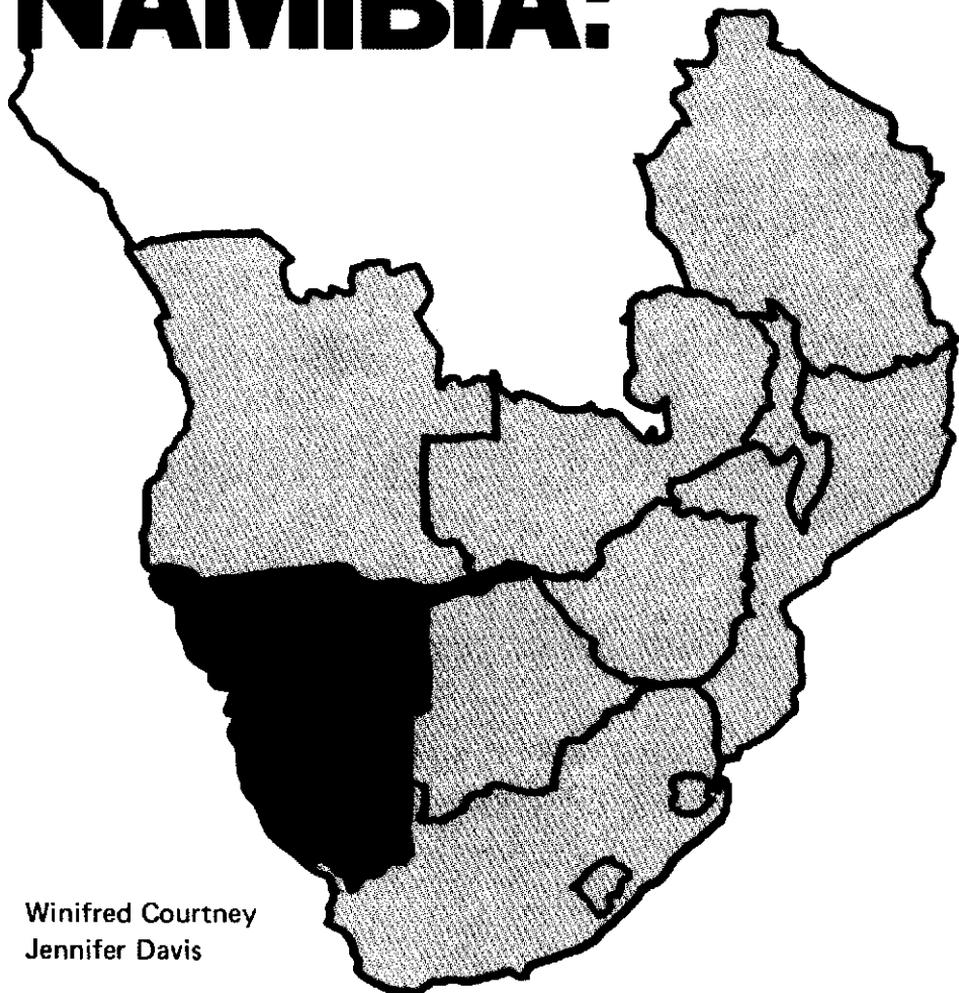


# NAMIBIA:

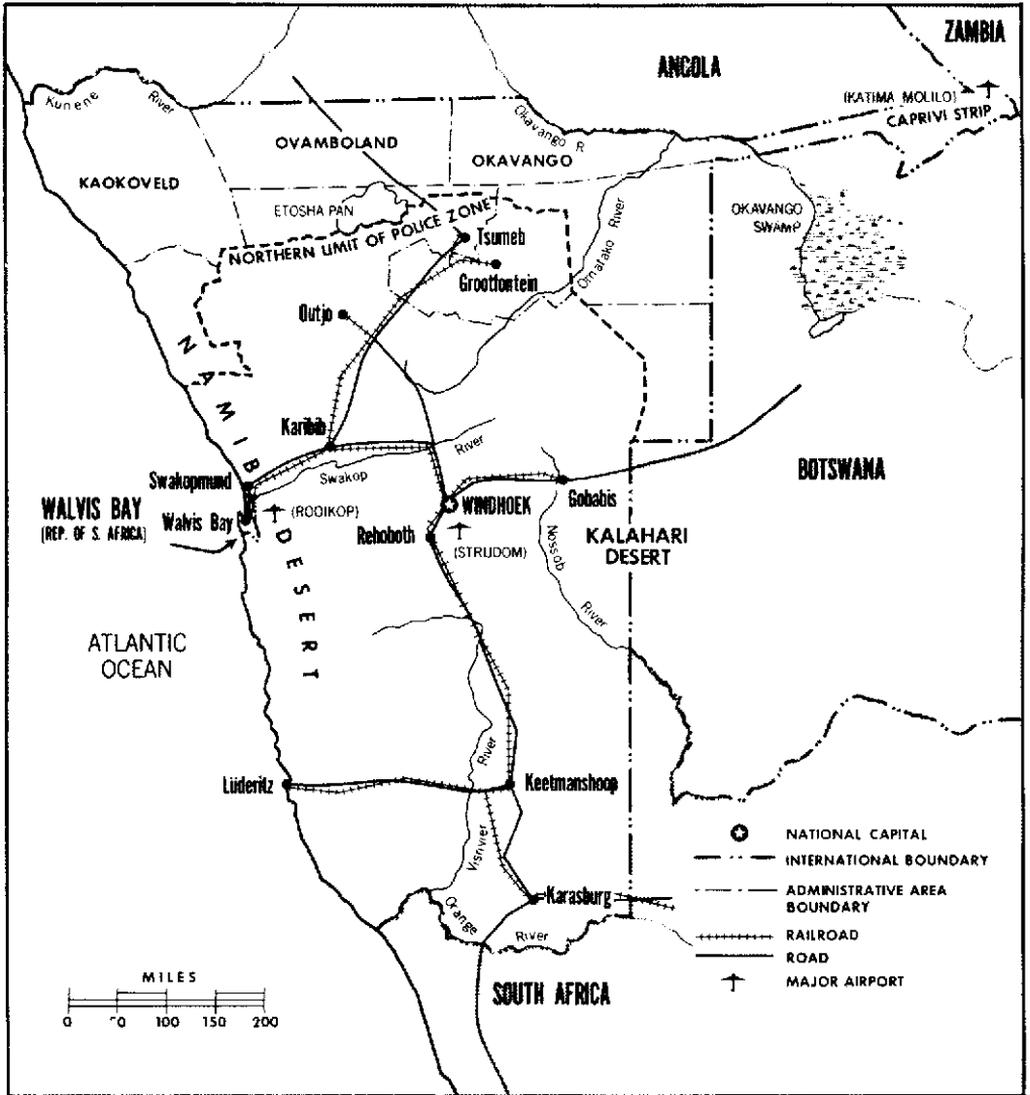


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THE AFRICA FUND  
(associated with the  
American Committee on Africa)  
in cooperation with  
THE PROGRAMME TO COMBAT RACISM  
of the World Council of Churches

# U.S. CORPORATE INVOLVEMENT

50¢



Source: *Area Handbook for the Republic of South Africa*  
 U.S. Government Printing Office, 1971

**NAMIBIA :**  
**United States Corporate Involvement**

**Winifred Courtney and Jennifer Davis**

**The Africa Fund**  
**(associated with the American Committee on Africa)**  
**published in cooperation with**  
**The Programme to Combat Racism**  
**of the**  
**World Council of Churches.**

**March, 1972**

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## INTRODUCTION

This pamphlet presents a detailed study of American economic involvement in Namibia. There has been growing attention given to the importance of U.S. investments in South Africa and in Angola and Mozambique, but little has been written about the U.S. role in Namibia.

The significance of the situation in Namibia is linked with the African struggle for freedom against white minority domination throughout Southern Africa, so it is important that the facts about Namibia and U.S. involvement there become better known.

Namibia is now illegally occupied by South Africa in defiance of the United Nations and the opinion of the World Court. Isolated and occupied, Namibia is becoming a boom area for mining corporations. Corporations operating in Namibia, including the American ones, are taking the natural wealth of the country, and are using the labor of the Namibian people trapped by South Africa's *apartheid* rule to do it. These companies strengthen South Africa's illegal control over Namibia both by building up the economic and political infrastructure and by paying taxes directly to the illegal South African regime there.

