

# GM in South Africa

350,000 GM workers are out on strike. It may be a long one, but the chief negotiator for GM is not worried. Even if the strike equals the previous 119 day walkout; "I don't think we're going to go out of business," he said recently.

The union is striking for autoworkers in all three auto companies. GM, however, is to be the test company for the new contract. It will suffer the immediate losses of the strike, which are significant . . . \$30 million a day. So when they say the strike won't put them out of business, they are saying they can afford to give up \$3.6 billion in income.

GM, Ford, and Chrysler may be subject to strikes and other reprisals by workers here, but in other parts of the world the Big Three have a free hand to exploit workers as they see fit. International corporations like Ford, Chrysler, and GM are protected from labor disputes or slow downs in one area because they can cover these losses with profits or increased production in other areas around the world. They can use this to compensate for decreasing profits in the U.S. that may occur when there are prolonged strikes. Ford, the target of a 1967 walkout, balanced out their losses in the U.S. during that year by making 92% of their profits off overseas operations.

In South African factories, blacks are limited to unskilled jobs and not allowed to have unions. They also cannot earn the same wages as white workers for the same job. The starting wages for black South Africans in Ford, GM, and Chrysler plants is 52¢ to 58¢ an hour, and rarely goes above 98¢. The management of these international corporate giants finds racism, South African style, very profitable. Though they refuse to release figures on the profits of the South African operations, they have been expanding their plants and increasing investments. This indicates that the profits are good, and that they feel secure that the white racist regime will be in power for a long time. Normal returns on investments in South Africa are the highest in the world—15-20%. GM made 17% on its investments overall. This is almost twice what most corporations can squeeze out. Maybe that's why GM, in South Africa won't reveal any figures.

The same corporations that workers here are struggling against in the current auto strike, are the corporations exploiting blacks in South Africa. They may try to put on a different face in Detroit or New York, than in South Africa, but that is just part of their plan. International corporations modify their mechanisms of controlling workers and extracting profits from human labor, according to what the situation allows them. They do only what they have to, give in only when they feel it is necessary, so that their real power will not be threatened. The struggles of the liberation movements in South Africa is the same as workers in the U.S. Both have the same enemy—U.S. corporate imperialism. What is good for GM is not good for the people of the world.

by Africa Research Group

MADE  
IN  
SOUTH  
AFRICA



U.S. VIEW: S.A. SAFE  
FOR INVESTMENTS

GENERAL MOTORS

- \* is the world's largest manufacturer
- \* sold 7.2 million vehicles for \$24 billion in 1969
- \* is the 10th largest defense contractor (\$700 million)
- \* makes 30% of its cars overseas

In South Africa, according to GM executives there,

- \* GM "has operated successfully for 42 years without a union".
- \* GM solves its skilled labor shortage by encouraging influx of workers from Europe instead of upgrading Coloured and African workers who occupy the less skilled job positions.
- \* GM admits that "the starting rate for our non-white employees is lower than the starting rate for our white employees".
- \* GM believes that "business tends to be a stabilizing influence in a country".

The plant manager of the largest GM factory in South Africa, recently referred to black Africans as "raw people from the countryside." He then goes on, "I wouldn't say that these people don't have any reasoning power, but what they do have is very limited."

77% of American businessmen in South Africa believe the racial policies there are "at least an attempt to develop a solution". Only 8% regard such racial policies as altogether incorrect.

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