

## SOUTH AFRICA

NITTY GRITTY

**Location**—Southern tip of Africa, between the Atlantic on the west and the Indian Ocean on the east. North are Namibia (South-West Africa), Botswana, and Rhodesia; to the east are Swaziland and Mozambique. Inside lies the independent kingdom of Lesotho.

**How Created**—Formerly the Union of South Africa. Withdrew from the British Commonwealth in 1961 to become a republic.

**Size**—471,445 sq. mi. (1,221,037 sq. km.), twice the size of Texas.

**Population**—24,500,000: Bantu, 70.2%, including Zulu, 18.8%; Xhosa, 18.3%; Tswana, 8%; Sepedi, 7.5% and Sesheoehoe, 6.8%; white, 17.5%; colored (mixed white and African or Malay), 9.4%; Asian, 2.9%. 14.5% Bantu Christian, 14.3% Nederduits Gereformeerde (Dutch Reformed), 10.7% Methodist, 8.8% Anglican, 6.7% Roman Catholic, 18.4% other Christian, 22.5% no religion or unknown, 4.1% other.

**Who Rules**—State President serves as Head of State but the Prime Minister heads the Government and has the greater power. Parliament makes laws. Senate: 44 members elected by the Provinces and 10 appointed by the State President; House of Assembly: 160 elected by South Africa and 6 by South-West Africa (Namibia).

**Who REALLY Rules**—The white minority—in the general sense. Only whites can vote or run for office in parliamentary elections. But in the particular sense: (1) *Afrikaner nationalists*, embodied in the Dutch Reformed Church and the *Broederbond*, a white-supremacist secret society with tentacles into the highest levels of government; and (2) the *Chamber of Mines*, the gold-diamond-uranium monopolies (e.g. Anglo-American, Kennecott, etc.), in very tight with the Government and the English-speaking financial interests.

### NOTES

South Africa's main wealth lies below the soil in the form of gold, diamonds, and uranium. South Africa is practically one big gold mine, and the world's largest gold mine, located here, happens to be the world's largest uranium field as well. South Africa produces 60%–70% of the world's gold supply through vast holding companies which have nearly semi-official government status. They are: the Gold Mining Group, Consolidated Gold, Central Mining, Anglo-Transvaal (Kennecott), and the Anglo-American Corp. The mines of the Rand, that ridge of gold which runs through the country, are quite deep—up to 9,000' deep—and therefore dangerous. Whites will not work

them. So, in a large way, the whole South African economy depends upon the black labor which can be induced or forced literally to "go under."

One of gold mining's by-products is uranium. Uranium oxide comes from the slime left over once the gold ore is extracted. This uranium is owned by the Government, which markets it but sends a good portion of the proceeds back to the mining companies.

