

NET

WEDNESDAY, DECEMBER 23, 1986

Letters

South Africa's Ruling National Party Must Go

To the Editor:

As a South African visitor to the United States, I should like to comment on your excellent editorial ("The Gods Are Crazy in Pretoria," Dec. 2), concerning the reforms agreed by the people of Natal — the "KwaNatal option," as they are known — which have just been rejected (once again) by our governing National Party.

You refer to these ethnic rulers as "South Africa's white minority government." But the truth is, they are not even that. How could they be, when the white people of Natal have plainly rejected them, in favor of Chief Gatsha Buthelezi and effective majority rule in that province?

The Nationalists are a strictly ethnic party, standing for exclusive Afrikaner domination of the country. They are supported by certain other white groups who value the protection afforded them against black competition in jobs and in retailing (this is a government that claims to be a defender of free enterprise). But the National Party has a long history of internal

division, and it certainly could not take its own reluctant and minimal reforms any farther without the disintegration of its ethnic constituency, and therefore of the party itself: a gloriously happy day for South Africa. This Government cannot bring about the first, most fundamental change in our country — that is, a change in the atmosphere. It is not what they say. It is not what they do. It is what they are. Forty years of ideological fanaticism stand against them.

But such a change could be the work of an alternative white government — a coalition of "verligte" (enlightened) Nationalist breakaways and the mainly English-speaking parliamentary opposition. This is a real possibility and would change the situation in South Africa overnight. Ideology would be replaced by negotiation.

American policy should therefore be directed, not to persuading the Nationalists to change, but to getting rid of them, as such, altogether. For the sake of South Africa and the Western world, its reputation and its interests

— this relic of the Hitler-Stalin era must go.

M. M. CARLIN
Seattle, Dec. 3, 1986

Madness of Sanctions

To the Editor:

In saying that the gods in Pretoria are crazy, your editorial speaks a truth that has long been evident and often stated. Pretoria's rejection of the "KwaNatal option," Chief Buthelezi's proposal to merge the governments of Natal Province and KwaZulu, is only the latest evidence of its madness. In saying that Chief Buthelezi has been unfairly caricatured as an Uncle Tom and that his genuine independence from Pretoria probably explains its rejection of the option, you speak important truths that have not often been said.

Pretoria's unflinching pursuit of its mad course in the face of sanctions is further evidence of the weakness of those sanctions as an instrument of change. The day before the rejection of the option, Barclays Bank "withdrew" from South Africa, an action widely praised as a triumph of the sanctions policy. What really happened is this: Barclays sold its South African holdings to local ownership, and at a bargain price. The new independent bank, Barclays National, will be free to compete with its former owner outside South Africa. No pressure has been brought on Pretoria. It is not merely the gods in Pretoria that are crazy: madness possesses the gods of the sanctions movement.

Meanwhile, Chief Buthelezi continues his lonely and isolated position between the competing groups of crazy gods. If the United States Government were to support him vigorously, he would become recognized for what he is — the best hope of ending apartheid, and the only hope of ending apartheid without a blood-bath.

JOHN R. SILBER
Boston, Dec. 2, 1986

The writer is the president of Boston University.

Bitter Legacy

Leaving South Africa, U.S. Companies Anger And Disappoint Blacks

**Critics Say Firms Didn't Try
To Eradicate Apartheid;
Do-Good Projects Are Hit**

A No-Win Tale of Capitalism

By ROGER THURLOW
Staff Reporter of THE WALL STREET JOURNAL

JOHANNESBURG, South Africa—Kenneth Mason, a spokesman for the American Chamber of Commerce here, gingerly unfurls an American flag that speaks volumes about the U.S. corporations in South Africa.

The flag, frayed and soiled, was burned last September by radical students at Pace Commercial College, an elite, ultramodern secondary school situated incongruously amid the filth and poverty of the black township of Soweto. The school was the pride and joy of some 200 U.S. corporations, which spent nearly \$10 million building and administering it, and Mr. Mason, speaking at a school assembly, was telling the students that the Americans were equally proud of them. "The American firms," he was saying, "are interested in your progress."

