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SHELL U.S.

SOUTH AFRICA

STRATEGY

Prepared For: The Shell Oil Company

For use in the U.S. and for the development of global positioning within the Royal Dutch Shell Group

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INTELLIGENCE ASSESSMENT

Overview
(June 6, 1986)

- Boycott has grown rapidly since its January inception and is expected to continue rapid growth.

- **Greatest activity expected to commence Fall/Winter 1986.**

- Scenario of boycott's probable genesis in U.S. is UMW informal request to AFL-CIO with informal request to ICFTU which legitimized boycott by citing NUM/Reitspruit.

- UMW and UAW presidents co-chair National Labor Shell Boycott Committee (NLSBC) and link to Free South Africa Movement (FSAM).

- Other activists joined boycott due to confluence of factors: their failure to successfully promote government sanctions; their frustration with little gain through broad-based attacks on business; friendships among activist leaders; UMW willingness to staff and fund.

- Key civil rights groups and well-known civil rights leaders have already endorsed the boycott.

- Religious groups tacitly support the movement but have not formally endorsed it yet. If religious groups join, a critical mass will be achieved making resolution of the boycott difficult.

- ICCR is distributing boycott brochures to members of its mailing list. NCC plans to target selected corporations for action in September.

- Religious group staffs are well connected with the movement. Protestant denominations, Catholic groups and Jewish congregations are all closely monitoring the situation.

- The World Council of Churches has hosted discussions which supported the anti-Royal Dutch/Shell campaign.

- Academia: Professional academics and students represent potential critics. Apartheid is a campus concern, and Fall probably will see specific companies targeted. Neptune is a prime candidate for action in view of the boycott.

- Critic Concerns: Supplying energy to apartheid; poor labor practices; lack of substantive action (vs. words) against apartheid; lack of support of for black trade union movement.

- Critics do not accept Shell statements concerning operational autonomy. They link all affiliates together as sources of profit for and potential pressure points against Royal Dutch/Shell.

- European activity will increase. Netherlands and U.K. present high levels of activity, groups in Norway and Sweden have joined, and we anticipate groups in other countries will follow suit.

- In Europe, the effect will be stronger on elites than on grassroots.

- Importance of European activity is its impact on the U.S. movement. It lends further credibility and strength.

- The movement for international sanctions against South Africa is also gaining momentum and could fuel the boycott by heightening public emotion on the issue and by promoting economic action among American and European elites.

- Consideration of a mandatory oil embargo as one possible international tactic could also help to focus public attention on Royal Dutch/Shell's operations in South Africa.

- The European Parliament by resolution has condemned the EEC Code of Conduct for companies operating in South Africa, thereby undermining Royal Dutch/Shell's defense of its labor practices.

- Potential exists for spread of the movement beyond U.S. and Europe.

- Activist tactics used and anticipated are: distribution of "educational" materials; rallies; speeches; leafleting; visits to dealers and local stores; blockades of gas stations; community organizing; delegations to meet with business and government agencies; divestment lobbying; op-ed articles in newspapers; possible embargo actions by seafarers and dockers unions; cutting credit cards; bumper stickers and other publicity. Employees and dealers are key targets.

- Radical movements will be encouraged by the boycott efforts and the growing movement for international sanctions. The threat of violent acts of sabotage will grow as the campaign and Royal Dutch/Shell's operations in South Africa become more visible to the public.

SUMMARY ASSESSMENT
(June 6, 1986)

The boycott coalition targeting Shell and Royal Dutch/Shell is currently very large, and has organized at a surprisingly rapid pace. The goal is to pressure Royal Dutch/Shell to withdraw from South Africa.

The threat is greatest in the U.S. where at least 23 national trade unions, most of which are affiliated with the AFL-CIO, have organized in support of the boycott along with the national Free South Africa Movement (FSAM). To date, FSAM has been very successful in organizing anti-apartheid demonstrations, promoting economic sanctions and divestment legislation at the federal, state and county levels and divestment on college campuses nationwide.

The threat to Shell in the U.S. is compounded by the institutional support for the boycott of major civil rights organizations such as the National Association for the Advancement of Colored People, the National Rainbow Coalition, the Southern Christian Leadership Conference, and the American Committee on Africa. Educational unions such as the National Education Association and the American Federation of Teachers have joined the U.S. Student Association, Americans for Democratic Action, Citizen Action, the National Organization for Women, and other civil rights groups in endorsing the boycott.

Congressional representatives and various civil rights leaders including Rev. Jesse Jackson and Coretta Scott King have also voiced support for the boycott. Additional endorsements are expected to occur as organizing efforts for the boycott continue.

A major threat to Shell is posed by the potential institutional support for the boycott of U.S. church groups, represented by the influential National Council of Churches (NCC) and the Interfaith Center on Corporate Responsibility (ICCR), which have been challenging companies on their presence in South Africa and promoting divestment as a top priority for over 15 years.

The Churches' Emergency Committee on Southern Africa was also recently formed to focus U.S. church activity on this issue. Church sponsorship would give the boycott coalition a well established organizing network and additional moral/theological credentials.

Students are also a threat as they are looking for new ways to express their opposition to apartheid. The divestment movement on campuses was a sign of students' frustration with their inability to directly pressure for change and of their

desire to do "anything" they can to support the anti-apartheid movement. If the boycott campaign captures the attention of students, Shell could face demonstrations and recruitment problems on campus.

The potential support of professional academics presents the further danger of providing intellectual legitimacy to the boycott.

All anti-Shell activity in the U.S. is taking place within an atmosphere of great public concern about apartheid, regular coverage of the issue by the major media, and a clear political trend toward increasing economic sanctions against South Africa. Furthermore, there is increasingly powerful opposition by concerned organizations and public opinion leaders to corporate involvement in that country which has been intensified by frustrations with political delays and compromises and with President Reagan's policy of "constructive engagement".

We anticipate that U.S. boycott activities will be in full operation by Fall/Winter 1986.

Activist coalitions in the Netherlands and the United Kingdom, supported by the International Confederation of Free Trade Unions (ICFTU) and, potentially, the World Council of Churches (WCC), are organizing to boycott Royal Dutch/Shell products in Europe since the company did not announce at its annual meeting on May 15 that it intends to withdraw from South Africa.

Anti-Royal Dutch/Shell efforts in Europe are being spearheaded by the well established British and Dutch anti-apartheid movements and various labor and church groups. However, any European activity is likely to involve significant participation by ICFTU-affiliated trade unions and WCC-affiliated churches.

Direct support for the boycott by union federations such as the ICFTU and the AFL-CIO, and, potentially, by ecumenical church networks such as the WCC and the NCC will greatly enhance the campaign's ability to reach a wider audience and to spread to other countries. It will also boost local organizing efforts, provide needed economic resources and improve the public posture of the campaign.

The boycott could very easily spread in Western Europe and around the world if the campaign takes advantage of existing international anti-apartheid and consumer networks. International forums provided by such groups as the U.N. Centre Against Apartheid and the International Labor Organization (ILO) allow activists to legitimize their opinions and research,

promote their various agendas and communicate with potential allies in other countries.

The movement for international sanctions against South Africa is also gaining momentum and could fuel the boycott by heightening public emotion on the issue and by promoting economic action among European elites. The boycott will be seen by many activists and the public as an important part of a larger movement toward stiffer sanctions just as it is being seen in the U.S..

Consideration of a mandatory oil embargo as one possible international tactic could also help to focus public attention on Royal Dutch/Shell's operations in South Africa.

Organizational support for the boycott has already been identified in Australia, Canada, Denmark, New Zealand, Norway and Sweden by the Shipping Research Bureau (*) in addition to the strong campaigns being organized in the Netherlands and the U.K. The International Organization of Consumers Unions (IOCU) also has informed its supporters of the boycott and has reportedly directed its affiliates to support the boycott efforts.

Key Issues

The lifeblood of the campaign is the ability of the coalition leadership to convince its members and the general public that Royal Dutch/Shell is an appropriate target. The key issues, currently being framed by the critics, on which the success of the boycott will depend are:

1) Royal Dutch/Shell's role in providing energy to the South African military and police and to the apartheid economy;

2) Shell South Africa's labor practices in South Africa, particularly at the Reitspruit mine;

3) Royal Dutch/Shell's record of substantive action against apartheid; and

4) Royal Dutch/Shell's relationship (through Shell South Africa) to the black trade union movement which is seen as a major force for social change in that country.

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* The Shipping Research Bureau was established in 1980 by the Holland Committee on Southern Africa and the Working Group Kairos in order to conduct research on the means whereby South Africa obtains oil. It seeks to assist organizations and governments which are seeking to enforce the voluntary oil embargo.

These are the main issues which boycott supporters are asking Shell to substantively address, regardless of Shell Oil Company's lack of operations in South Africa. Critics clearly do not accept company statements concerning operational autonomy and will continue to target Shell as a vulnerable affiliate of Royal Dutch/Shell in Europe.

The issue of Royal Dutch/Shell's policies' affect on the U.S. coal industry and on U.S. jobs is an additional consideration designed to further encourage rank-and-file union members to join the boycott. However, it is not essential to the boycott campaign as a whole.

The United Mine Workers union (UMW) is concerned with the jobs issue as it relates to its efforts to promote restrictive legislation on coal imports in Congress. Unions in general are concerned with working condition differences between countries that reduce the competitiveness of U.S. companies and their willingness to maintain higher wages and safety standards.

Key Allegations Re: Issues 1 (Energy) and 2 (Labor Practices)

Specific allegations relating to issues 1 and 2 are already generally accepted by boycott supporters. These include:

1) Shell South Africa contributes financially to the apartheid system through its business operations and its payment of taxes to the illegitimate government which are then used to oppress blacks;

2) Shell South Africa sells refined oil products to the illegitimate government which is used to fuel military and police operations which brutally enforce apartheid and invade neighboring countries;

3) In supplying oil to the South African government, Royal Dutch/Shell provides a critical resource which South Africa does not possess and relies on outsiders to provide; (**)

** At Appendix XII, PI provides a brief in-house study on the place of petroleum in the South African energy sector, and Shell's oil-related exposure in the South African economy and with the military.

4) Royal Dutch/Shell violates an internationally accepted oil embargo against South Africa, and hides behind South African laws to avoid disclosing information about oil supply and distribution in South Africa; (***)

5) Royal Dutch/Shell profits from poor labor conditions in South Africa;

6) Shell South Africa engages in "union busting" in South Africa; and

7) Royal Dutch/Shell shares responsibility for repressive treatment of mine workers at the Reitspruit mine including refusing to permit union meetings, intimidating workers, and denying shop stewards access to union members;

In essence, the way the issues have been framed by the critics is an attempt to force the company to play by the critics' rules. In order to respond directly, the company is put on the defensive. This allows the activists to assume a good measure of control.

A review of news clippings and boycott propaganda materials indicates that these charges are already being used effectively and widely as persuasive tools to mobilize opinion against the company. (Appendix I provides a brief sample of boycott literature)

The company will not be able to effectively reverse the damage that has been created by critic allegations on the merits of these issues alone. Its credibility on these issues was greatly reduced when its leading critics created the first impressions now accepted by boycott supporters. In addition, facts as offered by the critics surrounding the charges, coupled

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Although no mandatory international oil embargo is currently in effect, the United Nations General Assembly passed a non-binding resolution supporting the idea in December 1982.

It is often argued that an oil embargo is enforceable through the existing mandatory arms embargo, because oil is a "munition of war" under South African law and certainly a "war-related material".

Even under current conditions, most major oil exporting countries have imposed their own embargoes or severe restrictions which virtually deny the open supply of crude oil to South Africa. All OPEC members officially ban supplies to South Africa, and the Organization of Arab Petroleum Exporting Countries have also adopted a detailed resolution ostensibly aimed at preventing Arab oil from reaching South Africa.

with South African restrictions on information, do not give the company much maneuvering room to change opponents' minds.

Issues 3 (Action Against Apartheid) and 4 (Relationship to the Black Trade Union Movement)

Issues 3 and 4 are the broader public policy issues which the activist leaders care most about. They are not yet being emphasized in public, because they are not as effective in stirring up emotion and creating images that will mobilize public support. Issues 3 and 4 reflect the larger political meaning of the boycott and are sufficiently uncultivated to allow the company to frame the discussion.

The unions' main stated concerns in supporting the boycott are: 1) to demonstrate solidarity with and support for the trade union movement in South Africa, and 2) to demonstrate their active support for human rights and freedom and their active opposition to apartheid. Union leaders believe, along with many others, that the black trade union movement in South Africa offers the best hope for the peaceful elimination of apartheid, and that trade union and human rights cannot be guaranteed in that society as long as apartheid exists.

Anti-apartheid activists in the Free South Africa Movement and in the unions believe that corporations, particularly in the energy and high technology sectors, provide an economic base for the perpetuation of apartheid, and are therefore obliged to withdraw. This belief will not change, but Royal Dutch/Shell's ability to demonstrate that it takes substantive action against apartheid while operating in South Africa could deflect criticism by undermining the critics' case for singling out Royal Dutch/Shell from other companies.

Royal Dutch/Shell has been selected from a large field of corporations operating in South Africa because it is vulnerable to attack on the issues from general anti-apartheid concerns and labor concerns alike, and because the company was criticized by black trade union leaders in South Africa. The perception of Royal Dutch/Shell's opposition to trade union rights in general and in South Africa in particular has been essential in isolating the company as the one appropriate first target for a boycott.

For a further understanding of the reasons that Royal Dutch/Shell became the single target, we have provided a discussion of the evolution of the boycott at Appendix II.

U.S. ACTIVITY

The Shell boycott in the U.S. is being directed primarily by two parties: The National Labor Shell Boycott Committee (NLSBC) and the Free South Africa Movement.

Labor

Co-chaired by Owen Bieber, President, United Auto Workers (UAW), and Rich Trumka, President, United Mine Workers of America (UMW), the NLSBC regularly brings together representatives of 21 national unions to coordinate organizing efforts in the U.S.

The NLSBC represents those individuals and unions most interested in the boycott (with the possible exception of the NEA which is not represented), but the level of commitment varies widely among individuals and their respective organizations.

For a membership list of the NLSBC, please see Appendix III.

The UMW (160,000 members) has led the organizing efforts so far, committing $150,000, several full-time field workers, and a total of 25 staff members to the boycott. However, most of the initial $150,000 has reportedly been spent, and only nominal support has been offered by other coalition members. The boycott may have to rely much more heavily on grass roots financial support as the boycott continues.

The AFL-CIO Executive Committee's mail ballot decision to endorse the boycott theoretically provides the campaign with major institutional support and the symbolic support of 14 million American workers. It establishes the policy for the 30 affiliated unions which are council members, and for the 65 other unions which are affiliated with the AFL-CIO.

The potential financial and organizing support of the AFL-CIO and its affiliates theoretically could bring the coalition through a resources "pinch" even without involvement from the U.S. churches. However, it is doubtful that much funding will come from the unions during an election year since the issue is not directly related to their primary domestic interests.

The United Auto Workers and the American Federation of State, County and Municipal Employees (AFSCME) have also been active supporters of the campaign, but have not committed significant financial resources to date. Undoubtedly, most trade unions and other coalition participants have used their own newsletters, bulletins and regularly scheduled meetings and conventions to communicate with their members and staff about the boycott.

Grassroots Organizing

As a whole, the NLSBC has approved boycott literature, and has begun, along with the FSAM, to organize local boycott committees across the country. We have identified activity in the following cities: Boston, New Haven, New York, West Orange, NJ, Scranton, PA, Wilmington, Baltimore, Washington, D.C.*, Wheeling, W. Va., Richmond, Birmingham*, Miami, St. Louis*, Louisville, KY*, Cincinnati, Columbus*, Cleveland*, Youngstown, OH*, Fort Wayne, IN, Detroit*, Chicago*, Houston*, Austin, Denver, San Diego*, Los Angeles* and San Francisco*.

Organizing has been particularly strong in the Birmingham, Cleveland and Detroit areas.

Forty cities were initially selected as targets, but significant organization is apparent in only 13 (marked above with an asterisk). These cities do include some of the largest media markets in the country. (Appendix XI provides a map which illustrates primary areas of boycott activity.)

Appendix IV provides a diagram which explains the structure of union-led organizing in the U.S. A chronology of events to date (prepared by Shell Oil Company) is available at Appendix V.

Free South Africa Movement

The Free South Africa Movement (FSAM), the coalition responsible for the tremendous increase in anti-apartheid demonstrations and divestment actions nationwide over the last 18 months, is activating its well-established network of supporters to work in concert with the NLSBC. The central organizing group for the movement is Transafrica, headed by Randall Robinson.

The FSAM has solicited endorsements from national civil rights organizations, grassroots activity among local religious and civil rights groups which also participated in its earlier wave of protests. It is expected to attempt to engage its nationwide network of contacts on the U.S. college campuses this fall. The American Committee on Africa could be instrumental in the latter effort.

The political experience and contacts of the FSAM leadership, their consistent participation in congressional and U.N. hearings and their high visibility in the media add to the national political dimension of the boycott, and could serve to place Royal Dutch/Shell in the midst of larger political debates.

Religious Group Support

[redacted] Perhaps the greatest potential threat that the FSAM poses to Shell is its close relationship with the network of U.S. church groups which have participated in its many protests at the South African embassy in Washington, D.C. These groups, represented largely by the National Council of Churches (NCC) and the Interfaith Center on Corporate Responsibility (ICCR), are extremely sympathetic to the goals of the boycott as they have been challenging companies on their presence in South Africa as a [redacted]

It should be noted that FSAM's Washington Office on Africa is sponsored by the National Council of Churches (with additional funding from unions), providing a direct institutional link between the movement and the U.S. churches.

None of the ecumenical networks have ruled out more direct participation in the boycott in the future, and the NCC is planning to conduct actions against corporations on this issue in September.

The ICCR is currently sharing information with boycott organizers and informing constituents of the boycott. As expected, some local chapters of national religious groups such as Clergy and Laity Concerned in Chicago have already participated in grassroots boycott activity.

Other religious groups which could exert significant pressure on Shell in the U.S. are the U.S. Catholic Conference and the Churches' Emergency Committee on Southern Africa which was formed early this year to carry out the mandate of the Harare Declaration. The declaration emerged from a special meeting of church leaders from around the world hosted by the World Council of Churches in Harare, Zimbabwe, December 4-6. It expresses support for the trade union movement in South Africa and calls for cooperative action to promote various economic and political moves which oppose business activity in that country.

Jewish congregations also are concerned with the apartheid issue and have already seriously considered a boycott of Shell. The April 29, 1986 resolution by the Social Action Commission of the Union of American Hebrew Congregations makes clear this concern and their position that Shell should use its influence on the parent company to disinvest forthwith.

In private discussions with PI it was made clear that the Union of American Hebrew Congregations will be monitoring Royal Dutch/Shell's progress and credibility. Joining the boycott at some future date has not been ruled out.

Appendix XIII provides a diagram and explanatory notes which describe more clearly the organization of the potential church threat.

Academia

The apartheid issue has become the major international focus of attention on college campuses. Shell could face demonstrations and recruitment problems on campus inasmuch as it is identified with the perpetuation of apartheid.

The threat is intensified by the fact that students feel a great amount of frustration and impotence with the inability of the U.S. to effect changes in South Africa's policies. They reject continued engagement of any kind in the apartheid system, and have turned to opposing corporate involvement, primarily through divestment, as their best chance to "do something" to pressure for change.

Students are looking for other ways to join the anti-apartheid movement, and if Shell is singled out as the company to oppose, they are likely to jump on the boycott bandwagon.

Professional academics present a further danger which, if realized, could provide an intellectual legitimacy to the movement. Academics have a tradition of challenging the "establishment". Business, especially big business, have always been considered "fair game".

For a list of boycotting U.S. organizations and key individuals identified to date, see Appendix VI. Other organizations and individuals which pose a potential threat to the company have also been identified and will be monitored.

Tactics

According to a source close to the union movement, the American Labor and Education Center headed by Matt Witt, former aide to Rich Trumka, has planned and executed much of the boycott program short of dealing with actual organizing efforts. The preparation of "educational" materials is undoubtedly a major contribution of the Center.

To date, the boycott has used a generic model for the target cities. That model prescribes a rally, speeches, and then visits by organizers to Shell dealers. Op-ed articles by the boycott leadership are also typically placed in the cities' newspapers.

The boycott campaign has been constructed with three basic building blocks: 1) an educational campaign based on print material and a video presentation; 2) media coverage; and 3) community organizing.

In addition to personally refusing to buy Shell products, boycott supporters are being asked to:

1) leaflet Shell gas stations;

2) destroy Shell credit cards;

3) pressure local stores not to sell Shell products;

4) talk to family, friends and neighbors about the boycott;

5) get local organizations involved;

6) organize delegations to meet with businesses and government agencies that use Shell products and urge them to stop dealing with Shell; and

7) encourage institutions and individuals to also boycott all Royal Dutch Petroleum and Shell Transport and Trading stock.

The Detroit general pension fund has already been persuaded to sell 15,000 shares of Royal Dutch Petroleum stock.

Media Coverage

Initial media coverage for the boycott has been very wide. Even before large-scale organizing has been completed, the boycott has been given coverage in the New York Times, Washington Post, Wall Street Journal, London Times, Manchester Guardian, Washington Times, USA Today, Los Angeles Times, Boston Globe, Philadelphia Inquirer, Newsday, Newsweek, Business Week, Journal of Commerce, Hartford Courant, Providence Journal, Atlanta Journal, Detroit News, Detroit Free Press, Columbus Dispatch, Cleveland Plain Dealer, St. Louis Glove-Democrat, in several other regional and local newspapers and widely on radio and television. The boycott has also been covered widely in religious and activist publications nationwide.

A leading boycott organizer at the UMW estimates that 15 million rank-and-file union members have been reached through dozens of labor publications which have run stories promoting the boycott.

Growth of the Boycott in the U.S.

Since the announcement of the boycott in January, the boycott has gained additional endorsements from several national civil rights organizations. According to a boycott organizer, these include the National Rainbow Coalition, the Leadership Conference on Civil Rights, the National Alliance Against Racist and Political Repression and Americans for Democratic Action.

On February 15, the boycott received a great boost from the decision of the NAACP, the nation's largest and most influential civil rights organization, to join the effort. The NAACP had announced its intention to boycott one or more companies operating in South Africa in October 1985, but decided to help focus the collective anti-apartheid effort on Shell. Local chapters of the NAACP have participated in anti-Shell demonstrations in all regions of the country.

Although the initial funding from the UMW is reportedly almost gone, the boycott is showing no signs of slowing down at this time. Transafrica is currently conducting a fund raising effort through direct mail solicitation and a promotional dinner on June 7 featuring United Democratic Front leader Rev. Alan Boesak of the World Alliance of Reformed Churches. Demonstrations also continue to move to new cities.

The boycott leadership has not compiled a list of endorsements for publication, because it feels that significant endorsements are likely in the near future.

The growth of the boycott is made more significant by the fact that it has not yet enlisted the direct support of the ecumenical church networks. If this were to occur, the movement would achieve a "critical mass" and a level of credibility and visibility which would take much effort to reverse.

We expect grassroots activity to decrease temporarily during the summer months, but this should not be seen as a decline in the strength of the campaign. Seasonal difficulties will not detract from the organization of the campaign or its commitment to its ends. In fact, the campaign may gain a significant boost in the fall when vacations have ended, when students return to the campuses, when Congress is back in session, as Election Day approaches, and when the NCC begins its actions against corporations.

As the violence and unrest in South Africa intensifies, so will the anti-apartheid movement. There is no reason to expect that the Shell boycott will defy this trend without action on the part of the company.

EUROPEAN ACTIVITY

Boycott activity in Europe began in Europe on May 15. A delegation of groups met with Chairman Van Wachem in the Hague in March to announce their intention to boycott the company in Europe if it did not announce at its annual meeting that it intended to withdraw from South Africa. Activists also met with company management in the United Kingdom on the same day. When the company did not respond to activist demands, the boycott was launched as scheduled.