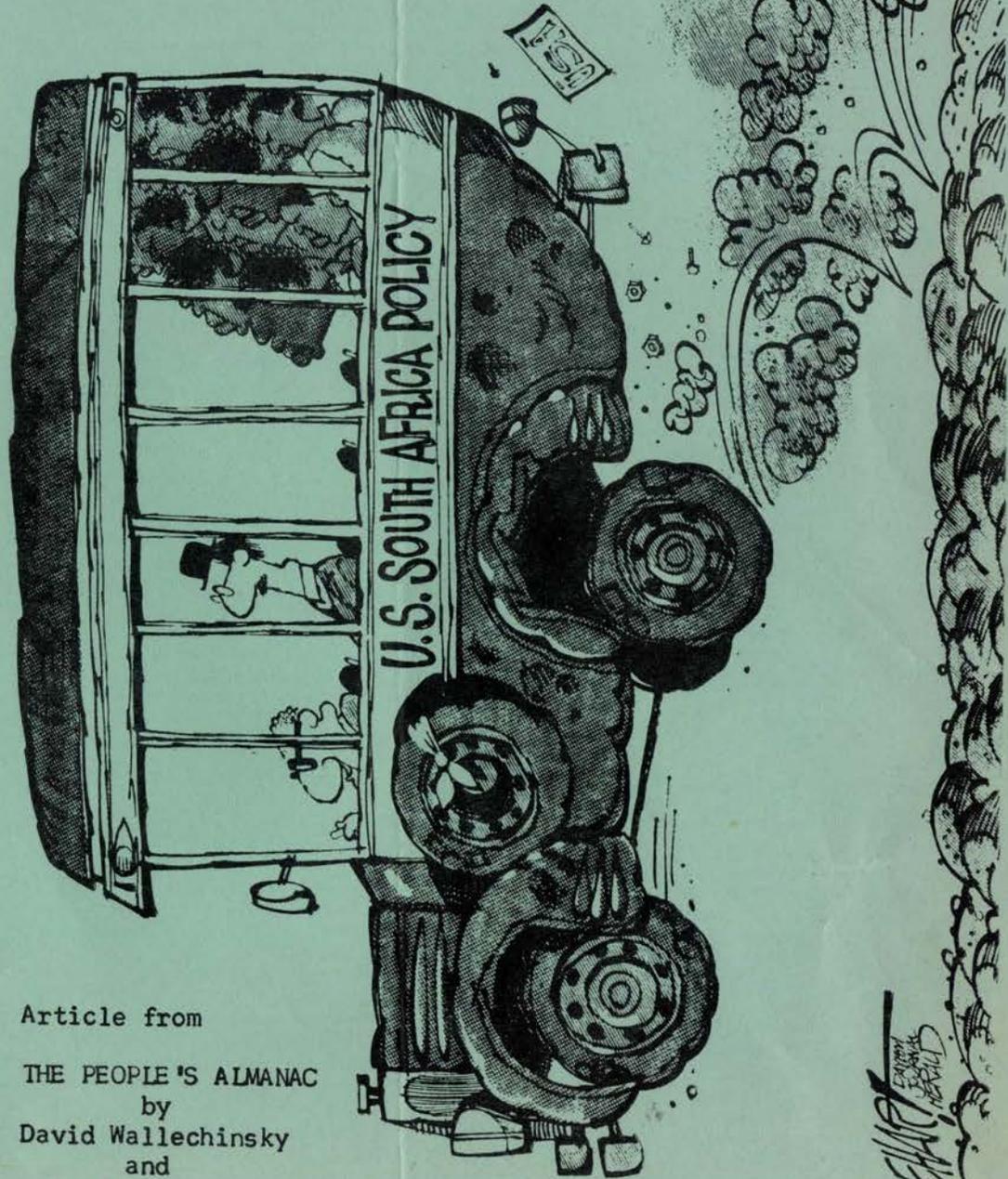
South Africa also has a cheap supply of coal as well as important deposits of iron, manganese, tin, copper, tungsten, chrome, and nickel. All this mineral wealth has spurred rapid industrialization—steel mills, auto plants, shipyards, and the accompanying commercial enterprises. Manufacturing-finance is now the biggest sector of the South African economy: 21% of gross domestic production, nearly as much as agriculture and mining combined.

About 87% of South Africa is reserved for Europeans while the remaining 13% is reserved for blacks. Two-thirds of the black population live on agricultural compounds or urban locations in bondage to the whites. The English-speaking whites control industry and commerce and so form the top of the social pyramid. Afrikaners (descendants of Dutch, German, and French settlers), as farmers, professionals, and civil servants, form the middle of the pyramid—the poorer white class. The huge base of the pyramid is formed by native blacks and colored who hold up the whole structure and are kept there by "apartheid."

The goals of apartheid are: (1) to prevent blacks from "swamping" the white minority, (2) to let each racial group develop itself separately, and (3) to halt the detribalization of blacks. These goals are accomplished by imposing: (a) separate and unequal education, (b) job restrictions, (c) restrictions on mobility and residence, and (d) restrictions on political movements and open protest. The Government implements apartheid by requiring any black or colored person to carry a number of passes and identifications. Without the required certificate, one can be arrested and thrown in jail without further charges or trial. Any native or group of natives can be transported to another residence or job on purely administrative orders. And, of course, interracial marriages are absolutely banned.

Most Afrikaners are strict Calvinists by way of one of the 3 branches of the Dutch Reformed Church. Like Catholicism in medieval Spain, the Church here dominates the state by preaching that all power comes from God and races must be separate. Its rationale: Blacks are considered "Sons of Ham" and thus cursed to be "hewers of wood and drawers of water."

—M.D.



