



**SUMMARY RECORD OF THE 25th MEETING**

**Chairman: Mr. NOWORYTA (Poland)**

**CONTENTS**

**AGENDA ITEM 36: POLICIES OF APARTHEID OF THE GOVERNMENT OF SOUTH AFRICA (continued)**

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**Distr. GENERAL**  
**A/SPC/43/SR.25**  
**14 November 1988**

**ORIGINAL: ENGLISH**

The meeting was called to order at 3.15 p.m.

AGENDA ITEM 36: POLICIES OF APARTHEID OF THE GOVERNMENT OF SOUTH AFRICA  
(continued)

Hearings (continued) (A/SPC/43/L.3 and Add.1-9)

1. Ms. ERENSTEIN (National Lawyers Guild) said that the National Lawyers Guild, which represented 10,000 legal professionals, was dedicated to the principle that human rights were more sacred than property rights. Guild members participated in such anti-apartheid activities as educating the public about the illegitimacy of the apartheid régime, drafting and campaigning for local anti-apartheid laws, representing anti-apartheid demonstrators, working in national and local anti-apartheid coalitions and campaigning for the unconditional release of Nelson Mandela and all political prisoners and detainees in South Africa and Namibia. Its primary objective was to end United States collaboration with the Government of South Africa. It would endeavour to have the Congress of the United States impose comprehensive sanctions against the apartheid régime. As part of that effort, it would campaign to dissuade the United States from exercising its veto against Security Council resolutions on such sanctions.
2. The city of San Francisco had enacted legislation, which had been drafted by the National Lawyers Guild, recognizing apartheid as a crime against humanity under international law, declaring San Francisco to be a refuge for South African and Namibian refugees and prohibiting city officials from having official contact with South African representatives. Similar legislation had been adopted by the city of Berkeley, California.
3. The organization's campaign would not only educate and mobilize the public to isolate the racist régime, but would also generate support for the ratification by the United States of the International Convention on the Suppression and Punishment of the Crime of Apartheid.
4. The National Lawyers Guild had decided to devote particular attention to the question of ending apartheid executions. Its overall plan included educating the United States legal community about the apartheid legal system and the application of the death penalty in South Africa, supporting the anti-death penalty campaign launched in South Africa, promoting speaking tours by South African colleagues, working with United States organizations which opposed capital punishment and mobilizing bar associations and elected officials to call for an end to apartheid executions.
5. She was mindful of the decades of United States collaboration with the apartheid régime, the most odious example of which was President Reagan's policy of "constructive engagement". However, the American people were increasingly opposed to apartheid. She was confident that the National Lawyers Guild could succeed in encouraging the Bush Administration to enact legislation on comprehensive sanctions against South Africa.