The following groups have been identified as supporting the proposed boycott in Europe:

International Confederation of Free Trade Unions, Brussels

Miners' International Federation, London

International Metalworkers' Federation, Geneva
World Council of Churches (WCC), Geneva

British Anti-Apartheid Movement, U.K. coalition
Christians Concerned About South Africa, U.K.
EMBARGO, U.K.
National Union of Seamen, U.K.
Maritime Unions Against Apartheid, U.K.

Holland Committee on Southern Africa, Netherlands
Working Group Kairos, Netherlands
Dutch Labor Party, Netherlands
Dutch Council of Churches, Netherlands
Pax Christi, Netherlands

Oslo Samorg, Norway

Swedish Isolate South Africa Committee, Swedish coalition

Other union federations and concerned members of the British parliament are also reportedly involved in the Royal Dutch/Shell boycott discussions.

PI's associates in Europe are monitoring organizing efforts by these organizations and others, and collecting background materials on anti-apartheid groups and networks.

[redacted]partheid movements in the Netherlands and the U.K. [redacted]e communication with each other and with the U.S. [redacted]y develop their campaigns. They are also in touch [redacted]nal organizations such as the ICFTU and the WCC's [redacted]t Racism as they have been active on the South [redacted] many years.

[redacted]ly, boycotts in Europe have not significantly [redacted]te sales. However, it is important to realize [redacted]apartheid movements exist in many European [redacted]that a boycott of Royal Dutch/Shell would find a [redacted]ideological support among these movements.

[redacted]r international sanctions against South Africa is [redacted]ength and could provide a fertile environment for [redacted]eightening public emotion on the issue and by [redacted]c action among European elites. The European [redacted]h more likely to impose trade restrictions in [redacted] South African raids into neighboring countries [redacted] failure of the Group of Eminent Persons to make [redacted]peaceful negotiations in that country.

[redacted] oil embargo is expected to be a major point of [redacted]scussion, and could help to focus more public [redacted]al Dutch/Shell's South African operations. An [redacted]l embargo against South Africa has long been a [redacted]n among European activists, particularly in [redacted]g the North Sea, and Royal Dutch/Shell is seen as [redacted]ng suppliers of oil to South Africa.

[redacted]lso be realized in this regard that the European [redacted]trongly criticized the EEC Code of Conduct under [redacted]h Shell operates in South Africa. This [redacted]redibility of Royal Dutch/Shell's using the EEC [redacted]ts labor practices. (Appendix X provides a [redacted] EEC Code and the Sullivan Principles which [redacted]sed multinationals.)

[redacted]nference on Sanctions Against Racist South [redacted]eld in Paris, June 16-20. The conference will [redacted]pportunity to determine the possible future [redacted]ernational sanctions and the potential for [redacted]he oil industry. The conference will be attended [redacted].

[redacted]boycott does not gain great commitment at the [redacted], it is likely to gain increasing attention and [redacted]ropean elites.

[redacted] also will gain attention from radical movements, [redacted] to further violence. The sabotage of nine

Dutch activists were in contact with international agencies (including the World Council of Churches) about the possibility of a Royal Dutch/Shell boycott as early as May 1985. They met with British activists in London about the boycott in the fall. Since then, the have communicated with American activists in New York and with activists in some Scandinavian countries.

The Holland Committee claims to have enlisted approximately 300 groups in the Netherlands for past campaigns. It expects similar support for the Royal Dutch/Shell campaign.

Although it is not currently coordinating efforts with the ICFTU, it has approached the ICFTU-affiliated, Dutch trade union federation FNV which is expected to support this campaign as it has other anti-apartheid campaigns in the past.

Kairos will bring together church groups to support the campaign.

The Shipping Research Bureau based in the Netherlands will play a key role in researching and monitoring Royal Dutch/Shell activity, and publicizing the boycott among key publics interested in the oil embargo movement. The Bureau was founded by the Holland Committee on Southern Africa and the Working Group Kairos.

The Holland Committee has recently completed an independent report about Royal Dutch/Shell's activities in South Africa. It has been translated and sent to the Anti-Apartheid Movement in the U.K. and to the U.S.

The report attacks the company on a wide variety of issues, the most unique of which is the dieldrin issue. It devotes an entire section to describing the role it sees Royal Dutch/Shell playing in the pollution and contamination of the southern African region. The invocation of such side issues represents an effort by the activists to broaden the base of support for the boycott and to enlist the support of existing networks such as the environmental movement in Northern Europe.

The report was produced in the format of an annual report by what it called a "Shadow Board of Directors". The "Shadow Board" includes representatives of boycotting groups, three representatives of the labor federation FNV, four members of the European Parliament, five professors, consumer activist, a journalist, an author, a film producer, an actress and others.

The Committee is compiling a list of famous Dutch people who will give their support to this report, and is also attempting to solicit campaign endorsements from churches and famous entertainers.

The boycott coalition in the Netherlands plans to target Royal Dutch/Shell gas pumps, but is also more likely to target contract buyers of Royal Dutch/Shell products in order to persuade them to honor the boycott. Shareholder resolutions and the targeting of pension funds for divestment are also expected.

Direct actions such as pickets and blockades will occur around the country, possibly on the first Saturday of each month. A media campaign will accompany these efforts.

United Kingdom

The character of activity in the United Kingdom is very likely to be similar to that of the Netherlands described above. The movements are well known to each other, and they communicate regularly.

A PI associate is prepared to approach the British Anti-Apartheid Movement for additional details.

The tactic of divestment has already been used by the boycott coalition in the U.K. The British Anti-Apartheid Movement, headed by Archbishop Trevor Huddleston, reports that 6 million dollars worth of Royal Dutch/Shell stock has been divested by various parties in the U.K. to date.

The Central Finance Board of the United Methodist Church in the U.K. has divested 1.5 million pounds worth of shares, and the British Council of Churches and the United Reformed Church have also reportedly divested. Earlier this year, the Lambeth Pension Fund and the University of Wales divested their Royal Dutch/Shell stock.

The international reputation of Archbishop Huddleston and the respect he commands in the religious community increases the risk of active church support for the boycott in the U.K.

Union activity is also a serious threat in the U.K. The London-based Miners' International Federation formally endorsed the boycott on May 14. Its potential influence can be seen by the fact that mineworker presidents from Zimbabwe, Spain and the Phillipines participated in the May 15 meeting with the company in The Hague.

The National Union of Mineworkers in the U.K. and the Transport and General Workers Union have also reportedly met and are seriously considering endorsing the boycott.

Maritime Unions Against Apartheid (MUAA) could provide the U.K. campaign with additional union support and a link to

movements in other countries. MUAA and its affiliate the National Union of Seamen are compiling a "hit list" of companies and ships involved in the oil trade with South Africa. It has pledged to take direct action to enforce the non-binding oil embargo against South Africa.

MUAA has a long history of opposition to the oil trade with South Africa in the U.K. and involves seafarers' and dockers' unions in Denmark and Australia as well. It is almost certain to actively support any boycott efforts in those countries, as it has already collaborated with the British Anti-Apartheid Movement to lead a mass protest outside Royal Dutch/Shell headquarters in London.

International Labor and Church Organizations

The ICFTU and the WCC are expected to give European activists a significant amount of clout by providing their networks, resources and reputations. Neither organization has formally endorsed the boycott as such, but agencies of both have sent out anti-Royal Dutch/Shell directives. Both organizations have been widely cited by activists as supporting the boycott campaign.

The ICFTU represents national trade union organizations in 98 countries and claims 83 million members. The WCC brings together nearly 300 national church denominations in over 100 countries and claims to provide leadership for 400 million Christians. Both organizations control substantial economic and personal resources, and were among the first involved in the European boycott discussions.

World Council of Churches (WCC)

The WCC published the booklet "Fuelling Apartheid: Shell and the Military" in 1984 along with Christians Concerned about South Africa, Working Group Kairos, and the Catholic Institute for International Relations based in London.

The WCC's Program to Combat Racism hosted a workshop on sanctions against South Africa in Frankfurt on May 21, 1985. At the workshop, representatives of church and anti-apartheid organizations of 14 countries in Western Europe and North America announced their intention to launch an international campaign against the company for its operations in South Africa.

The countries represented at the workshop were: Norway, Sweden, Denmark, Ireland, United Kingdom, Germany, Netherlands, Belgium, France, Spain, Italy, Switzerland, Canada and the United States.

Since the May 1985 workshop, the WCC has convened the special meeting in Harare, Zimbabwe where church groups from around the world resolved to intensify opposition to apartheid and the movement for economic sanctions. It remains in touch with U.S. church groups in that regard.

The South Africa issue is of primary importance to WCC General Secretary Emilio Castro, and he brings it up during any discussions he has with representatives of transnational corporations.

International Confederation of Free Trade Unions (ICFTU)

The ICFTU issued a directive to its affiliates targeting Royal Dutch/Shell in July 1985, and is now awaiting responses. The International Metalworkers Federation, of which UAW President Owen Bieber is a director, has pledged its active support, and some other federations are expected to reply positively as well in the next few months.

The ICFTU's role remains one of passive leadership. It seems to be holding the tactic of a consumer boycott at "arms length" at present, stating that a variety of actions could be taken by its affiliate federations to challenge Royal Dutch/Shell.

This could be due to the relative inexperience of foreign trade unions with consumer boycotts compared with that of U.S. unions. It also lends credence to the theory that the action against Royal Dutch/Shell was not led by the ICFTU but rather was pushed by the powerful AFL-CIO in response to the UMW. (see Appendix II)

According to our source at the ICFTU, the organization wants to participate in "good faith" discussions and would accept the company pressing actively and seriously for change in South Africa while preserving its operations. It does expect, at the very least, that Royal Dutch/Shell will put operational conditions on its South African partner at the Reitspruit mine as long as it shares ownership of the facility.

Other International Activity

Key in the exchange of information and the establishment of international networks on this issue, has been the role of international agencies such as the United Nations Center Against Apartheid and the International Labor Organization. These agencies provide a forum for discussion, for the compilation of information on South Africa-related activities worldwide, and for the promotion of activist agendas under the legitimacy of the U.N. framework.

These agencies provide anti-apartheid activists with an influential place to submit and publish their "research" and to establish ongoing communication with activists in other countries. They also provide critical funding for anti-apartheid groups around the world.

The international network supported by these agencies has already shown that it presents a direct threat to Royal Dutch/Shell. The Shipping Research Bureau reports that organizations in Denmark, Canada, Australia and New Zealand have already agreed to join the campaign against Royal Dutch/Shell during 1986. We also know of support for the campaign in Sweden and Norway.

We have also received an unconfirmed report from a responsible source that the International Organization of Consumers Unions (IOCU) has encouraged its worldwide network of affiliates and contacts to support the campaign. The only strong evidence of this reported action is the endorsement of the campaign by the Pesticide Education and Action Project in the U.S.

Appendix VII provides a diagram which depicts the overall anti-Royal Dutch/Shell environment.

Appendix VIII, the Intelligence Plan, outlines procedures for collection and analysis of information.

STOP APARTHEID IN SOUTH AFRICA
PROTECT JOBS IN THE U.S.A.

BOYCOTT SHELL

You can do something to protect American jobs and stop the concentration camp-style "apartheid" system in South Africa.

In response to requests from groups in South Africa, the World Council of Churches, Free South Africa Movement, AFL-CIO, and United Mine Workers have all targeted Royal Dutch/Shell (Shell Oil's parent company) because it supplies essential fuel to the apartheid system.

Apartheid not only enslaves South Africans. It also costs American jobs.

Taking advantage of apartheid's slave labor conditions, hundreds of the world's largest corporations . . .

- **Invest in South Africa** instead of investing in job-producing operations in the U.S.
- **Export products from South Africa** to the U.S. and to other countries that normally buy from the U.S.

Citizen groups have targeted Royal Dutch/Shell because it supplies fuel to the apartheid economy and to the South African military and police who enforce the apartheid slave labor system.

South Africa does not have its own oil supplies. Without companies like Royal Dutch/Shell, apartheid could not survive.

Until Royal Dutch/Shell withdraws from South Africa . . .

Please Don't Buy Shell Products

For more information, contact: The Metropolitan Washington Council, AFL-CIO. Phone: 626-0620.

APPENDIX II

EVOLUTION OF THE BOYCOTT

While it seems on the surface that the evolution of the boycott occurred mainly among the trade unions through the ICFTU, our sources indicate that the U.S. boycott was conceived in the U.S. by the United Mine Workers of America (UMWA).

Regardless of where and with whom it began, the boycott clearly has drawn strength from a confluence of social and political factors and an established international issue where the activist parties are well known to each other.

UMWA

It is clear that the United Mine Workers of America (UMWA) President Richard Trumka could take political and personal advantage of a successful effort against Shell. He undoubtedly sees the boycott as an additional way to pressure Shell within the context of an ongoing dispute between his union and the A.T. Massey Coal Company in which Shell has a substantial interest.

As early as March 1985, the UMWA was using the South Africa issue to pressure both Fluor and Shell, co-owners of A.T. Massey. This was immediately after the incident at the Reitspruit mine.

AFL-CIO/ICFTU

According to our union sources, Trumka approached Ken Young, the Executive Assistant to the President of the AFL-CIO, Lane Kirkland, in order to gain the powerful general endorsement of organized labor and garner support from a federation representing over 100 national unions and approximately 14 million workers.

The AFL-CIO was predisposed to support such a campaign because of its desire to strengthen its ties with the UMWA and encourage it to rejoin the federation. The AFL-CIO also had a strong relationship with the FSAM built over the past year and with key civil rights organizations, and a desire to assuage the concerns of civil rights leaders that unions were not providing sufficient support and opportunity for blacks. Finally, the federation's concern for human rights, workers rights and the importance of free trade unions for democracy suggests that Trumka's approach was well received.

According to this analysis, it is probable that the ICFTU request for action against Royal Dutch/Shell was promoted by the AFL-CIO (a very influential affiliate of the ICFTU) in order to solidify its case for joining a boycott which could conceivably harm some American workers.

As important as the apartheid issue has become, the AFL-CIO could not justify a full-scale boycott on the basis of a human rights issue alone. The Reitspruit mine incident and ICFTU support gave it the political legitimacy it required.

The AFL-CIO publicly stated that it was acting according to a request of the ICFTU which was initiated by South Africa's National Union of Mineworkers (NUM) and the Miner's International Federation following the Reitspruit incident. However, the NUM stated within a week of the boycott launch that, while it favored pressure against international companies employing anti-labor practices, it did not request a boycott of Royal Dutch/Shell products.

It should be noted that the National Union of Mine Workers (NUM) in South Africa will have little or nothing to do with the AFL-CIO. NUM General Secretary Cyril Ramaphosa believes that the AFL-CIO has played "a suspicious role in southern Africa for many years".

A spokesman for the ICFTU in Brussels supported the AFL-CIO's claim of following an ICFTU directive. He stated that the ICFTU decision to target Royal Dutch/Shell was touched off simply by the incident at the Reitspruit mine. He supported his statement by citing ICFTU's close communication with South African trade unionists and its previously declared policy of targeting companies for appropriate solidarity action in support of oppressed South African workers. This policy was expressed in a statement entitled "Beating Apartheid" which was issue after a special meeting of the ICFTU Executive Board in April 1985.

Both the ICFTU and the AFL-CIO have implied on several occasions that no action against Royal Dutch/Shell could have been planned or organized unless it was requested or initiated by South African trade unions. These statements are made as a matter of political necessity and must be interpreted in light of past criticisms of "trade union imperialism" from South African and Third World unionists.

In the final analysis, the initial justification of ICFTU and the AFL-CIO for targeting Royal Dutch/Shell may not matter. The claim that the Miners International Federation and the NUM initiated the call for a boycott has credibility in that the NUM was certainly critical of both owners of the Reitspruit mine after the incident. It is the incident itself and the allegations of unfair and repressive labor practices that provided the U.S. unions with a legitimate reason to launch the boycott.

According to a union source the boycott has developed a life of its own among the participating unions and other members of the coalition, and is no longer completely under the direction of the UMWA. Although Trumka provided the initial leadership behind the effort, it has developed beyond his personal control.

FSAM

Promotion on Trumka's part of Shell as the one appropriate target for a concerted attack on the South Africa issue, an endorsement from the AFL-CIO, and a commitment from the United Mine Workers to shoulder much of the organizing burden could explain why the Free South Africa Movement (FSAM), the NAACP and others rejected the advantages of targeting a U.S.-based multinational in favor of targeting Royal Dutch/Shell.

As the FSAM failed to achieve its wider political goals despite widespread support, it chose to adopt a corporate focus for 1986 and beyond. Labor support and the potential for internationally concerted action against Royal Dutch/Shell would have been attractive features the movement could not ignore.

European Activists

Attention was focused on Royal Dutch/Shell in Europe by a variety of anti-apartheid concerns long before the ICFTU issued its statement against the company to its affiliates around the world. British activists reportedly had planned a campaign against Royal Dutch/Shell for the fall of 1986. Dutch activists had hoped to join that campaign in their own country in December 1986, but they wanted time to complete a previous campaign to boycott South African food products without dividing their efforts.

The British and Dutch coalitions were forced to push their campaigns ahead of schedule, because the American movement announced the boycott in January. The need to present a united international campaign against the company and the wish to establish momentum were deciding factors in presenting an ultimatum to the parent companies in the respective countries on March 21.

The Dutch anti-apartheid movement, particularly the Holland Committee on Southern Africa and the Working Group KAIROS, have long been opponents of Neptune in The Hague. These groups have been in close communication with the British anti-apartheid movement and have shared information on Royal Dutch/Shell's operations in southern Africa for many years.

For instance, groups in both countries (KAIROS and Christians Concerned About Southern Africa in the U.K.) collaborated with the World Council of Churches in 1984 to publish a lengthy booklet on Royal Dutch/Shell's operations entitled, "Fuelling Apartheid: Shell and the Military".

In short, while it is true that the boycott is emerging as a joint American-European effort, it is not necessarily true that the boycott was conceived that way. Given the close relationship between the South African NUM and the UMWA and the relationship

of Shell with the UMWA, it is likely that the American effort began with Richard Trumka and quickly tied in with the Free South Africa movement.

American activists in the FSAM were aware of the history of European opposition to Royal Dutch/Shell on the South Africa issue as they were making the decision of which single company to target, but they were planning to target a U.S.-based parent company and were planning actions independently of European concerns. It is most likely that European opposition to the parent company and union support provided additional incentive for the FSAM to target Shell.

This is the most probable scenario for the evolution of the boycott, but other theories will be considered.

APPENDIX III

National Labor Shell Boycott Committee Membership

Owen Bieber, President, UAW, Co-Chair
Rich Trumka, President, UMW, Co-Chair

Gerald W. McEntee, AFSCME
Albert Shanker, Teachers
Frank Drozak, Seafarers
Lynn R. Williams, Steelworkers
John J. Sweeney, SEIU
Frederick O'Neal, Actors
Murray H. Finley, ACTWU
William H. Bywater, IUE
Vincent R. Sombrotto, NALC
Alvin E. Heaps, RWDSU
Sol C. Chaikin, ILGWU
Morton Bahr, CWA
John A. Gannon, Firefighters
Alfred J. Smith, MESA
Bernard Butsavage, Molders
C.E. Wheeler, Carmen
John E. Lawe, TWU
Howard Samuel, IUD
John E. Mara, Union Label

The following people and union organizations are also supporting the boycott in the U.S.:

Mary Hatwood Futrell, President, NEA
William W. Winpisinger, President, IAM and AW
John T. Joyce, President, Bricklayers and Allied Craftsmen
Kenneth T. Blaylock, President, AFGE
William Lucy, Secretary-Treasurer, AFSCME
President, Coalition of Black Trade Unionists
Matt Witt, American Labor and Education Center

APPENDIX IV

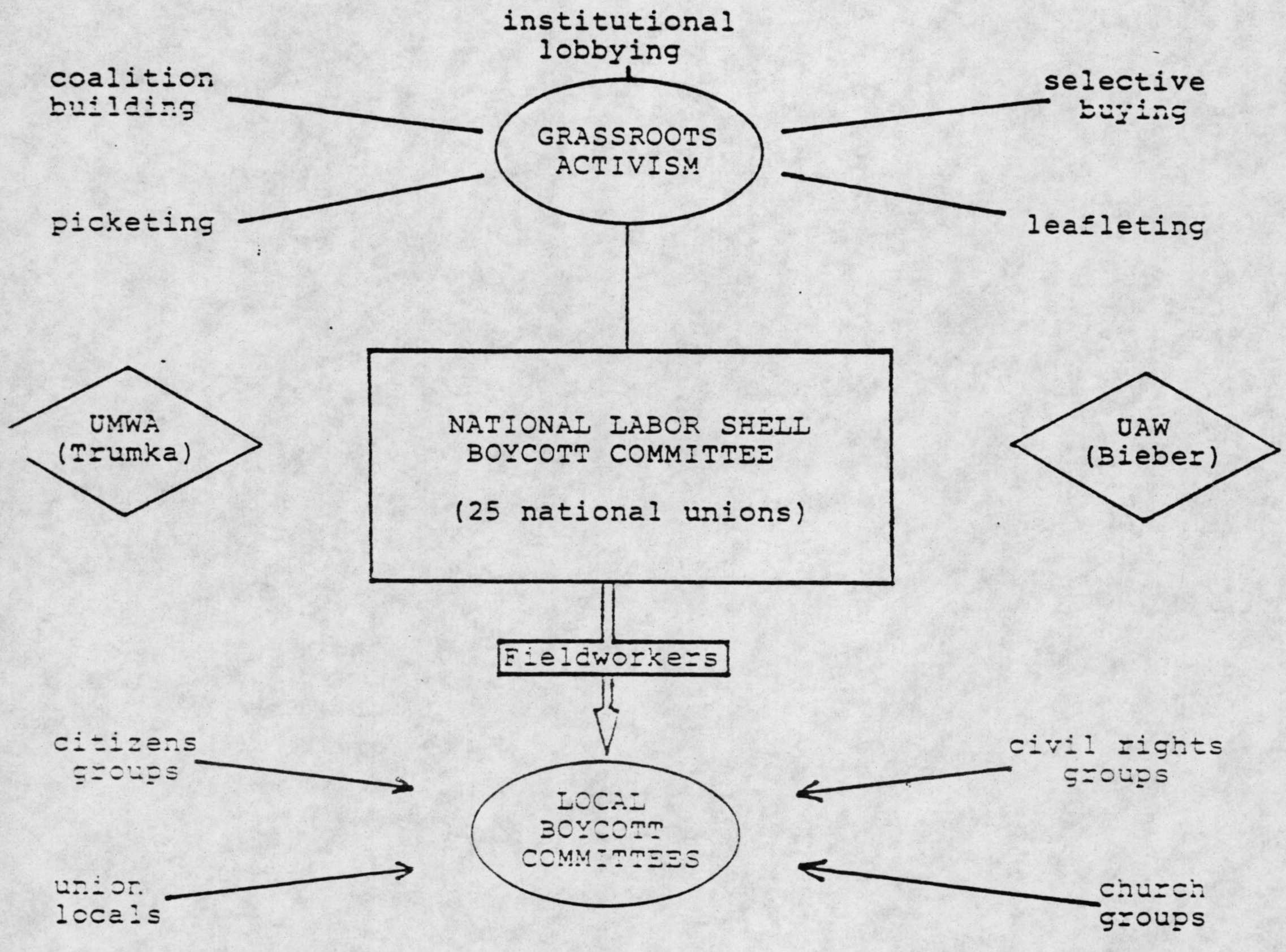
The following diagram depicts the current nature of the union organizing effort against the company.

The National Labor Shell Boycott Committee (NLSBC), co-chaired by Rich Trumka of the United Mine Workers and Owen Bieber of the United Auto Workers, has designated field workers to organize local boycott committees which will bring together church, union, civil rights and citizens groups at the local level.

The local boycott committees are responsible for recruiting boycott supporters and for organizing selective buying campaigns, leafleting, picketing and other direct actions in their area.

The United Mine Workers and United Auto Workers unions have taken the lead in the organizing efforts to date.

UNION ORGANIZING EFFORT



APPENDIX V

SHELL OIL BOYCOTT CHRONOLOGY
(Shell events only)

10-1-84 Massey Coal strike begins.

