

WCTON POST

# Shultz Asserts Concern for S. Africans

By John M. Goshko  
Washington Post Staff Writer

Secretary of State George P. Shultz, asserting that the leaders of South Africa and its neighbors want the United States "to be there lending a hand," yesterday assured the people of the region that "we have no intention of packing our bags and leaving them to face the future in isolation."

But Shultz, in a lengthy speech before development specialists at the State Department, also said:

"The crisis in southern Africa cannot be ameliorated by external parties—however powerful and well-intentioned—unless the people of the region themselves are prepared to turn away from violence and toward dialogue . . . I pledge that southern Africans—black, white, colored, Indian—who take this course will not be alone. The United States will stand with them."

Although Shultz avoided using the term, his speech essentially was a restatement of President Reagan's controversial "constructive engagement" policy of trying to foster change in South Africa through dialogue and negotiation.

The policy originally emphasized seeking friendly ties with the white-minority government. More recently, the administration—under criticism from Congress and domestic civil rights groups—has sought through such means as selection of a black to be ambassador in Pretoria to signal its desire for better communication with the country's black majority.

Reagan's approach was given a major rebuff in September when Congress overrode his veto and voted to impose limited economic sanctions against South Africa. Shultz, while repeating yesterday that the administration's "doubts about the utility of sanctions were, and are, serious," added: "Nevertheless, they are the law of the land, and we will enforce them."

In many respects, the speech seemed significant primarily as an attempt by Shultz to direct attention to foreign policy issues other than the controversy over the administration's involvement in arms shipments to Iran and aid to Ni-



GEORGE P. SHULTZ  
... urges dialogue in southern Africa

caraguan rebels. For a time, the controversy included intense speculation about whether Shultz might quit or be fired because of his public disagreement with Reagan's bypassing the State Department.

Last week, however, Shultz, with the president's apparent backing, announced his intention to stay through the remaining two years of Reagan's term. He has told subordinates to concentrate on finding

ways to prevent the Iran-Central America scandal from paralyzing U.S. diplomacy in other areas, and State Department sources said he made the South Africa speech partly in hopes of reminding the country that other serious issues require attention.

It had been known for days that Shultz was planning to make the speech, but State Department officials refused to confirm it officially until late Wednesday. Some officials said privately that the delay was due to Shultz's desire to discuss his plans for the speech with the White House first in order to avoid new charges that he is not a team player.

Shultz had planned to visit several countries of sub-Saharan Africa in October, but postponed the trip when Reagan and Soviet leader Mikhail Gorbachev agreed to meet in Iceland. Department officials have said that Shultz hopes to reschedule the visit—probably in two or more stages—early next year.

As a prelude to his travel, Shultz announced yesterday that Michael H. Armacost, undersecretary for political affairs, soon will visit several southern African countries to underscore this country's desire to help ease the region's tensions.

