collapsible mobile radar. Plessey and the government maintained that the equipment was part of an order for use in civil air traffic control. "Janes Weapons Systems" however makes clear the radar's military and offensive role listing its capabilities as including "control of up to four simultaneous computer assisted air-to-ground strikes". Plessey had also supervised the training of South African military personnel in the use of the system at a plant in England.

As with equipment provided by Marconi the export of this radar system is a clear breach of the United Nation embargo on the sale of armaments to South Africa.

**RIO TINTO ZINC:** Is the sixth largest company in the United Kingdom and the largest mining corporation in the world. In 1983 it made world-wide profits of £575 million. Its main operation in Southern Africa is the Rossing mine in Namibia, the largest open-cast uranium mine in the world. This single mine alone accounts for nearly one half of all British investment in

Namibia.

The extraction of uranium ore is in complete contravention of a United Nations ruling that states:

**“No person or entity... may search for, prospect for, explore for, take, extract, mine, process, refine, use, sell, export or distribute any natural resource, whether animal or mineral, situated or found to be situated within the territorial limits of Namibia”**

**UN Decree No 1 for the Protection of the Natural Resources of Namibia.**

Despite this ruling the British government and its agencies continue to import Namibian uranium. The Anti-Apartheid Movement estimates that 60% of British uranium is supplied from Namibia.

Unlike uranium from Canadian and Australian sources there are no restrictions on its usage. The Ministry of Defence's Capenhurst plant will enrich uranium from Rossing for use in the warheads of the Trident missiles that it intends to acquire.

**“Working in the open air under the hot sun, in the uranium dust produced by the grinding machines we are also exposed to the ever present cyclonic wind which is blowing in the desert. Consequently our bodies are covered in dust and one can hardly recognise us. We are inhaling the uranium dust into our lungs so that many of us have already suffered an effect. We are not provided with remedies and there is no hospital to treat us. Our bodies are cracking and sore.. We are accommodated 8-10 people in one cell... There is no privacy and we are not allowed to discuss matters of our mutual interest... We, the workers of Namibia, lodge our appeal to you to cease your lifting of uranium to Britain.”**

**extract from a letter from workers' representatives at Rossing mine.**

There is no attempt at regular monitoring of radiation levels.

Strikes have been brutally crushed. There are two permanent police stations at Rossing to subdue any dissent. Black workers receive one tenth the pay of white workers — in 1981 Rossing's profits were ten times the total black wage bill for that year.

Shareholders could find the present profitability of RTZ short-lived. The UN decree on Namibia continues: “Any person, entity or corporation which contravenes the present decree in respect of Namibia may be held liable in damages by the future government of an independent Namibia”. Current estimates of compensation the Central Electricity Generating Board may have to pay for Rossing uranium vary between £235 million and £705 million. The sum demanded of RTZ would be even greater.

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**STANDARD CHARTERED:** is the second largest bank in South Africa and Namibia after Barclays. It is another major participant in international lending to the state and its agencies and has taken part in four major loans since March 1983 worth a total of £150 million. Liberty Life, a South Africa insurance firm in which Standard Chartered has a controlling interest, sacked a hundred black workers who struck for recognition of their union in September 1983.

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**SHELL:** is the largest oil company in South Africa and, like BP, has brought oil into the country by rerouting supplies from Oman and other OPEC nations who have placed an official embargo on such transactions. For this they have been rewarded with massive payments from a secret government “Strategic Fuel Fund” worth an estimated \$200 million on top of their ‘normal’ profits between 1979 and 1982. The apartheid regime are aware of the importance of oil and define it as a munition of war — the army and police being the single largest consumer of petroleum products.

Shell’s support for apartheid could prove misguided. Arab and African OPEC members are considering taking action against Shell because of its policy of sanction busting. In 1979 Nigeria nationalised BP’s local interests because of its continuing co-operation with South Africa, Shell, by its actions seems to have done everything possible to put its own operation in other countries at risk.

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# 4.

# Taking Action: Pension Funds

Over half of those working in Britain pay part of their wages into pension funds which invest money in stocks, shares and property to increase the fund's value so as to be able to repay this as a pension to the contributors at a later date.

Pension funds have grown considerably in size over the last two decades. In 1960 their total worth was £3 billion, by 1984 this had increased to over £100 billion.

Most large companies and all local authorities and public corporations contribute to such funds. The biggest is that run by the Post Office and British Telecom with a total value of over £7 billion. Those of local authorities are smaller but still significant, that of the GLC for example amounts to over £800 million collected from its 20,000 employees.

The size of funds makes them one of the largest and most influential sources of investment. In Britain pension funds have become the main buyers of shares on the stock exchange overtaking the large insurance companies.

It is a clear legitimate interest of those paying into such funds to see that their money is not only managed correctly, to guarantee their future pensions, but also to ensure that money is not invested in a way that is damaging either to their own interests or those of other groups of people.

Since 1979 an estimated 20-25% of new investment by these funds has gone overseas. If this follows the pattern of British overseas investment in general then up to 10% of this is being invested in South Africa.

## **How they're run.**

Pension funds are run by a board of trustees or special committees which are independent bodies whose powers and functions are defined by a specific set of trust laws or regulations.

In reality the boards of trustees meet fairly infrequently and the day to day management of the fund is often left to banks or stockbrokers.

Realising the growing importance of these funds trade unionists have begun to press for representation on trust boards so as to have a say in the way their money is used. Many public corporations and local authorities accept the principle of representation although there are a lot of funds where this has yet to be achieved.