7-25-85 UMW pickets appear at Shell stations and local shopping mall in St. Clairsville, Ohio and Wheeling, West Va. Distributed handbills regarding "Shell's" investments in South Africa and "joint ventures with companies that violate the most basic human rights." Assumed to be related to Massey strike.

7-31-85 Shell Oil revises holding statement on South Africa.

9-19-85 Shell Oil develops holding statement "Business in South Africa."

9-26-85 Randall Robinson, exec. director, TransAfrica, requests meeting with John Bookout.

10-4-85 Shell Oil responds to Robinson request for meeting.....

10-20-85 NAACP announces intention to boycott "one or more U.S. corporations doing business in South Africa, mentioning that RD/S has refused to sign Sullivan Principles".

10-30-85 Randall Robinson wires G. A. Wagner requesting meeting.

12-20-85 Massey strike ends.

11-4-85 Wagner replies to Robinson, declining meeting.

11-4-85 Jesse Jackson joins U.K. National Union of Seamen protest in front of Shell Centre, London.

12-11-85 THE GUARDIAN runs story that Shell is facing campaign by opponents of apartheid.

12-13-85 Shell Oil agrees on strategy for handling boycott should one occur.

12-16-85 NEWSWEEK story announcing forthcoming Shell boycott and civil disobedience at Shell stations.

1-8-86 Shell Oil issues boycott instructional materials to Retail District managers.

1-9-86 Bishop Tutu rally in Washington D.C. where TransAfrica's Robinson said it would target a "major U.S. corporation" with a boycott at a press conference later today.

Free South Africa Movement press conference in Washington D.C. announcing Shell boycott. Participating were:

- Randall Robinson, co-chair and exec. dir. TransAfrica
- AFSCME president, Gerald McEntee
- UMW president, Richard Trumka
- UAW president, Owen Bieber
- Colo. Cong. Pat Schroeder
- Md. Rep. Parren Mitchell
- NOW president, Eleanor Smeal
- AFGE president, Kenneth Blaylock
- NEA president, Mary Futrell
- I. U. of Bricklayers president, John Joyce
- Washington D.C. Metropolitan Central Labor Council president, Joslyn Williams.

1-10-86 Sample letter and boycott info sent to District Managers for use with dealers and jobbers.

Shell Oil issues Head Office Management Letter and bulletin stating position.

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Updated 6/06/86

1-13-86 Shell South Africa president John Wilson issues statement refuting FSAM charges.
Thirteen pickets appear at Shell Washington office, carry signs and pass out handbills during two hour period at mid-day.

1-14-86 Sit-in begins in Shell offices in Washington D.C. by Robinson, Mary Frances Berry, Civil Rights Commissioner; William Lucy, AFSME president; Cong. Walter Fauntroy; and Sylvia Hill, U. of D.C. professor.

1-15-86 Coretta Scott King urges boycott at Morehouse College in Atlanta.

1-15-86 Seventeen-hour sit in ends at Shell's Washington office with threats of more sit-ins at Shell stations.

1-15-86 Three pickets appear at one Shell station.

1-16-86 Black Cleveland Shell dealers speak out against boycott as a "bread and butter issue."

- - UAW reps distribute petition in Dearborn residential area and ask for credit cards.

1-16-86 Tulsa Credit Card Center provided with form letters to answer customer inquiries regarding boycott.

1-17-86 UAW representatives distribute handbills at Detroit auto plant.

1-19-86 Meeting held by TransAfrica at Trinity Methodist Church in Chicago to attempt to organize boycott.

1-22-86 Boycott activists address Bay City, Michigan City Council meeting.

1-22-86 Governor Celeste tears up his personal Shell credit card at UAW meeting in Washington, D.C.

1-22-86 TAMPA TRIBUNE editorial denouncing boycott.

1-23-86 Scallop issues explanatory bulletin to all employees.

1-24-86 One picket appears at One Shell Plaza.
Shell Oil establishes formal anti-boycott organization: Central Coordinating Operations Team and 10 individual Task Groups.

1-27-86 Shell Oil issues explanatory Management Letter and employee bulletin.

1-28-86 Two students from local college in western Massachusetts are reported picketing Shell station.

- - NEWSWEEK story quoting Lo Van Wachem on Shell and South Africa.

1- -86 Cong. Mickey Leland gives assurance of neutrality.

1-29-86 R.W. Woodworth writes letter to Ohio governor Celeste expressing concern over Governor's support of boycott.

1-30-86 SIPC issues info pamphlet to all employees regarding South Africa situation - mentions Shell Oil.

1- -86 Georgia Coalition for Divestment in South Africa holds organizational meeting in Atlanta with "about 50" Houston representatives attending.

2-4-86 Coretta King speaks at TSU and calls for boycott.

2-5-86 Coretta King speaks at U of Houston and mentions boycott.
FASM holds boycott organizing meeting on University of Houston campus.
Warner Hensen, Houston Area Urban League, privately assumes a neutral position on boycott.
Benjamin Hooks, exec. director NAACP, writes letter to J.F. Bookout naming Shell as boycott target.

2-6-86 Benjamin Hooks visited by Messrs. Seggerman and Holcomb.

2- -86 Deloyd Parker, Houston SHAPE director, takes neutral position privately, but agrees boycott not appropriate, agrees to serve as intermediary if needed.

2-13-86 FSAM holds meeting to announce plans to organize six-month corporate education program against Shell beginning in Houston this month. Chicago committee of TransAfrica spokesman Charles Green and Ill. Rep. Gus Savage et. al. announce boycott at Chicago press conference, hand out info to media. March and rally planned for March 22nd.

2-15-86 Hooks announces boycott at NAACP annual meeting in New York.

2-18-86 Cleveland AFL/CIO president and secretary call for support of boycott. Establish Cleveland Labor Shell Boycott Committee.

2-19-86 Boycott handbills distributed in Chicago city hall by AFSCME.

2-20-86 AFL/CIO executive council meeting in Bal Harbour, reiterates call for boycott.

2-20-86 Boycott handbills distributed in Austin, Texas City Hall by AFSCME.

2-21-86 Four or five AFSCME demonstrators attract limited media attention at Shell station in Austin, threaten more demonstrations on succeeding Fridays at salary stations.

2-22-86 Frank Currano, president of the Greater New Haven Central Labor Council announces boycott and promises pickets at Shell stations.

2-24-86 Shell makes $1,000 donation to the National Black Programming Consortum, Inc. for premiere showing of Mandell's Documentary.

2-25-86 FSAM fund raiser at Kennedy Center ($50M plus) no Shell mention.

2-25-86 Detroit Retail Sales District personnel and 24 Shell dealers appear at Wayne County AFL/CIO boycott committee meeting to read their case.

2-26-86 Maryland NAACP in Baltimore calls for boycott and return of credit cards.

2-28-86 Rev. W.A. Lawson, pastor, Wheeler Avenue Baptist Church, declares privately against boycott.

2-27-86 Major WALL STREET JOURNAL story on U.S. companies pulling out of South Africa and mentioning Shell boycott.

3-1-86 20 UAW pickets at Shell station in Cleveland, Ohio.

3-4-86 Sit-in and picketing begins at Shell St. Louis marketing office by St. Louis Committee for a Free South Africa Clergy and Laity Concern.

3-5-86 Sit-in at Shell's St. Louis office ends.

3-6-86 30 to 40 UMW pickets block driveway and harass customers at several Birmingham Shell stations. In addition, they attempt to picket a dealer meeting being held at a local hotel. Limited media coverage.

3-9-86 Coretta Scott King urges Shell boycott speaking at the First Congregational Church in Fall River, Massachusetts.

3-10-86 Boycott organizing meeting held in Richmond, Virginia by TransAfrica representative from Washington, D.C. State that mass merchandisers selling Shell motor oils, A.T. Massey headquarters and local loading facilities in NEWSPORT NEWS are likely targets for media events. "Boycott Shell" picketers demonstrated at Shell service stations in Wilmington, Delaware. Light media coverage. NAACP, Delaware chapter, announces support for Shell boycott. Moderate media coverage.

3-12-86 Shell dealers in Birmingham, Alabama interviewed regarding impact of boycott. TV coverage limited to one local station (Channel 13) and local coverage.

3-15-86 Pickets demonstrated at Shell's West Orange New Jersey administration office. Local TV coverage.
St. Louis: Five picketers demonstrated for about an hour at a black Shell dealer's station.

3-17-86 Randall Robinson and 24 others picketed One Shell Plaza during noon hour. Media coverage included local TV and newspapers. However, no stories were run.

3-18-86 AFL-CIO held press conference in Detroit. Call for continuation of Shell boycott. Invited Shell dealers to attend. Shell dealers held press briefing at local Shell station to present their position to media. Moderate to heavy local press coverage. Articles and stories generally balanced (both sides presented).
Five picketers at South Euclid (Cleveland), Ohio Shell service station. All appeared to represent local AFL-CIO office in area.

3-20-86 Cleveland: Boycott Shell rally held by AFL-CIO. 30 people attended, representing UAW, painters. Cut up Shell cards, passed out "Boycott Shell" stickers, etc. Light to moderate media coverage.
Cincinnati: Boycott Shell rally held by TransAfrica, AFL-CIO, NOW, Coalition of Black Trade Unions. 15-18 persons participated. Media coverage light.

3-20-86 New York Times Op-Ed Piece. Written by Randall Robinson of Free South Africa Movement and Rich Trumka, President of United Mine Workers. (The piece was syndicated and may appear elsewhere.) We are presently reviewing responses to editor stating Shell's position.

3-21-86 Five anti-Shell picketers demonstrated at Shell station in Los Angeles - no press coverage.

3-21-86 Open Letter to Royal Dutch/Shell. Letter from Committee on Southern Africa and Working Group Kairos received by Messrs. Van Wachem and Tookey in The Hague and London, respectively. We have made the RD/S response to the allegations regarding operations in South Africa available to the U.S. media on an "if asked" basis.

3-22-86 Day of Solidarity against apartheid - Rallys held in seven cities. All demonstrations mentioned Shell boycott, call for cutting up credit cards, passed out "Boycott Shell" stickers, lapel pins, etc. Locations and attendees as follows: New York, 600 people; Washington, 300 people; Detroit, 250 people; Houston, 350 people; St. Louis, 200 people; Los Angeles, 100 people; San Francisco, 500 people.
Principal speakers included: Lane Kirkland, president AFL-CIO; Rich Trumka, president UMWA; Owen Bieber, president UAW; Frank Drozak, president Seafarers Union; Alvin Heaps, president Retail Workers; William Lucy, secretary/treasurer AFSME; Marty Barr, president Communications Workers; Tom Bradley, Mayor of Los Angeles; Marian Barry, mayor of Washington, D.C.

3-26-86 Picketing at One Shell Plaza. Eighteen to twenty pickets demonstrated at OSP over the noon hour. They distributed Anti-Apartheid Boycott Shell literature and announced their intentions to return each Wednesday at noon.

3-26-86 Picketing at Shell service stations in San Francisco Bay area. 20 picketers at a salary station in Oakland representing FSAM included Alameda County Supervisor John George. Six picketers at a dealer station in San Francisco represented San Francisco anti-apartheid committee. Media coverage consisted of one radio (KGO), one TV (Channel 7 - Oakland), and the OAKLAND TRIBUNE. All were given our statement.

3-28-86 35-40 students from Cleveland State picketed Shell salary station. Local TV station covered but did not run story. Picketers indicated intentions to picket other stations in Cleveland "periodically."

4-2-86 10-12 picketers from FSAM, several unions at One Shell Plaza over noon hour. Local TV (Channel 13) shot footage but no news coverage was run.

4-4-86 Boston -- 100 students march against apartheid. Call for University (Harvard) divestment. Only one Shell mention. No media coverage.
New York City -- 150-200 marchers staged rally against CitiCorp, Shell, Mobil. Call for divestiture, boycott Shell, Mobil. Media present but no media coverage.
Baltimore -- 50 people rally at city hall. AFL-CIO represented anti-Shell material handed out. Media present but no media coverage.

4-5-86 Denver -- 200 people at rally sponsored by Colorado Coalition against apartheid. Brief Shell mention by UMWA. Press attended but no media coverage.
Cleveland -- 300 people march against apartheid. Approximately 80 UAW workers bussed in. Speakers included William Lucy, President of Coalition of Black Trade Unionist, called for continuation of boycott. Very light (one article) media coverage.

4-9-86 Houston -- (Weekly Picketing) only one person at noon. No handouts, did not stay.
Cambridge, Ohio -- Richard Trumka addresses Ohio UMWA Workers. Calls for continued boycott and picketing of Shell stations in Columbus, Cleveland, Cincinnati and Youngstown. (No dates available at this time.)

4-11-86 Los Angeles -- 75-100 picketers/protesters at Shell service station (3rd & Western). Media coverage by LOS ANGELES TIMES, AP, local TV; Shell position included in most reports. Where appropriate, media follow-up was made, e.g., LOS ANGELES TIMES, KABC.

4-12-86 Cleveland -- 25 union picketers at Shell station (117 & Detroit Road) for about an hour. No media coverage.

4-13-86 Chicago -- Shell truck driver harrassed/heckled while making a delivery. Hecklers consisted of one woman, one man who made anti-apartheid remarks. Security (Los Angeles police) was called because of concern for driver's safety.

4-14-86 WHLY (PBS, Philadelphia) does on-camera interview with Shell dealer in Wilmington. Shell statement provided.

4-16-86 Picketers (10-12) appear at One Shell Plaza. Same anti-apartheid signs and handouts as before. No media coverage.

4-17-86 Colorado Coalition against apartheid pickets API meeting in Denver where Shell executives are participating. Local TV coverage; Shell statement provided and used.

4-18-86 Richard Trumka, President UMWA, holds press conference in San Francisco. Again calls for support of unions to boycott Shell products. Media provided with Shell position, statement, etc. Coverage limited to one local news broadcast (KGO-Channel 7).

4-23-86 Seven picketers demonstrated in front of One Shell Plaza during lunch hour. Same handouts and signs. No media present.

4-24-86 San Francisco Board of Supervisors Human Services Committee holds hearing to consider implementation of legislation in support of Shell Oil boycott. Committee met, heard resolution, did not vote on resolution but deferred (tabled it) back to Chairman. Three dealers appeared - made remarks from briefing material provided by E. M. Munger (who was also present). No one from unions appeared, however, Supervisor Silver presented union position. No media present.

4-24-86 John F. Bookout, sends letter to employees regarding Boycott. Fact Sheet on Shell S. A. provided.

4-25-86 Ft. Wayne Ind - Local Labor group (Retail, Wholesale, Department Store Workers) hold meeting to announce support for AFL/CIO Boycott of Soc. Limited News coverage - Shell statement provided.
Oakland, CA - About a dozen pickets demonstrated at a Shell Station for about one hour. No media coverage reported.

4-28-86 Washington D.C. Shell executives made presentation to Union of American Hebrew Congregations which resulted in a decision by the "Union" not to join the AFL-CIO Boycott against SOC at this time.

4-30-86 Houston - Local FSAM groups and representatives from local labor held press conference at OSP. Approximately 10 demonstrators attended with signs, hand bills, etc. Press attendance included KRIV-Ch 26, KTRK-Ch 13, Houston Post, Houston Chronicle. Shell statement and interviews provided. Coverage limited to a Ch 26 noon newscast, one news article (Houston Post). Spokesman for Boycott supporters included a SOC employee from Deerpark.
Houston - Weekly picketers (FSAM - AFLCIO) return for their one-hour demonstration. (Approximately 10 in group)

5-1-86 Boston - 35-40 picketers demonstrate for Shell boycott at Shell Service Station for about one hour. Picketers moved to Harvard and joined group of 200-250 calling for divestment by University of RD Stock. Press attendance moderately heavy. Press coverage moderate. (Boston Globe runs corrected story which includes SOC statement).
Los Angeles - 50 chanting protesters show up a Shell Service Station near UCLA campus. No signs, no handouts. One local TV station covered event, but did not air story. Protesters left when they determined station was dealer operated.

5-10-86 New Hampshire Episcopal Diocese votes to table resolution calling for joining the boycott against Shell Oil. Shell Retiree, L. T. Simmelent, a delegate to the Diocese Convention, presents Shell's position and material provided to him by Head Office.

5-12-86 Columbus, Ohio - AFL-CIO, Teamsters hold organization meeting, press conference to announce participation in boycott. Media representation light, statements and materials provided.
Washington, D.C. - Shell offices visited by leadership of FSAM, (Robinson, Berry, Hill, Fountroy). Seek audience/entrance. Offer to meet 'off-site' rejected. They elect to 'sit-in.' Building management has them evicted. Press coverage light to moderate. Shell position and statement provided.

5-13-86 San Diego - NAACP, AFL-CIO conduct organization meeting and press conference to announce participation in boycott. Press coverage light - balanced with Shell's statement - also announce plans to picket Shell station on 5/16.

5-13-86 Washington, D.C. - Boycott demonstrators march outside of Safeway board meeting. Call for Safeway to ask J. F. Bookout to resign until RD/S "pulls out" of South Africa.

5-14-86 St. Louis - 6 picketers at Shell dealer-operated station in inner-city. No media coverage.

Washington, D.C. - FSAM, AFL-CIO hold press conference, rally, march. Activity conducted in three phases. (A) About 100 people at noon press conference march to Shell's Washington office for demonstration which concludes about 1:45. Key participants included Robinson, Trumka, Fauntroy, Jesse Jackson, Gene Upshaw. (B) Pickets returned (about 20) and demonstrated in front of Shell offices from 5-7 PM. (C) 4-5 pickets on vigil in front of building throughout the night. Media attendance light to moderate. Press coverage limited to one local newscast at 6:30 and UPI wire story not widely picked up.

Houston - 12-15 demonstrators picket OSP over the lunch hour. Groups represented included FSAM and AFSME. No media coverage.

5-15-86 London - Two pickets appear at Shell T&T annual stockholder's meeting.

The Hague - Netherlands - 200-250 demonstrators appear at annual shareholder's meeting. Press coverage of either event not known at this time.

5-16-86 San Diego - 6-8 pickets at Shell dealer-operated station. Shell response, statement provided. Media coverage light.

5-18-86 Chicago - Representatives of UMW meet with other AFL-CIO affiliates to announce boycott plans. Media coverage light. Mayor Washington adds his support to campaign against apartheid, does not mention Shell.

5-21-86 Houston - 6-8 pickets in front of OSP. No press.

Washington D.C. - Congressional delegation holds press conference to announce plans for legislation seeking sanctions, ban on imports, divestment, etc., from South Africa. Congressman Fauntroy appears wearing 'Boycott Shell' button -- no mention of Shell, however.

5-28-86 Houston - 4 pickets demonstrate at OSP. Houston Post photographer happening by took pics. M/R talked with him, provided materials. No story ran.

5-31-86 San Diego - 25-30 pickets demonstrated again at Shell station over weekend. They reportedly represent NAACP, AFL/CIO and local church groups. No reported press coverage.

Los Angeles - NAACP March for Human Dignity begins. It is planned to continue across the country (30 + cities). Twelve marchers started out. Very light press coverage. We'll continue to monitor.

6-04-86 Houston/Washington - 4-6 pickets continue through noon time. Passive demonstrations. No media coverage.

6-05-86 Los Angeles - 30 delegates to UAW convention demonstrate at Shell offices from 10-11 AM. Moderate press coverage. Shell statements, position provided.

APPENDIX VI

ORGANIZATIONS SUPPORTING THE BOYCOTT IN THE U.S.

AFL-CIO (and 25 affiliate unions)
United Mineworkers of America
NAACP
Transafrica
American Committee on Africa
American Friends Service Committee
Washington Office on Africa
Southern Christian Leadership Conference
National Rainbow Coalition
Leadership Conference on Civil Rights
National Alliance Against Racist and Political Repression
U.S. Student Association
National Education Association
National Organization for Women
Americans for Democratic Action
Citizen Action
Clergy and Laity Concerned
Chicago Peace Council
Coalition for Illinois Divestment from South Africa
Georgia Coalition for Divestment
Shrines of the Black Madonna
A. Philip Randolph Institute
Pesticide Education and Action Project (PAN, U.S.)
Citizen Labor Energy Coalition

Highly sympathetic of the boycott and of great significance are:

National Council of Churches
Interfaith Center on Corporate Responsibility
Churches' Committee on Southern Africa

Other endorsements have been given at the local, state and regional levels, but have not been compiled, even by the boycott coalition.

PROMINENT INDIVIDUALS SUPPORTING THE BOYCOTT IN THE U.S.

* high potential for support

Jim Bates, D-CA
Asia Bennet, AFSC
Mary Frances Berry, U.S. Civil Rights Commission
FSAM
Owen Bieber, UAW
Kenneth Blaylock, AFGE
Arie Brouwer, NCC*
Philip Cousin, NCC*
Jennifer Davis, ACOA
Julian Dixon, D-CA
Walter Fauntroy, D.C. Delegate
Benjamin Hooks, NAACP
Jesse Jackson, Rainbow Coalition, PUSH
John Joyce, Bricklayers
Coretta Scott King
Lane Kirkland, AFL-CIO
Joseph Lowery, SCLC
William Lucy, AFSCME
Coalition of Black Trade Unionists
Gerald McEntee, AFSCME
Parren Mitchell, D-MD
Monica Moore, Pesticide Education and Action
Project
Avery Post, Churches' Committee on S.A.
Randall Robinson, FSAM, Transafrica
Gus Savage, D-IL
Pat Schroeder, D-CO
Jean Sindab, WOA
Eleanor Smeal, NOW
Tim Smith, ICCR
Rich Trumka, UMW
Roger Wilkins, IPS, FSAM, Transafrica
William Winpisinger, IAM & AW

Other individuals likely to support the boycott have been identified and are being monitored.

APPENDIX VII

The diagram on the following page briefly depicts the anti-Shell environment both in the U.S. and Europe.

The boycott coalition has organized most effectively in the U.S. where the National Labor Shell Boycott Committee (NLSBC) and the Free South Africa Movement (FSAM) have led the anti-Shell publicity campaign. Several other key organizations have endorsed the boycott and are cooperating with boycott leaders from the NLSBC and FSAM.

A key group to watch at the present time is the United Mineworkers of America, headed by Rich Trumka. It is providing much of the organizing muscle behind the boycott.

The U.S. church groups represent a very large potential threat, especially through their ecumenical networks. The Interfaith Center on Corporate Responsibility is already helping to facilitate boycott efforts, and others may follow. The recently formed Churches'Emergency Committee on Southern Africa could play an important role in the future.

The Royal Dutch/Shell headquarters in the United Kingdom and the Netherlands have been facing their own national boycotts. These boycotts will draw their support primarily from the well-established anti-apartheid networks in both countries. Support for the boycott in other countries as listed has been reported.

The international effort will be supported by the International Confederation of Free Trade Unions (ICFTU) and the World Council of Churches. These groups could provide important personal and economic resources to the boycott coalition as well as international communication networks within their own constituencies and a link to related groups in South Africa. Potential support from the International Organization of Consumers' Unions (IOCU) must also be considered an important threat even though its support has not been confirmed.

