

## Profits, Apartheid and Pollution: AMERICAN CYANAMIC in South Africa

by Lisa "Charlie" Ritts and Donna Katzin

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Outrage over American Cyanamid's performance in South Africa has united environmentalists, labor unions as well as religious investors and antiapartheid activists in an unprecedented antiapartheid campaign. They charge that American Cyanamid is damaging the environment in South Africa, repressing its South African labor union and supporting apartheid through its South African sales and tax payments. They are pressuring American Cyanamid to stop its irresponsible environmental practices, negotiate in good faith with its South African unions and sever all ties to South Africa until apartheid is ended.

### Partner of Apartheid

American Cyanamid has approximately 1,300 employees in South Africa with assets estimated at \$9.7 million and sales over \$50 million. Its wholly owned subsidiaries there include South African Cyanamid (Pty.) Ltd., Shulton South Africa (Pty.) Ltd., Laminate Industries (Pty.) Ltd. and Decorative Boards (Pty.) Ltd. Decorative Boards, a holding company, owns 29.6 percent of Laminate Industries (Pty.) Ltd., which sells Formica.

American Cyanamid sells chemicals pharmaceutical, pesticides, toiletries, cosmetics, decorative laminate products and surgical supplies in South Africa. The corporation has sold products, including water treatment supplies, to the South African gold and uranium industries and two South African government-owned corporations -- SASOL (South Africa Coal, Oil and Gas Corporation) and ESCOM (Electricity Supply Commission).

### Too Dangerous for the U.S.

American Cyanamid's claim: "Protecting the environment is an important Cyanamid commitment," contradicts its problems with toxic wastes. A company plant in Louisiana, for example, is one of the four largest hazardous waste generators in the U.S., but its toxic waste problems are not confined to the United States. Since there are no mercury waste smelters in the U.S. which handle wastes as contaminated with non-mercury toxics as American Cyanamid's, the company regularly exports mercury waste to South Africa, the only U.S. company, regularly exporting toxic wastes to South Africa.

Since 1986 American Cyanamid has shipped at least 10 tons of mercury waste per year to Thor Chemical, a

*"When an American Cyanamid or a Chevron can invest in South Africa, profit from apartheid and thumb its nose at human rights standards worldwide, something is wrong. When an American Cyanamid can ship toxic mercury waste from New Jersey to the Zulu homelands in South Africa and poison their water and their bodies, something is wrong. When an American Cyanamid can fire its South African workers for participating in strikes against apartheid, something is wrong. . . . We demand that American Cyanamid and all other corporations that invest in South Africa cease their illegal and immoral practices."*

-- Rev. Jesse Jackson, International Human Rights Day, December 10, 1990

British-owned company, for reprocessing at its plant in Cato Ridge in the province of Natal, just outside the South African government-designated homeland of KwaZulu. American Cyanamid purchases Thor Chemical's mercury catalyst for production of synthetic rubber at its Bridgewater, New

Jersey plant. It then ships mercury waste back to Thor in South Africa for disposal as part of a purchase agreement.

### Contaminated Water Source

When Thor incinerates the mercury waste at its Natal plant, some mercury gases escape into the atmosphere. In addition, impure recovered mercury is buried in landfills on the plant grounds, where the company also maintains mercury-contaminated holding ponds. These ponds often overflow when it rains, running off or leaching into tributaries of the Mngeweni River.

Zulus, who live in Cato Ridge, depend on the Mngeweni River for water for drinking, irrigation, bathing and washing clothes and dishes. Bill Lambrecht reported in the *St. Louis Post Dispatch* (November 14, 1989) that soil and sediment samples, taken from the head of the Mngeweni had mercury levels as high as 1,500 parts per million. Greenpeace U.S.A. found that soil and water samples, taken outside the Thor plant, were contaminated by 1,765 parts per million, 8,810 times the U.S. allowable standard. The samples were analyzed at the Queen Mary College in London in February 1990.

### Signs of Mercury Poisoning

Evidence suggests the mercury waste may be harming Thor's Cato Ridge employees. In March 1990 Earthlife Africa, a South African environmental group, reported that two workers at the plant had "gone mad" and were taken to the hospital because they were "doing and saying strange things and were shaking a lot."