6. Mr. BOYD (National Association for the Advancement of Colored People) said that it would be interesting to know whether most people would resort to revolution or accommodation if their country was ruled oppressively by a minority, family stability was undermined, suffering prevailed and education was denied. The United States claimed to support democracy and freedom fighters, but its policy in South Africa belied that assertion. He firmly believed that most Americans were genuinely concerned about the events occurring in South Africa and would prefer the United States to take a more aggressive and humanitarian stand in order to bring an end to the unjust Pretoria régime.
7. Ms. ROUILLARD (Episcopal Diocese, Albany, New York) said that, as an ordinary citizen, she represented many Americans who cared about the suffering peoples of the world. Such noble persons as Archbishop Desmond Tutu, Nelson Mandela, Rosa Parks and Martin Luther King, Jr. had inspired her. She had been touched by the starving, imprisoned and wounded South African children whom she had seen on television. She would never be free until every child in the world was free. She emphasized the unity of mankind and hoped that justice and mercy would prevail.
8. Mrs. SCOTT (Methodist Church, Goway, New York) said that her concern about the oppressed people of South Africa had deepened over the years. She had recently attended a seminar on South Africa during which she had begun to realize the complexity of bringing together all the diverse South African ethnic groups. She had also come to understand the importance of sanctions against South Africa and had participated in a letter-writing campaign to urge the United States Congress to impose such sanctions. The unfairness of apartheid was most evident in housing and the health care system.
9. An organization called "Student Organization against Racism" had been created at Dartmouth College with branches at Skidmore and other colleges and universities, and the battle against apartheid was one of their concerns. Students had held sit-ins in college administration offices in a sometimes successful effort to force the trustees to liquidate their holdings in South Africa.
10. Anti-apartheid sentiment was present at all age levels in the American population. But the groups had no direct ties with each other. A leader or a single organization was needed to unite that sentiment and direct it against those individuals in the United States Government and in other Governments who were delaying the passage of sanctions against the apartheid régime.
11. Ms. LANHAM (American South African Peoples' Friendship Association) said that apartheid was racism in the form of legalized and structured separation by race of the South Africa peoples. Separation always meant inequality and hatred. In South Africa, that had led to black poverty, illness and illiteracy alongside white affluence and well-being.
12. For far too long, the white Government in South Africa, in partnership with the Governments of and big business in the United States of America, Great Britain, Japan and the Federal Republic of Germany, had been exporting the land's natural and human resources while slandering its indigenous peoples with accusations of

(Ms. Lanham)

ineptitude, immorality and corruption. The American South African Peoples' Friendship Association believed in the equality of races. Personal welfare was threatened and happiness impossible when built upon the deliberate impoverishment of others. In the long run, prosperity and happiness went hand in hand with liberty and justice for all.

13. Far too many average Americans were indifferent to suffering and injustice in the third world, whether for reasons of selfishness or because their political leaders kept them in ignorance. Owing to racist attitudes among white Americans, those who suffered were thought to be responsible for their own predicament. The American South African Peoples' Friendship Association believed that racism was to a large extent the root of the world's social and economic ills and went a long way towards explaining the complacency of white Western Europeans towards third world problems. It was essential to break with ethnocentric prejudices.

14. Mr. CHAPMAN (National Alliance against Racist and Political Oppression) said that his organization commended the United Nations for its anti-apartheid efforts over the years. It was historically important for the United Nations to continue in the great anti-Fascist tradition on which it had been founded after the Second World War.

15. Fascism currently reigned in South Africa, and it was the deadly enemy not only of the people of South Africa but of all humankind. The noble efforts of the United Nations to create world peace, end hunger and abolish racism and oppression had been thwarted at every turn by the racist régime of South Africa and its allies. It was impossible to dissociate the struggle for human survival and the preservation of the planet from the fight against apartheid.

16. Since its founding 15 years previously, the National Alliance against Racist and Political Repression had spared no effort to arouse the American masses against apartheid and to oppose the policies of so-called "constructive engagement". In its work, it had focused on the plight of political prisoners.

17. There were currently 85 political prisoners on death row, including the Sharpeville Six. Many of those people were members of non-violent organizations and had not engaged in any military action. The National Alliance against Racist and Political Oppression added its voice to those of millions of others in calling for the release of the Sharpeville Six and all political prisoners on death row.

18. The world community must settle for nothing less than the unconditional release of Nelson Mandela. Any relaxation of efforts would only encourage the South African Fascists.

19. Lastly, the National Alliance against Racist and Political Repression would continue its struggle in complete solidarity with the African National Congress of South Africa and the South West Africa People's Organization (SWAPO).