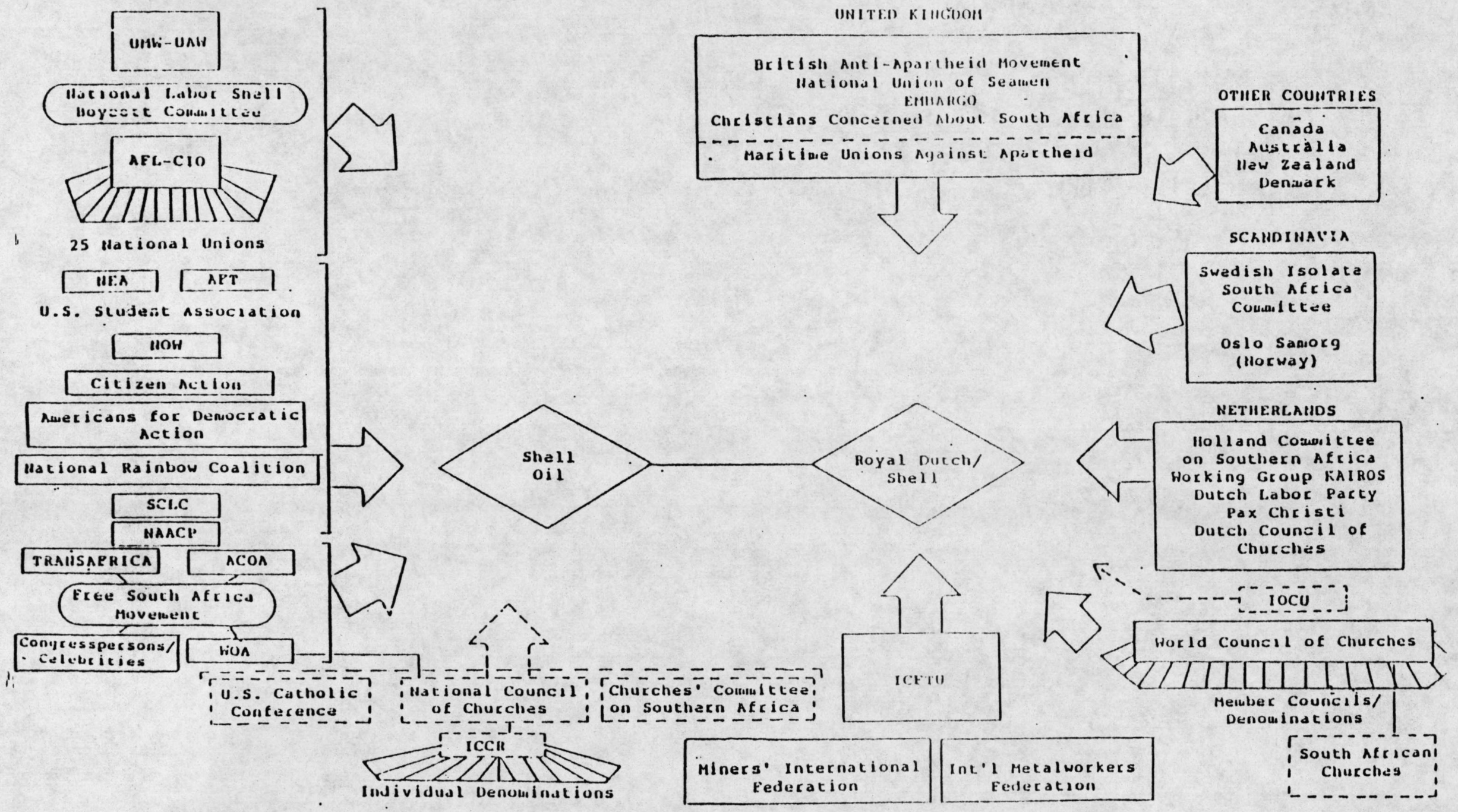
It should not be assumed, from glancing at the diagram, that the character of support for the boycott is similar between groups. There is an array of political, economic, social and personal reasons why each group may have joined, and this will have to be determined and monitored by the intelligence team.

We expect that other important groups may have to be added to the diagram as the boycott develops, especially in Europe.

The diagram only depicts the general anti-Shell environment. It does not include all groups supporting the boycott or all the links between these groups.

APPENDIX VII

ANTI-NEPTUNE ENVIRONMENT



KEY: —— Organizations Supporting Boycott

- - - - Potential Supporters

APPENDIX VIII

INTELLIGENCE PLAN

Objective

The primary objective of the intelligence function will be to collect, process and analyze information so that it can be disseminated as intelligence to the appropriate strategists at Shell and PI.

The information will provide an in-depth understanding of the individuals, groups, and networks targeting Shell or likely to target Shell on the South Africa issue, and any other external forces that may be brought to bear on the parent company or its subsidiary in the U.S.

Execution

Information will be analyzed and disseminated so that it is well-focused and of appropriate length for use by strategists. It will provide background on the key groups and individuals affecting the company as well as frequent updates on the status of the boycott in the U.S. and abroad. This will allow strategists to identify "reasonable" points of contact for a constructive dialogue as well as dangerous obstacles to the resolution of the conflict which should be avoided in order to bring the maximum benefit from our strategic efforts.

Profiles of groups will include an analysis of an organization's goals (both public and private), tactics, structure, political orientation, and potential influence. The relationships between the critic groups will be emphasized in order to understand the strengths and weaknesses of the organized attack on the company. Profiles of activist leaders will provide the individual's professional background and, where possible, personal characteristics that will help the strategist determine who to approach and how to approach them.

To achieve these intelligence goals, PI has assigned an experienced, full-time analyst (R. Bell) to prepare intelligence reports. The analyst will use the following methods to obtain information:

a) traditional methods of research on personalities and organizations using background data already existing in PI's computerized data base and hard copy files, publicly available sources found in-house and at the Library of Congress, and materials found in the in-house libraries of boycotting organizations;

b) monitoring of news coverage (using the NEXIS computerized information system), articles collected by Shell's clipping service, and newspapers, specialized literature and activist publications received by PI;

c) processing information on international boycott-related activities and key people received from Shell's markets in the U.K., Netherlands and South Africa, and from PI's network of correspondents;

d) establishing personal contacts either in boycotting organizations or with access to such organizations who can provide information not available to the public;

e) using accepted investigative journalism techniques and personal interviews with key members of the boycott coalition as a reporter for the International Barometer; and

f) when possible, attending meetings, conferences or direct-action events sponsored by critic groups.

PI has also activated an experienced associate in Europe to help gather and analyze information on the anti-Royal Dutch/Shell coalitions which are developing and organizing in Royal Dutch/Shell's home countries, U.K. and the Netherlands.

Both intelligence functionaries will be supported by the rest of PI's research staff and will report directly to Arion Pattakos, the Director of Pi's Early Warning--Research, Analysis and Monitoring System.

Intelligence memoranda will be sent frequently to Shell at the initiative of PI. PI is also prepared to respond to direct intelligence requests from Shell.

In addition to PI resources, a key component of a sound information collection system is the use of Shell resources both in the U.S. and overseas. Additionally, Shell affiliates should be urged to contribute information concerning boycott activities as such information becomes available to them. In both these cases, a procedure for expeditiously forwarding relevant information to PI for analysis and reporting should be established.

APPENDIX IX

SOME POSSIBLE KEY EVENTS RE: BOYCOTT *

1986 - sometime during the year is the 25th anniversary of the founding of the military wing of the ANC

June 14 - March Against Apartheid, New York City

June 16 - Commemoration of Soweto riots (in South Africa, Tenth Anniversary U.S. and abroad)

- Opening of U.N.-sponsored World Conference on Sanctions Against Racist South Africa

early July - Anti-Apartheid Act of 1986 expected to reach floor of the House of Representatives

mid August - National Party Caucus in South Africa hoped to present moves toward negotiation

September - American universities back in session
- National Council of Churches plans actions against companies

October 11 - National Protest Day planned in the U.S.

November 4 - Elections in the U.S.

1987

most post-April dates apply again

March 21 - Anniversary of Sharpeville Massacre
- International Day for the Elimination of Racial Discrimination

May 1 - International Labor Day (May Day)

May - Sullivan Deadline

June 16 - Soweto Anniversary -- Other commemoration from events of June 16, 1986?

* This is a preliminary and incomplete set of dates. Additional research is underway.

APPENDIX X

This appendix analyzes the similarities and differences between the Sullivan Principles and the EEC Code of Conduct for companies operating in South Africa.

Included in the analysis are: 1) a comparison by column of the actual principles, 2) an comparison by subject area of both codes, and 3) copies of the actual text of both codes.

Sullivan Principles	EEC Principles
Principle I. Non-segregation of the races in all eating, comfort and work facilities.	
- Eliminate all vestiges of racial discrimination.	6a) Do everything possible to abolish any practice of segregation, notably at the workplace, in canteens, in education and training and in sports activities.
- Remove all race designation signs.	6b) Directly support inter-staff contacts, and help employees from different racial groups to get to know each other better and integrate more fully.
- Desegregate all eating, comfort and work facilities.	Companies should encourage sporting activities in which employees from different racial groups take part as mixed teams in mixed competitions.
Principle II. Equal and fair employment practices for all employees.	
- Implement equal and fair terms and conditions of employment.	6a) Ensure equal working conditions for all staff.
- Provide non-discriminatory eligibility for benefit plans.	1e) Do everything to establish a climate of confidence in relations with employees. Make available to them the text of the Code of Conduct of the European Communities and inform them, in an appropriate language and in places to which they normally have access, of what the company is doing to implement this code.
- Establish an appropriate and comprehensive procedure for handling and resolving individual employee complaints.	
- Support the elimination of all industrial racial discriminatory laws which impede the implementation of	

equal and fair terms and conditions of employment, such as abolition of job reservations, job fragmentation, and apprenticeship restrictions for blacks and other non-whites.

- Support the elimination of discrimination against the rights of blacks to form or belong to government registered and unregistered unions and acknowledge generally the rights of blacks to form their own unions or be represented by trade unions which already exist.

1a) Ensure that all employees irrespective of racial or other distinction are allowed to choose freely and without any hindrance the type organization to represent them.

1b) Pay particular attention to black trade unions and be prepared to recognize them

1c) Be prepared to sign recognition agreements with representative black trade unions within the company and allow collective bargaining, including the signing of collective agreements, in accordance with internationally accepted labor standards.

Regularly and unequivocally inform employees that consultations and collective bargaining with organizations which are freely elected and representative of employees are part of company policy.

1d) Do everything possible to inform employees within the company of their social and trade union rights.

Make every effort to ensure that black African employees are free to form or join the trade union of their choice. Steps should be taken as a matter of course to allow trade union officials to explain to employees the aims of trade unions and the

advantages of membership, to distribute trade union documentation and display trade union notices on the company's premises, to duties without loss of pay and to organize meetings. Encourage trade union members to take part in trade union training programmes.

1f) In companies where work or liaison committees already operate, trade union officials should have representative status on these bodies if employees so wish. The existence of these types of committees should not prejudice the development or status of trade unions or of their representatives.

- Secure rights of black workers to the freedom of association and assure protection against victimization while pursuing and after attaining these rights.

- Involve black workers or their representatives in the development of programs that address their educational and other needs and those of their dependents and the local community.

Principle III. Equal pay for all employees doing equal or comparable work for the same period of time.

3a) Assume a special responsibility as regards the pay and conditions of employment of black African employees.

- Design and implement a wage and salary administration plan which is applied equally to all employees, regardless of race, who are perfomring equal or comparable work.

3b) The principle of equal opportunities for all employees ought to be fully respected.

The same pay scales should be applied to the same jobs.

- Ensure an equitable system of job classifications, including a review of the distinction between hourly and salaried classification.	The principle of "equal pay for equal work" means that all jobs should be open to any worker who possesses suitable qualifications, irrespective of racial or other distinction, and that wages should be based on a qualitative job evaluation.
- Determine the extent upgrading of personnel and/or jobs in the upper echelons is needed, and accordingly implement programs to accomplish this objective in representative numbers, ensuring the employment of blacks and other non-whites at all levels of company operations.	
- Assign equitable wage and salary ranges, the minimum of these to be well above the appropriate local minimum economic living level.	3a) Formulate specific guidelines aimed at improving their terms of employment. Pay based on the `supplemented living level' for an average-sized family must be considered as the absolute minimum necessary. Make every effort to exceed this level when fixing wages. Supply the required explanations and give an account of the wage scale and the possibilities for progress in this context.
Principle IV. Initiation of and development of training programs that will prepare, in substantial numbers, blacks and other non-whites for supervisory, administrative, clerical and technical jobs.	4a) Draw up an appropriate range of training schemes of a suitable standard to provide training for black African employees and reduce the dependence on immigrant white labour.
- Determine employee training needs and capabilities, and identify employees with potential for further advancement.	

- Take advantage of existing outside training resources and activities, such as exchange programs, technical colleges, and similar institutions or programs.	4b) Help black employees to take advantage of other educational and occupational training programmes outside their places of work.
- Support the development of outside training facilities, individually or collectively -- including technical centers, professional training exposure, correspondence and extension courses, as appropriate, for extensive training outreach.	Where required, set up or use educational facilities to enable their black employees to benefit from more specialized training.
- Initiate and expand inside training programs and facilities.	Organize occupational training programmes for black employees.
Principle V. Increasing the number of blacks and other non-whites in management and supervisory positions.	4b) Ensure that supervisory and management jobs and those requiring high technical qualifications are open to black African employees.
- Identify, actively recruit, train and develop a sufficient and significant number of blacks and other non-whites to assure that as quickly as possible there will be appropriate representation of blacks and other non-whites in the management group of each company at all levels of operations.	
- Establish management development programs for blacks and other non-whites, as needed, and improve existing programs and facilities for developing management skills of blacks and other non-whites.	4c) Make every effort to eliminate in practice the de facto restriction based on custom on apprenticeships for black employees. They should ensure that employees of different racial groups can take part in training programmes without any form of segregation.
- Identify and channel high management potential blacks and other non-white employees into management development programs.	

Principle VI. Improving the quality of employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation and health facilities.

- Evaluate existing and/or develop programs, as appropriate, to address the specific needs of black and other non-white employees in the areas of housing, health care, transportation and recreation.

- Evaluate methods for utilizing existing, expanded or newly established in-house medical facilities or other medical programs to improve medical care for all non-whites and their dependents.

- Participate in the development of programs that address the educational needs of employees, their dependents, and the local community. Both individual and collective programs should be considered, in addition to technical education, including such activities as literacy education, business training, direct assistance to local schools, contributions and scholarships.

5a) Concern selves with the living conditions of employees and their families.

5c) Support projects which aim to improve the quality of life of the black communities from which they draw their staff.

5b) Company funds could be set aside to provide benefits over and above those currently provided according to South African legislation:

- providing complete social protection schemes for employees and their families (health, accident and unemployment insurance and old age pensions);

- ensuring that their employees and their families have the benefit of adequate medical care;

- in the education of members of their families;

- involving the accommodation of black African staff and their families, in particular by helping them to buy their own housing;

- providing transport from home to work and back;

- providing their employees with assistance in problems they encounter with the authorities over their movement from one place to another, their choice of residence and their employment;

- providing leisure facilities.

- Support changes in influx control laws to provide for the right of black migrant workers to normal family life.	2a) Apartheid leads to the use of migrant labour, which robs the individual of the basic freedom to seek and obtain the job of his choice. It also causes grave social and family problems. 2b) Contribute towards ensuring freedom of movement for black African workers and giving them the opportunity to lead a family life. 2c) Endeavour to alleviate the effects of existing regulations by facilitating the regular reviewal of contracts of employment and making it easier for the families of employees to settle near their companies.
- Increase utilization of and assist in the development of black and other non-white owned and operated business enterprises including distributors, suppliers of goods and services and manufacturers.	7) As far as they are able, companies should, in the framework of their activities, encourage the setting up and expansion of black businesses by subcontracting, providing assistance for their black employees to set up their own companies and preferential, priority treatment in customer-supplier relations.
INCREASED DIMENSIONS OF ACTIVITIES OUTSIDE THE WORKPLACE. - Use influence and support the unrestricted rights of black businesses to locate in the urban areas of the nation. - Influence other companies in South Africa to follow the standards of equal rights principles. - Support the freedom of mobility of black workers to seek employment	

opportunities wherever they exist, and make possible provisions for adequate housing for families of employees within the proximity of workers employment.

- Support the ending of all apartheid laws.

CODES OF CONDUCT ON SOUTH AFRICA

SUMMARY

The EEC Code concerns itself solely with conditions in the workplace and the well-being of a company's own workers and their families, whilst the Sullivan Principles also require that signatory companies should act in a positive way to bring about more widespread change within South Africa by using their influence on the government, other companies, etc. This is especially true of the four clauses added in the November 1984 amplification.

In most cases, the Sullivan Principles refer to "Blacks and other non-whites" whereas the EEC Code concerns itself with Black African employees only.

In general, the Sullivan Principles use much stronger language than the EEC Code. Each Sullivan heading is preceded by "Each signatory will proceed immediately to...". The EEC Code uses weaker works and phrases such as "if possible", "should encourage", and "should assume a responsibility as regards...".

In several places, the Sullivan Principles pressure signatories to oppose the legal system and support systemic change. The EEC Code generally limits its recommendations to softening or alleviating the effects of the ongoing system of apartheid.

A COMPARISON BETWEEN THE EEC CODE OF CONDUCT FOR COMPANIES WITH INTERESTS IN SOUTH AFRICA AND THE (SULLIVAN) STATEMENT OF PRINCIPLES (FOURTH AMPLIFICATION)

1. Industrial Relations within the undertaking (collective bargaining, trade union recognition, etc.)

   The Sullivan Principles cover this in one sentence, concerned with the rights of blacks to form or belong to registered or unregistered trade unions, whereas the EEC Code is much broader in coverage, saying that companies should ensure that their employees are free to choose the type of organization to represent them and that employers should regularly inform them of this freedom.

2. **Migrant Labour**

   The EEC Code states that the system of migrant labour in South Africa is an instrument of apartheid and causes grave social and family problems. Employers are required to alleviate its effects as much as possible. The one sentence

covering black migrant workers in the Sullivan Principles is under the heading of employees care outside the work environment and requires companies to "support changes in influence control laws to provide for the right of Black migrant workers to normal family life".

3. **Pay**

The Sullivan Principles state that minimum wages should be "well above the appropriate local minimum economic living level". The EEC Code advocates a minimum wage at the Supplemental Living Level (SLL) for a family of average size (stated to be 5/6 persons). An earlier version of the EEC Code stated that "the minimum wage should initially exceed by at least 50% of the minimum level required to satisfy the basic needs of an employee and his family". This statement was deleted when the Code was changed in November 1985.

4. **Wage structure and Black African advancement**

Both Codes demand equal pay for equal work irrespective of race.

Both require employers to take positive steps for the training of Black (and in the case of Sullivan other non-white) workers for all levels of employment. The requirements are laid out in very much more detail in the Sullivan Principles than in the EEC Code.

5. **Fringe Benefits**

Both Codes state that companies should concern themselves with the living conditions, education, health care, etc. of their employees but the EEC Code goes further in stating that "for this purpose Company funds could be set aside" for use in this way. The Sullivan Principles state that signatories should "evaluate existing programs or develop them as appropriate" and "participate in the development of programs".

6. Desegregation at place of work

No real differences except that the Sullivan Principles seem rather stronger in stating "each signator of the Statement of Principles will proceed immediately to... (abolish segregation)", whereas the EEC Code says that companies should abolish segregation "so far as it lies within their own companies".

In addition to the above, there are clauses which appear only in the Sullivan Principles:

- Secure rights of Black workers to the freedom of association and assure protection against victimization while pursuing and after attaining these rights.

- Increase utilization of and assist in the development of Black and other non-white owned and operated business enterprises including distributors, suppliers of goods and services and manufactureers. A section on encouragement of black business was added to the EEC Principles in the November 19, 1985 revision.

(The following four clauses were included in the Sullivan Principles as a result of their November 1984 amplification):

- Use influence and support the unrestricted rights of Black businesses to locate in the urban areas of the nation.

- Influence other companies in South Africa to follow the standards of equal rights principles.

- Support the freedom of mobility of Black workers to seek employment opportunities wherever they exist, and make possible provisions for adequate housing for families of employees within the proximity of workers employment.

- Support the recension of all apartheid laws.

Copies of both codes of conduct are included in this appendix.

The Sullivan principles have been amplified on four occasions since their appearance in 1977. The most recent amplification was in November 1984 and is underlined in the following text.

Sullivan Principles (1985)

Principle I. Non-segregation of the races in all eating, comfort and work facilities.

Each signator of the Statement of Principles will proceed immediately to:

- Eliminate all vestiges of racial discrimination.
- Remove all race designation signs.
- Desegregate all eating, comfort and work facilities.

Principle II. Equal and fair employment practices for all employees.

Each signator of the Statement of Principles will proceed immediately to:

- Implement equal and fair terms and conditions of employment.
- Provide non-discriminatory eligibility for benefit plans.
- Establish an appropriate and comprehensive procedure for handling and resolving individual employee complaints.
- Support the elimination of all industrial racial discriminatory laws which impede the implementation of equal and fair terms and conditions of employment, such as abolition of job reservations, job fragmentation, and apprenticeship restrictions for blacks and other non-whites.
- Support the elimination of discrimination against the rights of blacks to form or belong to government registered and unregistered unions and acknowledge generally the rights of blacks to form their own unions or be represented by trade unions which already exist.
- Secure rights of black workers to the freedom of association and assure protection against victimization while pursuing and after attaining these rights.
- Involve black workers or their representatives in the development of programs that address their educational and other needs and those of their dependents and the local community.

Principle III. Equal pay for all employees doing equal or comparable work for the same period of time.

Each signator of the Statement of Principles will proceed immediately to:

- Design and implement a wage and salary administration plan which is applied equally to all employees, regardless of race, who are performing equal or comparable work.
- Ensure an equitable system of job classifications, including a review of the distinction between hourly and salaried classifications.

- Determine the extent upgrading of personnel and/or jobs in the upper echelons is needed, and accordingly implement programs to accomplish this objective in representative numbers, ensuring the employment of blacks and other non-whites at all levels of company operations.
- Assign equitable wage and salary ranges, the minimum of these to be well above the appropriate local minimum economic living level.

Principle IV. Initiation of and development of training programs that will prepare, in substantial numbers, blacks and other non-whites for supervisory, administrative, clerical and technical jobs.

Each signator of the Statement of Principles will proceed immediately to:

- Determine employee training needs and capabilities, and identify employees with potential for further advancement.
- Take advantage of existing outside training resources and activities, such as exchange programs, technical colleges, and similar institutions or programs.
- Support the development of outside training facilities, individually or collectively—including technical centers, professional training exposure, correspondence and extension courses, as appropriate, for extensive training outreach.
- Initiate and expand inside training programs and facilities.

Principle V. Increasing the number of blacks and other non-whites in management and supervisory positions.

Each signator of the Statement of Principles will proceed immediately to:

- Identify, actively recruit, train and develop a sufficient and significant number of blacks and other non-whites to assure that as quickly as possible there will be appropriate representation of blacks and other non-whites in the management group of each company at all levels of operations.
- Establish management development programs for blacks and other non-whites, as needed, and improve existing programs and facilities for developing management skills of blacks and other non-whites.
- Identify and channel high management potential blacks and other non-white employees into management development programs.

Principle VI: Improving the quality of employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation and health facilities.

Each signator of the Statement of Principles will proceed immediately to:

- Evaluate existing and/or develop programs, as appropriate, to address the specific needs of black and other non-white employees in the areas of housing, health care, transportation and recreation.
- Evaluate methods for utilizing existing, expanded or newly established inhouse medical facilities or other medical programs to improve medical care for all non-whites and their dependents.

- Participate in the development of programs that address the educational needs of employees, their dependents, and the local community. Both individual and collective programs should be considered, in addition to technical education, including such activities as literacy education, business training, direct assistance to local schools, contributions and scholarships.
- Support changes in influx control laws to provide for the right of black migrant workers to normal family life.
- Increase utilization of and assist in the development of black and other non-white owned and operated business enterprises including distributors, suppliers of goods and services and manufacturers.

With all the foregoing in mind, it is the objective of the companies to involve and assist in the education and training of large and telling numbers of blacks and other non-whites as quickly as possible. The ultimate impact of this effort is intended to be of massive proportion, reaching millions.

INCREASED DIMENSIONS OF ACTIVITIES OUTSIDE THE WORKPLACE

- Use influence and support the unrestricted rights of black businesses to locate in the urban areas of the nation.
- Influence other companies in South Africa to follow the standards of equal rights principles.
- Support the freedom of mobility of black workers to seek employment opportunities wherever they exist, and make possible provisions for adequate housing for families of employees within the proximity of workers' employment.
- Support the ending of all apartheid laws.