The TUC is campaigning for the boards to contain 50% representation of the funds' members appointed through the appropriate trade unions. This would give the representatives power to make policy rather than sit as spectators in an advisory capacity.

Even without representation members do have a legal right to know who the trustees are, to see a copy of the trust deed which defines what the fund can be used for and to ask how their money is actually being used. They can also write to the trust and ask that no direct investment is made in South Africa and Namibia and ask that the trust uses its shareholding power to urge companies operating there to withdraw.

Realistically however such appeals are unlikely to have much affect. Little is likely to be achieved until proper representation is won and this will require a campaign amongst contributors, through their trade union, to explain the importance of these funds in general and the need for representation. If demands for representation are denied then industrial action should be considered to win it. As one trade unionist remarked about the importance of pension funds, "Since one third of our adult life will be spent living off a pension, then one third of our strikes ought to be pension orientated!"

## **Funds and South Africa.**

There is a great deal of debate about the best way that institutional shareholders such as pension funds can act to stop companies' involvement in South Africa. Should they sell all their shares in such companies and get out? Or should they retain a nominal shareholding so as to be able to raise the issue at a company's annual general meeting? Or should they retain all their shares and attempt to act with other large shareholders to change the company's policy?

The course of action chosen depends on a number of factors — the size of

the fund's holding, the size of the company, attitudes of other investors. These arguments are discussed more fully in the section "Sell out or Speak Out" later in this booklet.

The TUC suggests\* that once representation has been achieved that trustees propose the following policy on direct investment in South Africa:

- a) that their pension fund should not make any new investments in South African securities, or in property in South Africa, of any sort; and
- b) that their fund should run down existing investments as convenient.

The TUC's guidelines towards British and multi-national companies with a part of their operation in South Africa are less stringent. They propose that such investments be retained so long as the companies concerned adhere to the "EEC Code of Conduct for Companies with Interests in South Africa". The trustees should therefore propose that the following view be adopted by the board:

- a) to ensure that where British-based and multinational companies have interests in South Africa and where the extent and form of South African involvement is difficult precisely to establish, the policy of the Trustees shall be to ensure that the Code of Conduct of the Countries of the European Community is being applied by the companies concerned;
- b) where investment trusts have investments in South Africa within their portfolios, the policy of the trustees shall be to continue to invest in them only if they also agree to ensure that the Code of Conduct of the countries of the European Community is being applied.
- c) The companies concerned should be regularly monitored by the Fund's administration to ensure that the Code of Conduct is still being applied by means of contact with the Department of Trade in London and with the TUC. The TUC's International Department is able to supply details of the performance of particular companies if requested.

As recent research shows (see box) there are a number of problems with using firm submissions on the code to establish the nature of their activities in South Africa. There are also strong feelings amongst Trade Unionists in South Africa that the code is a wholly inadequate means of either protecting workers or changing apartheid. The TUC concede that the Code of Conduct is deficient but, in the absence of anything better, they are determined to use it as effectively as they can to put pressure on British companies.

## **Difficulties for representatives.**

Trustees who become active in querying the policies of their funds and making the sort of proposals suggested by the TUC will find a number of problems in their path.

The first is a general one which is a feeling of being "out of your depth" in the world of major investment decisions and financial jargon. Yet the job of

\*"South Africa: Guidance for Pension Scheme Trustees." Trades Union Congress.

## **The Code of Conduct of the Governments of the European Community.**

This Code, which the British Government accepted in 1977, asks companies to report annually on wage levels, employment policy and trade union recognition in their South African subsidiaries. It sets guidelines on these matters and at its inception was seen by many as supporting the argument for constructive engagement in South Africa — that pressure on and by firms could improve the position of black workers.

Yet a study undertaken by Labour Research\* condemns both the achievements and the intentions of the code. It found:

- Because only companies with a 50% holding in a South African subsidiary have to report only 154 have to reply.
- Some companies have restructured their holdings through a number of companies so that they too are exempt from the code.
- The reports on the companies are produced by their own management. There is evidence of inaccuracies and misinformation.
- Many companies treat the wage levels set by the code as targets to be achieved at some future date. 9 companies were found to be paying starvation wages and 54 below the EEC minimum. There is little obvious concern about the failure to meet these levels seven years after they were introduced.
- The wage levels are pitifully low and are themselves based on definitions of what constitutes a decent standard of living that reflect the mentality of apartheid. The needs of individuals are defined on racial lines, for example “15 razor blades a year for blacks, 45 for coloured or indian... a chair will last 15 years, saucepans and fry-pans 10 years.”
- Many companies make polite noises about the desirability of worker representation yet only 20 recognise non-racial Trade Unions.
- Because the code is voluntary there is no pressure on the companies to improve their performance. By submitting a report they can claim to be abiding by its requirements.
- No genuine Trade Union in South Africa ever asked for the Code and the wage levels it suggests are far below those being demanded by these Unions.

The code leaves the basic structure of apartheid unchallenged. Even if its recommendations were to be abided by to the letter South Africa would remain a country in which a racist minority oppressed the majority by armed might.

\*Labour Research, October and December 1984.

trustees is to provide overall guidance and establish principles or criteria for investment. It is up to the experts managing the funds to work out the details and find out the possible ways of meeting the criteria set them by trustees — after all this is what they get paid large amounts of the contributors' money to do.

The TUC helps trade union representatives by running training courses for trustees, issuing a regular information bulletin and publishing handbooks and guides. Individual unions can also help with research and other back up.