20. Ms. KATZIN (Interfaith Center on Corporate Responsibility) said that her organization had designated South Africa as a major priority for more than 17 years and had been working to hasten the abolition of white minority rule there by calling on corporations and banks to sever all business ties to the apartheid State.
21. Foreign corporations provided both economic and political support for the policies of apartheid in South Africa. Their continuing investments, taxes, technology, strategic products, trade credits and non-equity ties served as an economic life-support system to the white minority régime.
22. Companies with direct investments in South Africa not only made an initial contribution to the apartheid economy. They continued to strengthen their investments by funnelling local products back into their South African operations. Mobil Oil's reinvested earnings, for example, totalled an estimated \$US 400 million out of the company's \$425 million assets. Foreign firms also made additional investments to replace capital goods. For example, Royal Dutch/Shell pumped an average of \$59 million a year into its South African subsidiary for such purposes. Furthermore, although such legislation as the United States Anti-Apartheid Act prohibited new capital infusions, legal loopholes permitted investment considered necessary to maintain corporate operations. That provision (loosely interpreted by the United States Treasury Department) had permitted Ford Motor Company to pour an additional \$61 million into its South African subsidiary before the effective date of its sale in 1987.
23. American and other foreign corporations contributed directly to Pretoria's coffers by paying substantial taxes. Although those companies often argued that they made sizeable contributions to labour and community programmes in South Africa, such spending was dwarfed by the vast sums they paid in direct taxes to the South African Government. From 1977 to 1985, American firms' tax payments to South Africa had equalled 69 times their spending on labour and community programmes there, attaining a total of \$8 billion.
24. Those companies also supplemented South Africa's research and development capacity by providing essential technology. They supplied products to those economic sectors in which South Africa was most vulnerable. For example, American corporations retained the lion's share of South Africa's computer market. Their products not only increased the efficiency and productivity of the country's other industries, but strengthened Pretoria's ability to track and control its population.
25. South Africa was even more dependent on three American and three European oil companies (Mobil, Chevron, Texaco, British Petroleum, Total and Royal Dutch/Shell), which were the major refiners and distributors of petroleum products in South Africa. Such trade flew in the face of the international oil embargo. As South Africa depended on imported crude to meet two thirds of its requirements for liquid fuel, the oil processed and distributed by those companies was vital for the country's civilian and commercial transport, as well as for the vehicles with which its police and military enforced apartheid and its armed forces occupied Namibia and attacked neighbouring nations.

(Ms. Katzin)

26. Businesses with direct investments, as well as those with non-equity ties such as licensing, management and distribution agreements, also provided essential trade credits. Both importing and exporting American companies, as well as some banks and their financial institutions, supplied such frequently undisclosed credits on an ongoing basis. Those loans increased South Africa's solvency and its ability to withstand international economic attempts to isolate it.

27. Like direct investments, the non-equity ties of corporations that had never owned South African assets extended an economic lifeline to the apartheid State. Such franchise agreements helped to shelter foreign corporations from penalties and public pressure while maintaining the companies' South African market share, maximizing return, retaining control over pertinent technology and leaving the door open to the repurchase of former subsidiaries at a later date. Such non-equity ties could maximize a company's gains on its technology and were often as profitable as direct investments.

28. Licence agreements might even open new markets and enhance co-operation with the white minority régime. Since Ford and General Motors had sold their South African subsidiaries, those companies (SAMCOR and Delta Motors) were no longer subject to United States sanctions and were therefore free to sell directly to the South African Government, while their former owners received royalties on all such sales through licence agreements. Ford representatives had stated that one and one half per cent of that company's current sales supplied South Africa's police and military, while between 10 and 13 per cent went to the Government as a whole.

29. Even non-equity ties were a source of tax revenues for the Government of South Africa. Once approved by the South African Reserve Bank, all royalty and fee payments remitted to foreign entities were subject to a 15-per-cent withholding tax, a sum which then helped to swell Pretoria's coffers.

30. Moreover, both direct and indirect ties helped keep the South African economy competitive in international markets and undermined efforts to isolate it from the world community. They legitimated the South African political economy rooted in apartheid, created international vested interests in that system and advanced the notion that fundamental change was possible within existing structures. Despite some corporate criticism of apartheid, the companies' business relationships sent an even stronger message, namely, that South Africa was creditworthy, or at least a source of profitable markets.

