Fact Sheet May, 1988

MOBILIZING APARTHEID: MOBIL OIL IN SOUTH AFRICA

"As the South African government escalates its brutal campaign to silence the last remaining voices for peaceful change, effective economic pressures are more crucial than ever to hasten the end of apartheid. We urge our friends abroad to enact comprehensive and mandatory sanctions, and call on international companies like Royal Dutch/Shell and MOBIL OIL to end their economic support for apartheid and leave South Africa." --Archbishop Desmond Tutu

Mobil's Operations in South Africa

The largest U.S. investor in South Africa, Mobil Oil's operations in the land of apartheid are characterized by

Number of employees: (1987)	White	1,297
	Asian/Colored	682
	African	948
	TOTAL	2,927
Total assets	$ 400 million	
Subsidiaries (wholly owned by Mobil Oil)	Mobil Oil Southern Africa (Pty.) Ltd. MobilOil Refining Co. SA (Pty.) Ltd. Westchester Insurance Co. (Pty.) Ltd. Condor Oil (Pty.) Ltd. Vialet (Pty.) Ltd.	

Through these subsidiaries Mobil buys and refines crude oil and distributes and markets petroleum products such as gasoline, diesel fuel, lubricating oils and greases through a network of 120 supply depots and more than 1,126 service stations.

Mobil refines crude oil into critically important gasoline, diesel fuel and lubricants used by the South African transport, industrial and agricultural sectors. Oil and its byproducts are vital to the daily operations of key economic and political sectors including the police and military; airlines, trains, buses, trucks and cars used to transport people and goods throughout the economy; factories, mines and mechanized farming.

In 1976 the United Church of Christ released secret Mobil reports revealing Mobil's secret route to sell oil to Rhodesia in violation of U.N. sanctions and U.S. policy. Today, despite an international oil embargo levied against South Africa, Mobil refines and distributes products key to the maintenance of apartheid.

Mobil is one of South Africa's highest corporate taxpayers.

The Petroleum Industry in South Africa

South Africa's lack of any commercially proven domestic oil reserves is its major obstacle to economic self-sufficiency. Mobil's attorneys have further explained,

"As oil is absolutely vital to enable the army to move, the navy to sail and the air force to fly, it is likely that a South African court would hold that it falls within the definition of munitions of war."

Recognizing the country's total dependence on strategic imported oil, the white minority regime subjects foreign oil companies to strict requirements for working hand-in-hand with the government, making them de facto partners. Such South African laws include:

1. The National Supplies Procurement Act empowers the government to force foreign-owned companies to produce strategic oil products. Oil companies in South Africa are already required to allocate part of their refined oil for government purchase.
2. The Price Control Act forbids oil companies from placing conditions on the resale of their products (such as prohibiting resale of petroleum products to the police and military).
3. The Official Secrets Act. denies information to foreign owned oil companies on sales by the South African subsidiaries.
4. The National Key Points Act allows the government to take over company facilities and place military personnel on the premises during emergencies.

Mobil's Position: "Mobil will not disinvest from South Africa"--
--Georges Racine, Chairman, Mobil Oil Southern Africa (Pty) Ltd. In the U.S. Mobil maintains a high profile regarding South Africa through leadership in the U.S. Corporate Council (an association of over 100 companies doing business in South Africa) and the Industry Support Unit Inc. (companies supporting the principles originally advocated by Rev. Leon Sullivan).

Mobil continues to oppose sanctions legislation. It has contributed thousands of dollars to the National Foreign Trade Council to lobby against sanctions, and has helped coordinate other U.S. corporations' efforts to defend their South African interests.

Company sources defend Mobil's South African presence by arguing

1. Withdrawal could cost some of its 3,013 employees jobs (this concern did not prevent Mobil from closing "uncompetitive refineries" around the globe and cutting 81,000 workers from its international payroll between 1981 and 1987).
2. Refusal to sell to the police and military would jeopardize their ability to do business in the country (this is true under South African law).
3. Sales to the police and military are beneficial, as Mobil's chairman asserted, quoting the 1981 proxy statement:

> "Denial of supplies to the police and military forces of a host country is hardly consistent with an image of responsible citizenship in that country. The great bulk of the work of both the police and military forces in every country, including South Africa, is for the benefit of all of its inhabitants."

4. Mobil's labor practices, philanthropic activities and advocacy make it a constructive force for change in South Africa.

Social Programs and Labor Practices

Mobil's financial contributions to black education, small business and agricultural development, and claims of fair employment practices have not protected it from criticism in South Africa.

A leader of the Chemical Workers International Union, representing South African Mobil workers, contends, "Mobil gives money to soccer teams. They gave R450,000 to Swallows, but when we come to the table and ask for higher wages, they say there is no money."

Mobil's minimum wages in South Africa fall below those of other major competitors. Further, the company has publicly refused to make a commitment that in a strike situation it will refrain from using force refrain or calling in the South African police.

Pressure on Mobil in the U.S.

The second largest U.S. oil company, reporting a net income of $1.3 billion in 1988, Mobil has maintained a high profile at home. But its polished image as a good corporate citizen has not immunized it against mounting pressures to withdraw from South Africa and sever all ties to apartheid.

Pressures on Mobil Oil include:

1. Protest letters calling for Mobil to withdraw completely from South Africa, addressed to Mr. Allan Murray, CEO, Mobil Oil, 150 East 42nd Street, New York, NY 10017-5666
2. Shareholder actions, including resolutions filed by religious institutions, the NYC Police and Fire Departments' Pension Funds, the NYC Teachers Retirement System, and the State of Wisconsin Investment Board;
3. Direct action protests targetting Mobil Oil and events it sponsors;
4. Consumer actions focusing on products of Mobil Oil, and Mobil Chemical Co. (including Baggies, Hefty Cinch Sak, Lawn and Leaf, Kordite, Marketote, Placesetter plates);
5. Participation in the Shell Boycott and other campaigns directed at the foreign oil industry in South Africa;
6. Support for comprehensive sanctions which would ban U.S. corporate investment in and trade with South Africa.

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