The other barrier Trade Union representatives meet is the whole question of constraints placed on them by the trust deed or wider legal limitations of their decision making powers. The Trustees Act of 1925 states that investments should be “in the best interest of their members” and that decisions should not be influenced by “political reasons”

In early 1984 the representatives of the National Union of Mineworkers on the pension fund of the National Coal Board were taken to court for refusing to approve the fund's investment plan. The union wanted an end to investment overseas and in types of energy production that competed with coal and hence threatened future employment prospects within the coal industry. The courts ruled against the NUM's representatives dismissing their intervention into the management of the fund as a “moral gesture”.

Handled differently the NUM might have been more successful in changing the fund's policy, it would be wrong to see this case closing the door on the possibility of intervention by contributor's representatives.

## **Financial arguments.**

Certainly some pension funds have already made changes in their investment policy regarding South Africa, at the request of trustees, without falling foul of the courts.

The Post Office and British Telecom fund has an established policy of no direct investment South Africa which it put through without legal hindrance.

Trustees can argue that disinvestment from South Africa makes sense due to the likely long term instability of the area.

They can also argue, when investment in South Africa is presented as a necessity to meet the requirements of high returns or maintaining a balanced portfolio, that is also fails in these respects. Investment in South Africa does not necessarily pay institutions, even in the short term:

**“Several studies have been conducted that have attempted to verify quantitatively what has happened, or would happen, to large portfolios which include investments in companies involved in South Africa. Each of these studies has in its own way found that for virtually any given period of time**

in the past, portfolio performance would have been no worse, and in some cases would have been better, if a restriction on certain categories of investment had been placed on a fund. ...A Franklin Research and Development report was prepared specifically for the District of Columbia 4th March 1983 hearings before its City Council Committee on Consumer and Regulatory Affairs. The study prepared an alternative portfolio of the DC Retirement Fund excluding companies in South Africa. It showed that over the previous nine years the Washington DC stocks related to South Africa had growth in earnings and appreciation of 8% a year whilst those not involved in South Africa averaged 11.2% a year.\*\*

This argument is backed up by the early returns of the Friends' Provident Stewardship Trust, started in 1984, which has proved a relatively sound investment portfolio although it excludes companies active in South Africa.

But it is important that trustees establish and defend clear rights to make decisions on grounds other than economic ones, that they are free to take action not just when the market is 'on their side', but are free to act according to criteria of socially responsible investment.

In the near future there are likely to be some important test cases that clarify the powers of trustees in these respects.

The success of these cases in establishing the powers of representatives is obviously of great importance to the campaign to end British collaboration with apartheid.

## 'Ethical' unit trust outperforms index

BY ERIC SHORT

FRIENDS' PROVIDENT Unit Trust Managers, a subsidiary of Friends' Provident Life Office, has achieved an index-beating performance with its Stewardship Trust — the only unit trust investing in "ethical" shares.

In the seven months, to December 31, since its launch on June 1 the offer price rose 24.9 per cent compared with a rise of 21.1 per cent in the FT-Actuaries All Share Index, adjusted for reinvested income. The trust avoids investment

in companies with large South African interests, armaments, gambling, alcohol and tobacco. Its aim is to "provide an investment medium for persons or groups who for social, religious, political or other reasons do not regard financial gain as the sole criterion for investment but look to wider issues." Investment managers generally defend investments in what might be called "unethical" stocks on the grounds that otherwise their investment return would be curtailed.

Friends' Provident, at least in the short term, has shown it is possible to produce a good investment performance within strict ethical guidelines. At the end of 1984 the trust held 50 stocks — a wide spread — its largest holding being British Telecom.

Its investment performance over the period compares favourably with other UK equity trusts in the Friends' Provident stable, which also outperformed the All-Share Index.

Financial Times, 4th January 1985

\*\*"Socially Responsible Investment: The American Experience" Dr. RJ Schwartz.

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# 5.

## **Taking Action:** Sell Out or Speak Out?

There are two basic courses of action for shareholders in companies active in South Africa to consider.

The first, which has been traditionally followed, is an unequivocal policy of disinvestment. The shareholders simply sell all their holding in the company concerned making it clear, both to the company, its shareholders and the public, that in so doing they are condemning all economic links with apartheid.

The policy of the Anti-Apartheid movement is that this is the preferable course to pursue, it being clearly wrong to profit from the exploitation of black South Africans.

However it is recognised that some institutional shareholders face financial and legal obstacle to sudden, large scale disinvestment.

### **Action within companies.**

In this situation large institutional investors, such as local authorities and pension funds have adopted a second policy known as disengagement. By holding on to their shareholding they take action within the company to try and force a change of policy that would direct the companys' management to withdraw from South Africa.

By using the voting rights that their shareholding gives them the issue can be raised at the companys' Annual General Meeting and a policy of withdrawal from apartheid proposed.

Shell has come under increasing pressure from shareholders in this way.

In 1984 a motion calling on the company to cease supplying South Africa with oil was supported by over a hundred shareholders which ensured its inclusion on the agenda at the company's annual general meeting.

Amongst the supporters of the motion were local authorities — Fife Regional Council, Cumbria County Council, Staffordshire County Council, the GLC; Trades Unions — the National Union of Seamen; and church groups — the Methodist Church, the United Reformed Church and the Society of Friends.

The motion was defeated but those taking action believe they are having an affect. Support amongst Shell's shareholders is growing whilst the company is aware that it faces long term opposition to its policies that will not go away.

It must be emphasised that the growth of shareholder action inside Shell is based on a considerable amount of organisational work.