An extremely toxic element, mercury affects a victim's motor functions, speech and sight while slowly but severely damaging the central nervous

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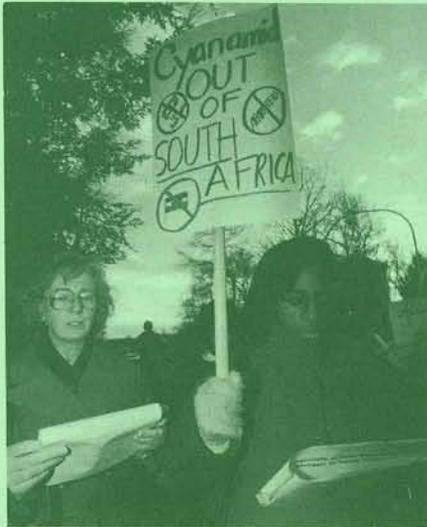


photo: Thomas Franklin, Herald & News. High school students, religious and community leaders protest at American Cyanamid headquarters in New Jersey on International Human Rights Day, December 1990.

system and causing circulatory collapse. One type of mercury poisoning is called Minamata Disease, named for the town in Japan where in the 1960s, many people died and thousands suffered permanent physical disabilities after eating fish contaminated by mercury discharged from a local plant.

### Mercury Wastes Called Raw Materials

In its April 1990 "Position Statement," American Cyanamid denies wrongdoing in its business with Thor Chemical: "We buy 100 percent of the catalyst from Thor and they recycle 100 percent of the waste in a closed loop system, which results in virtually 100 percent environmental control." Despite considerable media attention and the ire of critics, the company has not halted shipments of mercury back to South Africa. Though difficult to track, Greenpeace charges the shipments are routed primarily through Great Britain. Moreover, over 40 percent of the shipments are highly toxic chlorinated wastes, which Thor does not recycle.

In September 1990, the South African Department of Environmental Affairs prohibited importing toxic waste and signed the Basel Convention, which regulates movement of toxics. When a Greenpeace representative questioned

how this policy would affect Thor, Neil Dubois, head of South Africa's Department of Environmental Affairs responded: "We don't regard the mercury imported by Thor as a waste. It is a raw material."

### Pollution Continues

About three months after news of the mercury pollution made headlines outside South Africa, the South African Department of Water Affairs ordered Thor's plant closed until mercury discharge problems were remedied. In April 1990 the United Press International reported Lin Gravelot-Blondin of the Department of Water Affairs in Durban had found "security breaches at the plant and high levels of mercury contamination in spring water just below Cato ridge and in surrounding sediment."

Hopes for a halt to imports and processing of U.S. and European mercury waste were dashed in July 1990, when South Africa's *Daily Mail* (July 10, 1990) reported that Lin Gravelot-Blondin "had no objections to Thor handling further consignments of imported toxic waste." A November 1990 Greenpeace investigation of the plant revealed no changes in discharge operations.

### Working at Cyanamid in South Africa

A detailed investigation by the Chemical Workers Industrial Union of South Africa (CWIU), which represents American Cyanamid's South African workers, uncovered a host of complaints about employment practices and working conditions at Cyanamid plants in Isando (near Johannesburg) and Witbank in the Eastern Transvaal.

The report charged that racism is alive and rife in the Isando plant" and that company toilets and dressing rooms were "segregated in disguise," because facilities for salaried personnel (99 percent white) are separate from those of the predominantly black hourly paid workers. It said "a coloured worker was evicted from a company house in the white area and moved to the so-called "black area."

Furthermore, the report noted, Cyanamid provides transport for children of

white workers but withdrew transportation for its non-white Witbank employees. Workers who live far away from Cyanamid facilities, spend four hours per day traveling to and from work. It also said "the company does not provide houses to workers or subsidy or assistance on houses and the majority of workers live in shanty towns which are unhygienic."

In a report distributed at its April 1990 shareholder meeting, American Cyanamid denied the charges: "Reports that South African Cyanamid is using segregated facilities and allows racial slurs to be used against blacks are false." The company insisted that its "commitment to provide equality of employment and opportunity is steadfast."

### Looking for a Better Deal

Though the company has aggressively resisted their demands, union workers at Cyanamid's South African plants have tried for years to move their pensions from a company-controlled plan to the industry-wide Chemical Industries National Provident Fund (CINPF). The CWIU pools member pensions because in South Africa most chemical industry plants are relatively small, employing fewer than 100 workers. Cyanamid workers believe the industry-wide fund is vastly superior to the American Cyanamid-controlled fund.

CWIU's Taffy Adler explained that union members also wanted to switch plans because of the myriad problems and complaints about the Cyanamid-run fund:

The effort to get (their) pensions is enormous, involving long queues, red tape and constant hassle. On top of this, the pension operates on the basis of the more you put in the more you get out. Ultimately they find they receive poor pensions. When workers leave employment before pensionable age, they are generally paid out their own contribution plus a very low rate of interest. The payment of only 4 percent interest on

funds which have probably been earning 15 percent is a major and legitimate grievance.