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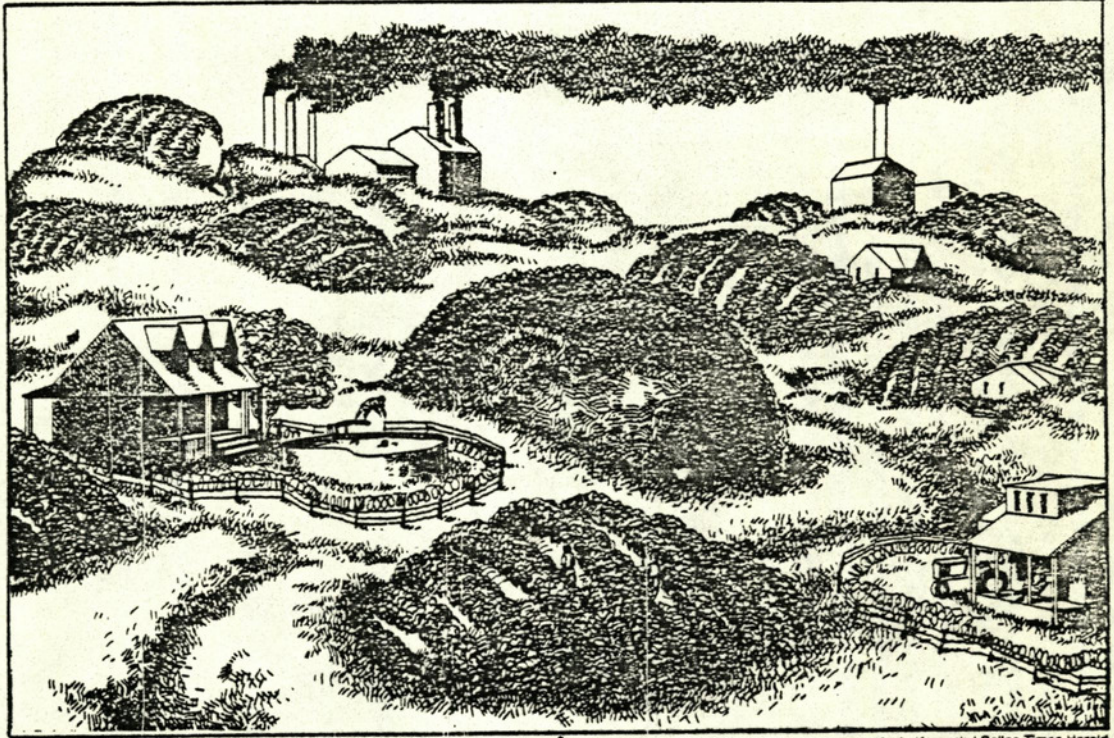
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05/12/86



Kevin Krueck / Dallas Times Herald

## Déjà Vu in S. Africa: Another Rhodesia?

George B.N. Ayittey

Many congressmen voted to override President Reagan's veto of sanctions against South Africa, not so much out of a conviction of the efficacy of the measure, but rather to placate voters and to send a symbolic message of America's abhorrence of apartheid.

While appreciative of U.S. denunciation of apartheid, many of us black Africans would like to cut through the moral posturing, pontifications and symbolisms and get to the real issue. Freedom does not exist for blacks in South Africa, nor does it exist in independent Africa. The issue is how to dismantle apartheid peacefully and bring freedom to all blacks of Africa without destroying their economies.

What the world does about South Africa will have ramifications throughout the African continent, because there is oppression of blacks in independent Africa as well. Of the 41 black African nations, only two — Senegal and Botswana — allow their black citizens to vote. The rest are military and one-man dictatorships.

Throughout Africa, blacks are being slaughtered by their governments. In Uganda, more than 600,000 Lango and Acholi tribesmen perished at the hands of Idi Amin, Milton Obote and Tito Okello. In Burundi, within just two months in 1972, more than 200,000 Hutus (the majority) were slain by the ruling Watutsi minority. In Zimbabwe, more than 3,000 Ndebeles have been killed by President Robert C. Mugabe and his Shona tribesmen since 1980. In South Africa, more than 2,000 blacks have died, victims of apartheid — white tribalism — and black tribal rivalries.

Black Africa will judge America, not so much by its pronouncements or the inherent symbolism of the measures it takes against apartheid, but rather by the effectiveness of the measures in

bringing freedom to blacks throughout Africa. To believe that sanctions alone would achieve this objective would be delusional.

Last year, the United States imposed some sanctions against South Africa. They achieved nothing. In fact, the Botha government responded with more regressive emergency measures under which more than 3,000 apartheid foes have been jailed without charge since May. To some, this may indicate the need for a stronger dosage of sanctions. But increasing the dosage of the wrong medicine is likely to aggravate the situation.

Progress toward dismantling apartheid has been despicably slow and Prime Minister Pieter W. Botha's obstinate stance is foolhardy. If Nelson Mandela were to die in prison, South Africa would be torched, squelching all prospects of a peaceful end to apartheid.

Notwithstanding this white intransigence, sanctions are the wrong medicine. This is attested to by the unique black African history and experience. To help blacks in South Africa, one should study the experience of Rhodesia, which is now Zimbabwe.