PERIODIC REPORTING

The Signatory Companies of the Statement of Principles will proceed immediately to:

- Report progress on an annual basis to Reverend Sullivan through the independent administrative unit he has established.
- Have all areas specified by Reverend Sullivan audited by a certified public accounting firm.
- Inform all employees of the company's annual periodic report rating and invite their input on ways to improve the rating.

to the classification, packaging and labelling of dangerous substances [1] (Greece).

Financial institutions and taxation

Failure to inform the Commission of national measures to give effect to the first Council Directive of 12 December 1977 on the coordination of the laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions [2] (Belgium, Italy).

Failure to inform the Commission of national measures to give effect to the Council Directive of 5 March 1979 coordinating the conditions for the admission of securities to official stock exchange listing [3] (Greece, Luxembourg).

Failure to inform the Commission of national measures to give effect to the Council Directive of 17 March 1980 coordinating the requirements for the drawing up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing [4] (Greece).

Failure to inform the Commission of national measures to give effect to the Council Directive of 15 February 1982 on information to be published on a regular basis by companies the shares of which have been admitted to official stock-exchange listing [5] (Greece, Luxembourg).

Failure to inform the Commission of national measures to give effect to the Council Directive of 28 March 1983 [6] determining the scope of Article 14(1)(d) of the Council Directive of 17 May 1977 [7] as regards exemption from value-added tax on the final importation of certain goods (Ireland).

1 OJ L 196, 16.8.1967.
2 OJ L 322, 17.12.1977.
3 OJ L 66, 16.3.1979.
4 OJ L 100, 17.4.1980.
5 OJ L 48, 20.2.1982.
6 OJ L 105, 23.4.1983.
7 OJ L 145, 13.6.1977.

4. Code of Conduct for companies from the European Community with subsidiaries, branches or representation in South Africa

As revised on 19 November 1985 by the Foreign Ministers of the 10 Community countries, Spain and Portugal

3.4.1. This Code is addressed to all companies from the European Community which have subsidiaries, branches or representatives in South Africa.

The aim of the Code is to make a contribution towards abolishing apartheid. None of the provisions of this Code should be interpreted as leading to discrimination between the various racial communities in South Africa. The dispositions concerning black employees have the sole objective of putting these on an equal footing with the other employees.

1. Relations within the undertaking

(a) Companies should ensure that all their employees irrespective of racial or other distinction are allowed to choose freely and without any hindrance the type organization to represent them.

(b) Companies should pay particular attention to black trade unions and be prepared to recognize them.

(c) Companies should be prepared to sign recognition agreements with representative black trade unions within the company and allow collective bargaining, including the signing of collective agreements, in accordance with internationally accepted labour standards.

Employers should regularly and unequivocally inform their employees that consultations and co-

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Sanford J. Ungar
Peter Vale

SOUTH AFRICA: WHY CONSTRUCTIVE ENGAGEMENT FAILED

Ronald Reagan's imposition of limited economic sanctions against the South African regime in September was a tacit admission that his policy of "constructive engagement"—encouraging change in the apartheid system through a quiet dialogue with that country's white minority leaders—had failed. Having been offered many carrots by the United States over a period of four-and-a-half years as incentives to institute meaningful reforms, the South African authorities had simply made a carrot stew and eaten it. Under the combined pressures of the seemingly cataclysmic events in South Africa since September 1984 and the dramatic surge of anti-apartheid protest and political activism in the United States, the Reagan Administration was finally embarrassed into brandishing some small sticks as an element of American policy.

The Reagan sanctions, however limited, are an important symbol: a demonstration to the ruling white South African nationalists that even an American president whom they had come to regard as their virtual savior could turn against them. Only a few weeks after inexplicably hailing South Africa for an American-style solution to racial segregation,[1] Mr. Reagan, beating Congress to the punch, signed an executive order

[1] In a telephone interview from his California ranch with WSB Radio in Atlanta on August 24, 1985, the President said that South Africa had "eliminated the segregation that we once had in our own country—the type of thing where hotels and restaurants and places of entertainment and so forth were segregated—that has all been eliminated. They recognize now interracial marriages and all." *Weekly Compilation of Presidential Documents*, Vol. 21, No. 35, Sept. 2, 1985, Washington: G.P.O., p. 1004.

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banning the export of computers to all official South African agencies that enforce apartheid; prohibiting most transfers of nuclear technology; preventing loans to the South African government unless they would improve social conditions for all races; ending the importation of South African Krugerrand gold coins into the United States; and limiting export assistance to American companies operating in South Africa that do not adhere to fair employment guidelines. By any measure, this was a significant development, and Pretoria's reaction of shock, anger and defiance underlined its impact.

But the sanctions, applied at once with fanfare and apologies, do not represent a fundamental change in American policy toward South Africa. Nor do they portend or promote a meaningful evolution in the South African political and social system. On the contrary, they continue the recent American practice of attempting to reform the South African system by working entirely within it and honoring its rules. "Active constructive engagement" (the new, impromptu name the President seems to have given his policy during a press conference) is still a policy that engages the attention and the interests of only a small, privileged stratum of South Africans. It relies almost entirely on white-led change, as designed and defined by a regime that is becoming more embattled by the day. And it ignores the needs, the politics and the passions of the black majority in South Africa.[2] The policy will continue to fail.

II

Constructive engagement has not merely caused the United States to lose five valuable years when it might have influenced South Africa to begin negotiating a settlement of its unique and extraordinary racial problems. Many would argue that constructive engagement was a necessary step in the evolution of American attitudes toward South Africa, but the cost has been great. American policy has actually exacerbated the situation inside South Africa by encouraging and indulging the white regime's divide-and-rule tactics—leading that regime, its internal and external victims and much of the international community to believe that, whatever the rhetoric emanating from Washington, American prestige is on the side of the Pretoria government.

[2] The term "blacks" is used here in the South African sense, to include black Africans, so-called Coloureds of mixed race and Asians.

Indeed, from the time constructive engagement took effect, American trade with and investment in South Africa increased, and the Reagan Administration expanded the scope of U.S. cooperation with the South African government. It lifted previous restrictions on the export of military equipment and equipment with potential military uses; permitted (until President Reagan's recent change of heart) the sale of American computers to the police, military and other agencies of the South African government that administer apartheid; and approved the sale of shock batons to the police. The Administration also allowed the return of South African military attachés to the United States and otherwise expanded diplomatic, military and intelligence relationships between the two countries—including the establishment of several new South African honorary consulates around the United States, the provision of American training for the South African coast guard, and the resumption of official nuclear advisory contacts.[3]

In addition, the Reagan Administration frequently stood alone on South Africa's side in the U.N. Security Council—vetoing resolutions critical of South Africa on occasions when Britain and France abstained, and, in some cases, registering the only abstention when Western allies voted to condemn South African actions.

No specific conditions were imposed on South Africa in exchange for these American favors. On the contrary, they were granted at a time when many of the restrictions on black South Africans were being tightened and tensions inside South Africa were growing. One important consequence was that, while America's official gaze was averted, a whole stratum of black South African leaders who had appeared willing to negotiate over the country's future seem to have been pushed aside by groups that advocate violent solutions. The arguments in favor of American-style, if not American-sponsored, conciliation and negotiation in South Africa may now have lost their force, as the South African drama has taken new and significant turns toward a tragic resolution.

Viewed in the context of the events of the past 15 months, South Africa's problem today is a manifestly new one. Unless steps are taken to prevent further deterioration, that country is liable to drift into uncontrollable violence fueled from the

[3] See Congressman John Conyers (D-Mich.), "Getting Tough with Pretoria," *The New York Times*, Jan. 23, 1985, p. A23.

extreme right and extreme left. What is needed from the United States is not a withering debate over disinvestment or a domestic public relations campaign on behalf of constructive engagement, but an entirely new and more imaginative approach to South Africa. A policy must be crafted that not only recognizes and works with the current grim realities there, but also tries to ease the transition to an altogether different, albeit unknown, future in which blacks will take part in the government of their country. There is no longer any question that this change will occur in South Africa; the question is how, according to whose timetable and with what sort of outside involvement.

Only by establishing much more direct communication with the South African majority and by granting it far greater and more practical assistance can the United States hope to influence the course of events there. In effect, a new, parallel set of diplomatic relationships is necessary. And only by taking further steps that risk hurting the pride of South Africa's current rulers can American leaders hope to win enough credibility among South African blacks to be listened to in the debate over the country's future—a debate that will have profound consequences in all of Africa, the United States and much of the rest of the world.

III

From the start, constructive engagement meant quite different things to the four constituencies that would be most affected by it: the Reagan Administration itself, and by extension the American public; the South African government and the white population it represents; the South African black majority; and other countries in southern Africa.

The policy of constructive engagement was spelled out in 1980 by Chester A. Crocker, shortly before he became assistant secretary of state for African affairs. One of its first principles was that the previous U.S. policy of putting overt, public pressure for change on the South African regime had seemed to promise much more to black South Africans than it could deliver. "Americans need to do their homework," wrote Mr. Crocker in a landmark article:

> A tone of empathy is required not only for the suffering and injustice caused to blacks in a racist system, but also for the awesome political dilemma in which Afrikaners and other whites find themselves. . . . Amer-

ican powder should be kept dry for genuine opportunities to exert influence. As in other foreign policy agendas for the 1980s, the motto should be: underpromise and overdeliver—for a change.[4]

Ironically, the Crocker approach made its own very ambitious promises, this time to the American public and the international community. Among other things, it offered the prospect of increased American prestige in southern Africa (with the implication that Soviet influence there would correspondingly be neutralized); a solution to the diplomatic and military conflict over Namibia (or South-West Africa), the former German colony that South Africa has continued to rule in defiance of the United Nations; and a withdrawal of Cuban troops and advisers from Angola. The latter—the prospect of an apparent setback for the Cubans—carried particular domestic political appeal in the United States, and it alone seemed to justify the sudden focus of high-level attention on Africa.

Finally, and most fundamentally, constructive engagement promised that if the United States could, as Crocker put it, "steer between the twin dangers of abetting violence in the Republic and aligning ourselves with the cause of white rule," then it could contribute to the achievement of change in South Africa. The Reagan Administration seemed to believe that P. W. Botha, who had become prime minister in 1978 and elevated himself to state president in 1984 under a new constitutional scheme, was significantly different from other, more orthodox postwar South African leaders. Botha's program of limited reforms, Crocker felt, should be encouraged and applauded by the United States, if only to safeguard American interests in South Africa and the region.

In the early days of constructive engagement, Botha appeared to be impervious to, or at least capable of outsmarting, the increasingly assertive South African right wing, composed mostly of disaffected members of the ruling National Party. What is more, the domestic situation in South Africa seemed to be secure. The nationwide upheavals associated with the Soweto riots of 1976 had subsided. Despite localized incidents of black unrest and sporadic attacks inside the country by members of the exiled African National Congress, there was no obvious political force that might be able to dislodge, or even unnerve, the Botha government. When ANC attacks got

[4] Chester A. Crocker, "South Africa: Strategy for Change," *Foreign Affairs*, Winter 1980/81, pp. 323–351.

out of hand, the South African government seemed capable of neutralizing the organization with commando raids into neighboring black-ruled countries.

Reinforcing all this was the widespread impression that the South African business community—led primarily by relatively liberal English-speaking men with extensive ties to the outside world—was not only poised to play a more active role in setting the pace of reform and determining the country's future, but was also being encouraged to do so by the Afrikaner-dominated political establishment. After the uprisings of 1976, business leaders had established new foundations that would attempt to improve the lives of black people in ways that the government itself was not yet prepared to attempt. At a widely publicized meeting in Johannesburg in 1979, Botha had explicitly asked the captains of South African business and industry to help him lead the country along a new political path, and they had, for the most part, responded enthusiastically.

The Reagan Administration seemed to believe that with its domestic situation under control and improving all the time, South Africa, with American backing, could also play the role of a regional power promoting peace. Once Namibia had achieved independence under U.N. supervision (in direct exchange for the withdrawal of the Cubans from Angola, a linkage that Washington introduced into the negotiations), other regional tensions would be reduced and, the State Department hoped, recalcitrant South African whites would see the advantages of peaceful coexistence with neighboring black-ruled states.

IV

The Botha government had different expectations of constructive engagement. Indeed, for Pretoria, Ronald Reagan's victory in 1980 stirred ambitious hopes. It seemed to signal a return to the days when the South African white regime could get away with portraying itself as a protector of the Western way of life, a bastion of freedom, decency and economic development at the tip of a continent afflicted by tyranny, chaos and abject poverty—above all, a bulwark against communism.

For the four previous years, that pose had been weakened, if not entirely rejected, by Washington. Jimmy Carter, with his emphasis on human rights and his public criticisms of apartheid (made, for example, during a visit to Nigeria) had come to be regarded as public enemy number one by many South African

whites, who believed that he was trying to humiliate, or perhaps even destroy them. During a press conference at the end of a dramatic confrontation with then Prime Minister John Vorster in Vienna in 1977, Vice President Walter Mondale had appeared to advocate a one-man/one-vote system for South Africa. Two of Carter's other lieutenants who applied pressure on the country, U.N. Ambassadors Andrew Young and Donald McHenry, were black. Some white South Africans held Young and McHenry personally responsible for forcing a supposedly unwitting and, at the time, somewhat disorganized National Party government into a fateful concession—an agreement that Namibia should move toward independence under the terms of U.N. Security Council Resolution 435.

Anti-Americanism became a powerful force in South African white politics during the Carter Administration. In an election held some months after his showdown with Mondale, Vorster was able to add 15 seats to his majority in the white parliament simply by focusing the electorate's attention on alleged U.S. meddling in the country's affairs. Indeed, Carter's promotion of a climate of distrust between Washington and Pretoria, his refusal to acknowledge and endorse South Africa's dominant role in the region, may have contributed to the growing determination of the South African military to demonstrate the country's hegemony by destabilizing the governments and economies of neighboring states.

For the National Party government, Reagan's election raised hopes for more than just a return to a "normal" relationship between the United States and South Africa. There was the prospect of a valuable endorsement of the legitimacy of the white regime and the promotion of South African leadership in the region, perhaps through the "constellation of states" concept that Vorster had introduced and Botha had promoted. When President Reagan himself, in a television interview early in his term, extolled South Africa as "a country that has stood beside us in every war we've ever fought, a country that strategically is essential to the free world in its production of minerals,"[5] some South African politicians began to fantasize that their wildest dreams might come true.

Pretoria was encouraged that the Reagan Administration

[5] "U.S. Attitude Toward South Africa," Document 32, *The United States and South Africa: U.S. Public Statements and Related Documents, 1977–85*, Department of State, Washington: G.P.O., 1985, p. 58.

viewed the problems of southern Africa in the context of East-West relations, a perspective that South Africa felt had been naïvely missing from Carter's policy. South Africa's suspicion of the Soviet Union bordered on paranoia, and the new American government's tough line toward Moscow was greeted in South Africa as "political realism." Indeed, white South Africans hoped they would finally be regarded as an integral part of Western defense requirements.

In a "scope paper" to brief then Secretary of State Alexander Haig for a meeting with South African Foreign Minister Roelof F. "Pik" Botha in 1981 (and later made public by TransAfrica, the black American foreign policy lobbying organization), Crocker gave every indication that the Reagan Administration might be prepared to trust South Africa with just such responsibilities. He wrote:

> The political relationship between the United States and South Africa has now arrived at a crossroads of perhaps historic significance; the possibility may exist for a more positive and reciprocal relationship between the two countries based upon shared strategic concerns in southern Africa, our recognition that the government of P. W. Botha represents a unique opportunity for domestic change, and willingness of the Reagan administration to deal realistically with South Africa.[6]

If the South Africans cooperated on the Namibian issue, the Crocker memo went on to argue, the United States could "work to end South Africa's polecat status in the world and seek to restore its place as a legitimate and important regional actor with whom we can cooperate pragmatically." The United States was prepared to begin this process of new, "realistic" dealings with South Africa by taking "concrete steps such as the normalization of our military attaché relationship." In other words, the State Department leadership was so enthusiastic and hopeful about this course that it was willing to make symbolic gestures to Pretoria without any advance indication that reciprocal measures would be forthcoming.

Aware of this attitude, the Botha government expected still more concessions out of constructive engagement—perhaps even some form of American recognition of the South African-designed "independent homelands" of Transkei, Bophuthatswana, Venda and Ciskei, which had been scorned and

[6] *TransAfrica News Report*, Washington, D.C., Vol. 1, No. 10 (Special Edition), August 1981.

shunned by the international community but remained an important part of the grand fabric of apartheid. At one meeting with Crocker in Pretoria, Foreign Minister Pik Botha attempted to promote direct communication between the United States and the homelands by passing along messages from the leaders of two of these pseudostates. The thought was that if America conferred some legitimacy on the homelands, then other Western nations might follow suit and, before long, the established, genuinely independent states of the region, such as Botswana, Lesotho and Swaziland, would be forced out of weakness to deal with the homelands directly and perhaps even to join them in Botha's "constellation."

As far as Namibia was concerned, given the rich enticements that were being offered, South Africa seemed willing to play along with Crocker's patient, if overly optimistic, efforts to secure a settlement. Pretoria was, of course, deeply suspicious of the United Nations and skeptical of any transition to independence in Namibia that would operate in favor of the South-West Africa People's Organization, which had been designated by the United Nations as the sole legitimate representative of the territory's inhabitants. SWAPO, although it included among its membership many old-line nationalists whose views were consistent with those of European social democrats, had long been aided by the Soviet Union and other communist countries and, as an organization, officially followed a Marxist political line. Once the connection of a Namibian settlement with the departure of the Cubans from Angola had been introduced by Washington, however, it was much easier for South Africa to cooperate—or at least to give the impression of cooperating—with the Reagan Administration's efforts, which most South African political analysts thought were doomed to fail anyway.

Whether the Botha government ever could have delivered on a Namibia deal without provoking a severe crisis in the ranks of white South Africans is another question; the South African Defense Force, whose influence over the country's regional policies is profound, was, and apparently remains, hostile to any negotiations to "give away" the territory.

When it came to the issue of internal reform, P. W. Botha found it relatively easy to satisfy the Reagan Administration with his own limited agenda. Botha, as a lifelong party organizer and long-standing member of the white parliament from southern Cape province, where the population is evenly divided between whites and so-called Coloureds, had very little direct

experience with other blacks. Thus, when he promoted a new constitutional scheme in 1983 establishing separate chambers of parliament for the so-called Coloureds and Asians, he was still groping to construct an alliance of minority groups that would exclude, and defend itself against, the black South African majority. When the United States appeared willing to accept the new constitution as a step in the right direction, Botha and his reformist allies were encouraged to think that they had American support on this important front.[7] It was the impression that the United States was identifying itself with the South African government's latest scheme for preserving and prolonging apartheid that was critical to the view of constructive engagement held by most black South Africans.

V

A major complicating factor for any outsiders who attempt to deal with the South African issue is that black South Africans have a view of the world quite different from their white countrymen. But they have no formal diplomatic representation—the few overseas offices of the ANC and the Pan-Africanist Congress (PAC) have no meaningful status, except at the United Nations—and not even any reliable informal ways of making their views known to the international community. They are as disenfranchised in the outside world as they are at home.

For years, contacts between Americans and black South Africans had grown stronger, in part through greater journalistic attention to South Africa in the United States, and in part through the growing inclination of American civil-rights and other organizations to become concerned about the South African problem. An assumption gained currency in South Africa during the presidency of John F. Kennedy that the United States sympathized with the plight of black South Africans and tended to take their side during incidents of repression and violence. Among other gestures, Kennedy's

[7] The State Department has repeatedly sought to deny that it gave any encouragement to P. W. Botha's "new dispensation" for Asians and "Coloureds," but statements issued by U.S. Ambassador Herman Nickel in South Africa and by official spokesmen in Washington had that effect. Some of the statements were later withdrawn or amended, but the impression had already taken hold; many of the white liberals who campaigned for a negative vote in the whites-only referendum on the new constitution complained that Nickel seemed to be taking the South African government's side. See, for example, the Johannesburg newspapers *Rand Daily Mail*, Aug. 28, 1983, p. 13; *The Star*, Oct. 3, 1983, p. 7; *The Sunday Express*, Nov. 6, 1983, p. 10; and *Die Vaderland*, Nov. 18, 1983, p. 12.

State Department for the first time required the American embassy in South Africa to invite blacks to official functions; the President's brother, Robert, was particularly involved with South Africa, and his visit there in 1964 is still remembered as an important gesture of solidarity with those who were fighting apartheid.

The Carter Administration sought to rekindle this spirit in American relations with South Africa, especially during its first two years in office. After the death of "Black Consciousness" leader Steve Biko at the hands of the South African police in 1977, the Carter Administration led the international chorus of outrage, and for a time it seemed as if American protests had helped to end deaths in detention in South Africa. Although Carter's rhetoric on the South African issue subsided as the practitioners of realpolitik gained the upper hand in his Administration, and although he repeatedly disappointed those who were waiting for the United States to vote in the United Nations for international economic sanctions against South Africa, the Carter years are nonetheless regarded by some South African blacks as a time when America was ready to help.

In the heady early days of constructive engagement, however, the Reagan Administration seemed obsessed with a need to demonstrate classic American qualities of evenhandedness. In one speech in August 1981 to the annual convention of the American Legion in Honolulu, Mr. Crocker stressed that "it is not our task to choose between black and white" in South Africa, where the United States sought "to build a more constructive relationship . . . based on shared interests, persuasion, and improved communication." While reiterating that the Reagan Administration disapproved of "apartheid policies that are abhorrent to our own multiracial democracy," Crocker said that "we must avoid action that aggravates the awesome challenges facing South Africans of all races. The Reagan Administration has no intention of destabilizing South Africa in order to curry favor elsewhere."[8]

To some black South African leaders, not to choose sides between the oppressors and the oppressed was tantamount to buttressing the oppressors. Already, in March 1981, Bishop Desmond Tutu, then secretary-general of the South African

[8] "Regional Security for Southern Africa," Document 50, *The United States and South Africa: U.S. Public Statements and Related Documents, 1977–85, op. cit.*, pp. 79–84.

Council of Churches, had warned that "a United States decision to align itself with the South African government would be an unmitigated disaster for both South Africa and the United States." Tutu cautioned that the appearance of a reconciliation between Pretoria and the most influential government in the West would negate years of attempts by black South Africans to achieve a peaceful realization of their political ambitions.[9]

Four months later, a well-known black South African academic, N. Chabani Manganyi of the University of the Witwatersrand, told a Johannesburg conference that "blacks, both in South Africa and elsewhere in Africa, interpreted the policy of constructive engagement as an act of choice—or moral choice. They see the choice as a very simple matter in that it is a choice between South Africa and its domestic policies and the rest of the world." Manganyi called upon the Reagan Administration to fulfill its moral obligation to the people of South Africa and the international community by applying pressure for change; he said that whereas the Carter Administration had given blacks hope, "it could well be that President Reagan is preparing us for despair."[10]

So preoccupied was the Reagan Administration with sending signals to South Africa's white minority, however, that it is not clear its representatives paid heed to such warnings. Crocker exacerbated the situation by failing to include formal, public meetings with black South Africans on the itineraries of his many trips to South Africa, which received prominent coverage in the South African press. One black South African newspaper claimed that between January 1982 and December 1984, Crocker had met formally with only 15 South African blacks, and that all of those meetings took place in the United States.[11] As a result, it became all the more difficult for him and other representatives of the American government to encounter blacks and solicit their views informally; increasing numbers of them (and even of white liberals) refused to attend functions given by U.S. diplomats in South Africa.

Especially offensive to some black South Africans was the fact that the United States expressed no opposition to the Pretoria government's latest divide-and-rule tactic, the new

[9] *Sunday Times* (Johannesburg), Mar. 12, 1981, p. 2.

[10] N. Chabani Manganyi, "The Washington-Pretoria Connection: Is There a Black Perspective?" in *The United States and South Africa: Continuity or Change?* Johannesburg: South African Institute of International Affairs, 1981, pp. 50, 53.