Secondly, workers are aggrieved at not receiving the contributions management made on their behalf. It is for these reasons that many black trade unions are currently negotiating their way out of pension funds and substituting them for provident funds paying out one time lump sum amounts comprising both employer and employee contribution and full interest.

Union members also prefer the Provident Fund's other features such as the opportunity to obtain mortgages and a say in how their money was invested.

### The Pension Fund Struggle

In autumn 1989 Cyanamid South Africa workers walked off the job to demand they be allowed to move their pensions from the company-controlled fund to the Provident Fund. The CWIU offered to call off the five-week-old strike if good-faith efforts were made to negotiate a settlement to the conflict. Five days later in early November 1989, after agreeing to negotiate, Cyanamid South Africa fired all the union workers.

Two days after their firing, the company wrote to all the recently dismissed workers offering reinstatement if they agreed to "become members of the company's pension fund and remain members" and "not demand that either the company or the employee should become members of the CINPF." No workers accepted the offer.

In a campaign coordinated by the Amalgamated Clothing and Textile Workers Union and the New York Labor Committee Against Apartheid, international and U.S. unions, members of Congress and religious and other investors pressured American Cyanamid to reinstate the fired workers. By the end of the month the company rehired the workers, but the pension dispute remains unresolved. Furthermore, South Africa's antiunion Labour Relations Act (LRA) bars workers from striking

over an issue more than once in the same year. That year ended in October 1990 and CWIU leaders report union members are eager to resume their campaign for the Provident Fund.

### Using Repressive Legislation

In its April 1990 statement, American Cyanamid denied using repressive measures against its employees:

At no time during or following the strike has South African Cyanamid used any of the clauses in the Labor Relations Act of South Africa that are considered repressive. In fact, South African Cyanamid has actively worked on the American Chamber of Commerce Subcommittee to modify the Act. Our goal in working with our union members is reconciliation, not confrontation.

But in July 1990, just a few months after this convenient statement, Cyanamid South Africa hired one of South Africa's leading anti-union lawyers. Using the Labor Relations Act's harsh definition of an unfair labor practice, the company then sued in Johannesburg's Industrial Court charging that the union's demand for the company to participate in the Provident Fund was an unfair labor practice.

Rod Crompton, General Secretary of the CWIU, complained:

Cyanamid pretends to the world to be very concerned about social responsibility and the welfare of blacks in South Africa in particular. Yet here it is using the Labour Relations Act in a move against its workers wishes to be part of a retirement benefit scheme, the CINPF.

Still hoping to settle the dispute, the union repeated its offer to negotiate its demands before court proceedings began. Reluctant to "entertain" Cyanamid's case, the judge advised the company to consider the union's offer to negotiate and Cyanamid decided not to pursue the litigation.

### 1990 Layoffs

In November 1990 Cyanamid further undermined the union by laying off more than half their membership at South African Cyanamid. Company representatives deny antiunion motives and argue that these firings are due to economic retrenchment. But the job losses are a de facto weakening of the union's position.

### Fair Disinvestment

Though the company has maintained a hard line on the pension fund issue and withdrawal from South Africa, American Cyanamid recently conceded to the CWIU's demand that it notify workers and negotiate terms of disinvestment before pulling out. This victory for the union has strengthened its industry-wide campaign for fair disinvestment. The policy is currently supported by numerous South African and multinational companies.

### The American Cyanamid Campaign

In 1987 religious and pension fund investors began using shareholder resolutions to challenge American Cyanamid's business in South Africa. The General Board of Pensions of the United Methodist Church and New York City pension funds called on the company to halt sales to ESCOM. Numerous other religious investors combined their shares with the New York State Common Retirement Fund, calling on Cyanamid to withdraw from

#### American Cyanamid Consumer Products Sold in the U.S.

American Cyanamid makes numerous products, including prescription drugs, industrial and agricultural chemicals, but few products that you would find on the counter of your local supermarkets or pharmacy. Here are some of Cyanamid's most commonly available products:

<b>Vitamins and Nutritional Supplements:</b>	<b>Laxative:</b>
Stresstabs	Fibercon
Centrum Multivitamins	<b>Diet Aid:</b>
Caltrate	Dinetrim
Ferro-Sequels	

South Africa. Each year since then religious and pension fund investors have pressed the company to cut business ties to South Africa. In 1989 ICCR members added American Cyanamid to ICCR's "Partners In Apartheid" list of focus companies because of its strategic role in the South African economy and objectionable environmental and labor practices.