Sanctions imposed by Britain and later the United Nations against Rhodesia 20 years ago did not end the white-minority rule in that country. In fact, Rhodesia survived for 11 years and for a time its economy boomed. But then the nation experienced serious shortages of commodities, production bottlenecks and dislocations as the government resorted to extreme measures and foreign-exchange controls to ration limited supplies.

These shortages rendered Rhodesia vulnerable to fraud, profiteering, black marketing and blackmail. Unscrupulous businessmen, many from South Africa, defrauded the Rhodesian government by delivering defective and obsolete equipment. It was estimated that Zim-

babwe needed at least \$4 billion to repair the damage to its economy; it received only \$1.5 billion from the international community.

Hardest hit by sanctions were black Rhodesians, especially the peasants. Their numbers increased, but employment opportunities, health, education, housing and other services did not grow commensurably for blacks.

Nobody questions the moral justifications for sanctions against South Africa. But the damage to the South African economy and those of its neighbors would run at least \$25 billion.

Many of us black Africans are concerned that when it comes to repairing this damage in the future, the international community may not be forthcoming. These concerns are real in the face of cuts in U.S. foreign aid allocations triggered by the Gramm-Rudman-Hollings Deficit Reduction Act.

South Africa has started down the same destructive track Rhodesia was pushed along. First came mild sanctions; now they are escalating multilaterally. Already there are calls for mandatory and comprehensive U.N. sanctions. The purpose of the sanctions against Rhodesia was to force Ian Smith to negotiate. They failed. Instead, Smith became more preoccupied with fighting off sanctions. The same thing is happening in South Africa today.

Instead of sitting down at the conference table with black leaders, the South African government is digging in, embarking on a buying spree of raw materials and consumer goods to survive sanctions — a repeat of the Rhodesian mistakes. What anti-apartheid activists ought to be calling for is a summit between Botha and Western leaders, not more or stronger sanctions.

George B.N. Ayittey, a native of Ghana, is an assistant professor of economics at Bloomsburg University, Bloomsburg, Pa.



05/12/86

# Disinvestment Threatens Private Programs That Aid Blacks

12/15/86  
Third in an occasional series

By William Claiborne  
Washington Post Foreign Service

JOHANNESBURG, Dec. 4—One of the side effects of the U.S. corporate disinvestment bandwagon is a gradual falling away of private "social responsibility" programs that have pumped hundreds of millions of dollars toward improving the lives of black workers and their families in South Africa.

It is still too early to gauge ac-

curately the social impact of the decisions in the past two years by more than 75 big American firms to abandon their South African operations. Two more U.S. firms, Honeywell Inc., and Revlon, announced yesterday that they are leaving South Africa. [Details on Page G1]

But business leaders here say that as newly installed managements of disinvested U.S. companies struggle to maintain operating profits, social programs for black

workers could increasingly become an expendable luxury.

Antipartheid campaigners who are opposed to punitive sanctions

## SOUTH AFRICA INTERNATIONAL PRESSURES

say that they fear the worst, and that hundreds of thousands of black workers will suffer not only from a retrenchment in company-sponsored social projects, but also from

layoffs and wage reductions as disinvested companies seek to improve their competitiveness.

"A lot depends on how well they do in their market, but for some, less money will be made available for so-called affirmative action programs. It is very possible that without the impetus from abroad and the need to show they are doing something, social programs will be forgotten," said Helen Suzman, a Parliament member from the opposition Progressive Federal Party.

Spokesmen for some of the major U.S. firms that have sold out South African interests insist that they remain as committed as before not only to maintaining costly social betterment projects, but also to the Sullivan Principles, which were intended to assure equal opportunity in hiring and advancement and wages 30 percent greater than the minimum living level for a family of five or six.

But despite the commitment of  
See PROGRAMS, A14, D14



# Disinvestment Trims Programs That Aid Blacks

PROGRAMS, From A1

stated moral commitment, the marketplace will ultimately determine the fate of social responsibility programs, industry analysts predicted.

They said that while the big, high-visibility U.S. subsidiaries that have been taken over by local management—such as General Motors and IBM—may for the most part retain their impressive array of social betterment programs, it is the small company that supports just one or two social projects that is most likely to retrench on its commitment to black advancement.