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THE PEOPLE'S ALMANAC

by  
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and

Irving Wallace

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city Council's 40 Committee approved a plan to overthrow Allende. ITT directors John A. McCone, former head of the CIA, and Eugene R. Black, former head of the World Bank, were instrumental in getting the U.S. to approve ITT's plan. Funding for the covert actions was channeled through the CIA, and the World Bank was one of the 1st financial institutions to cut off credit to Chile.

—H.B.

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INTERNATIONAL TELEPHONE  
& TELEGRAPH (ITT)

NITTY GRITTY

*Location*—ITT's world headquarters are located at 320 Park Ave., New York, N.Y. 10022, and its European headquarters are in Brussels. ITT Continental Baking has its own headquarters on 25 acres in Rye, N.Y. Hartford Fire Insurance Company's home office is in Hartford, Conn.

*How Created*—On June 16, 1920, Sosthenes and Herman Behn incorporated ITT as a holding company to own the Puerto Rico Telephone Company, the Cuban Telephone Company, and ½ of the Cuban American Telephone and Telegraph Company. Sosthenes Behn chose the name International Telephone & Telegraph so investors would confuse his company with the long-established American Telephone & Telegraph. To add to the confusion, on September 30, 1925, AT&T sold its foreign manufacturing subsidiary International Western Electric, which had facilities in 11 countries, to ITT. The subsidiary, which ITT renamed ITT Standard Electric Corporation,

transformed ITT overnight from an operator of Caribbean telephone utilities into a major international manufacturer of telecommunication equipment and systems. ITT later acquired the telecommunication manufacturing companies of another 11 countries. During and after W.W. II, ITT was forced to sell 3 telephone operating companies and 7 manufacturing companies, while 3 other telephone operating companies were expropriated.

Harold Sydney Geneen joined the company as its top officer in 1959, and in the next 15 years presided over the acquisition of 250 other companies. In the process, ITT's sales increased from \$534 million in 1958 to over \$10 billion in 1973, and income after taxes rose from \$18 million to \$528 million.

*Size*—ITT's major manufacturing and consumer service facilities include 27 locations in 18 States and Puerto Rico, and 23 locations in 15 foreign countries. Its manufacturing facilities in the U.S. and Canada occupy 29 million sq. ft., and its manufacturing plants in 22 other foreign countries cover 59,100,000 sq. ft., most which is in Western Europe. The company's hotels and motor inns are in 150 cities in the U.S. and Canada, and in 22 other foreign countries. ITT operates 420 urban and airport parking facilities, including those at airports in Paris and 16 major U.S. cities. The company has cables under the seas and satellites above the earth, which provide telecommunication services between the U.S., its possessions, the United Kingdom, the Philippines, Latin America, and the Caribbean; also these provide international telephone service for Puerto Rico, the Virgin Islands, Bolivia, Indonesia, and Panama. ITT has food plants in 7 States and operates 42 bakeries in 19 States, the District of Columbia, the Bahamas, and Mexico. The company has finance operations in 333 offices in 24 States and Puerto Rico, and sells insurance in the U.S., Puerto Rico, the Virgin Islands, Canada, and many other foreign countries. It owns, leases, and has cutting rights on over 2 million acres of timberlands in British Columbia, and owns 68,000 acres in Flagler County, Fla., where ITT plans to build a new city with a population that will reach 600,000 by the year 2000.

*Population*—438,000 employees.

*Who Rules*—ITT's top management consists of 20 executives who work in the company's New York headquarters. The 2 top men are Chairman Harold Sydney Geneen and Vice Chairman, President, and Chief Operating Officer Francis J. Dunleavy. The officers are elected by an 18-member board of directors that includes 8 officers. The directors are elected by 157,390 stockholders owning 94,536,884 shares.

*Who REALLY Rules*—Although ITT is an

international company, U.S. laws forbid aliens from owning more than 25% of the company. As of February 28, 1974, 17% of ITT's stock was held by non-U.S. citizens. Although the company refused to make public a list of its largest stockholders, large blocs of ITT stock, like that of most major corporations, are held by banks and brokers.

## NOTE

ITT Sheraton owns, leases, and manages 55 hotels in the U.S. containing 27,894 rooms, and 28 foreign hotels containing 14,037 rooms. Sheraton also grants franchises for 216 U.S. hotels with 35,636 rooms and 14 foreign hotels with 2,527 rooms.