[11] *City Press* (Johannesburg), May 19, 1985, p. 2.

constitution creating separate chambers of parliament for so-called Coloureds and Asians—nor to the conduct of a whites-only referendum in November 1983 for approval of the constitution. In a speech to the National Conference of Editorial Writers in San Francisco in June 1983, U.S. Under Secretary of State Lawrence Eagleburger stated:

> I do not see it as our business to enter into this debate or to endorse the constitutional proposals now under consideration. Nor do we offer tactical advice to any of the interested parties. Yet the indisputable fact which we must recognize is that the South African government has taken the first step toward extending political rights beyond the white minority.[12]

In the view of black South Africans, who were almost universally opposed to the new constitution (even the leaders of six of the homelands urged a negative vote in the referendum), the United States could hardly have devised a clearer endorsement of the proposals.

In August 1983 more than 570 organizations, with members from all races, joined in a movement that pledged to work actively against the new constitution. The result was the United Democratic Front (UDF), which eventually orchestrated a massive boycott of the September 1984 elections for "Coloured" and Indian members of parliament. Only 30.9 percent of "Coloureds" and 20.3 percent of Indians who had taken the step of registering actually cast their votes; some of South Africa's new nonwhite parliamentarians went to Cape Town on the basis of the votes of only a few hundred people.[13] Most blacks saw the new institutions as a farce.

The identification of Washington with some of the most detested devices of the white regime may have helped to discredit black South African leaders who were not entirely ill-disposed to the United States, as well as American liberal politicians who were willing to support only moderate tactics in the struggle against apartheid. Thus, the radical Azanian People's Organization (AZAPO), a "Black Consciousness" group, demonstrated against Senator Edward M. Kennedy (D-Mass.) and succeeded in ruining his visit to South Africa early in 1985.

[12] "Southern Africa: America's Responsibility for Peace and Change," Document 115, *The United States and South Africa: U.S. Public Statements and Related Documents, 1977–85, op. cit.*, pp. 189–196.

[13] Another way of stating the turnout in the elections for the new chambers of parliament is that 18.2 percent of the "Coloureds" eligible to vote did so, and that among Asians the comparable figure was 16.2 percent.

Meanwhile, black spokesmen such as Dr. Nthatho Motlana, who had been an early activist in the ANC and, as chairman of the "Committee of Ten," had the support of his community in confronting the authorities during the Soweto riots of 1976, now appeared increasingly irrelevant to the more militant youths in the townships who called each other "comrade."[14]

So far had things moved by the time P. W. Botha declared a state of emergency in certain parts of the country in July 1985 that it was not clear that the country-wide violence could be halted even if the ANC were brought into the dialogue. It seemed obvious that the ANC leaders sitting in other African capitals were as surprised as anyone else by the turn of events inside South Africa, and perhaps equally unable to control what happened. Whereas the ANC banner had often been displayed at political funerals over the years, on at least one occasion, in Cradock, eastern Cape province, it was now accompanied by the Soviet flag.

VI

American officials who spoke on behalf of constructive engagement liked to stress as often as possible that it was intended not merely as a policy toward South Africa, but as an effort to deal with the entire southern African region and its problems—thus Washington's promotion of direct talks between South Africa and Angola and its pleasure over the signing of the Nkomati accord between South Africa and Mozambique.

Most governments in the region, however, saw few benefits from constructive engagement. On the contrary, they saw evidence of a dangerous new South African military ascendancy, as the South African Defense Force seemed newly emboldened to strike across frontiers—into Mozambique, Lesotho, Botswana and, above all, Angola—in pursuit of ANC or SWAPO guerrillas and activists. The South Africans certainly supplied and trained the Mozambique National Resistance (MNR or Renamo), whose destructive war against the hard-pressed government of Samora Machel drove him to sign the Nkomati accord. (The accord called for Mozambique to expel ANC guerrillas in exchange for a suspension of South African

[14] See, for example, Alan Cowell, "Generation Gap Adds Tension Among South African Blacks," *The New York Times*, Sept. 18, 1985, p. 1. "Comrade" is a term used in southern Africa over the years among those committed to the overthrow of white minority regimes. For other comments by black South Africans about American policy see Stephen Weissman, "Dateline South Africa: The Opposition Speaks," *Foreign Policy*, Spring 1985, pp. 151–170.

aid to the MNR; documents recently discovered in Pretoria revealed that while Mozambique kept its part of the bargain, South Africa did not.) South Africa also kept up the pressure on the Marxist government in Angola by continuing to supply the rebel forces of the National Union for the Total Independence of Angola (UNITA) led by Jonas Savimbi. What is more, there have been few moments during the past ten years when there were not substantial numbers of South African troops inside Angola itself; last spring, South African commandos were captured in the Cabinda enclave (a part of Angola that is separated from the rest by a thin piece of Zaïre) as they were preparing to sabotage an American-owned oil-drilling installation.

At the same time, South Africa also found economic means of destabilizing its neighbors and demonstrating its political hegemony over weaker states. The United States tried to put distance between itself and the South Africans on the issue of destabilization, frequently condemning its cross-border incursions and finally, after the raids in Cabinda and Botswana, withdrawing the American ambassador to Pretoria, Herman Nickel, for several months. Yet it seems clear that South Africa felt comfortable taking these steps against its neighbors without fear of serious recriminations from Washington.

Indeed, the U.S. Congress has been pushing the Administration to resume American aid to UNITA; while intended as a means of demonstrating toughness toward Cuba and the Soviet Union, this action would have the primary effect of advancing South Africa's interests in the region. Savimbi is clearly Pretoria's client, and is regarded as such throughout Africa; in fact, there is no way to aid him without going through South Africa.

For a time it appeared that the Reagan Administration would be willing to complement its new closeness with Pretoria with substantial aid programs for nearby black-ruled states. But those programs rarely materialized, and when they did, as in the case of Mozambique, opposition from conservatives on Capitol Hill made them almost impossible to carry out. In the case of Zimbabwe, where the United States had made an international commitment of aid at the time of independence in 1980, the Reagan Administration decided to punish Prime Minister Robert Mugabe for his foreign policy positions—including his sponsorship of a U.N. resolution condemning the

U.S. invasion of Grenada in 1983—by cutting back substantially.

VII

After nearly five years, then, constructive engagement has failed on every front and with all of its constituencies.

The American public has seen little to indicate new U.S. diplomatic or strategic strength in southern Africa; on the contrary, the region is in as much turmoil as ever, and the Soviets have suffered few notable setbacks. The Cubans are still in Angola, and Namibia is no closer to independence; indeed, the South Africans recently instituted a new internal regime there, in direct defiance of American wishes.

Within South Africa itself, the United States has given a great deal and seen little progress as a result. The only concrete achievements of constructive engagement, apart from the shattered Angolan-South African truce and the now-discredited Nkomati accord, were a brief period of leniency by the Pretoria government toward black trade unions and the granting of passports to black spokesmen invited to the United States, such as Tutu and Motlana.

But the Reagan Administration can hardly claim that constructive engagement has brought about genuine improvements in the lives of South Africans. On the contrary, the piecemeal reforms that have been enacted in the past five years have been the object of resentment. The introduction of the new tricameral parliamentary system has coincided with the most devastating internal violence the country has experienced since the formation of the unified South African state in 1910. Unrest has flared during the past year in every part of the country, and the imposition of the state of emergency has done little to quell it. In addition to the hundreds of known deaths and thousands of detentions that have occurred in recent months, more than one hundred South Africans have mysteriously vanished, many of them suspected victims of clandestine elements within the state security apparatus. The South African economy is in a shambles, and the country has been forced to postpone payment of many of its international debts. In some rural areas, such as the strife-torn eastern Cape, black unemployment is estimated to be as high as 60 percent.

The South African government, having expected so much, is itself disappointed with constructive engagement. It has reverted to old-style denunciations of American pressure as

counterproductive, and it is furious over even the limited sanctions—worried that other nations may do the same or more and weaken the South African economy further. Far from strengthening its network of homelands, South Africa now finds itself having to think about dismantling them altogether or using them to create a new "federation." Its economic and military dominance of southern Africa is apparently intact, but it is not clear how long that will last if domestic turmoil continues. South Africa's formidable military machine is now required almost full time to help suppress internal unrest, despite a recently announced increase of 25 percent in recruitments into the police force.

Black South Africans are, if anything, becoming more disillusioned with the United States. Their impression is that although some sanctions have been instituted by executive order and American officials continue to condemn apartheid and demand further reforms, Washington is still collaborating substantially with the apartheid system rather than calculating further measures against the white government. It was particularly telling that when a clinic run by Winnie Mandela, wife of Nelson Mandela, the imprisoned leader of the ANC, was firebombed during the recent violence, she refused an offer of official American assistance to rebuild it.

According to the limited opinion polls that are available, Nelson Mandela remains the most popular black leader in South Africa; having been ignored by the United States all these years, it is difficult to imagine that he would be sympathetic to American concerns in South Africa's crisis. Some analysts believe that Mandela himself may soon be overtaken by the quickening pace of radicalization in South Africa; it may be that those who inherit his mantle will be overtly hostile to the United States. With President Reagan appearing at times to justify the excesses committed by the South African government under the terms of the state of emergency and at other times seeming to exaggerate the degree of reform that has already taken place, the United States is viewed increasingly by black South Africans as part of the problem rather than part of the solution.

Similarly, other southern African states are blaming constructive engagement for much of their own distress. In some cases, overestimating the degree of actual American influence on the South African government, they have developed unrealistic expectations of what the United States can do to

improve their situations, and they are bound to be disappointed.

VIII

It is time for a new American policy toward South Africa that will help restore the reputation of the United States as a defender of human rights and racial justice in that country and will serve the broader interests of all South Africans and Americans.

There are, of course, important limitations on the American ability to affect the situation in South Africa. The U.S. military is not about to intervene on any side in any current or future crisis; it is foolish for whites or blacks in South Africa to believe otherwise (as some of them do). Nor can American leaders wave political or economic wands that will transform South Africa overnight. Indeed, American sanctions or moves toward disinvestment from the South African economy are sometimes more important on both sides as symbols than as practical measures; when sanctions are invoked, they should be carefully calibrated and thoughtfully applied. Given the level of suffering that already exists in the country, it is in no one's interest to destroy the South African economy or to induce further chaos in the country. And despite the frequent declarations from many quarters about the willingness of black South Africans to endure sacrifices in exchange for eventual freedom, it is not for the United States to condemn them to more abject poverty and deprivation. Disinvestment efforts within the United States should be directed only against particular firms that are known to have conducted themselves in an antisocial, regressive manner within South Africa. As for the continued presence of American business in South Africa, individual companies, evaluating their risks on the basis of hard-nosed, pragmatic criteria, are making their own rational decisions on whether to stay or not.

But there are some official steps that the United States can take in an effort to move South Africa toward meaningful change and full participation by all of its people in the affairs of the country. If Americans still want to try to assure that the South African transition occurs relatively peacefully and with a minimum of vindictiveness on the part of blacks, then there is little time left to act.

The first step, uncomfortable as it may seem to many Americans, is to restore a forthright atmosphere of public and private

confrontation to relations between Washington and Pretoria—precisely the sort of independent attitude that Mr. Crocker has eschewed. Internal and external pressure is the only thing that has ever produced meaningful change in South Africa. American officials need to become far more direct and persistent in their condemnations of apartheid. Speeches at the National Press Club in Washington alone cannot do the job. U.S. representatives in South Africa must be willing to denounce and even defy the system whenever possible, making clear their official and personal support for organizations like the UDF and Black Sash, the women's group that represents the victims of arbitrary "pass arrests" and other government actions. Some things may have to be said or done many times before they are believed or credited by disillusioned blacks.

All of this would have the immediate effect of helping develop a healthier, more vigorous multiracial opposition within South Africa, which would be far more difficult for the regime to crush if it clearly enjoyed outside support. If an American decision to confront apartheid more boldly also stiffened the resolve of other Western nations and ultimately led to a growing international vote of no-confidence in the leadership of P. W. Botha, that too would be a desirable turn of events. It is now obvious that as long as he remains in power, the National Party will not be able to form or endorse the alliances with other political factions that are necessary to head off full-scale civil war.

The current South African government, under the shortsighted impression that it has profited from a five-year interlude of conciliation with the United States, would be bitterly resentful of such a reversion to prior strategy by Washington. It would undoubtedly attempt once again to profit politically from American hostility and would proclaim, as it must, that this is the surest way for the United States to lose, rather than gain, influence in South Africa. But the truth is that South Africa has few other places to turn. It is dependent on the United States, in spirit as well as in fact; fellow "pariah states", such as Israel and Taiwan—its other current friends—simply cannot do for South Africa what America can do. And if constructive confrontation hastened the start of negotiations over real power in South Africa, which constructive engagement has failed to do, that would be a step forward.

IX

Once having restored a proper sense of balance and confrontation to U.S.-South African relations, it would be important for the American government and private business interests to devise additional measures that might hurt the pride and prestige of the white South African government without inflicting undue economic damage on black South Africans. Some of the measures should be selectively instituted for predetermined periods, in response to particular events in South Africa, with the American government making it clear that they may be lifted if circumstances improve. Alternatively, if the situation continues to deteriorate, the pressures could be intensified.

The landing rights enjoyed by the state-owned South African Airways in the United States can be reduced or terminated. The availability of almost daily direct service between Johannesburg and New York, with only a stop in the Cape Verde Islands, is a great advantage to South African businessmen and officials, and since Pan American abandoned its service for economic reasons earlier this year, the South African state airline has a monopoly on the route's substantial profits. Far from considering this step, which has frequently been proposed in the past, the Reagan Administration actually expanded South African Airways' landing rights in the United States in 1982, permitting direct service between Johannesburg and Houston (later suspended). The cancellation of direct air service is a sanction the United States has frequently taken to demonstrate disapproval of actions by other governments—including the Soviet Union, Cuba, Poland and Nicaragua. Because of the importance to South Africans of their links to the outside world, this would probably be more likely to have an effect in South Africa than it did in those other countries.

The United States can take steps to reduce South Africa's privileged diplomatic status here. South African military attachés can be expelled, for example, especially in the wake of external raids and other objectionable actions by the South African Defense Force. The visa-application process for South Africans who wish to travel to the United States can be made as complicated and cumbersome as it is already for Americans who seek to visit South Africa. And if Pretoria proceeds with its policy of making it more difficult for American journalists to travel to South Africa, and to have the necessary access when they

do get there, then the number of official South African information officers permitted in the United States can be reduced.

The United States has recently sought South African permission to open a new consulate in Port Elizabeth to establish an official American presence in the troubled eastern Cape. The Reagan Administration must take care not to grant unnecessary concessions in exchange; South Africa already has four full-fledged and four honorary consulates in the United States.

The flow of new American technology to South Africa can be further restricted, especially as it relates to the repressive domestic tactics of the South African government and its raids against neighboring countries. President Reagan's restriction on the shipment of computers to South Africa had little immediate effect because most of the material to which it applied was already in South African hands or could easily be obtained from other countries. Rigorous steps can be taken, however, including the use of U.S. Customs Service agents and other law enforcement personnel, to be sure that other American technological advances do not reach the South African police or military, directly or through third countries. It would also be possible to improve American compliance with the international arms embargo against South Africa and to take further steps to prevent nuclear material from reaching the country. It is widely known that some American companies operating in South Africa are involved in strategic industries, and therefore in the regime's domestic and international war effort; this could be prevented with new federal rules governing American corporate behavior in South Africa.

The U.S. government can severely restrict, or even suspend entirely, its intelligence cooperation with the South African government. There is reason to believe that these ties have helped the South Africans far more than the United States, and they carry the implication that the United States is complicit in some of the worst abuses committed by South Africa against neighboring countries. One of the most troubling aspects of this problem is that some operatives of U.S. intelligence agencies and some State Department employees who have served in South Africa are outspokenly sympathetic to the apartheid policies of the white regime and have occasionally used their positions to thwart official American actions and directives.

The United States can seek to internationalize discussion of the South African issue by putting it on the agenda of the annual

Western economic summits. This would be a way of coordinating economic pressures on South Africa, and also of trying to persuade recalcitrant nations, such as Japan, which has richly profited from its pragmatic relationship with South Africa (the Japanese have status as "honorary whites"), to go along with the measures.

X

Even more important, perhaps, are positive, lasting steps that the United States can take to demonstrate its sympathy for the black majority in South Africa and to show that it does not believe all change there must be white-led.

The United States must open a dialogue with the African National Congress and other black organizations that have widespread support among black South Africans, just as Secretary of State George Shultz has suggested the white South Africans themselves should do. Not to know what the ANC, the oldest black nationalist organization in South Africa, is thinking and doing is not only bad diplomacy but also foolish politics. If South African businessmen and white opposition politicians have recently held such discussions, certainly American officials will be taking no great risk by doing so. As it is, there is a feeling among some black South Africans that the attitude of the ANC may now be too moderate, in view of the pace of events within South Africa, and thus the United States may have to open relations with much more radical organizations. This contact with black South African leaders should take place at the ambassadorial level, both inside and outside South Africa, as a means of stressing the American rejection of the notion that the white government is the only meaningful political institution in the country.

The United States should send a black ambassador—a man or woman of international stature—to South Africa as soon as possible, to demonstrate important points of principle to South Africans of all racial groups. Above all, this would be an opportunity to emphasize the valuable role that black people play in a multiracial society and a system which South Africans often compare to their own. Some might complain that such an appointment smacks of tokenism, but if the ambassador behaved in an appropriate manner, his presence would be of more than symbolic value. For example, this new ambassador should attend the funerals of blacks killed by the police, political trials, and church services in black communities, as American diplo-

mats in South Africa used to do. He should provide facilities for the meetings of groups that are trying to organize peaceful protests against the apartheid system and, in other respects, make it clear that he is the ambassador of all Americans to all South Africans, not just of white America to white South Africa. He should not take it upon himself to play American politics in South Africa—as the current U.S. ambassador did when he denounced Senator Kennedy while introducing him at a meeting of the American Chamber of Commerce of Johannesburg—but rather should take it as one of his jobs to convey to South Africans the depth of American feeling against apartheid and the so far inadequate steps to dismantle it.

Massive aid programs, funded by the American government, foundations and business, should be instituted to help black South Africans attain better educations in a broad range of fields, from engineering to international relations. The money for such programs should be distributed to all South African educational institutions, regardless of their nature, but special attention should be paid to encouraging the further integration of the mostly white elite universities. The committees that decide how this money is to be spent should have a majority of black South Africans. American-sponsored educational programs already available have barely scratched the surface; what is needed now is an effort to help black South Africans learn how to help run their country, an eventuality that seems not to have occurred to the ruling whites.

The United States should offer publicly to send forensic pathologists and other experts from the Federal Bureau of Investigation into South Africa to help find South Africans who have mysteriously disappeared and to help determine the cause of death of those who have been found. This has proved to be an effective technique in Central American countries such as El Salvador, where the police do not always care to solve crimes. The South African police are accused of acting to frustrate, rather than advance, the solution of some crimes against black people, and such outside help might well be appropriate. If the South Africans at first refuse such aid, the United States should offer it again and again, until its refusal becomes an embarrassment and a liability to the white government.

The United States government, in conjunction with professional groups such as the American Bar Association, should also send legal aid to black South Africans. Although the legal systems differ in certain important respects, the American experience

with public defenders and government-funded legal services is an excellent example for the South Africans. American law schools and private foundations, for example, could help train black South Africans as paralegal workers, who in turn could establish elementary legal clinics in remote areas of the country, where the civil and human rights of blacks are the most egregiously and routinely violated; these paralegal workers could in turn report to lawyers, who make sure that the abuses are brought to the attention of the courts and the press. The American legal community could also assist the South Africans in the creation of a lawyers' organization in which blacks play a prominent role. (Such an association of doctors and dentists was recently established in South Africa, but unfortunately it is still not officially recognized by the American Medical Association.)

The United States should not only support the efforts of the black-led labor unions in South Africa, but where possible, should also send expert American union organizers to help them strengthen their institutions. Until and unless other structures are established, South Africa's black unions represent one of the few ways that the disenfranchised majority can become involved in political action, and American labor organizations have relevant experience to offer in this domain.

The American government should carefully monitor the performance of U.S. companies operating in South Africa, with a view toward creating and publicizing a list of those who treat their black workers badly. Indeed, American companies should be pressed by their government into playing a far more progressive role in South Africa—for example, by ignoring the Group Areas Act and establishing mixed housing areas where black and white South Africans can create de facto integrated neighborhoods. U.S. businesses operating in South Africa should also make every effort to visit any of their employees who are detained on political grounds and should establish a fund to be used for their legal defense.

The United States should help black South Africans increase and improve their means of communication with each other and the rest of the South African people. The exchange of South African and American journalists should be promoted, along with technical assistance in establishing black publications at the grass roots and black-oriented radio stations. Americans can help South Africans understand that a free press can often be one of the most important safety valves available to a society where there

is political discontent. Severe consequences should be invoked, such as restrictions on South African diplomatic personnel in the United States, if black publications are closed and banned in South Africa, as they often have been in the past.

XI

In sum, courageous efforts must be made to convince black South Africans that Americans identify with their plight and are willing to help. There have been times in U.S.-South African relations—before constructive engagement—when officials from the American embassy were the first to be called by black activists in moments of crisis, and there were even U.S. officials in South Africa who occasionally sheltered political fugitives or helped them escape from the country. This was a role more consistent with American principles than the current one of keeping a distance from anyone charged by the government.

Recent developments indicate that P. W. Botha, far from responding creatively to the American confidence in him, is resorting once again to repression rather than reform. Concerned about minor electoral losses on the right, he is ignoring the rumbling volcano of discontent on the other side, from blacks and whites alike. His recent curbs on domestic and foreign press coverage of unrest in South Africa are a sign that the last vestiges of decency—South Africa's last claims to be part of the Western democratic tradition—may soon be destroyed in the defense of apartheid.

The United States must clearly and unequivocally disassociate itself from such measures. And it must resist the ever-present temptation to use southern Africa as a place to score points in the East-West struggle. Only after America rediscovers its voice—and its principles—in South Africa can it hope to play a truly constructive role in the region once again.

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INTELLIGENCE ASSESSMENT

Overview
(June 6, 1986)

- Boycott has grown rapidly since its January inception and is expected to continue rapid growth.

- Greatest activity expected to commence Fall/Winter 1986.

- Scenario of boycott's probable genesis in U.S. is UMW informal request to AFL-CIO with informal request to ICFTU which legitimized boycott by citing NUM/Reitspruit.

- UMW and UAW presidents co-chair National Labor Shell Boycott Committee (NLSBC) and link to Free South Africa Movement (FSAM).

- Other activists joined boycott due to confluence of factors: their failure to successfully promote government sanctions; their frustration with little gain through broad-based attacks on business; friendships among activist leaders; UMW willingness to staff and fund.

- Key civil rights groups and well-known civil rights leaders have already endorsed the boycott.

- Religious groups tacitly support the movement but have not formally endorsed it yet. If religious groups join, a critical mass will be achieved making resolution of the boycott difficult.

- ICCR is distributing boycott brochures to members of its mailing list. NCC plans to target selected corporations for action in September.

- Religious group staffs are well connected with the movement. Protestant denominations, Catholic groups and Jewish congregations are all closely monitoring the situation.

- The World Council of Churches has hosted discussions which supported the anti-Royal Dutch/Shell campaign.

- Academia: Professional academics and students represent potential critics. Apartheid is a campus concern, and Fall probably will see specific companies targeted. Neptune is a prime candidate for action in view of the boycott.

- Critic Concerns: Supplying energy to apartheid; poor labor practices; lack of substantive action (vs. words) against apartheid; lack of support of for black trade union movement.

- Critics do not accept Shell statements concerning operational autonomy. They link all affiliates together as sources of profit for and potential pressure points against Royal Dutch/Shell.

- European activity will increase. Netherlands and U.K. present high levels of activity, groups in Norway and Sweden have joined, and we anticipate groups in other countries will follow suit.

- In Europe, the effect will be stronger on elites than on grassroots.

- Importance of European activity is its impact on the U.S. movement. It lends further credibility and strength.

- The movement for international sanctions against South Africa is also gaining momentum and could fuel the boycott by heightening public emotion on the issue and by promoting economic action among American and European elites.