Just then, several students put a match to the flag, and it—and the Americans' pride and interest—went up in smoke. Mr. Mason was driven off the campus, with the flag draped over his shoulder. Shortly afterward, the corporate financing stopped, and the doors of the school—physically one of the best in all southern Africa—closed.

Vivid Illustration

Now, safe in his office in the comfortable northern suburbs of Johannesburg, Mr. Mason produces the flag to make clear a growing sentiment among black South Africans. "Ugly Americans," he says.

It is a sad epitaph to the expensive, high-profile social-development efforts of U.S. corporations operating in South Africa. Pace was designed to be corporate America's shining contribution to the anti-apartheid struggle—full of promise and hope and good will. But, instead, it is a discredited coffin of good intentions gone bad, full of frustration and disillusionment and covered by a tattered flag.

That, for the most part, is the legacy American corporations are leaving behind as they withdraw from South Africa to escape disinvestment hassles back home. During the past decade, U.S. companies, following the social-conscience guidelines known as the Sullivan Code, have spent several hundred million dollars—an estimated \$150 million in the past three years alone—trying to ease the pain of people oppressed by apartheid. They believed that they could make a difference in South Africa, and they encouraged the country's downtrodden blacks to believe it, too.

But much of this idealism was unrealistic.

Corporate America never wanted to directly fight the white government here any more than it wants to confront any other governments. Corporations like to cooperate with the authorities, to be good citizens—and normally, no one expects them to do more and would be outraged if they attempted more.

Now that the American companies are leaving, many blacks inevitably feel disappointed and bitter that many of the big-money projects—such as Pace and other educational and building programs—have barely made a dent in the apartheid system. They blame the Sullivan Code for encouraging companies to take a scattergun, shortsighted approach to social development rather than concentrate their firepower on long-range structural change. Many blacks who supported U.S. disinvestment in the vain hope that it would pressure the white government to ease apartheid now feel frustrated because the companies are leaving with their dollars and social programs while the white government obstinately remains unchanged. Thus, black and mixed-race communities feel betrayed by Americans who, the communities say, raised expectations of overturning apartheid and then let them down.

"I don't think we have anything to apologize for," says Richard Ferris, the local managing director of Eastman Kodak Co., which recently announced its disinvestment. But while the American companies were in South Africa, he adds, "we could have achieved a hell of a lot more."

Now in Disrepute

The lasting legacy of all this is that capitalism and free enterprise have fallen into disrepute among many black South Africans. The inability of corporate America to fundamentally change things here—coupled with the failure of the Reagan administration's policy of constructive engagement toward South Africa—is convincing many blacks that capitalism isn't to be trusted and that socialism is the only way to go in post-apartheid South Africa. By the time the school closed, for instance, Pace, which stands for Project for the Advancement of Community Education, was being called Soweto Socialist School by many black students.

"The sting of all this," says Eric Mafuna, who runs a black consulting firm based in Johannesburg, "is that it confirms suspicions already in black minds: that the West wasn't to be relied upon, that capitalism means only ruthless exploitation of the indigenous people, that free enterprise isn't to be a part of the future South Africa."

Adds Lionel Grewan, a black business-

South Africa and the Press

SOUTH AFRICA'S new censorship regulations represent an extraordinary act of willful self-blinding. Already, in creating South Africa's state of emergency, the administrators of apartheid had narrowed the flow of information about the system's agonies. Now they have gone a Soviet-like step further to deprive foreigners and themselves of a minimal basis for understanding their own affairs.

The intent is to keep embarrassing news from going outside the country and to deny internal communication to the black majority and others opposed to apartheid. But the likely effect will be to deny the white minority a true knowledge of its own country and thereby to multiply the chance of wrong responses. It is absurd to imagine that the government's intelligence service and a harshly censored press can by themselves provide a reliable report for policy makers or a suitable basis for public debate.