Kenneth Mason, executive director of the American Chamber of Commerce here, said that when a big U.S. firm simply closes its doors and leaves South Africa, as the Eastman Kodak Co. announced last month it is doing, there is no uncertainty. The social commitment disappears, he said.

"The problem lies in management takeovers of disinvested companies, when the new [South African] operators become more conscious of the bottom line and where the funding channel from the United States is lost. They become shareholders and have much more at stake in the bottom line," Mason said in an interview.

Companies that have signed the Sullivan Principles spend between 5 and 10 percent of their total wage costs to promote black employee advancement, eliminating job discrimination and improving living conditions in segregated black townships through housing and education projects.

For a marginally profitable former U.S. subsidiary already burdened with having to repay a buy-out loan to the parent company from operating profits—and bedeviled by South Africa's weakened economy—the drain of costly social programs compounds the difficulty of trying to compete against established local competitors with lower cost structures, business analysts said.

"The history of disinvestment is that as soon as a company becomes wholly South African-owned, it tends to cut its links with Sullivan," Lionel Grewan, executive director of the Sullivan Signatory Association in South Africa, recently said.

One oft-cited case of a relatively small former U.S. subsidiary pulling back on its social responsibility commitment is the John Fluke Co., manufacturer of high-technology testing equipment, which a year ago disinvested and sold distribution rights for its products to a Johannesburg firm.

Fluke, a signatory to the Sullivan Principles, long had been active in a literacy program in the black township of Alexandra, and had adopted a school in the township. A few months ago, the South African buyers of Fluke's sales operations here cut off contributions to the program, jeopardizing its future, according to its directors.

In contrast, the heads of some social betterment projects said that the larger disinvested firms—for now, at

least—appear to be resolved to try to sustain their commitment.

John Samuel, head of the South African Committee for Higher Education, which promotes alternative educational projects, said today that he was recently in the United States talking with representatives of major U.S. firms that have disinvested or plan to, including Honeywell, Ford and IBM.

"My impression was that they will continue with their programs," he said.

Mason said it is difficult to monitor cutbacks in corporate social programs because many U.S. firms have been reluctant to publicize details of their expenditures out of fear that antiapartheid campaigners at home will criticize them for not spending enough. But, he said, "funding has fallen off. We are aware of that much."

Moreover, he said, if social spending continues to drop off, the already hard-pressed government is unlikely to call on the South African taxpayer to fill the void.

The black politicians and labor leaders who advocated sanctions and disinvestment are "crying in different directions now that the weapon of threatened sanctions has been removed and with the reality their harsh effects are evident," Mason said.

"It's like your grandmother said: 'Never ask for something you don't want, because you may get it,'" Mason said. He added, "It's hurt the very people it was intended to help."

Carl Noffke, director of the Institute of American Studies at the Rand Afrikaans University, suggested that fears of social programs being abandoned with the advent of disinvestment are exaggerated.

"Frankly, South African businessmen are resentful of U.S. businessmen saying over the years that they were in the forefront of social responsibility. It's not true," Noffke said.

He said that companies operated by the South African-owned Anglo American mining and industrial conglomerate or the Afrikaner-owned Rembrandt Group have "equal, if not superior" social programs for blacks in education, housing, medical care and professional advancement. Noffke also pointed to the giant Sanlam Life Insurance Co.'s recent decision to establish a housing trust fund for blacks to which the government and private enterprise will contribute a total of 1.4 billion rand (about \$640 million) for "core" housing for South Africans of all races.

British Petroleum of South Africa, which has not disinvested, last month announced a \$46 million program to encourage nonracial reform. The money will be used to finance integrated housing in an area of Cape Town from which blacks were forcibly removed years ago, and to subsidize existing state schools that want to go private so they can accept all races.

The Urban Foundation, made up of some of South Africa's most powerful and prominent business leaders, also has spent millions on social programs, Noffke noted. "It behooves the government to encourage this kind of thing, because it saves them money," he said, adding that private firms can implement social programs more quickly.

But in the end, Noffke and other analysts who have closely followed the impact of sanctions and disinvestment here agreed, the function of the local market and the cold facts of the accounting ledger more than moral commitment are likely to determine how corporate social responsibility fares in South Africa.