The people of Namibia are now resisting South African control and are calling for the implementation of UN resolutions providing for independence and self-determination. The popular resistance is clearly shown in the extraordinary strike against the brutal contract-labor system that started in December 1971. For many years the Namibian leaders of SWAPO (South West African Peoples Organization) have made it clear that Namibians want independence and equality. South African spokesmen have claimed that Namibians are content and happy under South African rule. But the dramatic strike, which has paralyzed the white-controlled industries throughout the country, gives dramatic proof of widespread reaction against the oppressive status quo.

This study of the U.S. economic role in Namibia provides badly needed information to help in our understanding of this important aspect of the situation in Southern Africa.

George M. Houser  
Executive Director  
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*In December, 1971 thousands of Ovambo workers in the mines, farms and towns of Namibia came out on strike in a tremendous display of solidarity and organization which jolted the South African occupiers and amazed many who had believed that all militant resistance inside the country had been crushed. Major strike demands went far beyond economic issues to focus on the foundations of the system under which South Africa continues its illegal rule in Namibia. They included abolishing the prevailing contract-labor method of hiring, the right to move freely throughout the country, an end to the forced separation of families and the vicious requirement of multiple passes for Africans. A striker charged in court for "incitement" had written, "Contract workers, we have problems because the white man . . . says we have volunteered for the contract. . . . We don't want it any more. We want to be seen as people. If my employer doesn't want me, he sends me back [to the reserves]. But if I don't want him, I cannot leave. The Bible said that Christ died to free all men, but I am not free under contract."*<sup>1</sup>

*The strike came at a critical time. After years of foot-dragging, the World Court in 1971 finally held that South Africa's continued presence in Namibia was illegal. It will become increasingly difficult for the international community simply to accept the continuation of the status quo, opposing it only by annual pious condemnation in resolutions at the United Nations. The people of Namibia have demonstrated again that they believe that the fight for freedom and self-determination is their fight—they are not abdicating the struggle, nor do they look for an international band of knights in shining armor to rescue them. But as the struggle intensifies, they will weigh the behavior of countries such as the United States, Britain and France in terms of "friend or enemy." The current role of U.S. private and public interests in South Africa and Namibia weighs heavily on the side of white supremacy and the maintenance of South Africa's illegal occupation of Namibia. If it is allowed to go unchallenged, further United States investment in South Africa and Namibia, coupled with the U.S. Administration's belief that South Africa is a "safe" strategic bastion in the Cold War, will certainly lead to deeper and deeper U.S. commitment to the wrong side in Southern Africa.*

## **100 YEARS OF EXPROPRIATION**

Namibians have been fighting against colonial white dispossession for almost 100 years. The country was colonized by Germany in the 1880s, during the scramble for Africa by the European powers. Settlement by white farmers began in 1891, and the familiar pattern of white seizure of land and the establishment of "native reserves"—or labor reservoirs, as they really were—was soon well established. By 1962

the 73,200 whites occupied 48.26 per cent of the total land area, while the 431,000 Africans were allocated 25.05 per cent of the land in reserves. The remaining percentage was divided between town area, game reserves, government lands and prohibited diamond-mining territory.<sup>2</sup>

When World War I broke out, a South African army occupied Namibia in the name of the Allies. In 1919 South Africa was granted the League of Nations Mandate for this former German colony, on condition that she would “promote to the utmost the material and moral well-being and the social progress of the inhabitants of the Territory.”

Not only has South Africa failed to carry out this trust, for example over 90 per cent of Namibians are still illiterate<sup>3</sup>, but it has consistently adopted policies contrary to the interests of the people of Namibia. The United Nations, which inherited the responsibilities of the League of Nations, has characterized South African conduct thus: “The history of the Administration . . . shows two basic policies consistently applied: (a) the ruthless application of the policy of *apartheid* in all aspects of life of the native inhabitants whereby their interests and well-being . . . have been completely subordinated to those of the white minority, thus depriving them of their basic human rights and fundamental freedoms; and (b) the obvious attempt . . . to annex, for its own benefit, the Mandated Territory . . . instead of developing it towards self-government. . . .”<sup>4</sup>

#### *Namibian children in school.*



Further, South Africa has been the only League of Nations mandatory power to refuse to relinquish its mandate to the United Nations; all other mandates are now independent. In 1966 the General Assembly of the United Nations, by resolution, stripped South Africa of the mandate and took over responsibility for the administration of Namibia preparatory to independence. South Africa refused to recognize United Nations jurisdiction or to allow the Council on Namibia, the transitional authority, to visit the territory. As a result of South Africa's intransigent attitude Namibians began guerrilla warfare in the north in 1966. Thirty-seven Namibians belonging to SWAPO (South West African People's Organization—the major Namibian liberation movement) were brought to trial as "terrorists" by the South African Government in 1967-1969, many of them being condemned to life imprisonment on the notorious Robben Island, off the coast of South Africa. Unknown numbers of others are believed still to be held in detention elsewhere in South Africa, and SWAPO continues to build its strength among the people.

In order to tighten its illegal grip on Namibia, South Africa passed two crucial pieces of legislation in 1968 and 1969, further defying the United Nations. These were the "Development of Self-Government for Native Nations in South West Africa Act, 1968," which divides the least hospitable parts of the country into tribal areas or "Bantustans," under close South African control, and the "South West African Affairs Act, 1969," which integrates most aspects of Namibian administration with that of South Africa itself, in effect making Namibia a fifth province of South Africa. Both measures meant the further extension of formalized *apartheid* measures to Namibians.

The United Nations has repeatedly condemned South African acts and attitudes and has sought ways to end the South African occupation of Namibia, but with no effective power. In 1970 the Security Council adopted a series of resolutions which declared the continued South African presence illegal, invalidated all acts concerning Namibia taken by the Government of South Africa, requested all States to "refrain from any relationship—diplomatic, consular or otherwise—with South Africa implying recognition of the authority of South Africa" over Namibia. Resolutions also dealt with the role of foreign corporations, and called on UN member states to ensure that their public and private corporations had no dealings with South African-controlled Namibia. The Security Council by its resolution 284 decided to request the International Court at the Hague for an advisory opinion on the question, "What are the legal consequences for States of the continued presence of South Africa in Namibia?"<sup>5</sup> On June 21, 1971, the Court, by a vote of 13-2 (Britain and France

dissenting) ruled that: "The continued presence of South Africa in South West Africa being illegal, South Africa is under the obligation to withdraw its administration from Namibia immediately and thus put an end to its occupation of the territory."<sup>6</sup> States are therefore obliged to:

1. Recognize the illegality of the South African presence.
2. Recognize the invalidity of its acts on behalf of or concerning Namibia.
3. Refrain from acts which imply recognition or lend support to South Africa's presence and administration.

### **United States Policy on Namibia**

"It is generally accepted at the U.N. that while the United States *speaks* in favor of freedom and equality in southern Africa, it *votes* to protect the status quo of racism and repression."<sup>7</sup> In the past the United States has deplored and condemned South African moves to incorporate Namibia or to apply its racial and repressive legislation there. Recently the U.S. Government has accepted the International Court's opinion that South Africa's presence in Namibia is illegal, but it has always refused to support resolutions which it deems confrontational. In May 1970, in an apparent shift of policy, the American Ambassador to the United Nations, Charles W. Yost, announced that the President had decided to demonstrate American opposition to the South African incorporation of Namibia and "our strong belief that they should reconsider" this policy. He said that the United States would henceforth officially discourage investment by U.S. nationals in Namibia, and that Export-Import Bank credit guarantees would not be made available for trade with Namibia. Further, U.S. nationals who invested there after the adoption of General Assembly Resolution 2145 (1966) would not receive U.S. Government assistance in protection of such investments against claims of a future lawful government of Namibia.<sup>8</sup>

The ineffectiveness of this action was soon revealed in Administration statements. "We are discouraging investment in South West Africa in a number of ways. . . . Such efforts obviously rely on our powers of persuasion. In the last analysis the decision whether to invest in South West Africa remains with the individual. . . . Under United States law, it is not illegal *per se* to invest or do business in the territory."<sup>9</sup>

American economic activity in Namibia has not slackened since this policy was declared. Tsumeb--the important mining company owned by the Newmont Corporation and American Metal Climax--has expanded; and Bethlehem Steel, the Nord Mining group and others have made new economic commitments in Namibia since the Yost

statement. The United States Government has still taken no effective action to discourage investment while South African occupation continues.