### The Widening Campaign

In 1990 faith communities, pension funds, unions and environmentalists widened the campaign. During the year protesters twice demonstrated at the company's Boundbrook, New Jersey plant and outside its corporate headquarters. They also protested outside the company's annual shareholders meeting in Portland, Maine and outside company facilities in Louisiana and South Africa.

On March 14, 1990 in an incident video taped by PBS television, environmental and antiapartheid activists peacefully demonstrated at American Cyanamid's suburban New Jersey plant, calling on the company to stop shipping mercury wastes to South Africa. Unprovoked, police, outfitted in full riot gear, brutally attacked demonstrators with clubs and batons. Among others they arrested the cameraman from the PBS television news show "South Africa Now" and the executive director of Greenpeace U.S.A.

Nine months later on International Human Rights Day, religious and community leaders, Roman Catholic Sisters and high school students returned to the company's New Jersey headquarters to reiterate demands that Cyanamid stop toxic shipments and cut ties to South Africa.

### Annual Meeting Protests

In April 1990 environmentalists, joined religious investors, U.S. and South African labor leaders and antiapartheid activists in protests at the American Cyanamid annual shareholder meeting in Portland, Maine. Outside the meeting demonstrators rallied and addressed the national press.

Inside the meeting, religious investors with local union and community support presented a shareholder resolution calling on the company to withdraw from South Africa in consultation with its union. The resolution received

15.7 percent of the shareholder vote. Jim Vallette, coordinator of the Greenpeace Campaign Against Toxic Waste Trade, called on American Cyanamid to "end its toxic waste exports to South Africa" and asked shareholders to support the Greenpeace demand that "the Bush Administration cease its silent complicity in these shipments and close the U.S. border to the deadly international waste trade forever."

### Sustained Investor Pressure

In 1991 religious investors and the New York State Common Retirement Fund will again sponsor a shareholder resolution calling on the company to sever all South African business ties. In their resolution, New York City pension funds charge the company with providing "essential goods" to ESCOM, "which tends to make the Republic of South Africa less susceptible to outside pressure for change."

Frustrated by American Cyanamid's indifference to shareholder demands, the Christian Brothers Investment Service, investment advisors for over 750 Roman Catholic religious institutions, charged that "virtually no non-management directors attend" the American Cyanamid annual shareholder meeting and that the Board of Directors' Public Responsibility Committee "held only one meeting in 1989" and "NONE of its members attended the shareholder meeting." CBIS submitted a resolution calling on the company's Board of Directors to meet in conjunction with the time and location of the shareholder meeting and publish in the annual proxy materials the Board, committee and shareholder meeting attendance records of each director.

### The Struggle for a New South Africa

The American Cyanamid campaign is part and parcel of the struggle for South Africa's future. On one hand, it embodies the long-term strategies to end apartheid by withdrawing corporate investments, technology and trade from the South African economy. At the same time it reflects black worker and community demands to direct their lives and shape their country's future.

Today CWIU workers continue to demand on-the-job justice and the chance to join the union's Provident Fund, which Mr. Crompton describes as a "limited form of black empower-

ment." Meanwhile CWIU leaders note that in recent months American Cyanamid and other multinationals have launched an antiunion offensive in the chemical industry, characterized by far more aggressive policies than those of South Africa firms.

On the national level, South Africa's liberation and mass democratic movements, with major input from organized labor, are formulating proposals to structure their economic and political system after apartheid. Some South African labor unionists speculate that the current rise in antiunion practices may be a move by multinational companies to reduce labor's power and input at the table when South Africa's future is negotiated.

American Cyanamid, like many other companies and South Africa itself, is at a crossroads. Its attempts to undermine worker and grassroots participation and power will only prolong the life and legacy of apartheid. Support for the South African labor and community initiatives focused in this campaign, on the other hand, will help lay the foundation for a non-racial economic and political democracy. •

### What You Can Do

Environmentalists, unions, faith communities, pension funds and antiapartheid groups will continue to press American Cyanamid.

#### Some suggestions for what you can do:

- Vote your stock in favor of religious and pension fund-sponsored shareholder resolutions.
- Organize educational activities in your congregation, union, community or group to explore issues raised by the American Cyanamid campaign.
- Join in demonstrations at American Cyanamid facilities. Contact ICCR for details.
- Send protest postcards to American Cyanamid. Preprinted cards available from ICCR.
- Write a protest letter to:  
Mr. G.J. Sella, Jr.  
Chairman & CEO  
American Cyanamid Company  
One Cyanamid Plaza  
Wayne, NJ 07470