- Consideration of a mandatory oil embargo as one possible international tactic could also help to focus public attention on Royal Dutch/Shell's operations in South Africa.

- The European Parliament by resolution has condemned the EEC Code of Conduct for companies operating in South Africa, thereby undermining Royal Dutch/Shell's defense of its labor practices.

- Potential exists for spread of the movement beyond U.S. and Europe.

- Activist tactics used and anticipated are: distribution of "educational" materials; rallies; speeches; leafleting; visits to dealers and local stores; blockades of gas stations; community organizing; delegations to meet with business and government agencies; divestment lobbying; op-ed articles in newspapers; possible embargo actions by seafarers and dockers unions; cutting credit cards; bumper stickers and other publicity. Employees and dealers are key targets.

- Radical movements will be encouraged by the boycott efforts and the growing movement for international sanctions. The threat of violent acts of sabotage will grow as the campaign and Royal Dutch/Shell's operations in South Africa become more visible to the public.

SUMMARY ASSESSMENT
(June 6, 1986)

The boycott coalition targeting Shell and Royal Dutch/Shell is currently very large, and has organized at a surprisingly rapid pace. The goal is to pressure Royal Dutch/Shell to withdraw from South Africa.

The threat is greatest in the U.S. where at least 23 national trade unions, most of which are affiliated with the AFL-CIO, have organized in support of the boycott along with the national Free South Africa Movement (FSAM). To date, FSAM has been very successful in organizing anti-apartheid demonstrations, promoting economic sanctions and divestment legislation at the federal, state and county levels and divestment on college campuses nationwide.

The threat to Shell in the U.S. is compounded by the institutional support for the boycott of major civil rights organizations such as the National Association for the Advancement of Colored People, the National Rainbow Coalition, the Southern Christian Leadership Conference, and the American Committee on Africa. Educational unions such as the National Education Association and the American Federation of Teachers have joined the U.S. Student Association, Americans for Democratic Action, Citizen Action, the National Organization for Women, and other civil rights groups in endorsing the boycott.

Congressional representatives and various civil rights leaders including Rev. Jesse Jackson and Coretta Scott King have also voiced support for the boycott. Additional endorsements are expected to occur as organizing efforts for the boycott continue.

A major threat to Shell is posed by the potential institutional support for the boycott of U.S. church groups, represented by the influential National Council of Churches (NCC) and the Interfaith Center on Corporate Responsibility (ICCR), which have been challenging companies on their presence in South Africa and promoting divestment as a top priority for over 15 years.

The Churches' Emergency Committee on Southern Africa was also recently formed to focus U.S. church activity on this issue. Church sponsorship would give the boycott coalition a well established organizing network and additional moral/theological credentials.

Students are also a threat as they are looking for new ways to express their opposition to apartheid. The divestment movement on campuses was a sign of students' frustration with their inability to directly pressure for change and of their

desire to do "anything" they can to support the anti-apartheid movement. If the boycott campaign captures the attention of students, Shell could face demonstrations and recruitment problems on campus.

The potential support of professional academics presents the further danger of providing intellectual legitimacy to the boycott.

All anti-Shell activity in the U.S. is taking place within an atmosphere of great public concern about apartheid, regular coverage of the issue by the major media, and a clear political trend toward increasing economic sanctions against South Africa. Furthermore, there is increasingly powerful opposition by concerned organizations and public opinion leaders to corporate involvement in that country which has been intensified by frustrations with political delays and compromises and with President Reagan's policy of "constructive engagement".

We anticipate that U.S. boycott activities will be in full operation by Fall/Winter 1986.

Activist coalitions in the Netherlands and the United Kingdom, supported by the International Confederation of Free Trade Unions (ICFTU) and, potentially, the World Council of Churches (WCC), are organizing to boycott Royal Dutch/Shell products in Europe since the company did not announce at its annual meeting on May 15 that it intends to withdraw from South Africa.

Anti-Royal Dutch/Shell efforts in Europe are being spearheaded by the well established British and Dutch anti-apartheid movements and various labor and church groups. However, any European activity is likely to involve significant participation by ICFTU-affiliated trade unions and WCC-affiliated churches.

Direct support for the boycott by union federations such as the ICFTU and the AFL-CIO, and, potentially, by ecumenical church networks such as the WCC and the NCC will greatly enhance the campaign's ability to reach a wider audience and to spread to other countries. It will also boost local organizing efforts, provide needed economic resources and improve the public posture of the campaign.

The boycott could very easily spread in Western Europe and around the world if the campaign takes advantage of existing international anti-apartheid and consumer networks. International forums provided by such groups as the U.N. Centre Against Apartheid and the International Labor Organization (ILO) allow activists to legitimize their opinions and research,

promote their various agendas and communicate with potential allies in other countries.

The movement for international sanctions against South Africa is also gaining momentum and could fuel the boycott by heightening public emotion on the issue and by promoting economic action among European elites. The boycott will be seen by many activists and the public as an important part of a larger movement toward stiffer sanctions just as it is being seen in the U.S..

Consideration of a mandatory oil embargo as one possible international tactic could also help to focus public attention on Royal Dutch/Shell's operations in South Africa.

Organizational support for the boycott has already been identified in Australia, Canada, Denmark, New Zealand, Norway and Sweden by the Shipping Research Bureau (*) in addition to the strong campaigns being organized in the Netherlands and the U.K. The International Organization of Consumers Unions (IOCU) also has informed its supporters of the boycott and has reportedly directed its affiliates to support the boycott efforts.

Key Issues

The lifeblood of the campaign is the ability of the coalition leadership to convince its members and the general public that Royal Dutch/Shell is an appropriate target. The key issues, currently being framed by the critics, on which the success of the boycott will depend are:

1) Royal Dutch/Shell's role in providing energy to the South African military and police and to the apartheid economy;

2) Shell South Africa's labor practices in South Africa, particularly at the Reitspruit mine;

3) Royal Dutch/Shell's record of substantive action against apartheid; and

4) Royal Dutch/Shell's relationship (through Shell South Africa) to the black trade union movement which is seen as a major force for social change in that country.

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* The Shipping Research Bureau was established in 1980 by the Holland Committee on Southern Africa and the Working Group Kairos in order to conduct research on the means whereby South Africa obtains oil. It seeks to assist organizations and governments which are seeking to enforce the voluntary oil embargo.

These are the main issues which boycott supporters are asking Shell to substantively address, regardless of Shell Oil Company's lack of operations in South Africa. Critics clearly do not accept company statements concerning operational autonomy and will continue to target Shell as a vulnerable affiliate of Royal Dutch/Shell in Europe.

The issue of Royal Dutch/Shell's policies' affect on the U.S. coal industry and on U.S. jobs is an additional consideration designed to further encourage rank-and-file union members to join the boycott. However, it is not essential to the boycott campaign as a whole.

The United Mine Workers union (UMW) is concerned with the jobs issue as it relates to its efforts to promote restrictive legislation on coal imports in Congress. Unions in general are concerned with working condition differences between countries that reduce the competitiveness of U.S. companies and their willingness to maintain higher wages and safety standards.

Key Allegations Re: Issues 1 (Energy) and 2 (Labor Practices)

Specific allegations relating to issues 1 and 2 are already generally accepted by boycott supporters. These include:

1) Shell South Africa contributes financially to the apartheid system through its business operations and its payment of taxes to the illegitimate government which are then used to oppress blacks;

2) Shell South Africa sells refined oil products to the illegitimate government which is used to fuel military and police operations which brutally enforce apartheid and invade neighboring countries;

3) In supplying oil to the South African government, Royal Dutch/Shell provides a critical resource which South Africa does not possess and relies on outsiders to provide; (**)

** At Appendix XII, PI provides a brief in-house study on the place of petroleum in the South African energy sector, and Shell's oil-related exposure in the South African economy and with the military.

4) Royal Dutch/Shell violates an internationally accepted oil embargo against South Africa, and hides behind South African laws to avoid disclosing information about oil supply and distribution in South Africa; (***)

5) Royal Dutch/Shell profits from poor labor conditions in South Africa;

6) Shell South Africa engages in "union busting" in South Africa; and

7) Royal Dutch/Shell shares responsibility for repressive treatment of mine workers at the Reitspruit mine including refusing to permit union meetings, intimidating workers, and denying shop stewards access to union members;

In essence, the way the issues have been framed by the critics is an attempt to force the company to play by the critics' rules. In order to respond directly, the company is put on the defensive. This allows the activists to assume a good measure of control.

A review of news clippings and boycott propaganda materials indicates that these charges are already being used effectively and widely as persuasive tools to mobilize opinion against the company. (Appendix I provides a brief sample of boycott literature)

The company will not be able to effectively reverse the damage that has been created by critic allegations on the merits of these issues alone. Its credibility on these issues was greatly reduced when its leading critics created the first impressions now accepted by boycott supporters. In addition, facts as offered by the critics surrounding the charges, coupled

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Although no mandatory international oil embargo is currently in effect, the United Nations General Assembly passed a non-binding resolution supporting the idea in December 1982.

It is often argued that an oil embargo is enforceable through the existing mandatory arms embargo, because oil is a "munition of war" under South African law and certainly a "war-related material".

Even under current conditions, most major oil exporting countries have imposed their own embargoes or severe restrictions which virtually deny the open supply of crude oil to South Africa. All OPEC members officially ban supplies to South Africa, and the Organization of Arab Petroleum Exporting Countries have also adopted a detailed resolution ostensibly aimed at preventing Arab oil from reaching South Africa.

with South African restrictions on information, do not give the company much maneuvering room to change opponents minds.

Issues 3 (Action Against Apartheid) and 4 (Relationship to the Black Trade Union Movement)

Issues 3 and 4 are the broader public policy issues which the activist leaders care most about. They are not yet being emphasized in public, because they are not as effective in stirring up emotion and creating images that will mobilize public support. Issues 3 and 4 reflect the larger political meaning of the boycott and are sufficiently uncultivated to allow the company to frame the discussion.

The unions' main stated concerns in supporting the boycott are: 1) to demonstrate solidarity with and support for the trade union movement in South Africa, and 2) to demonstrate their active support for human rights and freedom and their active opposition to apartheid. Union leaders believe, along with many others, that the black trade union movement in South Africa offers the best hope for the peaceful elimination of apartheid, and that trade union and human rights cannot be guaranteed in that society as long as apartheid exists.

Anti-apartheid activists in the Free South Africa Movement and in the unions believe that corporations, particularly in the energy and high technology sectors, provide an economic base for the perpetuation of apartheid, and are therefore obliged to withdraw. This belief will not change, but Royal Dutch/Shell's ability to demonstrate that it takes substantive action against apartheid while operating in South Africa could deflect criticism by undermining the critics' case for singling out Royal Dutch/Shell from other companies.

Royal Dutch/Shell has been selected from a large field of corporations operating in South Africa because it is vulnerable to attack on the issues from general anti-apartheid concerns and labor concerns alike, and because the company was criticized by black trade union leaders in South Africa. The perception of Royal Dutch/Shell's opposition to trade union rights in general and in South Africa in particular has been essential in isolating the company as the one appropriate first target for a boycott.

For a further understanding of the reasons that Royal Dutch/Shell became the single target, we have provided a discussion of the evolution of the boycott at Appendix II.

U.S. ACTIVITY

The Shell boycott in the U.S. is being directed primarily by two parties: The National Labor Shell Boycott Committee (NLSBC) and the Free South Africa Movement.

Labor

Co-chaired by Owen Bieber, President, United Auto Workers (UAW), and Rich Trumka, President, United Mine Workers of America (UMW), the NLSBC regularly brings together representatives of 21 national unions to coordinate organizing efforts in the U.S.

The NLSBC represents those individuals and unions most interested in the boycott (with the possible exception of the NEA which is not represented), but the level of commitment varies widely among individuals and their respective organizations.

For a membership list of the NLSBC, please see Appendix III.

The UMW (160,000 members) has led the organizing efforts so far, committing $150,000, several full-time field workers, and a total of 25 staff members to the boycott. However, most of the initial $150,000 has reportedly been spent, and only nominal support has been offered by other coalition members. The boycott may have to rely much more heavily on grass roots financial support as the boycott continues.

The AFL-CIO Executive Committee's mail ballot decision to endorse the boycott theoretically provides the campaign with major institutional support and the symbolic support of 14 million American workers. It establishes the policy for the 30 affiliated unions which are council members, and for the 65 other unions which are affiliated with the AFL-CIO.

The potential financial and organizing support of the AFL-CIO and its affiliates theoretically could bring the coalition through a resources "pinch" even without involvement from the U.S. churches. However, it is doubtful that much funding will come from the unions during an election year since the issue is not directly related to their primary domestic interests.

The United Auto Workers and the American Federation of State, County and Municipal Employees (AFSCME) have also been active supporters of the campaign, but have not committed significant financial resources to date. Undoubtedly, most trade unions and other coalition participants have used their own newsletters, bulletins and regularly scheduled meetings and conventions to communicate with their members and staff about the boycott.

Grassroots Organizing

As a whole, the NLSBC has approved boycott literature, and has begun, along with the FSAM, to organize local boycott committees across the country. We have identified activity in the following cities: Boston, New Haven, New York, West Orange, NJ, Scranton, PA, Wilmington, Baltimore, Washington, D.C.*, Wheeling, W. Va., Richmond, Birmingham*, Miami, St. Louis*, Louisville, KY*, Cincinnati, Columbus*, Cleveland*, Youngstown, OH*, Fort Wayne, IN, Detroit*, Chicago*, Houston*, Austin, Denver, San Diego*, Los Angeles* and San Francisco*.

Organizing has been particularly strong in the Birmingham, Cleveland and Detroit areas.

Forty cities were initially selected as targets, but significant organization is apparent in only 13 (marked above with an asterisk). These cities do include some of the largest media markets in the country. (Appendix XI provides a map which illustrates primary areas of boycott activity.)

Appendix IV provides a diagram which explains the structure of union-led organizing in the U.S. A chronology of events to date (prepared by Shell Oil Company) is available at Appendix V.

Free South Africa Movement

The Free South Africa Movement (FSAM), the coalition responsible for the tremendous increase in anti-apartheid demonstrations and divestment actions nationwide over the last 18 months, is activating its well-established network of supporters to work in concert with the NLSBC. The central organizing group for the movement is Transafrica, headed by Randall Robinson.

The FSAM has solicited endorsements from national civil rights organizations, grassroots activity among local religious and civil rights groups which also participated in its earlier wave of protests. It is expected to attempt to engage its nationwide network of contacts on the U.S. college campuses this fall. The American Committee on Africa could be instrumental in the latter effort.

The political experience and contacts of the FSAM leadership, their consistent participation in congressional and U.N. hearings and their high visibility in the media add to the national political dimension of the boycott, and could serve to place Royal Dutch/Shell in the midst of larger political debates.

Religious Group Support

Perhaps the greatest potential threat that the FSAM poses to Shell is its close relationship with the network of U.S. church groups which have participated in its many protests at the South African embassy in Washington, D.C. These groups, represented largely by the National Council of Churches (NCC) and the Interfaith Center on Corporate Responsibility (ICCR), are extremely sympathetic to the goals of the boycott as they have been challenging companies on their presence in South Africa as a top priority for over 15 years.

It should be noted that FSAM's Washington Office on Africa is sponsored by the National Council of Churches (with additional funding from unions), providing a direct institutional link between the movement and the U.S. churches.

None of the ecumenical networks have ruled out more direct participation in the boycott in the future, and the NCC is planning to conduct actions against corporations on this issue in September.

The ICCR is currently sharing information with boycott organizers and informing constituents of the boycott. As expected, some local chapters of national religious groups such as Clergy and Laity Concerned in Chicago have already participated in grassroots boycott activity.

Other religious groups which could exert significant pressure on Shell in the U.S. are the U.S. Catholic Conference and the Churches' Emergency Committee on Southern Africa which was formed early this year to carry out the mandate of the Harare Declaration. The declaration emerged from a special meeting of church leaders from around the world hosted by the World Council of Churches in Harare, Zimbabwe, December 4-6. It expresses support for the trade union movement in South Africa and calls for cooperative action to promote various economic and political moves which oppose business activity in that country.

Jewish congregations also are concerned with the apartheid issue and have already seriously considered a boycott of Shell. The April 29, 1986 resolution by the Social Action Commission of the Union of American Hebrew Congregations makes clear this concern and their position that Shell should use its influence on the parent company to disinvest forthwith.

In private discussions with PI it was made clear that the Union of American Hebrew Congregations will be monitoring Royal Dutch/Shell's progress and credibility. Joining the boycott at some future date has not been ruled out.

Appendix XIII provides a diagram and explanatory notes which describe more clearly the organization of the potential church threat.

Academia

The apartheid issue has become the major international focus of attention on college campuses. Shell could face demonstrations and recruitment problems on campus inasmuch as it is identified with the perpetuation of apartheid.

The threat is intensified by the fact that students feel a great amount of frustration and impotence with the inability of the U.S. to effect changes in South Africa's policies. They reject continued engagement of any kind in the apartheid system, and have turned to opposing corporate involvement, primarily through divestment, as their best chance to "do something" to pressure for change.

Students are looking for other ways to join the anti-apartheid movement, and if Shell is singled out as the company to oppose, they are likely to jump on the boycott bandwagon.

Professional academics present a further danger which, if realized, could provide an intellectual legitimacy to the movement. Academics have a tradition of challenging the "establishment". Business, especially big business, have always been considered "fair game".

For a list of boycotting U.S. organizations and key individuals identified to date, see Appendix VI. Other organizations and individuals which pose a potential threat to the company have also been identified and will be monitored.

Tactics

According to a source close to the union movement, the American Labor and Education Center headed by Matt Witt, former aide to Rich Trumka, has planned and executed much of the boycott program short of dealing with actual organizing efforts. The preparation of "educational" materials is undoubtedly a major contribution of the Center.

To date, the boycott has used a generic model for the target cities. That model prescribes a rally, speeches, and then visits by organizers to Shell dealers. Op-ed articles by the boycott leadership are also typically placed in the cities' newspapers.

The boycott campaign has been constructed with three basic building blocks: 1) an educational campaign based on print material and a video presentation; 2) media coverage; and 3) community organizing.

In addition to personally refusing to buy Shell products, boycott supporters are being asked to:

1) leaflet Shell gas stations;

2) destroy Shell credit cards;

3) pressure local stores not to sell Shell products;

4) talk to family, friends and neighbors about the boycott;

5) get local organizations involved;

6) organize delegations to meet with businesses and government agencies that use Shell products and urge them to stop dealing with Shell; and

7) encourage institutions and individuals to also boycott all Royal Dutch Petroleum and Shell Transport and Trading stock.

The Detroit general pension fund has already been persuaded to sell 15,000 shares of Royal Dutch Petroleum stock.

Media Coverage

Initial media coverage for the boycott has been very wide. Even before large-scale organizing has been completed, the boycott has been given coverage in the New York Times, Washington Post, Wall Street Journal, London Times, Manchester Guardian, Washington Times, USA Today, Los Angeles Times, Boston Globe, Philadelphia Inquirer, Newsday, Newsweek, Business Week, Journal of Commerce, Hartford Courant, Providence Journal, Atlanta Journal, Detroit News, Detroit Free Press, Columbus Dispatch, Cleveland Plain Dealer, St. Louis Glove-Democrat, in several other regional and local newspapers and widely on radio and television. The boycott has also been covered widely in religious and activist publications nationwide.

A leading boycott organizer at the UMW estimates that 15 million rank-and-file union members have been reached through dozens of labor publications which have run stories promoting the boycott.

Growth of the Boycott in the U.S.

Since the announcement of the boycott in January, the boycott has gained additional endorsements from several national civil rights organizations. According to a boycott organizer, these include the National Rainbow Coalition, the Leadership Conference on Civil Rights, the National Alliance Against Racist and Political Repression and Americans for Democratic Action.

On February 15, the boycott received a great boost from the decision of the NAACP, the nation's largest and most influential civil rights organization, to join the effort. The NAACP had announced its intention to boycott one or more companies operating in South Africa in October 1985, but decided to help focus the collective anti-apartheid effort on Shell. Local chapters of the NAACP have participated in anti-Shell demonstrations in all regions of the country.

Although the initial funding from the UMW is reportedly almost gone, the boycott is showing no signs of slowing down at this time. Transafrica is currently conducting a fund raising effort through direct mail solicitation and a promotional dinner on June 7 featuring United Democratic Front leader Rev. Alan Boesak of the World Alliance of Reformed Churches. Demonstrations also continue to move to new cities.

The boycott leadership has not compiled a list of endorsements for publication, because it feels that significant endorsements are likely in the near future.

The growth of the boycott is made more significant by the fact that it has not yet enlisted the direct support of the ecumenical church networks. If this were to occur, the movement would achieve a "critical mass" and a level of credibility and visibility which would take much effort to reverse.

We expect grassroots activity to decrease temporarily during the summer months, but this should not be seen as a decline in the strength of the campaign. Seasonal difficulties will not detract from the organization of the campaign or its commitment to its ends. In fact, the campaign may gain a significant boost in the fall when vacations have ended, when students return to the campuses, when Congress is back in session, as Election Day approaches, and when the NCC begins its actions against corporations.

As the violence and unrest in South Africa intensifies, so will the anti-apartheid movement. There is no reason to expect that the Shell boycott will defy this trend without action on the part of the company.

EUROPEAN ACTIVITY

Boycott activity in Europe began in Europe on May 15. A delegation of groups met with Chairman Van Wachem in the Hague in March to announce their intention to boycott the company in Europe if it did not announce at its annual meeting that it intended to withdraw from South Africa. Activists also met with company management in the United Kingdom on the same day. When the company did not respond to activist demands, the boycott was launched as scheduled.

The following groups have been identified as supporting the proposed boycott in Europe:

International Confederation of Free Trade Unions, Brussels

Miners' International Federation, London

International Metalworkers' Federation, Geneva
World Council of Churches (WCC), Geneva

British Anti-Apartheid Movement, U.K. coalition
Christians Concerned About South Africa, U.K.
EMBARGO, U.K.
National Union of Seamen, U.K.
Maritime Unions Against Apartheid, U.K.

Holland Committee on Southern Africa, Netherlands
Working Group Kairos, Netherlands
Dutch Labor Party, Netherlands
Dutch Council of Churches, Netherlands
Pax Christi, Netherlands

Oslo Samorg, Norway

Swedish Isolate South Africa Committee, Swedish coalition

Other union federations and concerned members of the British parliament are also reportedly involved in the Royal Dutch/Shell boycott discussions.

PI's associates in Europe are monitoring organizing efforts by these organizations and others, and collecting background materials on anti-apartheid groups and networks.

[redacted]artheid movements in the Netherlands and the U.K. [redacted]se communication with each other and with the U.S. [redacted]y develop their campaigns. They are also in touch [redacted]nal organizations such as the ICFTU and the WCC's [redacted]t Racism as they have been active on the South [redacted] many years.

[redacted]ly, boycotts in Europe have not significantly [redacted]te sales. However, it is important to realize [redacted]-apartheid movements exist in many European [redacted]hat a boycott of Royal Dutch/Shell would find a [redacted]ideological support among these movements.

[redacted]r international sanctions against South Africa is [redacted]ength and could provide a fertile environment for [redacted]eightening public emotion on the issue and by [redacted]ic action among European elites. The European [redacted]h more likely to impose trade restrictions in [redacted]South African raids into neighboring countries [redacted] failure of the Group of Eminent Persons to make [redacted]peaceful negotiations in that country.

[redacted] oil embargo is expected to be a major point of [redacted]scussion, and could help to focus more public [redacted]al Dutch/Shell's South African operations. An [redacted]l embargo against South Africa has long been a [redacted]n among European activists, particularly in [redacted]g the North Sea, and Royal Dutch/Shell is seen as [redacted]ng suppliers of oil to South Africa.

[redacted]lso be realized in this regard that the European [redacted]trongly criticized the EEC Code of Conduct under [redacted]n/Shell operates in South Africa. This [redacted]redibility of Royal Dutch/Shell's using the EEC [redacted]ts labor practices. (Appendix X provides a [redacted]e EEC Code and the Sullivan Principles which [redacted]sed multinationals.)