### **The Lopsided Economy**

Lying directly to the northwest of South Africa on the Atlantic Coast, Namibia has an area of some 300,000 square miles, about the combined size of France and Britain. Much of it is desert, and water is a perennial problem. The population has been variously estimated from 610,000<sup>10</sup> to 750,000.<sup>11</sup> Eighty-five per cent of that population is Black.<sup>12</sup>

It is difficult to provide a detailed picture of economic activity in Namibia because separate statistics of Namibia's foreign trade have not been published since 1966, and South Africa in 1969 issued an order "which prohibits the release of official information on the production of specific minerals, prospecting and concessions in the Territory."<sup>13</sup> The total Gross National Product of Namibia for 1969 was reported to have reached \$490 million.<sup>14</sup> The economy, based on mining, fishing and farming, expanded very slowly in the years between 1920 and 1945, but has grown more than tenfold since the end of World War II<sup>15</sup> and is now experiencing booming expansion in the mining sector. Namibia is one of the last areas in the world where uncontrolled colonial exploitation of natural resources is still possible.

Economic wealth rests very heavily on mineral exploitation. The mining industry is the largest single contributor to the gross domestic product (i.e. to the creation of wealth), to exports and to government revenue in Namibia. In 1966 the total value of mineral sales was \$177.9 million, equal to over half of the territory's gross domestic product. By 1970-71 the value of these sales had risen to \$182 million, and a significant trend was becoming noticeable. As indicated in the table below, base minerals are assuming ever-increasing importance in the total mineral production of Namibia.

The \$182-million mineral sales in 1970 accounted for over 60 per cent of the value of all exports from Namibia.<sup>17</sup> Mining also contributes an estimated 50 per cent of all Government revenue derived from Namibia. Taxes used to be paid to the administration in Windhoek, but the South African Government now collects all taxes on mines, companies, prospecting claims, as well as all export duties, etc.<sup>18</sup>

Two foreign corporations together account for over 90 per cent of all Namibian mineral production. Diamond mining is dominated by the Consolidated Diamond Mines of South West Africa, Ltd (CDM), a

## MINERALS IN NAMIBIA<sup>16</sup>

Combined value of exports and local sales:

Mineral	1966		Mineral	1970/71	
	Value in \$ million	% share of total value		Value in \$ million	% share of total value
Diamonds	118.58	66	Diamonds	98.00	54
Blister Copper	26.88	15	All base minerals		
Refined Lead	17.22	10			
Zinc, Vanadium, Tantalite, other base minerals	15.26	8.8			
	177.94			182.00	100

subsidiary of De Beers Consolidated Mines, Ltd. of South Africa. The major "base-mineral" producer is the U.S.-controlled Tsumeb Corporation, Ltd. About 50 per cent of mining investment in Namibia has derived from South African firms and about 50 per cent from United States and other foreign investors.<sup>19</sup>

Other mainstays of the commercial economy are cattle and karakul sheep ranching, and fishing. The fishing industry, which contributes somewhere in the range of twenty per cent of all exports<sup>20</sup> has suffered recent setbacks due to overfishing and a fall in world prices.<sup>21</sup> South African companies control most of the fishing.

Agriculture, although it contributes less than 20 per cent of the gross domestic product, has peculiar significance because of the political importance to South Africa of the white farmers. Animal husbandry, cattle raising and karakul farming normally account for 99 per cent of the total output of commercial agriculture and both are almost exclusively white activities. It is estimated that the cattle population of Namibia amounts to 2,600,000 head, about two million of which are owned by the white farmers and 600,000 by Africans, principally in the reserves.<sup>22</sup>

It is important to remember that in Namibia, as in South Africa, a deliberate attempt is made to maintain two interacting but distinct economies—the impoverished subsistence economy of the African reserves and the prosperous white-owned commercial economy which depends heavily on cheap African contract labor. The marketable output of the subsistence economy was estimated by South African Government sources at 3.5 per cent of gross domestic product in 1951. Expansion of the commercial economy in recent years has probably

reduced that figure even further. Africans living in the reserves are largely dependent on the earnings of those working in the commercial sector.<sup>23</sup>

### **Boom Time in Namibia**

Business has been good in Namibia for the white population and the corporations. Gross domestic product increased about 10 per cent annually in the 1960s; Windhoek, the capital, doubled its size; major roads and airports were built; exports through the main ports almost doubled in five years.<sup>24</sup> A major thrust for this growth came from the tremendous increase in mineral production and the push for even greater expansion in this field.

In March 1970 the South African financial press under the headline "They Are Sifting Riches from Sand" reported that "mineral development and exploration in South West Africa is booming as never before. With 18 companies engaged in mining production and a further 44 or so prospecting . . . there is a possibility of a bonanza that will alter the whole structure and future of the area."<sup>25</sup> More than 100 prospecting grants had recently been issued; the Department of Mines reported a jump in its prospecting-fees income from \$63,000 in 1966 to \$700,000 four years later.

Prospects for increasing development are seen as promising in a number of fields. Rio Tinto Zinc, a British-based multi-national corporation, has recently made a spectacular uranium find at Rössing, near Swakopmund, which will be "one of the biggest open cast mines in the world and will cost some \$360 million to develop."<sup>26</sup> The United Kingdom Atomic Energy Authority has already reached an agreement with RTZ and the S.A. Government to purchase 7,300 tons of uranium, worth about \$59.5 million, between 1976 and 1982. There is also a considerable program of oil prospecting.

Rio Tinto Zinc has placed a contract for the development of the Rössing operations with the Western Knapp Engineering Division of Arthur G. McKee, a U.S. based corporation in San Francisco, it was reported in the *United Kingdom Mining Journal*, March 23rd, 1972. The contract is for engineering, procurement, design and construction.

Other important new mining ventures are the opening by the S.A. Government Iron and Steel Corporation (ISCOR) of a mine at Rosh Pinah and the development of another S.A.-owned mine at Berg Aukas. When both these are operating at full capacity "South Africa will be able . . . to obtain all its zinc requirements, about 4,500 tons annually . . . without recourse to imports."<sup>27</sup>

The South African Government has undertaken a series of development projects in Namibia to ensure that the infrastructure of the economy keeps pace with rapid mineral exploitation. Most

important of these is the huge hydroelectric program being developed on the Cunene River (which forms the border between Namibia and Portugal's colony, Angola) in close alliance with the Portuguese. This project will involve the building of dams and power stations and the pumping of water from Angola into Namibia; it is also intended, according to the *Windhoek Advertiser*, "to shield the northern border to South West and the southwestern border of Angola from guerrilla onslaughts."<sup>28</sup>

It is obvious that fortunes are being made from Namibian resources. The big question is *fortunes for whom? Who profits from Namibian wealth?*

At least 20 per cent of the 1969 gross domestic product of \$490 million went outside of Namibia, primarily as profits to foreign companies,<sup>29</sup> "causing a startling discrepancy between Namibia's gross domestic product and its national income. . . ."<sup>30</sup> "During the period 1946-62 the proportion of GDP accruing to foreign capital was 31.7%."<sup>31</sup>

The distribution of the wealth that remains in the country is grossly unbalanced. In 1967 official South African figures estimated average income per head for whites at \$2242 per year.<sup>32</sup> Average annual income for "non-whites northern zone" (i.e. for the African population in the reserves) was put at \$85.40.<sup>33</sup> The latter is probably an inflated figure, for in 1956 estimated income in the northern reserve area was only \$23 a year.<sup>34</sup> The figures may have increased in the intervening years, but, as in South Africa itself, the wide gap between white and black incomes has remained and has most probably increased.

Public expenditures by the South African authorities reflect the same unbalance. Only 18 per cent of the State's "direct" expenditure in the 1970-71 budget for Namibia goes to the Black 85 per cent of the population while 82 per cent of the budget is spent for the white 15 per cent of the population.<sup>35</sup>

### **The Workers of Namibia**

As in South Africa, there is no freedom of movement for Africans in Namibia. Men and women cannot choose freely where they will live and send their children to school or where they will work. Africans live, work, die and are buried by permit only, and thousands go to jail every year for failing to have the right pass or permit. Namibia has been split into two zones—the "police zone" in the south, which includes the cities and the white farming areas, and the northern zone, which includes most of the reserves or Bantustans, where the land is typically infertile and unproductive. Between 55 and 60 per cent of the African



*Namibian workers gathering salt.*

population are forced to live in this northern zone. In order to produce the required supply of black labor, taxes have been imposed on the Africans and, as the land cannot support the population and there is little wage work in the reserves, men are thus driven to seek work in the white police zone but are forced by law to leave their families behind. Agriculture, mining, industry and services in the south are totally dependent on African labor, much of which is channeled in from the northern reserves. It has been estimated that at any given moment at least one quarter of the adult male population of Ovamboland, the largest northern reserve, is working as contract labor in the south.<sup>36</sup> Some 80,000 African men are now believed to be working for the white-controlled economy in Namibia.<sup>37</sup>

There has been no way out of the reserve for Africans except through the South African Government-sponsored South West African Native Labor Association (SWANLA) which was authorized to recruit all African labor outside the police zone and which also recruited labor for Namibia in Angola. SWANLA classified every able-bodied man into working categories based on physical fitness—(a) for mines and industries, (b) for agriculture, (c) for livestock breeding, ran them through a medical examination, labeled them with an identity disc hung around the neck and dispatched them, like animals, to employers who had simply ordered x number of workers. SWANLA recruits were given contracts (on which they paid a tax) for periods ranging from 12-30 months, and it was a criminal offense, once under contract, for a worker to leave his designated work area or otherwise break his contract. Workers could not be accompanied by their families, and

when the contract expired the worker had to return to the reserve to await another contract.<sup>38</sup> It was this contract-labor system, in reality a system of forced labor, that the workers were protesting when they came out on strike in December 1971. Some "reforms" have been announced by South Africa, but it seems certain that the basic nature of the system will remain unchanged, and that Africans will continue to be forced to work as migratory laborers, without the right to choose where they wish to live or work in their own country.