In the short run, the new system has its conveniences. The government was able, without public contention, to make the undocumented alibi for censorship that the African National Congress was about to touch off a general insurrection, and on that ground conduct a massive new wave of arrests. An attempt by the peaceful opposition to launch a Christmas anti-apartheid campaign seems to have gone nowhere. But

censorship of this severity can only inhibit the discussion and internal negotiation that alone offer a good alternative to the prevailing unrest. It can only further diminish official credibility.

The government seems to dream of intimidating and crushing one sector of the opposition and anesthetizing another sector and, in the resulting calm, imposing its own political solution or at least a degree of order. But the calm of the gun and the censor is false and cannot last. South Africa is a country in crisis pretending there is none.

Some Americans see this retreat from political reality to police repression and conclude that the United States must move on from sanctions and turn up the heat further. Other Americans cite the same evidence to argue for turning the heat down. But it is not the moment to draw any final policy conclusions. The story of 1986 in South Africa has been that Afrikaners came up to the edge of opening negotiations with authentic black leaders, backed off and are now sampling the national and international fallout. Reopening the American policy debate prematurely could have unpredictable consequences. Better to demonstrate that the United States has some constancy to its policy. Better to see first how South Africans of all political views evaluate their own future.

WASH POST

12/23/86



Bitter Legacy: U.S. Firms Leave South African Blacks Dismayed

Continued From First Page

man who has been the executive director of the Sullivan Signatory Association in South Africa for the past two years: "Black people are saying, 'We don't need the Americans and the Sullivan Code to force change anymore.'" Indeed, the Sullivan Code may be moribund; its author, the Rev. Leon Sullivan, of Philadelphia, has urged all American companies to leave South Africa if apartheid isn't eliminated by May—a highly unlikely possibility.

Although the companies have long felt caught up in a damned-if-you-do and damned-if-you-don't dilemma, this no-win feeling is being heightened by the current disinvestment drive, which kicked into high gear earlier this year when General Motors Corp., International Business Machines Corp., Coca-Cola Co. and Kodak, among others, announced their departures. People who want the companies to stay are chastising them for pulling the rug out from under the social-development programs and for giving up the fight against apartheid. On the other hand, those who have been hounding the companies to leave are now blaming them for the way they are leaving—like thieves in the night, they say. General Motors, for instance, is being ridiculed for leaving after 60 years here without having any black managers ready to take over.

Throughout their stay in South Africa, the companies have been trying to please three different constituencies: their shareholders, the anti-apartheid disinvestment lobby back home and the black community here. One task is economic, one is political, and the third is social.

'Too Many Masters'

"The corporations have been trying to serve too many masters," a sympathetic South African industrialist says.

As a result, whatever they did wasn't enough in somebody's eyes. In the area of social responsibility, the various development projects in the black and mixed-race townships earned the companies high marks on their Sullivan scorecards back home. But to the local blacks, anything that didn't step up the pressure on the government wasn't enough. What's more, the companies say, the rapidly shifting sands of South African politics doomed many initiatives before they could get going.

"What's good one day here is no good the next," Mr. Mason laments. "For instance, Pace was a good idea five years ago—most everybody thought so." But then the American companies got caught between a wrenching rise in black expectations and a rising intransigence in the white government. In addition, Mr. Mason says, "There are people who didn't want Pace to succeed. It would show that capitalism has a foothold, that American corporations have succeeded."

But many influential blacks say the Americans, despite their good intentions, have all along lacked the credibility to succeed. They contend that the Americans didn't back up their financial support with political leverage, leaving the impression that they weren't really committed to social change. Many blacks say the corporations naively believed that money could cure all ills, even apartheid.

'Checkbook Involvement'

"It's been a checkbook involvement. They didn't take part in the change process," Mr. Mafuna says. "The American managers weren't really convinced of what they had to do here socially and politically because they don't have to do it at home."