ITT Continental Bakeries bakes and sells bread, snacks, cakes, and other bakery items under the brand names Daffodil Farms, Home Pride, Hostess, Profile, and Wonder Bread. It also manufactures and sells potato chips, corn chips, and Morton frozen food. ITT Gwaltney, Inc., produces fresh and processed pork products, including Genuine Smithfield Hams. O. M. Scott & Sons sells lawn seed, fertilizer, weed and insect controls, and other lawn care products. Hartford Life Insurance sells fire, marine, casualty, life, and accident and health insurance, annuity contracts, and surety bonds.

ITT Rayonier produces chemical cellulose, wood pulp, lumber, and treated wood products.

Airport Parking Company of America manages parking facilities at airports, downtown lots and garages, hospitals, and stadiums in the U.S. and Europe.

Howard W. Sams Company provides reference services, magazines and books, including Bobbs-Merrill books.

In 1973 ITT and Transcontinental Gas and Pipeline began a joint venture, U.S. Transmission System, which plans to provide private line communications service in a 200-mi.-wide corridor from New York to Houston.

For the Indochina War ITT developed and produced electronic countermeasures for B-52 bombers, navigation systems for laser guided bombs dropped by F-4 and F-105 bombers, and ground surveillance radar and gunfire control for the Army's automated battlefield. The company operates the Western Test Range and Space and Missile Center at Vandenberg Air Force Base, and operates and maintains the Distant Early Warning System and the Ballistic Missile Early Warning System.

In 1969 after ITT acquired Canteen Corporation, Grinnell Corporation, and Hartford Fire Insurance, the U.S. Justice Dept. filed suits against ITT charging that the mergers were in violation of the antitrust laws. From August, 1970, a month before the Grinnell trial began, to April, 1971, when President

Richard Nixon's aides began searching for a 1972 convention site, ITT officials tried to persuade the Government to drop the antitrust suits. During that time ITT chairman Geneen, vice-president William Merriam, director Felix Rohatyn, and lobbyist Dita Beard met with Vice-President Agnew, presidential assistants Ehrlichman, Colson, Peterson, and Krogh, Cabinet Secretaries Connally and Stans, Justice Dept. officials Mitchell, Kleindienst, and McLaren, and the President's military aide, Colonel Hughes. In May or June, 1971, ITT offered the Nixon Administration \$400,000 to finance the Republican national convention in San Diego. In a memo made public the following February by columnist Jack Anderson, lobbyist Dita Beard said that only President Nixon, Attorney General John Mitchell, Bob Haldeman, and California's Lieut. Gov. Edward Reinecke knew of the \$400,000 offer. Then on July 31, 1971, the Justice Dept. and ITT announced a consent decree whereby ITT would keep Hartford, but dispose of Canteen, parts of Grinnell, and Avis, Levitt & Sons, and some life insurance companies. On August 5, 1971, ITT made a \$100,000 payment as the 1st part of its \$400,000 commitment. The antitrust settlement was advantageous to ITT, since the companies it disposed of were losing money, while Hartford was its biggest profit maker. In 1973, Avis and Levitt lost money equal to 1% of ITT's income, while Hartford made 24% of ITT's profits. When Jack Anderson disclosed the Dita Beard memo, ITT shredded documents that discussed the antitrust settlement and the convention offer.

In columnist Jack Anderson's words, "ITT operates its own worldwide foreign policy unit, foreign intelligence machinery, counterintelligence apparatus, communications network, classification system, and airliner fleet." The most recent and blatant example of this power was reflected in ITT's relations with Chile. In 1970 ITT's board of directors concluded that Salvador Allende would be elected President of Chile. Allende was campaigning on a platform calling for the expropriation of American businesses, including ITT. ITT tried to get the CIA to support Allende's right-wing opponent with ITT funds and offered to pay the CIA \$1 million to prevent the Chilean Congress from confirming Allende after he was elected. In October, 1971, after Allende nationalized ITT's 70% interest in the Chilean Telephone Company (Chilteleco), ITT proposed an 18-point action plan to the U.S. Government to strangle Chile's economy, create panic among its population, and cause social disorder, so the Chilean armed forces would overthrow Allende. Three months later President Nixon created a special inter-agency group to implement ITT's proposal, and the National Secu-