

REBUTTALS TO ARGUMENTS FOR INVESTING IN SOUTH AFRICA

WHY SHOULD I BE CONCERNED?

WHY SHOULD CORPORATIONS WITHDRAW FROM SOUTH AFRICA?

WHY SHOULD BANKS STOP LENDING MONEY TO SOUTH AFRICA?

ARGUMENT There are too many problems in the United States to solve. Those outside this country must solve their own problems.

RESPONSE So many times when we observe institutionalized racism and discrimination in companies at home, these same companies are the ones allowing and practicing oppression abroad. Because of the vast amounts of profits obtained from cheap labor in South Africa, banks and other U.S. firms derive even greater profits from their investments. These profits provide stability to the companies and allow them to be less responsive to the advancement and rights of citizens at home.

ARGUMENT U.S. corporate withdrawal would result in the loss of jobs to African workers and a reduction in their standard of living.

RESPONSE These short-term disadvantages of withdrawal affect the few (U.S. corporations only employ 100,000 workers, many of these white). They must be weighed against the long-term suffering which results from the political and economic discrimination under Apartheid. The loans which have been made have generally gone to government sectors which mainly serve the needs of the white population. Such loans do not go to social development programs in black communities. In fact, the cash flow creates more wealth and power in white hands, thus contributing to the growing income gap between blacks and whites.

ARGUMENT U.S. corporate withdrawal would eliminate the opportunity of U.S. corporations to be a progressive and reforming force in South Africa.

RESPONSE It is impossible for any significant reforms to occur within the present laws of South Africa. Suggested reforms (for example the "Six Principles" adopted by some U.S. corporations operating in South Africa) are insignificant because they fail to include the right of black South Africans to organize or otherwise participate in political activity. Without such rights, blacks will remain in their present state of powerlessness. Furthermore, fundamental change has been shown to be impossible through the hard-line stance of the Nationalist Party's leaders, including current Prime Minister Pieter W. Botha.

ARGUMENT Banks are politically neutral and are simply involved in business transactions when they lend money to South Africa.

RESPONSE It is a simplistic smokescreen to pretend that loans to the South African government and its parastatals are simply business and not politics. Certainly the Apartheid government understands the political implications and the bridges of friendship that such loans build. In effect, these loans are being used to strengthen the military and defense capabilities of the government; to build up strategic economic sectors such as steel, uranium and energy; to provide relief for balance of payment deficits; to widen the income gap between blacks and whites; and to legitimize the white supremacist government.

ARGUMENT If U.S. corporations withdraw from South Africa, other foreign corporations will simply expand.

RESPONSE This argument attempts to evade responsibility. U.S. corporations are responsible for their own actions, not for those of other foreign investors. U.S. corporate withdrawal would be a critical economic, political, and psychological setback for the South African government and its Apartheid system.

QUOTATIONS IN FAVOR OF WITHDRAWAL

STEVEN BIKO, Black Consciousness Movement leader, December 1976

Heavy investments in the South African economy, bilateral trade with South Africa, cultural exchanges in the fields of sport and music and of late joint political ventures like the Vorster-Kissinger exercise are amongst the sins of which America is accused. All these activities relate to whites and their interests and serve to entrench the position of the minority regime. . . Given the clear analysis of our problems, the choice is very simple for America. . . The interests of black and white politically have been made diametrically opposed to each other. America's choice is narrowed down to either entrenching the existing minority white regime or alternatively assisting, in a very definite way, the attainment of the aspirations of millions of the black population as well as those of whites of good will. We are looking forward to a non-racial, just and egalitarian society in which color, creed and race shall form no point of reference.

OLIVER TAMBO, acting President-General of the African National Congress, South Africa

The African National Congress has long called for the ending of all foreign capital investment in South Africa. . . South Africa is an attractive center for profitable foreign investment, precisely because migrant labor in abundance is organized and made easily available to business by the regime as a conscious act of policy. . .

PAN AFRICANIST CONGRESS OF AZANIA (South Africa) Mission to the United Nations

The Pan Africanist Congress of Azania abhors and denounces the continued investments of multinational corporations in South Africa. Their continued presence nurtures the Apartheid racist regime and the super profits derived thereof are dripping with the blood of the children of Soweto, Guguletu and Mannenburg, etc. We therefore call upon the American public to denounce these business concerns. . .

AMBASSADOR LESLIE O. HARRIMAN, Chairman, United Nations Special Committee Against Apartheid, November 1977

When I hear it said that economic sanctions would hurt the oppressed black people of South Africa, I say that Steve and the other martyrs and all the political prisoners in racist prisons in South Africa could have chosen comfort if they were prepared to tolerate humiliation. . . The black students and workers in South Africa knew when they launched the national uprising after the Soweto massacre that their struggle, that their destruction of symbols of oppression, would lead not only to racist violence, but also to unemployment and hunger. They have chosen the painful sacrifices of the present to build the future. . . We should consider what we can do to show them our solidarity, instead of finding specious excuses to continue "business as usual" with South Africa, on the pretence of sparing the blacks of material suffering.

SUBCOMMITTEE ON AFRICAN AFFAIRS, Report to the Senate Committee on Foreign Relations, January 1978

American corporations operating in South Africa have done almost nothing to resist that nation's racial apartheid policy and have acted contrary to American foreign policy. . . The net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's Apartheid regime. . . The \$2.2 billion of American credit outstanding in 1976 is roughly equivalent to the amount of foreign exchange required to cover South Africa's defense and oil import costs for the same year. . . It's suggested that the United States discourage foreign investment in South Africa and deny tax credits to firms that support Apartheid.

CHARLES B. RANGEL, U.S. House of Representatives, D. New York, Morgan Guaranty Trust Company Annual Meeting 1977

It is my personal conviction, and I believe that I speak with the support of the Congressional Black Caucus, that continued U.S. loans to the South African Government are an affront to Black Americans and all others in the United States who wish to see Apartheid ended. The most recent loan, directly into the South African treasury, is particularly abhorrent because the government is totally free to use these funds to defend white minority rule. After the events starting in Soweto in June 1976 and continuing to the present day, there can be no doubt in anyone's mind that the Vorster government needs these loans to maintain and strengthen its control over the majority of its people. I call upon the management of Morgan Guaranty to stop immediately all loans to the apartheid regime. . .

GEORGE SHEPPARD, Professor at the University of Denver, author of a forthcoming book on South Africa

Bank loans are unquestionably the most effective economic sanction employed by the Western world in the South African situation. They are doubly, if not triply, effective today because of the deteriorating balance of payments situation and external investment problems. The anti-bank loan campaign is one of the most effective forces against the South African government by non-governmental organizations.