African trade unions are nonexistent in South African-controlled Namibia, and to strike is a criminal offense; strikers may be jailed or fined several months' pay.<sup>39</sup> Labor disputes between African workers and the white employer are referred to the all-white Central Native Labor Board, whose members are appointed by the South African Minister of Labor. The lack of any right to organize, coupled with the vicious vagrancy and pass laws, effectively fence in the African people as a permanent source of cheap labor. The African worker needs a permit to be anywhere outside his reserve, and if he loses his job he may be ordered out of town. "An African found trespassing or loitering in a 'white' area may be assigned as a labourer in public works, or to a private employer."<sup>40</sup> Failure to report to work may bring prison penalties.

With the Namibian strike, employers were forced to reconsider wages, but the South African *Financial Mail* had this to say about the so-called reforms:

"Last week the SWA Chapter of the Master Builders Association met in the plush Safari Motel adjoining Windhoek's Eros airport.

Sipping chilled lagerbier and scotch, delegates rejected (some vociferously) a suggestion that a minimum hourly wage of 15 cents [21 U.S. cents] be paid to unskilled labourers in the building industry. After a lengthy debate a minimum of 10 cents [14 U.S. cents] was also rejected.

Eventually delegates agreed that the minimum recommended starting wage would be 7 cents [10 U.S. cents] an hour. This is exactly one third of the 21 cents [30 U.S. cents] an hour minimum for unskilled African labourers in the Transvaal.

Yet it is by no means certain that even a wage of 7 cents [10 U.S. cents] an hour will be accepted either by the rest of the building industry or by employers in other industries. As one of the biggest employers of Ovambo labour, the building industry's recommendations will, of course, carry weight.

'There are many thousands of Ovambo to choose from, and when they are hungry they will return to work,' one builder said."<sup>42</sup>

As in South Africa, the African majority has been barred, by white custom and by white-made law, from acquiring skills or positions of responsibility. Thus, for instance, Africans are never employed as qualified miners even when the mines are located within the so-called "homeland" or "Bantustan." "Job reservation" (the reserving of all skilled or well-paid jobs for whites only) is applied by all who employ African labor. Finally, of course, equal pay for equal work does not apply to the whites and blacks of Namibia.

### Wages

Wages for Africans in Namibia are far below even the miserable pittance paid in South Africa. The South African Government itself, in information laid before the World Court prior to the 1966 judgment, claimed that minimum wages for Africans ranged from \$8.40 to \$15.40 a month, but S.A. assured the Court that some mine employees received as much as \$49.00.<sup>41</sup> Wages paid under the contract-labor system were as set out below until December 1971 and the general strike of Namibian workers.

#### MONTHLY WAGES

	House Servants and General Workers		Shepherds	
	12-month contract	18-month contract	12-month contract	18-month contract
<b>CLASS C:</b>				
Juvenile:	\$ 5.25	\$ 6.30	\$ 7.35	\$ 7.35*
Inexperienced	7.35	8.40	9.45	10.50
Experienced	7.35	8.40	9.45	10.50
Adult:				
Worker return- ing to previous employer	8.40	9.45	10.50	11.55
<b>CLASS B:</b>				
Inexperienced or experienced	8.40	9.45	10.50	11.55
Experienced worker return- ing to previous employer	10.50	11.55	12.60	13.65
<b>CLASS A:</b>				
Inexperienced or experienced	10.50	11.55	12.60	13.65
Experienced worker return- ing to previous employer	11.55	12.60	13.65	14.70

\*For first 12 months and \$8.40 thereafter.



*White "baas" and contract workers in Namibia.*

### **Emptying the Treasure Casket**

The white South African Government has for several years been attempting to develop a self-sufficient economy as a defense against possible future international boycott or sanctions against the *apartheid* system. The South African-directed mineral exploitation of Namibia meshes with that effort; it also reflects South Africa's lack of concern about husbanding potentially scarce resources for Namibia's rightful heirs. In 1964 the UN pointed out that "the Territory's mineral resources are being rapidly exploited by foreign companies. The two mining operations which are at present yielding the most fruitful returns [namely those of C.D.M. and the Tsumeb Corporation] will probably be worked out within twenty-five years. Thus the country runs the risk of finding itself, in the not too distant future, without the raw materials that now provide the main support for the money economy."<sup>43</sup>

When government of Namibia by Namibians comes about, it may find itself shorn of all that could be taken by rapacious money men, for Namibia "is a classic case of a country being rapidly exploited while under total foreign rule."<sup>44</sup> The South African role in this is clear, but U.S. complicity has been widely ignored. This is an aspect of the Namibian situation which lies within the power of the U.S. to change, and it is essential for those increasingly concerned with the consequences of corporate actions to look at the situation in Namibia very closely.

## THE U.S. CORPORATIONS EXAMINED

### The Tsumeb Corporation: U.S. Owned and Run

U.S. capital and technology play a strategic role in the mining of base minerals in Namibia. The U.S. corporations most deeply involved have been American Metal Climax, Inc. and the Newmont Mining Corporation, which jointly control the Tsumeb Corporation, (approximately 29 per cent each). Tsumeb alone accounts for over 80 per cent of base mineral production in Namibia,<sup>45†</sup> and for over 20 per cent of all Namibian exports; it is also the largest single private employer of labor.

The Tsumeb mine was first developed in 1908, primarily by German capital. A long period of gradual expansion was interrupted by the Second World War and the confiscation of German property in South West Africa. In 1964 the mine was acquired from the Custodian of Enemy Property for just under \$3 million<sup>††</sup> by American Metal Climax and formed the basis for the present Tsumeb Corporation.

Since the reopening of the mine in 1947 Tsumeb has been developed into one of the great base-metal mines of the world<sup>46</sup> and by June 30, 1969 had produced metals to the gross value of \$824,518,865.<sup>47</sup> Its 1970 production alone amounted to \$71 million. It is a fair guess that by the end of its 25th year in Namibia the Tsumeb Corporation will have extracted one billion dollars worth of metal from Namibia. Further, the Namibian operation is a highly profitable one for its U.S. investors. In 1969 Tsumeb made a profit of \$19 million, by 1970 this had soared to \$26 million—an impressive profit on an original investment of a few million dollars. Subsequent capital invested includes \$20,000,000 utilized in the period 1962-63 for the opening of the Kombat mine and the construction of a copper smelter and a lead smelter. Tsumeb has not released total investment figures but it is clear that the rate of return on Tsumeb is very high.

The Tsumeb Corporation now has two major producing mines. The oldest, and still the biggest, is at Tsumeb itself; it is often referred to as “the jewel box” by those who enjoy the riches from its assortment of mineral deposits, which include lead, copper, zinc, silver, germanium and cadmium. Second most productive of the mines is the

† Other Tsumeb participants include several South African companies such as the Union Corporation, Selection Trust Ltd., the South West Africa Company and O'okiep Copper Ltd. of South Africa, which is itself controlled by Amax (18%) and Newmont (57.5%). (U.N. '64, p. 66.)

†† The actual sterling price was £1,010,000.

“Kombat” mine. The new “Matchless” Mine was brought into limited operation in 1970, and was expected to produce 500 tons of ore daily by mid-1971, the primary metals involved being copper and pyrite. The pyrite, an iron ore containing sulfur, is of particular significance since it is necessary for the smelting process at Tsumeb. Matchless production was expected to replace previously imported sulfur. Costs of bringing the Matchless mine into production were reported as \$5½ million.<sup>48</sup> The company reported early in 1972 that it had been forced to close the mine down because of the strike of Ovambo workers.