The campaign has contacted and co-ordinates shareholders not only from all over Britain but in Holland as well (Shell is an Anglo-Dutch Corporation). Much research has had to be done to collect information on the company so as to be able to argue the case for disinvestment with shareholders and to be able to refute with factual evidence the management's claim that the company is "a major influence for social and economic change in South Africa". Lastly the campaign has been successful in raising the issue in the national press and media realising that it is the glare of publicity and the threat felt by the company to its "corporate image", and hence its profitability, that will finally cause it to relinquish its commitment to apartheid.

The Shell campaign shows the need for broad coalitions between local authorities, trade unions, churches and charitable bodies if such action is going to have any real possibility of success.

## **Making a noise.**

A third position between the disinvestment and disengagement options that many shareholders have adopted is to sell up the major part of the shares but to retain a nominal holding. This allows shareholders to ask questions of the management at meetings and to combine with others to propose resolutions if the support of a major shareholder can be obtained.

The presence at AGMs of a large number of 'dissident' shareholders can draw attention to companies' activities and cause them severe embarrassment. This has been true, for example, with Rio Tinto Zinc whose annual meeting has become almost a prosecution submission against the company's activities in Namibia and elsewhere. Companies, which often spend millions of pounds on promoting their public image, are affected by

Therefore: We call upon Shell Transport and Trading Company, to publish a report giving details of the quantities and sources of crude oil and refined oil products supplied to South Africa from January 1979 to May 1984

We call upon Shell Transport and Trading Company, in its own interests and those of its world wide operations, to ensure that the Shell Group and all related companies cease all supplies of crude oil and refined oil products to South Africa and Namibia. Given the growing destabilisation in Southern Africa and increasing tensions in the Republic, the future is likely to be extremely costly for those who have invested in financial or technological terms in South Africa.

We call upon Shell Transport and Trading Company to ensure that Shell's South African subsidiary cease all supplies of refined products to the armed forces and police.

**Part of a resolution presented to Shell at the Company's Annual General meeting, 17th May 1984.**

such actions even though nominal shareholders are not in a position to force through changes in policy.

Which course of action shareholders decide to take will depend on the size of their holding and the assessment of what can be achieved within a company.

Total disinvestment is the certain option in the case of South African companies or companies with the major part of their holdings there.

In the case of British companies with some investment in South Africa the tactic of disengagement — shareholder action to effect withdrawal — could be considered if there are obstacles to disinvestment and if the holding is of sufficient size to offer some real leverage on the companies' policies.

If shareholders are isolated and the amount of their holding is insufficient to offer little realistic chance of persuading the company to withdraw from South Africa then disinvestment with the retention of a nominal shareholding is the other course of action.

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# 6.

# **Taking Action:**

# Local

# Authorities

Local Authorities are in a unique position to effect the material links between South Africa and this country. The larger metropolitan authorities in Britain control considerable economic resources which in some cases exceed those at the disposal of the world's Nation States. Being accountable to their electorate their attitudes and policies are far more open to discussion and the possibility of change than closed institutions such as companies and many pension funds presently are.

Local Authority measures against apartheid go back to the 1960s's when a number decided to boycott the purchase of South African goods following the appeals from black leaders in South Africa to the international community to take action to isolate the regime. Liverpool City Council first took action over South African goods in January 1960.

Since that time local authorities have broadened the action they have taken to cover not only their own buying and investment policies but also their intervention in the local economy and their activities as funders of leisure and recreational facilities. Different authorities have come together to co-ordinate their action both nationally and internationally through the exchange of information and the setting up of bodies to monitor progress.

In their attitude to South Africa local authorities have noticeably been in the forefront of developing a moral position of condemnation of apartheid and implementing a policy of disengagement from it which national government, to its discredit, has so far failed to do.

In 1981 Sheffield Metropolitan District Council issued the first comprehensive declaration made by a local authority of its intention to end all links between itself and South Africa. This lead has since been followed by 25 other local authorities whilst over 100 have announced policies in specific areas under their control.

The authorities developing these policies have argued that far from being a token gesture of opposition to apartheid co-ordinated local action can have a real impact on the pattern of British collaboration with South Africa and at the same time be in the direct interest of the local communities they serve.

Sheffield in announcing its policy gave examples of local firms that were simultaneously making people in their Yorkshire factories redundant whilst expanding their operations in South Africa. The council also cited examples of South African products that were being imported for sale in local shops or for use by local industries which were threatening jobs in the area's own steel, mining, engineering and textile industries.

**“There are a whole range of firms which are relevant to Sheffield, as well as national firms like Ford, BL and so on, who are involved not merely in trading with South Africa but in using South Africa as a method of disengaging from this country, undermining employment in this country and ensuring that our workers are put at risk, whilst at the same time undermining the struggle for freedom and democracy in South Africa”**

**David Blunkett, leader of Sheffield Council**

### **Where an Authority can act.**

Councils have identified many areas under their control where they can take action to sever links with apartheid.

In the first place an authority can ensure that its own holdings and investments are directed away from firms operating in South Africa or used to bring pressure on companies to disengage. All local authorities hold considerable sums of money as part of their assets and the larger metropolitan authorities operate pension funds on behalf of their employees. An authority can insist that money is reinvested according to criteria that might prioritise the creation or protection of local jobs.

Local authorities are major buyers of goods and services — again they can make sure that the various departments of the council avoid buying South African products and terminate contracts with firms active in South Africa. A clause can be included in contracts for suppliers stating that South African products are unacceptable and their provision would constitute a breach of contract.

The council can support the international campaign against banking links with South Africa through withdrawing its accounts from banks that are so

## **The Sheffield Declaration**

Sheffield Metropolitan District Council declares its abhorrence of the apartheid regime of South Africa and its illegal occupation of Namibia. We believe that the racist system of South Africa is an affront to human dignity and a threat to world peace.