# More Firms Pull Out Of S. Africa

*Revlon, Honeywell  
Cite Concerns Over  
Economic Conditions*

12/5/86

By Michael Isikoff  
Washington Post Staff Writer

Revlon Inc. and Honeywell Inc. announced yesterday they were selling their operations in South Africa, giving fresh momentum to the campaign by antiapartheid activists for U.S. corporate "disinvestment" from that country.

The two announcements, following similar moves during the past few months by General Motors Corp., Eastman Kodak Co. and International Business Machines Corp., brings to more than 70 the number of U.S. companies that have left South Africa or have disclosed plans to do so in the past two years.

Revlon, the beauty products concern based in New York, said its board of directors met yesterday and authorized the sale of its Johannesburg-based subsidiary "as soon as possible," but no later than the end of next year. The company's move came on the heels of a boycott against Revlon by the Rev. Jesse Jackson and his Operation Push over what some perceived as racially insensitive remarks by a Revlon executive in the Oct. 13 issue of Newsweek.

One of the demands of Jackson's boycott was that the company pull out of South Africa. But Revlon spokesman Richard Halperin said Revlon's board had been discussing

See HONEYWELL, G2, Col. 1

05/12/86



# Tensions mount between factions of anti-apartheid

JOHANNESBURG, South Africa (Agence France-Presse) — Tensions were rising between rival anti-apartheid movements in the black city of Soweto following the distribution yesterday of pamphlets signed by one of the groups calling for the violent destruction of the other.

In Pretoria, police announced the effective banning of a planned Sunday funeral for a prominent anti-apartheid figure, Dr. Fabian Ribeiro, who was murdered Monday with his wife in the township of Mamelodi. A police order prohibited all funeral services in the township on weekends and holidays.

A large turnout was expected for the funeral of Dr. Ribeiro, known as the "people's doctor" for treating victims of police violence who feared to go to the hospital.

In another incident, 5,000 gold miners went on strike after police shot a miner Wednesday. Reports of the shooting incident at Grootvlei mine near the Transvaal Province town of Springs varied.

Marcel Golding, press officer of the National Union of Mineworkers, said a group of miners was leaving a "routine and peaceful" union meeting when police opened fire without provocation, killing one man and seriously injuring several others.

The government's Bureau for Information said a policeman had opened fire on an "aggressive crowd" after one of his colleagues was injured by a bottle thrown from the crowd. Under the current state of emergency, the bureau is the only legal source of information on unrest incidents.

Bruce Evans, the chief executive of the Gencor company, which owns the mine, said eight people were injured in the incident. The whole day shift had downed tools, he said.

Mr. Evans said attempts were under way to negotiate with the union to end the strike. Gencor is the country's second-largest mining group.

The pamphlets distributed in Soweto called for the bloody annihilation of black consciousness activists from the Azanian People's Organization (AZAPO) on Dec. 16, when the United Democratic Front (UDF) is due to launch a 10-day "Christmas boycott" of white-owned stores.

The pamphlets, printed on UDF letterhead, mark the latest incident in several weeks of confrontations between South Africa's two main legal anti-apartheid bodies. The UDF is a multiracial umbrella group of some 700 organizations.

The tracts called for the mobilization of "all our fighting units" to destroy the "reactionary" and "racist" AZAPO, a militant black consciousness grouping that espouses socialism.

AZAPO publicity officer Muntu Myeza said although there was a "nagging suspicion" the pamphlet was the work of the authorities and not the UDF, the onus was on the UDF to prove the pamphlet was not theirs.

UDF officials were not immediately available for comment.

Mr. Myeza said attempts to contact UDF leaders to discuss the pamphlets had been fruitless. He called on the rival movement to categori-



An unidentified woman is restrained as she rushes up to Winnie Mandela who is pelted with cans and debris and covered with sand by a group of blacks as gets in a car after leaving Wednesday's trial of socialite Linda Mangaliso.

cally deny involvement in the matter and condemn violence between the two organizations.