31. Foreign corporations also provided political support for the policies of the apartheid State. By attempting to justify their role in South Africa and to counter public pressure on them to sever ties, they reinforced the propaganda and strengthened those who spoke for Pretoria's policies.

32. In the United States, corporations with South African ties had argued strenuously that their companies were a force for "reform" and that their community and labour programmes would improve the lives of black South Africans. In the process, many of those corporations attempted to appeal to the black community in

(Ms. Katzin)

the United States, reiterating the Reagan Administration's rhetoric that such investments would lend strength to the black community in South Africa. In so doing, they had discarded the clearly articulated positions of South Africa's non-racial trade-union movement, which had stated that economic power in South Africa could not be divorced from political transformation, or, as Archbishop Desmond Tutu had put it, black South Africans did not want their chains polished, they wanted them broken.

33. Several corporations, like Royal Dutch/Shell's United States subsidiary, Shell Oil, had devised strategies to engage liberal, anti-apartheid, civil rights, academic and religious organizations in discussions on "post-apartheid South Africa" in order to deflect their attention from boycott and disinvestment efforts and to legitimate continuing international corporate investments. Control Data, an American computer company with significant South African sales, had recently helped to sponsor a United States speaking tour by a South African anti-sanctions spokesman, paying more than \$US 30,000 for security-related expenses alone.

34. Lastly, corporations engaged in direct political activity to oppose sanctions, including contributions to anti-sanctions campaigns through organizations like the National Foreign Trade Council. They also lobbied directly against such measures and, in the United States, had gone so far as to threaten individual legislators with corporate retaliation should they support sanctions. They had also supported anti-sanctions candidates in the recent United States elections.

35. But international embargos and national sanctions, although incomplete and unevenly enforced, had already begun to have an impact on the South African economy. The international oil embargo, for example, was estimated to have forced Pretoria to pay \$US 20 billion above market price to import crude oil between 1979 and 1985 alone.

36. The refusal of international banks to reschedule their short-term South African loans in 1985 had caused the country to declare a moratorium on its statutory payments. That decision, compounded by gradual corporate disinvestment, had been a blow to the South African economy and had helped to drain the country's resources, reported in September 1988 as sufficient to cover only two months of its imports.

37. The effects of sanctions and disinvestment could not be overlooked. If economic measures were to end corporate support for South Africa and put effective pressure on the apartheid State, they must be made comprehensive and mandatory without delay.

38. The Interfaith Center on Corporate Responsibility called upon all nations to prohibit investment in, trade with and other non-equity ties to South Africa. That applied not only to nations with direct investments, such as the United States, Great Britain and the Federal Republic of Germany, but also to those like Japan, which, although it had no direct investments in the apartheid State, was South Africa's number one trading partner in 1987, trade between the two countries having

(Ms. Katzin)

totalled approximately \$US 4.1 billion, including the purchase of 20 per cent of South Africa's coal exports. It was distressing that, as American companies left, Japan's computer companies had stated that they could be "depended upon" by South Africans. Such computer sales helped to strengthen apartheid, and the Interfaith Center on Corporate Responsibility called upon Japan to terminate its South African trade and its de facto support for that country's policies of institutionalized racism.

39. The Interfaith Center on Corporate Responsibility also urged those nations (the United Kingdom, the Federal Republic of Germany, France, Switzerland and the United States) with banks on the Technical Committee which would renegotiate South Africa's foreign debt payments in 1990 to support the campaign by those countries' churches for increased financial pressure on South Africa.

40. Over the past three months, Pretoria's vicious repression had been heightened by increasingly visible and unpunished paramilitary violence against the remaining voices of opposition in South Africa. If the international community wanted to play a role in averting widespread bloodshed and achieving a just society in South Africa, it must enact comprehensive and mandatory sanctions without delay to isolate the apartheid State. International companies like Royal Dutch/Shell and Mobil Oil must end their economic support for apartheid and leave South Africa.

The meeting rose at 4.20 p.m.