In accordance with these views we pledge that the Council will campaign to end all links between the City of Sheffield and the apartheid regime of South Africa, utilising all social, political and economic measures that are at the disposal of the authority. In particular we will: –

- Cease purchasing goods which originate from South Africa, and pursue this policy within the purchasing authorities in which the Council is involved
- Withdraw investments held by the Council in companies with South African interests
- Ensure that the City Council is not officially represented at any function attended by representatives of the South African Government or trade missions
- Withhold use of recreational facilities from any sporting or cultural event involving South African participants
- Discourage all economic links with South Africa, promoting better relations with the developing economies of the "Third World."
- Encourage the positive teaching of the history, culture and struggles for self-determination of the African peoples
- Instruct the City Libraries and schools not to make available South African government propaganda
- Promote public understanding of the situation in Southern Africa

In commemoration of this declaration, the Council will designate 7th October as a "Day of Solidarity with the People of Southern Africa", and will, in association with the Anti-Apartheid Movement, organise appropriate events each year to highlight the struggle for freedom in South Africa and Namibia.

involved and by encouraging both its employees and organisations and companies it may deal with to act likewise.

In recent years many local authorities have begun to develop interventionist policies towards local industry by giving direct support to both existing firms and to new initiatives to expand local employment. A council can discourage links between South Africa and these enterprises by making support conditional upon them having no links with South Africa. The council can also refuse to support or host trade missions from that country.

### **Council buildings.**

As the owners of many of the country's sports grounds, theatres and art galleries local authorities can play a crucial role in implementing the bans on sporting and cultural links with apartheid by denying the use of such facilities to South African sporting teams and performers. Instead they can make positive contributions in these areas and promote their anti-apartheid policy by encouraging and making facilities available to events, concerts and exhibitions that highlight the situation in South Africa.

Libraries run by the council can remove South African government material from their shelves and provide a range of publications dealing with this topic.

Councils can take other positive initiatives to widen people's awareness of apartheid such as honouring South African political prisoners by giving them freedom of the city, renaming public places after prisoners or twinning their towns with places or communities in Southern Africa.

In implementing comprehensive action against apartheid local authorities encounter two difficulties likely to impede their effectiveness.

Firstly there is the problem of monitoring such a policy. It is relatively easy for a council to make statements or pass resolutions, it is altogether more difficult for it to ensure that words are translated into effective policy. Councils that have taken such action have realised that it requires a real commitment in terms of resources to see that policies are followed through. Without a machinery and the personnel to co-ordinate and implement policy anti-apartheid declarations become no more than empty gestures. Sheffield has attempted to overcome this problem by setting up an advisory panel containing both councillors and interested members of the public to review policy and make recommendations to the main council Policy Committee.

More difficult constraints may be placed on a council by district auditors. These are the officials appointed by central government to inspect local authorities' finances and to ensure that their policies represent 'best value for money'. Authorities implementing buying and investment policies

excluding companies involved in South Africa have to be prepared to argue for and defend the benefits of such a policy.

### **Getting Councils to act.**

We can pressurise local authorities to take a stance on apartheid through conventional techniques of lobbying. Councillors should be approached to gauge their knowledge of and sympathy towards a policy of disengagement for apartheid. Such approaches can be made through letters or by attending the regular surgeries that councillors hold in their area. The existence of a local campaign that has already raised the issue publicly and evidence of local support for an anti-apartheid declaration by the council will obviously make councillors more inclined to listen to arguments in its favour.

If disinvestment and local sanctions are the policy of the local party the councillor represents then, again, they are far more likely to be prepared to propose and support such a policy.

In the case of Labour councillors it should be pointed out that it is conference policy to encourage Labour controlled local authorities to cease using banks supporting the apartheid regime.

### **Employee's pressure.**

Policy change can also be encouraged by council employees speaking through their union in favour of an anti-apartheid declaration. Again such action is more likely to be effective if preparatory work has been done in supplying fellow union members with information about apartheid and the disinvestment campaign. Speakers from the black South African trade union and liberation movements can be invited to address union meetings as part of this process.

Local Trades Unions Councils have an important role to play, both educatively and also by co-ordinating action between the different union branches affiliated to them.

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# 7.

# Taking Action: The Banks

Whereas relatively few individuals hold shares in companies many people have bank accounts. As we have seen some of the High Street banks have provided crucial support to the apartheid regime and this is an area in which wide spread campaign amongst consumers can be effective.

Although it is the withdrawal of the accounts of local authorities and large charities that most seriously damage the profitability of these banks — the chairman of Barclays, Mr Timothy Bevan, revealed that in 1983 alone, six local authorities had withdrawn accounts worth thousands of millions of pounds — the continuing action of individuals also has its effect.

Barclays has undoubtedly been shaken by the growing number of accounts closed in protest against its involvement in South Africa and has withdrawn from 'sensitive' areas such as the procurement of government defence bonds.

Along with Barclays the Standard Chartered Bank should be singled out as a target for withdrawal but it should be noted that the National Westminster and Midland Banks have also been involved in making loans to the South African government and state corporations.

It is important that the campaign against these banks is sustained and that individuals persuade clubs, societies, tenants' associations and other bodies they are involved with to boycott them.

Alternative services are provided by the Co-op bank, which has a policy of no investment in apartheid, the Trustee's Savings Bank which under the

present terms of its deed makes no investments overseas, and the National Girobank.

When closing an account it is vital to make sure that the bank concerned is aware of why the action is being taken and, if possible, to publicise the decision through the local and national media.