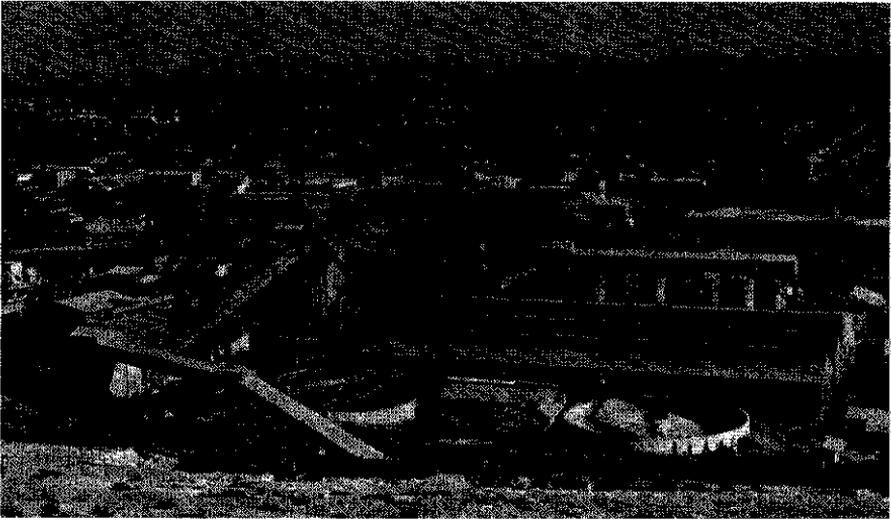
Tsumeb’s mineral output peaked in the mid-sixties, and profits and output had fallen somewhat by 1969. But the corporation has undertaken a variety of expansion and exploration programs which are expected to reverse that trend. In addition to the Matchless there have been other large annual capital investments made in new construction, including over \$1 million in 1970 spent on sinking two deep-level shafts at Tsumeb in a search for new mineral sources. It has been estimated that the corporation’s resources will not last longer than another fifteen years unless new deposits are found.

Besides operating the mines, the Tsumeb Corporation is involved in numerous activities with other corporations in Namibia. It is the only company which carries out smelting and refining operations, its output consisting primarily of blister copper, refined lead and zinc. It has recently joined a South African-controlled corporation, the South West Africa Company, to form the Tsumeb Exploration Company, which has reported finding a large lead and copper ore body. Tsumeb has also become involved in a joint exploration venture with a group including U.S. Steel, Harry Oppenheimer’s De Beers Consolidated Diamond Mines and other South African companies. This group has been granted large prospecting concessions, as has a further Tsumeb venture in association with the Terra Marine Mining Company, granted large concessions some thirty miles south of Rehoboth.

#### Tsumeb: Output Principal Metals 1965-1969

	Lead	Copper	Zinc (short tons)	Total	Cadmium (pounds)	Silver (ounces)
1965	91,771	34,750	12,164	138,685	237,435	1,540,851
1966	88,800	32,471	11,015	132,286	269,812	1,516,539
1967	78,006	35,591	9,263	122,860	564,367	1,449,763
1968	61,927	34,691	4,973	101,591	471,108	1,349,741
1969	66,634	30,450	4,205	101,289	509,933	1,273,429

United Nations A/8148/Add.1,  
30 November, 1970



*The Tsumeb Mine, which accounts for more than 80 per cent of the base mineral production in Namibia and is the largest single private employer of labor, is jointly controlled by the Newmont Mining Corporation and the American Metal Climax Corporation.*

#### **A “Company Town”—for 5000 Forced Laborers**

The town of Tsumeb, 200 miles north of Windhoek, is a true “company town” existing for and dependent on the mine that is its reason for being. The mine employs some 5000 Africans and 1200 whites to dig the tremendous wealth out of the earth. But only the white workers share in the wealth produced. The African contract workers are not even granted the title of “miner”; they are not allowed to qualify for the “blasting certificate” which constitutes the distinction between skilled and unskilled labor.<sup>49</sup>

Two Americans who visited Tsumeb in 1971 and interviewed both workers and management have said: “All the company’s African employees, with the exception of 100 clerical workers, are brought from Ovamboland as contract laborers. At Tsumeb the men live in compounds, where they stay for a year before returning to their wives and families who must remain behind. The company claims that in cases of death or illness at home miners are sent back to visit at company expense, but employees to whom we talked deny that they are allowed to leave before their contracts expire.”<sup>50</sup>

For Africans, conditions on the mine are harsh and bleak. Minimum pay for an African is 70 cents (U.S.) *a day* and the working week is normally 6 days. The average pay is \$29.64 *a month*, which is no higher than the average pay for the territory. The maximum paid to any African is \$140.00, and there are only a handful of Africans at that level.<sup>51</sup> The company is quick to point out that workers are also

provided with a shirt and trousers, food, medical attention and transportation from and to Ovamboland. But the real value of this is insignificant when compared to the luxurious conditions provided for the white workers. A white shift boss earns \$525 a month plus a production bonus of varying amounts; a mine captain earns \$595 minimum a month.<sup>52</sup> As in South Africa, white miners make on an average about twenty times more than their black co-workers.

Yet this system has been largely self-imposed by the corporations involved. In South Africa the Mines and Works Act of 1911 entrenched racial discrimination in the law, restricting skilled and semiskilled categories of mining work to whites. No such law forced this practice on the American companies that took over the running of Tsumeb in 1946. Nor was the corporation legally forced to collaborate with the contract-labor system. The adoption of all the most vicious labor practices inherited from South Africa—the use of migratory labor, reservation of skilled jobs for whites, the whole cheap labor system—was undertaken voluntarily by the Americans in charge because it served the interests of the corporation, kept relations with South Africa smooth and provided excellent profits.

Tsumeb's General Manager, R. J. Ratledge, admitted when interviewed<sup>53</sup> that most Ovambos preferred not to work on the mines. "When Ovamboland has a good rainy season, Tsumeb has more difficulty recruiting employees. If it's a good year and they don't have to work, they stay at home." In other words, men are driven to the labor-recruiting agents by the desperate barrenness of their land and the lack of any alternative source of income.

Africans are treated like cattle in Namibia, but according to Tsumeb representatives the comprehensive South African labor grading system insures efficient distribution of workers. "All labor in Ovamboland is now classified into categories of medical fitness, and the strongest men, who are capable of going underground, go to the mines," according to Ratledge in 1971.<sup>54</sup>

### **South Africa, Newmont and Amax: Allies in Oppression**

Marcus D. Banghart, then Vice President of Newmont Mining Corporation, described the profits of American companies in South Africa as "tantalizing" and said, in 1962: "*We know the people and the Government and we back our conviction with our reputation and our dollars.*"<sup>55</sup>

While Amax and Newmont benefit, through Tsumeb's high profits, from South Africa's continued occupation and oppression of Namibia, they also help to maintain that rule. U.S. technology and capital were used to develop the mines and provide the taxes paid by

Tsumeb. Since 1946, the Tsumeb Corporation has paid more than \$140,000,000 in taxes. Taxes of \$14 million paid in 1970 accounted for nearly 23% of the mining sector's contribution to public revenue and 8.6% of the territory's annual budget.<sup>56, 57</sup> Thus does Tsumeb finance the South African administration and make easier the extension of apartheid to the area. Further, as Mr. Ratledge claimed when interviewed, the building of the Capetown-to-Luanda (Angola) highway (a strategic supply route for the Portuguese in their fight to suppress the Angolan liberation struggle and a key element in South Africa's defense of its northwestern boundaries) was only possible because of Tsumeb's contribution.