He added that AZAPO viewed the situation as serious because at least 20 of its members in Soweto had been killed, abducted, injured or had their homes attacked by known members of UDF-affiliated organizations during the past five weeks.

Winnie Mandela, South Africa's best-known black woman activist, yesterday accused the government of orchestrating the assault on her Wednesday outside a Cape Town courthouse by a crowd of blacks.

She also claimed that Pretoria was behind the murder of Dr. Ribeiro and his wife, Florence, as part of a campaign to blame South Africa's racial violence on "black-

on-black" attacks.

Mrs. Mandela was pelted by eggs and cans and had sand poured on her by a crowd of blacks outside the Cape Town Supreme Court Wednesday after she attended the trial of black socialite Lindi Mangaliso, who was found guilty last week of murdering her wealthy husband, Victor.

Speaking at a press conference, Mrs. Mandela rejected press reports that the crowd had attacked her because, as a black leader, she had no place at the trial of a "common criminal."

Denying that Mangaliso was a common criminal, Mrs. Mandela said the defendant's late father, Vincent Qunta, had been a prominent member of the outlawed African National Congress.

"Yesterday's incident was obvi-

ously orchestrated by the system," she said. "The state was most unhappy about the fact that we went to attend" the pre-sentence hearing for a friend convicted of murdering her husband.

The Bureau for Information said in response: "Mrs. Mandela's allegation is entirely predictable in that there is no more logical entity than the South African government to blame for troubles of her own making. Regarding the substance of her allegation, it is beyond any serious comment."

Newspapers quoted members of the courthouse crowd as saying they were angry that Mrs. Mandela would support the woman, who was convicted Nov. 24 of hiring two men to kill her husband in 1984.

03/12/86



## 2 More Firms

# Pulling Out of S. Africa

HONEYWELL, From G1

disinvestment from South Africa for months.

"We were not responding to Jackson per se," said Halperin. "His concerns reflected our concerns."

In its official statement, Revlon said it had decided to make the move "because of the uncertainty in the economic and political situation in South Africa created by the government's lack of progress in dismantling its system of apartheid and its failure to achieve racial equality."

Revlon operates a manufacturing plant in Johannesburg that employs about 300 people and produces cosmetic and hair care products for the white and black markets. The company has not identified a potential buyer and has made no decision on whether it will maintain licensing or distribution agreements that will allow its products to be sold in South Africa after it leaves.

In its announcement, Honeywell said it was motivated by an assessment of the "total business environment in that country," making no reference to apartheid or South African politics. Susan Eich, a company spokeswoman, also said "shareholder and customer pressure [in the United States] was not the reason for our decision to sell."

The accelerating U.S. corporate exodus from South Africa has been attributed largely to continued pressure from antiapartheid activists in the United States as well as an overall decline in the South African economy that has made the country a much less profitable market for many U.S. companies.

But the manner in which many U.S. firms are departing has spawned new controversy in recent months. The retention of licensing and distribution agreements by many firms, such as GM and IBM, has prompted many antiapartheid activists to attack those companies for what they call "sham disinvestments" and has led to calls for continued campaigns against those companies.

As a result, a few companies, such as Eastman Kodak, have recently indicated they will sever all ties to South Africa, including preventing their products from being sold in the country. But Honeywell spokeswoman Eich said the company was not influenced by those criticisms and consciously chose to maintain business ties to the country.

According to the company's announcement, Honeywell has sold its subsidiary to Murray & Roberts, a major South African construction and engineering firm. The terms of the sale and the purchase price were not disclosed.

However, Honeywell emphasized that it will retain direct business ties to South Africa through a distribution agreement that will give Murray & Roberts exclusive rights to sell the company's products there. Honeywell products, such as electrical control and security systems, will be imported into the country and marketed under the Honeywell name by Murray & Roberts. The South African subsidiary is a sales and service unit only. None of the 175 employees working there will lose their jobs.

"They [Murray & Roberts] will act as the Honeywell distributor in South Africa and continue to service our customers there," said Eich. "The Honeywell operation will be a separate division within Murray & Roberts."

The decision to maintain a distribution agreement "is best for our customers and our shareholders."