By informing organisations such as ELTSA (End Loans to Southern Africa) of the closure of accounts the matter can be raised at the Annual Shareholders' Meeting of the relevant bank so that the damage to the bank's interests by its involvement in apartheid can be made apparent.

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# 8.

# Taking Action: Trade Union Solidarity

The priority for British trade unionists who wish to aid their South African colleagues is undoubtedly to exert the maximum pressure on the economic and political links between the two countries, the links that perpetuate apartheid and its barbaric labour system. By taking action in the areas so far outlined in this booklet, in areas where their own power to directly influence those links is strong, trade unionists here indirectly strengthen the position of South African workers to radically alter their own work situations and their wider position under apartheid.

On occasion, however, trade unionists in Britain can give more specific help to South African trade unionists and support the particular demands of groups of workers for recognition or improved pay and conditions.

## **Rise of the new unions.**

Since 1979 there has been an explosion of industrial unrest amongst South African workers - an increasing number have directly challenged the apartheid system. New unions have emerged to put forward workers' demands and these are rapidly expanding as more workers are attracted to them. In the five years up to 1984 the number of strikes trebled with major disputes in every sector of the economy.

In 1980 a two week strike by Volkswagen workers in Uitenhage won them a 40% pay increase. In the same year a strike by 30 electricians demanding better pay spread to 10,000 of their fellow municipal workers throughout



Workers in the Car Industry: one of the centres of the new militancy.

Johannesburg making it the largest strike ever confronting a single South African employer. In 1981 there were major strikes in the South African subsidiaries of British Leyland and Rowtree Mackintosh in both of which the management used mass dismissals to try to smash their workforce's resolve. 1982 saw one of the bitterest disputes when 30,000 miners struck for better pay, although the strike was violently crushed the determination of the mineworkers eventually forced limited recognition of the National Union of Mineworkers by some companies — the first time that a recognition agreement had been won in the industry by a black trade union. The emergence of these unions has gathered pace with strikes at Fords (1982) SATS (1982), Liberty Life (1983), Courtaulds (1984) and Dunlops (1984). In November 1984 over 90% of black workers in the Transvaal took part in a two day stay-away, in effect a general strike, in support of a range of political and industrial demands.

Such an increase in the strength and confidence of organised labour would be remarkable anywhere given the way that economies hit by recession, such as South Africa's, are generally shedding labour — a fact that weakens the bargaining position of trade unions. The occurrence of such militancy in the face of the unique apparatus of the apartheid state is near incredible.

### **Repression.**

Those workers in South Africa taking industrial action know from recent

experience the risks they run. Strikes in South Africa are effectively illegal with a lengthy procedure of arbitration and cooling-off periods laid down by Labour Relations legislation which is designed to weaken the effectiveness of strike action. Workers employed in providing “essential services” are barred from any strike action. Amendments to the Labour Relations Act in June 1984 have made it even more difficult for unregistered Trade Unions to operate and reach agreements with employers. Between 1973 and 1982 an estimated 2,000 strikes took place of which only one met the conditions of legality defined by the state. According to the regime’s own statistics there were 469 strikes in 1984 involving 18,942 workers. However an independent industrial relations consultant calculated that these figures represent only 40% of the true total.

Workers who take strike action come into immediate conflict with the apartheid government. As “illegal” strikers they can be automatically dismissed which means they are then liable to have the pass laws used against them and be deported to homelands for being present in an area in which they are not working. The 1980 Johannesburg Municipal Workers strike was broken in this way when 1400 workers were bussed to the homelands at gun-point.

Other laws are used against strikers. The Internal Security and Riotous Assembly Acts outlaw any picketing or the organisation of mass meetings, similarly the lending of financial support to strikers or their unions is illegal.

There are few disputes in South Africa from which the police with rhino whips and guns are absent — ten strikers were killed by the security forces in the 1982 miners strike. When miners again took strike action in 1984 at least 16 were killed and 700 injured, many of them seriously.

Trade Union activists are frequently singled out for particularly vicious harassment. South African law allows individuals to be held indefinitely by the police without being brought to trial. The death in police custody in 1982 of Neil Aggett, a branch secretary of the Food and Canning Workers’ Union, shows the price being paid by those fighting for what trade unionists in this country would see as the most basic of rights.

In the face of nation-wide industrial unrest in 1984 the government ordered the mass detention of trade union activists including the leaders of the main union federations. Protests, particularly in the USA, won their release but in February 1985 others were arrested, along with leaders of the United Democratic Front, and charged with treason.

### **Need for caution.**

Any commitment to help South African trade unionists in their struggle should be tempered by careful consideration of the situation in that country.

The abundance of repressive legislation makes it very easy for the apartheid state to construe the most basic communication between a trade unionist and foreign nationals as tantamount to treason. Illconsidered action such as direct approaches to trade unionists could place people in considerable danger.

Similarly British Trade unionists should familiarise themselves with some of the complexities surrounding trade union organisation in South Africa. Besides there being a large number of emerging trade unions that genuinely represent the interests of workers in different industries there are also organisations, often with similar sounding names, that operate on racial lines and actively work to perpetuate apartheid labour policies. It is of course vital that aid is directed to the former group and not to bodies masquerading as democratic unions whose presence is often encouraged by employers to maintain divisions and inequalities. (see box)

Before contacting or offering assistance to trade unionists in South Africa trade unionists here are strongly advised to make use of the officers and departments of their national office that have the relevant expertise and to seek at all times the guidance of the Anti-Apartheid Movement and the relevant National liberation movement. They will be able to offer help that ensures such assistance is not misdirected or likely to endanger individuals.

In addition the South African Congress of Trade Unions has a London office and can provide detailed information and advice about events in South Africa.