#### **Tsumeb: Financial Results 1965-1969**

	<b>1965</b>	<b>1966</b>	<b>1967</b>	<b>1968</b>	<b>1969</b>
	(million dollars)				
Metal sales	72.1	78.4	72.9	59.8	58.5
Net operating income	42.3	44.7	41.7	32.8	28.7
Interest income	—	—	1.0	1.0	1.0
Depreciation and write-off	—	3.8	4.1	4.2	5.0
Provision for income tax	12.2	12.6	11.9	9.4	9.4
Net profit	26.5	29.0	26.6	20.0	15.3
Dividends declared	—	28.0	25.9	19.6	21.7
Net current assets	6.6	5.5	6.9	9.8	8.8
Inventories	18.2	17.9	18.2	17.2	14.1

#### **Newmont Mining Corporation**

Apart from its direct 29.2 per cent control of Tsumeb, Newmont holds 57.5 per cent of the O'okiep Copper Mines, Ltd. in Namaqualand, South Africa, a subsidiary which has played a major role in Newmont's growth history. Newmont also owns a 28.6 per cent interest in the South African Palabora Mine.<sup>57</sup> Newmont manages the Tsumeb Corporation mines in Namibia, including the associated power and reduction plants, the workshops and the African labor compounds. Newmont is also involved in diamond prospecting in Lesotho and owns a 32.8 per cent share in the Foote Mineral Company, a company heavily involved in chrome production in Rhodesia. (Foote Minerals, in collaboration with Union Carbide, have recently successfully mounted a massive lobbying action in Washington which led to the end of U.S. support for United Nations-imposed sanctions on Rhodesia. The U.S. has now broken the sanctions by its action in allowing the importation of chrome, and some other minerals, from Rhodesia, under the guise of "strategic necessity.")

Increasing criticism of its presence in Namibia has caused Newmont to develop a series of arguments in defense of its position. Primary is the newly popular corporate contention that economic expansion, and in particular economic expansion under Newmont's control, will lead to the greatest progress in Southern Africa. "We are not in a position to move the mine to a different site, and merely severing an ownership interest would not alter conditions. On the contrary, I believe that the presence of foreign stockholders can have a beneficial effect,"<sup>58</sup> said Newmont Chairman Malozemoff. On another occasion, he argued that "Our chief concern is the welfare of our employees and the efficiency of our operations. If we perform creditably in these areas, we will have served the best interests of the people of South West Africa."<sup>59</sup> The weakness of this argument is underlined by another of Mr. Malozemoff's comments, on the recent strike in Namibia: "I point as evidence to the aforementioned progress achieved recently in South West African labor relations. Taken in context the peaceful and voluntary settlement of the Ovambo strike is traceable in considerable measure to the ambiance of relative prosperity under which each side could see advantage in compromise." In fact, fsumeb's workers were among the first to come out on strike. They did

*A contract workers' compound at the Tsumeb Mine.*



so, they said, because they were subject to all the abuses current in Namibia—in other words, the U.S. corporation had taken no steps whatsoever to improve the conditions of its own workers, even on a minor reform basis. Newmont, as the active managing U.S. corporation in Tsumeb, has had 25 years in which to prove its ability to assist progress. Judged by its own history it has not only failed to prove this but has shown the inevitability of corporate abuse and exploitation where a country is occupied and exploited by a foreign power and the state does not protect its citizens.

### **American Metal Climax, Inc.**

Amax controls directly 29.2 per cent of the equity of Tsumeb Corporation, 18 per cent of O'okiep Copper Mines Ltd., and is currently embarking on a vast nickel and copper project in Botswana, in close collaboration with Anglo American of South Africa. Amax also has investments in copper mining in Zambia.

Amax, under fire for its Namibian participation, attempts to shield itself behind the argument that it has no direct management responsibility. However, in order to preserve its image as a liberal company it also asserts that “we have pressed for progress during the past ten years. . . . All new Colored and African recruits are tested in the mine’s aptitude and training centers, and subsequent placement and training is determined by results on these tests. Africans at Tsumeb now drive virtually all of the heavy equipment, . . . they perform jobs of considerable responsibility in the smelter; and they hold most semiskilled jobs.”<sup>60</sup> In other words, everyone does aptitude tests, everyone is placed according to ability—and it just so happens that the Africans are best adapted to the semiskilled jobs, while the whites are more suited for the highly skilled jobs!

Amax too is a proponent of the “progress through investment” theory. “We view the arguments of those who advocate ‘withdrawal’ from South Africa as unrealistic and self-defeating. Advancement of Africans in our view is more likely to be achieved through the increasing technical skill, education and economic capacity of the majority of the people, than by efforts to destroy economic development and to seek political and cultural isolation.”<sup>61</sup>

Complex replies to this are unnecessary—there is not one black mine-captain, mayor, engineer, member of Parliament, lawyer, architect, police chief, engine driver, pilot or mine manager in Namibia, after 25 years of Amax presence. There has been no progress; the facts speak for themselves.

The marriage of Newmont and Amax in a partnership of exploitation in Southern Africa is reinforced by the existence of a series of interlocking directorates which serve to link the U.S. corporations to major United Kingdom, South African and Canadian companies operating in the area.

*Defending his own Corporation and the South African Government, Newmont President Malozemoff, writing in the Wall Street Journal on April 19th said "The government's contract system, against which the workers protested, was admittedly outmoded, and the governmental authorities recognized this and abolished it, substituting new methods of hiring . . ."*

*He omitted to say that workers are still subject to a contract, are still caught within the vicious migratory labor system and were not, in any way, involved in the negotiations that created the "new" methods.*

*The American controlled Tsumeb Corporation did not negotiate with its own striking workers, and allowed the South African Government to intervene and attempt to force a settlement on the workers.*

*He went on to announce self-righteously that "On February 21, Tsumeb raised its minimum cash wages by 24% for surface workers and 27% for underground workers." He did not reveal the pittance base wages on which that increase was granted.*

## **U.S. Steel**

U.S. Steel is a recent investor in both South Africa and Namibia. In 1969 it acquired an initial 15 per cent interest, later increased to a 30 per cent holding in three new prospects of the Anglovaal group (a major South African mining house). One of the concessions included copper and other base-mineral and precious stone prospects in Botswana and Namibia. The group, which was formed to explore the Namibian concession—a total of 1,500 square kilometers in several separate areas in the vicinity of Rehoboth and Gobabis—was known as the Africa Triangle Company, and shareholders included Anglovaal of South Africa, the Tsumeb Corporation, De Beers Consolidated Mines Ltd. of South Africa, the Anglo American Corporation of South Africa and also U.S. Steel.<sup>62</sup> During 1969 the group was reportedly taking samples at Witvlei, an area some 100 miles east of Windhoek, and prospects appeared promising. However in April 1971 Anglovaal made a formal announcement to the effect that prospecting operations in the Witvlei were being "curtailed."

## **Bethlehem Steel**

Bethlehem Steel has developed its interest in Namibia over a number of years. In 1952 it discovered an iron-ore deposit estimated at 500 million tons of medium to high grade ore in the Kaokoveld, about ninety-five miles from Möwe Bay on the Skeleton Coast. In 1966 Bethlehem apparently renewed its activities briefly and then abandoned them again.<sup>63</sup> The original Kaokoveld mineral claims are now held by Desert Finds (Pty) Ltd. In 1970 it was reported that Bethlehem had entered into a prospecting agreement with Tsumeb to explore for fluorspar near Grootfontein. The *Johannesburg Star* noted, "The decision is considered of particular interest in respect of South West Africa as it runs contrary to publicly expressed United States Government policy on investment there."<sup>64</sup>

## **Nord Resources**

Nord Mining, a subsidiary of Nord Resources of New Mexico, holds huge concessions in the Omaruru area. Late in 1970 it announced its intention of developing a wolfram mine, at a capital cost of \$7,000,000. Nord has also announced the discovery, in partnership with a French firm, of a large deposit of copper.<sup>65</sup>

## **Navarro Exploration Company**

Navarro is a wholly owned subsidiary of Zapata Norness, Inc., of Houston, Texas. Zapata acquired Navarro in 1968. It operates a copper mine at Onganja, and reported in 1969 that the profit contribution from Navarro, although negligible that year, "should become substantial in 1970 and the years beyond."<sup>66</sup> Output from the Onganja mine has been considerably expanded since 1968 according to Zapata and the mill produces concentrates which are exported to Japan. Navarro is also engaged in mineral exploration and has over 750,000 acres of prospective properties under lease, on which a wide range of minerals, including silver, zinc, lead and molybdenum, have already been discovered.

## **Phelps Dodge**

Phelps Dodge, the second biggest copper producer in the United States, has applied for a concession over a vast tract of land in the north of Namibia and has opened offices in Johannesburg to supervise its new Southern Africa operation.<sup>67</sup>

There appears to be increasing interest in Namibia among base mineral companies in the United States. Thus recent unconfirmed reports have also indicated Hanna Mining and the Marcona Company as engaged in a mineral probe.