Adds T.W. Kambule, who for two decades headed Soweto's Orlando High School, the country's largest black school: "We figured the big corporations, owned by Americans, can do things for us. If you have the money, rather than fixing an old house, you tear it down and build a new one. The Americans tried to patch up things, rather than tear them down. And this system [apartheid] can't be patched up."

Undoubtedly, the patch-up jobs have significantly improved the lives of many black and mixed-race South Africans. The companies contributed thousands of university scholarships, raised pay levels in their industries, housed many families and supplemented a woefully inadequate black educational system.

They have even helped fight hunger: Before it disinvested in 1985, Celanese Corp. introduced the guar bean as the core of a soil-rejuvenation project and has kept some 400 farmers near South Africa's eastern border in business. "Even the radicals accepted us," says Martin Hattingh, who oversees the project.

Such projects have given a warm feeling to the companies and to the people benefited. But, because such projects have had little effect on the big picture here, they have also left a lot of people cold.

"If we had all pulled together and put funds into a common effort, we could have had a big impact," Kodak's Mr. Ferris says. "But we've been using a shotgun instead of a rifle."

Fast Results Sought

Much of the blame for the lack of a coordinated effort is being directed at the way the Sullivan program has been conducted. Critics, both within the companies and among the South African population, say Sullivan, with its points and rating system, encourages companies to spend their money on their own projects that would yield fast results and headlines. They cite projects such as school computers and health clinics rather than pooling funds and focusing on long-term, politically difficult programs aimed at breaking down the structures of apartheid. These programs could include establishing an educational network independent of the government system or starting a major, low-cost, multi-racial housing project.

"What's needed is a cooperative exercise of the corporations," says Jan Steyn, the executive chairman of the Urban Foundation, a privately financed organization striving to reform the apartheid system. "Until you get into the structural area, the capacity to force change is limited. It's undramatic and unromantic and terribly messy, but you have to do it."

This message is gradually sinking in among the 200 or so American companies still operating here. The big corporate so-

cial-spending programs announced recently—the IBM Projects Fund (\$15 million over five years), the Mobil Foundation (about \$20 million) and the Equal Opportunity Fund of Coca-Cola (\$10 million)—are trying to pack the management boards with black leaders and to focus their efforts on projects recommended by the black community. (Both Coke and IBM say they will honor their commitments despite their recent disinvestment moves. Mobil Corp. is continuing to operate in the country.)

Middle-Class Bias

The companies hope that these efforts will restore some of the lost credibility and put them in touch with projects more attuned to the needs of the people they are trying to help. In the past, a score of housing projects have created more hard feelings than gratitude because they were aimed at the black middle class rather than the poorer masses living in shacks.

"The cheapest houses are still too expensive for normal workers," says a shop steward at Samcor Ltd., an auto maker 42%-owned by Ford Motor Co. "People are still dying for housing."

American companies have also built orphanages in areas where local communities already had their own child-care centers. And they have outfitted schools with computer workshops while many children are still illiterate.

But the biggest blunder was Pace. The American companies established it as an elite school in the middle of a community that doesn't accept elitism. "That was the seed of revolt," says Helmut Bertelsmann, who taught at Pace. "To put a luxurious school in a community where two blocks away kids are running around barefoot and hungry is going to lead to conflict."

Before Pace closed, the comrades—the radical youths—were walking around campus with knives and guns. The American Chamber of Commerce, which has administered Pace, hopes the school can be salvaged by turning it over to the black community. But past mistakes aren't forgiven quickly here. Just ask Ford.

Resentment toward the company still runs high in Port Elizabeth following its departure nearly two years ago for a joint venture in Pretoria, a move that resulted in some 4,000 layoffs. Valerie Hunt, who runs the local school feeding program, says she was recently driving through one of Port Elizabeth's black townships when her car was surrounded by several young boys. Before they left, one of them shouted, "You closed our factories," and kicked the car.

"I didn't know what they were going on about," Mrs. Hunt says, "and then I realized, of course, I was sitting in a Ford."