*Police Presence at Strikes*

## **Trade Unions in South Africa: Who's Who**

There are a number of organisations claiming to represent South African workers and it is important that British Trade Unionists are able to differentiate between genuine non-racial and democratic unions and those bodies that are little better than mouth pieces for the government.

### **Apartheid Unions**

**SACOL, South African Confederation of Labour:** openly racist 'whites-only' union seeking to protect their privileges against black workers' demands. 120,000 members.

**TUCSA, Trade Union Council of South Africa:** claims a membership of 400,000. Operates a 'parallel' union system with separate unions for each race negotiating separate agreements. The black unions in this arrangement are dominated and supervised by their white parallels which perpetuate inequalities in pay and conditions. Many companies recognise TUCSA unions to avoid negotiating with the emerging unions. TUCSA affiliates are often referred to as 'sweet-heart' unions, however their membership seems to be falling as people are attracted to the new unions. Since 1982 an estimated 190,000 members have deserted TUCSA unions.

### **Emerging Unions**

**FOSATU, Federation of South African Trade Unions:** formed 1979, contains 9 affiliated non-racial unions with over 100,000 members.

**CUSA, Council of Unions of South Africa:** formed 1980, contains 13 affiliated unions with over 210,000 members largest of these being the National Union of Mineworkers.

**SAAWU, South African Allied Workers Union:** aligned to the black consciousness movement, involved with wide range of community issues. Has faced severe harassment from the authorities, in February 1985 its General Secretary Thozamile Gqwetha was arrested with other trade unionists and charged with high treason.

In addition to these bodies there are a large number of individual unions that remain unaffiliated to any body. Since 1979 there have been moves by the different unions to increase their unity and build a new, larger federation with a common programme.

## **Types of support.**

There are a number of ways in which British trade unionists can help their South African colleagues.

Firstly they can seek to publicise the situation in South Africa as widely as possible, not only amongst their fellow members but also to the general public through the organisation of meetings and the use of local and national media. A broadened understanding of the situation in which South African trade unionists live is of course an important pre-condition to the possibility of more concrete solidarity action.

Work place collections and messages of support to South African workers in dispute are more than token gestures. In the highly censored society apartheid has created such contact is an important morale booster for isolated groups of workers surrounded by hostility. Material aid can be of vital assistance to the new developing unions which are starved of funds.

SACTU administers a permanent fund to aid trade unionists in dispute in South Africa and welcomes donations from people here to maintain it.

Where British trade unionists are employed by firms that operate subsidiaries or have interests in firms in South Africa then representations should be made by that union to senior management insisting that recognition is granted to South African employees wishing to join a union of their choice. Similar representations should be made in support of South African workers in dispute. In 1981 a campaign by shop-stewards in British Leyland plants in this country led to an intervention by the Transport and General Workers' Union and the Allied Union of Engineering Workers that helped win the reinstatement of 2,000 employees dismissed by British Leyland at its Cape Town plant who had been dismissed for striking.

Lastly British trade unionists can themselves take industrial action in support of South African workers in dispute. Such action could include a refusal to handle goods from South African subsidiaries of a parent company and could extend to all out strike action.

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# 9.

# Taking Action: Consumer Boycotts

A whole range of South African products appear in British shops — fresh fruit, canned meat and fish, wines and sherry, and, in recent years garments and textiles.

Boycotting these products further isolates the apartheid regime and deprives its economy of foreign currency — currency used to buy the goods and equipment without which the regime could not survive.

As one unsuspecting spokesman for the campaign, a former South African Prime Minister, correctly stated:

**“Every time a South African product is bought it is another brick in the wall of our existence.”**

Well known brand names of South African goods that appear in British shops include: Cape, Outspan, Del Monte, John West, Sharwoods and Libby's.

Avoiding these products is one other contribution everybody can make to the struggle against apartheid.

Telling friends about the campaign or leafleting supermarkets and shopping centres strengthens the boycott. It is also worth writing to or petitioning local stores to explain the boycott and make them aware of the trade they stand to lose. Some local Co-op stores refuse to stock South African goods and the local managers of even national chains have considerable influence over what their shop stocks and displays.

**cape**  
FRESH FROM THE SUN 1984

**DANGER!**  
DON'T BUY SOUTH AFRICAN GOODS

## BOYCOTT SOUTH AFRICAN GOODS

WATCH THE LABEL and boycott these  
WATCH THE SHOP name many shops sell South African goods under their own brand  
By law the country of origin must be on the package

<b>Canned meats</b>	<b>Fresh/unsweet/dried fruit</b>	<b>Gants</b>	
Apex	Cape	Turban	
Armour Star	Outspan	Libbys	
Unison	Golden Jubilee		
S&B	Gold Reef		
Bull Brand	IKL	<b>Wines &amp; spirits</b>	<b>Pet food</b>
	Koo	Zonnebloem	Happy Pet cat food
<b>Canned fish</b>	Silver Leaf	Lansrac	
Glenryck	Del Monte	Koosmansdoof	<b>Health foods</b>
Armour	Goddess	Rembrandt	Shapers
John West	John West	SA Sherry	Koo
Puffin	Sharwoods	SA Hock	Roolbosch
S&B	S&B	SA Burgundy	

WATCH OUT ALSO FOR tights, socks, other hosiery, mens and women's clothes

Companies and institutions should be approached to join the boycott of South African goods — the impact of such actions is obviously increased in the case of large scale purchasers of goods. The local branch of the National Union of Public Employees in Coventry was one of the first groups to be successful in persuading a local authority to boycott South African goods in its canteen.