*SWAPO statement from Namibia News*

*Namibia is becoming one of the major copper producers in the world; this is the conclusion which can be drawn from the annual report of the Association of Mining Companies, but the benefits do not reach the Namibian people. Our country's resources are being exhausted in an intensive, short period, and the profits are taken as revenue by the South African Government, as well as transferred to foreign countries and South African companies, but nothing goes to the people. The reason why this is so easily done is two-fold: Firstly, the fact that South Africa illegally occupies our country, and secondly, that her vicious apartheid policy is the basis for her administration. In order to run mining and other industries at such vast profit there must be easy access to cheap labour; the South African social system secures this. The northern part of Namibia has over a long period been developed and maintained as a source of cheap labour with an extensive system of 'contract labour' which has been characterized by the International Commission of Jurists as being 'unique in its organised and efficient application of conditions that are akin to slavery'. Moreover, generally low wages and harsh legislation contribute to maintain the inhuman conditions in Namibia whereby it is a matter of life and death for a family that the bread-winner has a job, however badly paid. By keeping the population down in this way the South African Government secures its foreign friends cheap and easy profit at the expense of the rightful owners of the country. We predict that the increasing investments in Namibia will lead to even harsher life conditions for our people, as this in itself is one of the necessary preconditions for this pernicious industrial expansion.*

**Namibia News,  
Vol. 3, Nos. 4-6  
April-June, 1970**

**U.S. Companies in the Search for Oil**

The scramble for diamonds, as well as copper and other base minerals has its counterpart in a recent intensification of the search for oil in Namibia. South Africa's most critical lack, in its drive for self-sufficiency, is oil. Reflecting this concern, the South African Government in 1968 established the Southern Oil Exploration Company (SOEKOR), with power to grant all oil prospecting concessions in South Africa. SWAKOR, a Namibian-registered subsidiary of SOEKOR, awards such concessions in Namibia and the South African Government funds the operation of SWAKOR via the

Strategic Minerals Resources Fund. These concessions remain valid at the option of the company for seventeen years; if petroleum is found SWAKOR is entitled to become a partner in production of the prospecting company.<sup>68</sup>

The terms of the concessions grant options that must be speedily taken up and explored or relinquished. By 1969 large concession areas had been allocated, on and offshore. Several went to U.S. firms, including two offshore blocks to Gulf Oil, one to Chevron (Standard Oil of California) and one to a group in which Syracuse Oil, Woodford Oil of Canada, and H. M. Mining held interests. These blocks were all relinquished by March 1971, but in January 1971 Chevron (Standard Oil of California) and Regent Petroleum (a subsidiary of Texaco) were granted new joint rights as Chevron-Regent for exploration in a new 4000-square-mile offshore concession.<sup>69</sup>

### **Brilund Mines-Etoshia Petroleum**

The most promising oil exploration to date has been that of Etoshia Petroleum, prospecting in a concession stretching over 116,000 square miles on land, in the northern area comprising most of the Kaokoveld, Ovamboland and the Etoshia Game Reserve. Throughout 1970 the South African press carried reports of interesting discoveries; by mid-1970 Etoshia had brought in at least three drilling rigs. The corporation would not confirm any reports, although the *Windhoek Advertiser*<sup>70</sup> quoted Etoshia Managing Director Mr. Rosenblat as saying he "could say a great deal which would cause excitement, but it was in the interest of the country to say as little as possible. 'I think the time for opening our mouths is when the oil is flowing.' " In December 1970 Etoshia finally announced that it had discovered eleven potential oil structures ranging in area from 80,000 to 125,000 acres each. These would be the immediate drilling sites for the next phase of its planned program, and were in three different oil environments of the concession area. There has been no substantive news since then.

Etoshia Petroleum is owned by Brilund Mines Ltd., a Canadian Corporation with 1969 working capital of \$3,693,802.<sup>71</sup> Brilund's interests lie entirely within Namibia, and are concentrated in three wholly owned subsidiaries: Etoshia Mineral (Pty) Ltd., Etopet Minerals (Pty) Ltd., and Etoshia Petroleum (Pty) Ltd. Heavy involvement in a search for minerals was abandoned in late 1970, but the search for petroleum continues.

Brilund was incorporated in Ontario, but all of its officers, directors and managers come from New York and New Jersey. Its Chairman and President is Emanuel Rosenblat, its Secretary-Treasurer Paul Mazur, Assistant Secretary Ray Rosenblat. These men, with the addition of Henry Weiss, comprise the Board of Directors. Corporate offices are registered at 250 University Avenue, Toronto, but a

Canadian Government report in reply to the Security Council request for information on national corporations active in Namibia indicated "While the headquarters of Brilund Mines Ltd. is in Toronto, Canada, its executive offices are in Mount Vernon, New York. It is a holding company only and obtained 100 per cent interest in Etosha Petroleum Company in 1966."<sup>72</sup>

Etosha Petroleum (Pty) Ltd. is listed in Walter R. Skinner's *Petroleum Year Book* for 1970-71, and its executive officers are the same as those on the Brilund Board, but interestingly it has two independent addresses listed, one at Grootfontein in Namibia, and one in Dallas, Texas.

The mysteries involved in trying to unravel the real source of corporate control are well illustrated by the intricacies of this not otherwise very important Canadian-American corporation. There are several other Canadian firms operating in Namibia, most being closely interlinked to U.S. interests. The most prominent is Falconbridge Nickel Mines, which has teamed up with the Superior Oil Company of the U.S. in South Africa to form a new corporation, Western Platinum. Falconbridge in Namibia has recently opened a large new copper mine at Oamites, some 35 miles south of Windhoek.

### **Diamonds Are Forever—Profitable**

The production and export of diamonds still dominates the Namibian economy. In 1966 the value of diamonds produced was \$118.5 million—over 66 per cent of the total mineral export value for that year. Diamond production and marketing is almost totally controlled by South African interests, but U.S. firms have played a continuing role.

In 1917 when Sir Ernest Oppenheimer, father of South Africa's finance king, Harry Oppenheimer, bought out the German diamond mines operating in what had been German-controlled territory, his Anglo-American Corporation was backed by J. P. Morgan and Company. In 1920 Oppenheimer established the Consolidated Diamond Mines of South West Africa to take over all diamond mining operations; CDM eventually became a subsidiary of the giant Anglo American Corporation (which currently controls assets of between \$3 and \$4 billion). Anglo American itself now has close links with major U.S. interests, particularly through the Engelhard empire. Late in 1969 Anglo American bought control of Engelhard Hanovia of the United States, the world's largest supplier of precious metals.<sup>73</sup>

The real ownership of De-Beers, the CDM parent company, which produces over 95 per cent of all the diamonds mined in Namibia and is the world's largest producer of gem diamonds<sup>74</sup> is difficult to determine, since many shares are owned by companies which in turn

have widespread international ownership. Taking this into account and tracing ownership through intermediate companies to its ultimate source, the real ownership of De-Beers was in 1963-64 estimated by the company to be spread as follows:<sup>75</sup>

	per cent of total
South Africa	44
Continental Europe	27
United Kingdom	25
United States of America	1
Other	<u>3</u>
	100

Even a one-per-cent U.S. participation in the parent company of CDM is not insignificant in terms of profits reaped, for CDM recent net annual profits have averaged about \$70 million,<sup>76</sup> production reaching 1,697,000 carats in 1969. In addition the U.S. tradition, so skillfully fostered by De Beers in their discreet advertisements in consumer magazines, that every nice girl must have a diamond engagement ring, insures a considerable and expanding market for the stones from Namibia in America.

#### **Tidal Diamonds—a Getty interest**

There is direct U.S. participation in one company which has been involved in mining diamonds in Namibia, Tidal Diamonds (SWA) (Pty) Ltd., in which the Getty Oil Company owns a 46 per cent interest through its subsidiary, the Tidewater Oil Company. CDM has a 54 per cent interest in Tidal Diamonds. Tidal Diamonds' barge *Pomona* worked offshore and reports indicated that most of the diamonds retrieved were of a high quality, production in 1969 reaching 203,000 carats.

## **NAMIBIAN TRADE WITH THE UNITED STATES**

#### **Fifth Avenue Fashion: Karakul Pelts from Namibia**

The United States is an important market for the pelts of the rare karakul sheep reared primarily in Namibia which supplies over half the world's karakul. U.S. purchases, worth \$7 million in 1969, were estimated at almost 25 per cent of total Namibian sales. The pelts are sold under the trade name SWAKARA (South West African Karakul) and are used in fashionable women's coats, often advertised in glossy magazines and in *The New York Times*.

But while women in the United States pay high prices for the stylish SWAKARA coats, the profits go only to the white-controlled

commercial agricultural sector. White farmers exported cattle worth \$32 million and karakul pelts worth \$30.6 million in 1969. The African role in this profitable industry is reduced to that of shepherd. "The men looking after the sheep start at about 6 a.m. and finish at 7.30 p.m.," one petitioner told the United Nations. "Some farmers prefer to give the meat from the karakul lambs to their pigs and fowls rather than to their labourers. . . . Sometimes the sheep and cattle have better shelter than the labourers."<sup>77</sup>

The South African Government operates a Karakul Board, appointing leading karakul breeders and other experts to promote the advancement of the industry. This Board appoints publicity consultants in each of the important foreign centers where significant sales are made, the U.S. consultant being Gaynor and Ducas, Inc., of New York (which is also publicity agent for South African Airways). In 1969 the Karakul Board invited its overseas publicity consultants to South West Africa to "meet the people they represent—members of the board, Administration officials, breeders, pelt producers, local furriers and fur exporters." Not surprisingly, these consultants all produced glowing reports of their trips to "South West Africa," with not one word of criticism or concern for the position of the majority of the population of Namibia. Indeed Audrey Du Toit, Vice President of Gaynor and Ducas, spoke specifically of having gained new knowledge which would enable her and her fellows to mount "an increasingly effective promotion programme for SWAKARA throughout the world."<sup>78</sup>

*Namibian children in Ovamboland.*



## **Pet Food and Rock Lobster**

The largely South African-controlled fishing industry in Namibia is expanding, and the U.S. is an important trade partner for the industry's two main products, pilchards (used in pet food) and rock lobsters. A U.S.-based lobster expert has been quoted in a Namibian paper as saying that "South West Africa will never be able to produce sufficient lobster for the American consumer market."<sup>79</sup> The UN reported in 1970 that the U.S. pet food industry was expected to buy a total of two million cartons of pilchard from Namibia in 1969. In 1968 the Del Monte Corporation (U.S.) was able to purchase all of its pilchard requirements from Ovenstone South Africa Investments, Ltd., of Walvis Bay for \$1.4 million.

Commercial fishing is Namibia's second most important industry, contributing about 20 per cent of the GNP in 1966 (\$69.4 million), but none of this wealth reaches the people of Namibia, who are employed at only the lowest levels of pay and have no share in the ownership of the fishing companies. Despite a production decline in 1969, the industry is continuing to expand, with improvements being made to Walvis Bay and a new fishing harbor and factory underway at Mōwe Bay in the north. Once again natural resources are being ruthlessly exhausted by foreign interests unconcerned for the future of the people of Namibia.

## **CONCLUSION**

The question of the role of all foreign economic involvement in Namibia has to be seen inside the context of the total Southern African situation.

Two major forces are contending for control throughout the area. On the one side are the peoples of Angola, Namibia, South Africa, Zimbabwe, Mozambique and Guinea-Bissau, who are all engaged in an active struggle for liberation and self-determination. On the other side are ranged the racist white minority governments, supported by their European and North American allies. In a situation of such basic conflict it is impossible for U.S. corporations in the area to play a neutral role.

From this examination of major U.S. economic involvement in Namibia it seems clear that American business activity cannot in any way be said to further the legitimate struggle of the people. On the contrary, it plays an important role in bolstering the illegal South African regime in the following ways:

1. U.S. companies give direct support to the South African government in Namibia by the taxes they pay;
2. U.S. companies in Namibia strengthen the economy of South Africa by injecting large amounts of capital and developing significant sources of foreign exchange earnings;
3. U.S. companies in Namibia operate in areas strategically vital to the continuation of white domination by force. Oil from Namibia, currently being sought by Chevron and Etosha, is potentially of great importance in securing South Africa's military position and increasing its general economic self-sufficiency, thus reducing its vulnerability to international sanctions and boycotts;
4. U.S. economic involvement in Namibia serves to legitimize the illegal South African Government, and inevitably brings about a closer integration of the South African economy with those of the West. One result of this interdependence is the increased willingness of Western governments to come to the economic and military aid of the white regimes against the legitimate demands of the people;
5. Finally, because U.S. interests in Namibia are heavily concentrated in the extractive industries, the problem is particularly urgent, since resources are being rapidly depleted and the profits are non renewable. Herero Chief Klemens Kapuuu has appealed to the international community to prevent companies removing the assets which the people of Namibia will need when they win their independence.

In this light the argument that investment by U.S. companies in Namibia plays a positive development role becomes untenable. Even concessions such as better working conditions, higher wages and other minor reforms, in a system which rigidly controls the lives of the Namibian people, are only panaceas which ignore the real question of self-determination. U.S. investment ultimately contributes only to the reinforcement and perpetuation of the status quo, the enrichment of the local whites and profits for outside investors.

Recently awareness has been increasing internationally and in the United States about the effects of foreign economic interests in Southern Africa. There are many ways in which those concerned have responded in an attempt to end U.S. aid and comfort for South African racism. There have been protests at annual stockholders' meetings, demonstrations, proposed legal and legislative actions, the formation of support groups for the strikers and for the whole struggle in Namibia. As consciousness grows, so will the range of activities. The formidable task of ending U.S. support for the minority government will require the education and mobilization of many thousands of Americans.

## FOOTNOTES

1. *The Observer*, London, 13 February 1972.
2. Ruth First, *South West Africa*, Penguin Books, 1963, pp. 142-143 and Appendices B and C.
3. Department of State, *South West Africa (Namibia) Background Notes*, October 1970, p. 1.
4. United Nations, *A Principle in Torment III: The United Nations and Namibia*, 1971, p. 2.
5. UN Doc. A/AC.109/L.686, 19 March 1971, p. 7, hereafter cited as UN '71.
6. *New York Times*, June 22, 1971.
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*Extracts from the South African Government's new regulations for contract labor in Namibia.*

BUITENGEWONE  
**OFFISIËLE KOERANT**  
VAN SUIDWES-AFRIKA  
**OFFICIAL GAZETTE**



EXTRAORDINARY  
OF SOUTH WEST AFRICA

DITGAWE OF ONSAG.

PUBLISHED BY AUTHORITY

10c

Dinsdag 4 April 1972

WINDHOEK

Tuesday 4 April 1972

No. 2244

**PROCLAMATION:**

(Republic) Regulations for the Establishment of Employment Bureaux in the Territory of South West Africa . . . . .

(f) that an order of removal has been made against such employee under any law or these regulations; or

\* \* \*

**PROCLAMATION**

BY THE STATE PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA.

**MANNER OF DEALING WITH EMPLOYEES WHO HAVE COMPLAINTS OR WHO BREAK AGREEMENTS OF EMPLOYMENT**

**POWERS AND FUNCTIONS OF THE CHIEF NATIVE COMMISSIONER, NATIVE COMMISSIONERS AND EMPLOYMENT OFFICERS**

4. (1) Any employee who is a party to an agreement of employment and after taking up employment is dissatisfied with such agreement of employment may lay a complaint with the employment officer who shall refer such employee to the Native Commissioner in whose area the employment bureau concerned is situated.

3. (1) The Chief Native Commissioner —  
(1) shall control the activities of the employment bureaux in his area of jurisdiction;

(4) Any employee whose agreement of employment has not been declared cancelled in terms of subregulation (2) and who breaks such agreement and any employee who has entered into an agreement of employment outside the area in which these regulations apply and who fails to take up employment under such agreement of employment and any employee who remains in any area in contravention of an order made under regulation 3 (5), shall be deemed to be unlawfully in such area.

(3) An employment officer may, in addition to any other powers or functions which may be prescribed —

\* \* \*

(1) refuse to sanction the placement in employment, engagement, or continued employment of any employee in the area of the employment bureau concerned, and by notice in writing to the employer concerned declare any agreement of employment with such employee cancelled if he is satisfied —

**REPORTING OF WORKSEEKERS**

(a) that the agreement of employment with such employee is not *bona fide*; or

6. (1) Every workseeker in a proclaimed area shall within 72 hours after becoming unemployed or within fourteen days of attaining the age of sixteen years or ceasing to be a full-time pupil or student at an educational institution report at the employment bureau for employment.

(c) that such employee has not been released from the obligation of rendering service under an earlier agreement of employment; or

\* \* \*

(e) that such employee refuses to submit himself to medical examination by a medical officer or, having been medically examined, has not been passed as healthy and vaccinated as prescribed, or is found to be suffering from venereal disease or from tuberculosis or from any other ailment or disease which in the opinion of the medical officer is dangerous to public health; or

**OFFENCES AND GENERAL PENALTIES**

(2) Every contravention of or failure to comply with these regulations may be tried and the maximum penalties may be imposed by any Native commissioner's court or magistrate's court.