Campaigns like these may seem an irrelevance — a cold afternoon spent outside a supermarket may deprive the apartheid state of the price of a few cans of peach slices whereas action taken by a pension fund in one afternoon could have greater consequences — but it is the vital groundwork that must precede large scale action.

Boycott campaigns against banks and South African goods raise the whole issue of how products and profits are made in South Africa, what our links with apartheid are, and how that system can be isolated and dismantled. Without that discussion and the creation of a wide public understanding of the need to pull out from apartheid it will be impossible to achieve more comprehensive sanctions.

# INFORMATION

## Periodicals

- Anti-Apartheid News.** The Anti-Apartheid Movement  
**Namibia News Briefing.** Namibia Solidarity Campaign (monthly)  
**Action on Namibia.** Namibia Solidarity Campaign (quarterly)  
**Lincoln Letter: X-Ray on South Africa.** The Lincoln Trust  
**End Loans to Southern Africa Newsletter.** End Loans to Southern Africa

## Books and Pamphlets

- Apartheid: the facts.** International Defence and Aid Fund for Southern Africa.  
**This is Apartheid: a pictorial introduction.** International Defence and Aid Fund for Southern Africa.  
**This is Namibia: a pictorial introduction.** International Defence and Aid Fund for Southern Africa:  
**Profile South Africa.** Catholic Institute for International Relations.  
**Profile Namibia.** Catholic Institute for International Relations.  
**Sanctions against South Africa: exploding the myths.** Barbara Rogers and Brian Bolton. available from Christian Concern for Southern Africa.  
**The Companies List.** The Anti-Apartheid Movement.  
**List of Transnational Corporations which operate in strategic sectors of the Southern Africa Economy.** UN Economic and Social Council, available from the Anti-Apartheid Movement.  
**Barclays Shadow Report.** published annually by End Loans to Southern Africa.  
**Computerising Apartheid: ICL in Southern Africa.** The Anti-Apartheid Movement.  
**Plessey Arms Apartheid.** The Anti-Apartheid Movement.  
**RTZ: The Alternative Report.** CIMRA.  
**Fuelling Apartheid: Shell and the Military.** Christian Concern for Southern Africa.  
**Pension Funds and Investment in South Africa.** Christian Concern for Southern Africa.  
**South Africa: Guidance for Pension Scheme Trustees.** Trades Union Congress.  
**Law of Trusts and Pension Schemes: A Note of Guidance.** Trades Union Congress.  
**Labour Research, October 1984: "British Companies Exploit Apartheid",** Labour Research.  
**Labour Research, December 1984: "More South African Low Payers"** Labour Research.  
**Socially Responsible Investment: the American Experience.** R.J. Schwartz. GLC Sheffield and Southern Africa. The Anti-Apartheid Movement  
**Isolate Apartheid: Report of Trade Union Conference.** The Anti-Apartheid Movement.  
**Power! Black Workers, their unions and the struggle for freedom in South Africa.** McShane, Plaut & Ward. Spokesman Press.  
**African Worker Under Apartheid.** International Confederation of Free Trade Unions. available from the TUC.

# ORGANISATIONS

## **The African National Congress,**

PO Box 38,  
28 Penton Street,  
London N1 9PR

## **The Anti-Apartheid Movement,**

13 Mandela Street,  
London W1 0DW 01 387 7966

## **CANUC, Campaign Against the Namibian Uranium Contract,**

c/o Namibian Support Committee,  
53, Leverton Street,  
London NW5. 01 267 1941/2

## **CIIR, Catholic Institute for International Relations,**

22 Coleman Fields,  
London N1 7AF 01 354 0883

## **CCSA, Christian Concern for Southern Africa,**

2 Eaton Gate,  
London SW1 W9 BL 01 730 3884

## **CIMRA, Colonialism and Indigenous Minorities Research And Action,**

218 Liverpool Road,  
London N1

## **COSAWR, The Committee on South African War Resistance,**

B.M. Box 2190.  
London WC1N 3XX. 01 278 6928

## **ELTSA, End Loans to Southern Africa,**

1, London Bridge Street,  
London SE1

## **International Defence and Aid Fund for Southern Africa,**

Canon Collins House,  
64 Essex Road,  
London N1 8LR. 01 359 9181

## **Lincoln Trust,**

c/o 42 Camden Square,  
London NW1 9XA

## **Namibia Support Committee,**

PO Box 16,  
53 Leverton Street,  
London NW5 2NX 01 267 1941/2

## **SACTU, South African Congress of Trade Unions,**

8 Flowers Mews,  
Archway Close,  
London N19 01 281 3233

## **SWAPO of Namibia,**

PO Box 194,  
London N5 1LW.

## **The World Campaign Against Military and Nuclear Collaboration with South Africa,**

PO Box 2,  
Lindeberg Gaard,  
Oslo 10.  
Norway.

## **EIRIS, Ethical Investment Research and Information Centre,**

9 Poland Street,  
London W1V 3DG. 01 837 8656/7

## **GLC Financial Institutions Unit,**

Industry and Employment Branch,  
GLC,  
County Hall,  
London SE1 7PB

## **Labour Research Department,**

78 Blackfriars Road,  
London SE1 01 928 3649

## **Local Authority Pension Fund Standing Conference,**

c/o County Secretary,  
West Midlands County Council,  
County Hall,

1 Lancaster Circus,

Queesway,

Birmingham B4 7DJ

## **Transnationals Information Centre,**

Octavia House,  
54 Ayres Street,  
London SE1 1EU 01 403 7550

## **TUC International Department**

Congress House,  
Great Russell Street,  
London WC1B 3LS