[redacted]onference on Sanctions Against Racist South [redacted]eld in Paris, June 16-20. The conference will [redacted]pportunity to determine the possible future [redacted]ernational sanctions and the potential for [redacted]he oil industry. The conference will be attended [redacted]e.

[redacted]boycott does not gain great commitment at the [redacted], it is likely to gain increasing attention and [redacted]ropean elites.

[redacted] also will gain attention from radical movements, [redacted] to further violence. The sabotage of nine

Dutch activists were in contact with international agencies (including the World Council of Churches) about the possibility of a Royal Dutch/Shell boycott as early as May 1985. They met with British activists in London about the boycott in the fall. Since then, the have communicated with American activists in New York and with activists in some Scandinavian countries.

The Holland Committee claims to have enlisted approximately 300 groups in the Netherlands for past campaigns. It expects similar support for the Royal Dutch/Shell campaign.

Although it is not currently coordinating efforts with the ICFTU, it has approached the ICFTU-affiliated, Dutch trade union federation FNV which is expected to support this campaign as it has other anti-apartheid campaigns in the past.

Kairos will bring together church groups to support the campaign.

The Shipping Research Bureau based in the Netherlands will play a key role in researching and monitoring Royal Dutch/Shell activity, and publicizing the boycott among key publics interested in the oil embargo movement. The Bureau was founded by the Holland Committee on Southern Africa and the Working Group Kairos.

The Holland Committee has recently completed an independent report about Royal Dutch/Shell's activities in South Africa. It has been translated and sent to the Anti-Apartheid Movement in the U.K. and to the U.S.

The report attacks the company on a wide variety of issues, the most unique of which is the dieldrin issue. It devotes an entire section to describing the role it sees Royal Dutch/Shell playing in the pollution and contamination of the southern African region. The invocation of such side issues represents an effort by the activists to broaden the base of support for the boycott and to enlist the support of existing networks such as the environmental movement in Northern Europe.

The report was produced in the format of an annual report by what it called a "Shadow Board of Directors". The "Shadow Board" includes representatives of boycotting groups, three representatives of the labor federation FNV, four members of the European Parliament, five professors, consumer activist, a journalist, an author, a film producer, an actress and others.

The Committee is compiling a list of famous Dutch people who will give their support to this report, and is also attempting to solicit campaign endorsements from churches and famous entertainers.

The boycott coalition in the Netherlands plans to target Royal Dutch/Shell gas pumps, but is also more likely to target contract buyers of Royal Dutch/Shell products in order to persuade them to honor the boycott. Shareholder resolutions and the targeting of pension funds for divestment are also expected.

Direct actions such as pickets and blockades will occur around the country, possibly on the first Saturday of each month. A media campaign will accompany these efforts.

United Kingdom

The character of activity in the United Kingdom is very likely to be similar to that of the Netherlands described above. The movements are well known to each other, and they communicate regularly.

A PI associate is prepared to approach the British Anti-Apartheid Movement for additional details.

The tactic of divestment has already been used by the boycott coalition in the U.K. The British Anti-Apartheid Movement, headed by Archbishop Trevor Huddleston, reports that 6 million dollars worth of Royal Dutch/Shell stock has been divested by various parties in the U.K. to date.

The Central Finance Board of the United Methodist Church in the U.K. has divested 1.5 million pounds worth of shares, and the British Council of Churches and the United Reformed Church have also reportedly divested. Earlier this year, the Lambeth Pension Fund and the University of Wales divested their Royal Dutch/Shell stock.

The international reputation of Archbishop Huddleston and the respect he commands in the religious community increases the risk of active church support for the boycott in the U.K.

Union activity is also a serious threat in the U.K. The London-based Miners' International Federation formally endorsed the boycott on May 14. Its potential influence can be seen by the fact that mineworker presidents from Zimbabwe, Spain and the Phillipines participated in the May 15 meeting with the company in The Hague.

The National Union of Mineworkers in the U.K. and the Transport and General Workers Union have also reportedly met and are seriously considering endorsing the boycott.

Maritime Unions Against Apartheid (MUAA) could provide the U.K. campaign with additional union support and a link to

movements in other countries. MUAA and its affiliate the National Union of Seamen are compiling a "hit list" of companies and ships involved in the oil trade with South Africa. It has pledged to take direct action to enforce the non-binding oil embargo against South Africa.

MUAA has a long history of opposition to the oil trade with South Africa in the U.K. and involves seafarers' and dockers' unions in Denmark and Australia as well. It is almost certain to actively support any boycott efforts in those countries, as it has already collaborated with the British Anti-Apartheid Movement to lead a mass protest outside Royal Dutch/Shell headquarters in London.

International Labor and Church Organizations

The ICFTU and the WCC are expected to give European activists a significant amount of clout by providing their networks, resources and reputations. Neither organization has formally endorsed the boycott as such, but agencies of both have sent out anti-Royal Dutch/Shell directives. Both organizations have been widely cited by activists as supporting the boycott campaign.

The ICFTU represents national trade union organizations in 98 countries and claims 83 million members. The WCC brings together nearly 300 national church denominations in over 100 countries and claims to provide leadership for 400 million Christians. Both organizations control substantial economic and personal resources, and were among the first involved in the European boycott discussions.

World Council of Churches (WCC)

The WCC published the booklet "Fuelling Apartheid: Shell and the Military" in 1984 along with Christians Concerned about South Africa, Working Group Kairos, and the Catholic Institute for International Relations based in London.

The WCC's Program to Combat Racism hosted a workshop on sanctions against South Africa in Frankfurt on May 21, 1985. At the workshop, representatives of church and anti-apartheid organizations of 14 countries in Western Europe and North America announced their intention to launch an international campaign against the company for its operations in South Africa.

The countries represented at the workshop were: Norway, Sweden, Denmark, Ireland, United Kingdom, Germany, Netherlands, Belgium, France, Spain, Italy, Switzerland, Canada and the United States.

Since the May 1985 workshop, the WCC has convened the special meeting in Harare, Zimbabwe where church groups from around the world resolved to intensify opposition to apartheid and the movement for economic sanctions. It remains in touch with U.S. church groups in that regard.

The South Africa issue is of primary importance to WCC General Secretary Emilio Castro, and he brings it up during any discussions he has with representatives of transnational corporations.

International Confederation of Free Trade Unions (ICFTU)

The ICFTU issued a directive to its affiliates targeting Royal Dutch/Shell in July 1985, and is now awaiting responses. The International Metalworkers Federation, of which UAW President Owen Bieber is a director, has pledged its active support, and some other federations are expected to reply positively as well in the next few months.

The ICFTU's role remains one of passive leadership. It seems to be holding the tactic of a consumer boycott at "arms length" at present, stating that a variety of actions could be taken by its affiliate federations to challenge Royal Dutch/Shell.

This could be due to the relative inexperience of foreign trade unions with consumer boycotts compared with that of U.S. unions. It also lends credence to the theory that the action against Royal Dutch/Shell was not led by the ICFTU but rather was pushed by the powerful AFL-CIO in response to the UMW. (see Appendix II)

According to our source at the ICFTU, the organization wants to participate in "good faith" discussions and would accept the company pressing actively and seriously for change in South Africa while preserving its operations. It does expect, at the very least, that Royal Dutch/Shell will put operational conditions on its South African partner at the Reitspruit mine as long as it shares ownership of the facility.

Other International Activity

Key in the exchange of information and the establishment of international networks on this issue, has been the role of international agencies such as the United Nations Center Against Apartheid and the International Labor Organization. These agencies provide a forum for discussion, for the compilation of information on South Africa-related activities worldwide, and for the promotion of activist agendas under the legitimacy of the U.N. framework.

These agencies provide anti-apartheid activists with an influential place to submit and publish their "research" and to establish ongoing communication with activists in other countries. They also provide critical funding for anti-apartheid groups around the world.

The international network supported by these agencies has already shown that it presents a direct threat to Royal Dutch/Shell. The Shipping Research Bureau reports that organizations in Denmark, Canada, Australia and New Zealand have already agreed to join the campaign against Royal Dutch/Shell during 1986. We also know of support for the campaign in Sweden and Norway.

We have also received an unconfirmed report from a responsible source that the International Organization of Consumers Unions (IOCU) has encouraged its worldwide network of affiliates and contacts to support the campaign. The only strong evidence of this reported action is the endorsement of the campaign by the Pesticide Education and Action Project in the U.S.

Appendix VII provides a diagram which depicts the overall anti-Royal Dutch/Shell environment.

Appendix VIII, the Intelligence Plan, outlines procedures for collection and analysis of information.

STOP APARTHEID IN SOUTH AFRICA
PROTECT JOBS IN THE U.S.A.

BOYCOTT SHELL

<u>You</u> can do something to protect American jobs and stop the concentration camp-style "apartheid" system in South Africa.

In response to requests from groups in South Africa, the World Council of Churches, Free South Africa Movement, AFL-CIO, and United Mine Workers have all targeted Royal Dutch/Shell (Shell Oil's parent company) because it supplies essential fuel to the apartheid system.

Apartheid not only enslaves South Africans. It also costs American jobs.

Taking advantage of apartheid's slave labor conditions, hundreds of the world's largest corporations . . .

- **Invest in South Africa** instead of investing in job-producing operations in the U.S.

- **Export products from South Africa** to the U.S. and to other countries that normally buy from the U.S.

Citizen groups have targeted Royal Dutch/Shell because it supplies fuel to the apartheid economy and to the South African military and police who enforce the apartheid slave labor system.

South Africa does not have its own oil supplies. Without companies like Royal Dutch/Shell, apartheid could not survive.

Until Royal Dutch/Shell withdraws from South Africa . . .

Please Don't Buy Shell Products

For more information, contact: The Metropolitan Washington Council, AFL-CIO. Phone: 626-0620.

APPENDIX II

EVOLUTION OF THE BOYCOTT

While it seems on the surface that the evolution of the boycott occurred mainly among the trade unions through the ICFTU, our sources indicate that the U.S. boycott was conceived in the U.S. by the United Mine Workers of America (UMWA).

Regardless of where and with whom it began, the boycott clearly has drawn strength from a confluence of social and political factors and an established international issue where the activist parties are well known to each other.

UMWA

It is clear that the United Mine Workers of America (UMWA) President Richard Trumka could take political and personal advantage of a successful effort against Shell. He undoubtedly sees the boycott as an additional way to pressure Shell within the context of an ongoing dispute between his union and the A.T. Massey Coal Company in which Shell has a substantial interest.

As early as March 1985, the UMWA was using the South Africa issue to pressure both Fluor and Shell, co-owners of A.T. Massey. This was immediately after the incident at the Reitspruit mine.

AFL-CIO/ICFTU

According to our union sources, Trumka approached Ken Young, the Executive Assistant to the President of the AFL-CIO, Lane Kirkland, in order to gain the powerful general endorsement of organized labor and garner support from a federation representing over 100 national unions and approximately 14 million workers.

The AFL-CIO was predisposed to support such a campaign because of its desire to strengthen its ties with the UMWA and encourage it to rejoin the federation. The AFL-CIO also had a strong relationship with the FSAM built over the past year and with key civil rights organizations, and a desire to assuage the concerns of civil rights leaders that unions were not providing sufficient support and opportunity for blacks. Finally, the federation's concern for human rights, workers rights and the importance of free trade unions for democracy suggests that Trumka's approach was well received.

According to this analysis, it is probable that the ICFTU request for action against Royal Dutch/Shell was promoted by the AFL-CIO (a very influential affiliate of the ICFTU) in order to solidify its case for joining a boycott which could conceivably harm some American workers.

As important as the apartheid issue has become, the AFL-CIO could not justify a full-scale boycott on the basis of a human rights issue alone. The Reitspruit mine incident and ICFTU support gave it the political legitimacy it required.

The AFL-CIO publicly stated that it was acting according to a request of the ICFTU which was initiated by South Africa's National Union of Mineworkers (NUM) and the Miner's International Federation following the Reitspruit incident. However, the NUM stated within a week of the boycott launch that, while it favored pressure against international companies employing anti-labor practices, it did not request a boycott of Royal Dutch/Shell products.

It should be noted that the National Union of Mine Workers (NUM) in South Africa will have little or nothing to do with the AFL-CIO. NUM General Secretary Cyril Ramaphosa believes that the AFL-CIO has played "a suspicious role in southern Africa for many years".

A spokesman for the ICFTU in Brussels supported the AFL-CIO's claim of following an ICFTU directive. He stated that the ICFTU decision to target Royal Dutch/Shell was touched off simply by the incident at the Reitspruit mine. He supported his statement by citing ICFTU's close communication with South African trade unionists and its previously declared policy of targeting companies for appropriate solidarity action in support of oppressed South African workers. This policy was expressed in a statement entitled "Beating Apartheid" which was issue after a special meeting of the ICFTU Executive Board in April 1985.

Both the ICFTU and the AFL-CIO have implied on several occasions that no action against Royal Dutch/Shell could have been planned or organized unless it was requested or initiated by South African trade unions. These statements are made as a matter of political necessity and must be interpreted in light of past criticisms of "trade union imperialism" from South African and Third World unionists.

In the final analysis, the initial justification of ICFTU and the AFL-CIO for targeting Royal Dutch/Shell may not matter. The claim that the Miners International Federation and the NUM initiated the call for a boycott has credibility in that the NUM was certainly critical of both owners of the Reitspruit mine after the incident. It is the incident itself and the allegations of unfair and repressive labor practices that provided the U.S. unions with a legitimate reason to launch the boycott.

According to a union source the boycott has developed a life of its own among the participating unions and other members of the coalition, and is no longer completely under the direction of the UMWA. Although Trumka provided the initial leadership behind the effort, it has developed beyond his personal control.

FSAM

Promotion on Trumka's part of Shell as the one appropriate target for a concerted attack on the South Africa issue, an endorsement from the AFL-CIO, and a commitment from the United Mine Workers to shoulder much of the organizing burden could explain why the Free South Africa Movement (FSAM), the NAACP and others rejected the advantages of targeting a U.S.-based multinational in favor of targeting Royal Dutch/Shell.

As the FSAM failed to achieve its wider political goals despite widespread support, it chose to adopt a corporate focus for 1986 and beyond. Labor support and the potential for internationally concerted action against Royal Dutch/Shell would have been attractive features the movement could not ignore.

European Activists

Attention was focused on Royal Dutch/Shell in Europe by a variety of anti-apartheid concerns long before the ICFTU issued its statement against the company to its affiliates around the world. British activists reportedly had planned a campaign against Royal Dutch/Shell for the fall of 1986. Dutch activists had hoped to join that campaign in their own country in December 1986, but they wanted time to complete a previous campaign to boycott South African food products without dividing their efforts.

The British and Dutch coalitions were forced to push their campaigns ahead of schedule, because the American movement announced the boycott in January. The need to present a united international campaign against the company and the wish to establish momentum were deciding factors in presenting an ultimatum to the parent companies in the respective countries on March 21.

The Dutch anti-apartheid movement, particularly the Holland Committee on Southern Africa and the Working Group KAIROS, have long been opponents of Neptune in The Hague. These groups have been in close communication with the British anti-apartheid movement and have shared information on Royal Dutch/Shell's operations in southern Africa for many years.

For instance, groups in both countries (KAIROS and Christians Concerned About Southern Africa in the U.K.) collaborated with the World Council of Churches in 1984 to publish a lengthy booklet on Royal Dutch/Shell's operations entitled, "Fuelling Apartheid: Shell and the Military".

In short, while it is true that the boycott is emerging as a joint American-European effort, it is not necessarily true that the boycott was conceived that way. Given the close relationship between the South African NUM and the UMWA and the relationship

of Shell with the UMWA, it is likely that the American effort began with Richard Trumka and quickly tied in with the Free South Africa movement.

American activists in the FSAM were aware of the history of European opposition to Royal Dutch/Shell on the South Africa issue as they were making the decision of which single company to target, but they were planning to target a U.S.-based parent company and were planning actions independently of European concerns. It is most likely that European opposition to the parent company and union support provided additional incentive for the FSAM to target Shell.

This is the most probable scenario for the evolution of the boycott, but other theories will be considered.

APPENDIX III

National Labor Shell Boycott Committee Membership

Owen Bieber, President, UAW, Co-Chair
Rich Trumka, President, UMW, Co-Chair

Gerald W. McEntee, AFSCME
Albert Shanker, Teachers
Frank Drozak, Seafarers
Lynn R. Williams, Steelworkers
John J. Sweeney, SEIU
Frederick O'Neal, Actors
Murray H. Finley, ACTWU
William H. Bywater, IUE
Vincent R. Sombrotto, NALC
Alvin E. Heaps, RWDSU
Sol C. Chaikin, ILGWU
Morton Bahr, CWA
John A. Gannon, Firefighters
Alfred J. Smith, MESA
Bernard Butsavage, Molders
C.E. Wheeler, Carmen
John E. Lawe, TWU
Howard Samuel, IUD
John E. Mara, Union Label

The following people and union organizations are also supporting the boycott in the U.S.:

Mary Hatwood Futrell, President, NEA
William W. Winpisinger, President, IAM and AW
John T. Joyce, President, Bricklayers and Allied Craftsmen
Kenneth T. Blaylock, President, AFGE
William Lucy, Secretary-Treasurer, AFSCME
President, Coalition of Black Trade Unionists
Matt Witt, American Labor and Education Center

APPENDIX IV

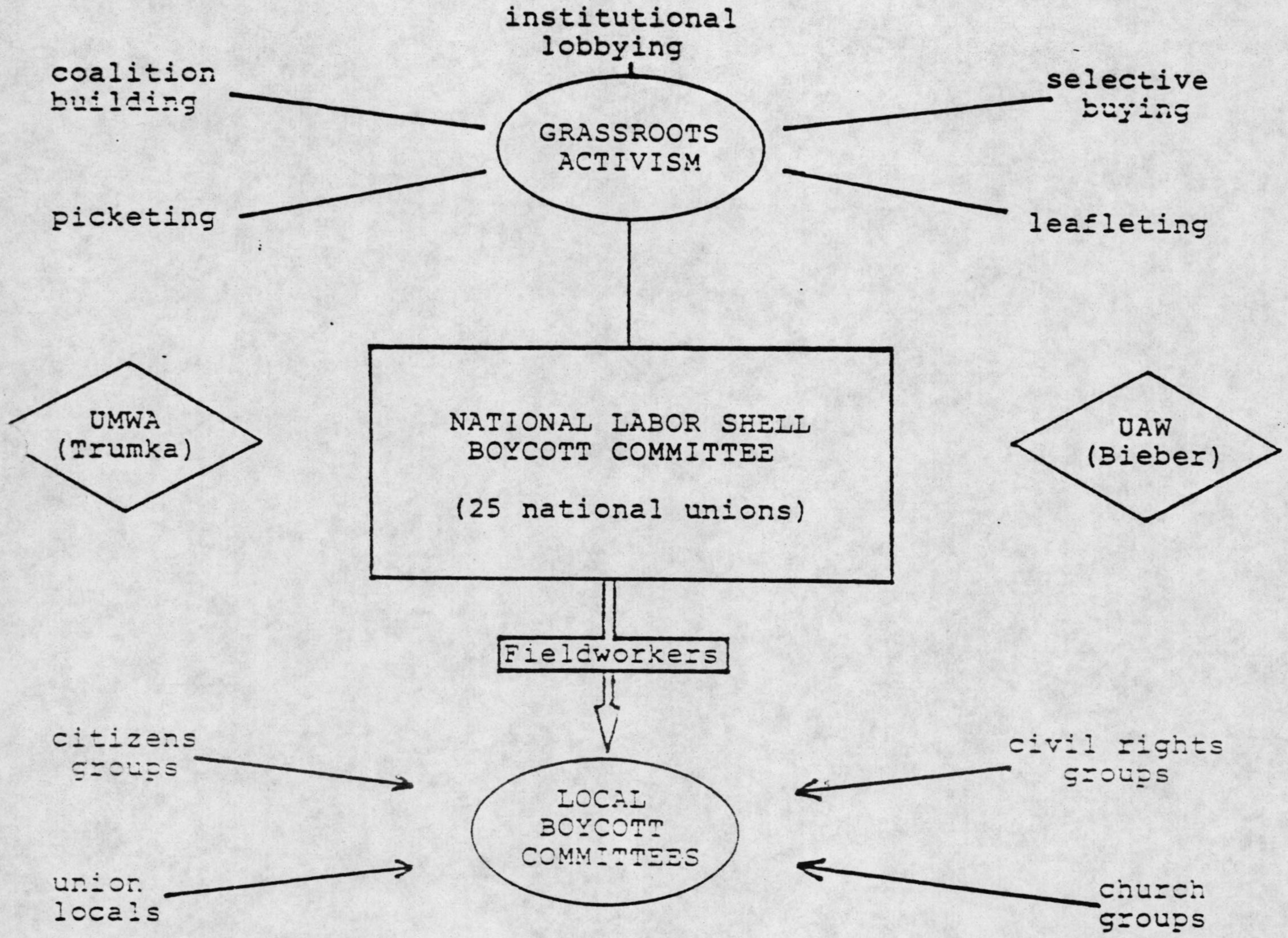
The following diagram depicts the current nature of the union organizing effort against the company.

The National Labor Shell Boycott Committee (NLSBC), co-chaired by Rich Trumka of the United Mine Workers and Owen Bieber of the United Auto Workers, has designated field workers to organize local boycott committees which will bring together church, union, civil rights and citizens groups at the local level.

The local boycott committees are responsible for recruiting boycott supporters and for organizing selective buying campaigns, leafleting, picketing and other direct actions in their area.

The United Mine Workers and United Auto Workers unions have taken the lead in the organizing efforts to date.

UNION ORGANIZING EFFORT



APPENDIX V

SHELL OIL BOYCOTT CHRONOLOGY
(Shell events only)

10-1-84 Massey Coal strike begins.

7-25-85 UMW pickets appear at Shell stations and local shopping mall in St. Clairsville, Ohio and Wheeling, West Va. Distributed handbills regarding "Shell's" investments in South Africa and "joint ventures with companies that violate the most basic human rights." Assumed to be related to Massey strike.

7-31-85 Shell Oil revises holding statement on South Africa.

9-19-85 Shell Oil develops holding statement "Business in South Africa."

9-26-85 Randall Robinson, exec. director, TransAfrica, requests meeting with John Bookout.

10-4-85 Shell Oil responds to Robinson request for meeting.....

10-20-85 NAACP announces intention to boycott "one or more U.S. corporations doing business in South Africa, mentioning that RD/S has refused to sign Sullivan Principles".

10-30-85 Randall Robinson wires G. A. Wagner requesting meeting.

12-20-85 Massey strike ends.

11-4-85 Wagner replies to Robinson, declining meeting.

11-4-85 Jesse Jackson joins U.K. National Union of Seamen protest in front of Shell Centre, London.

12-11-85 THE GUARDIAN runs story that Shell is facing campaign by opponents of apartheid.

12-13-85 Shell Oil agrees on strategy for handling boycott should one occur.

12-16-85 NEWSWEEK story announcing forthcoming Shell boycott and civil disobedience at Shell stations.

1-8-86 Shell Oil issues boycott instructional materials to Retail District managers.

1-9-86 Bishop Tutu rally in Washington D.C. where TransAfrica's Robinson said it would target a "major U.S. corporation" with a boycott at a press conference later today.

Free South Africa Movement press conference in Washington D.C. announcing Shell boycott. Participating were:

- Randall Robinson, co-chair and exec. dir. TransAfrica
- AFSCME president, Gerald McEntee
- UMW president, Richard Trumka
- UAW president, Owen Bieber
- Colo. Cong. Pat Schroeder
- Md. Rep. Parren Mitchell
- NOW president, Eleanor Smeal
- AFGE president, Kenneth Blaylock
- NEA president, Mary Futrell
- I. U. of Bricklayers president, John Joyce
- Washington D.C. Metropolitan Central Labor Council president, Joslyn Williams.

1-10-86 Sample letter and boycott info sent to District Managers for use with dealers and jobbers.

Shell Oil issues Head Office Management Letter and bulletin stating position.

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1-13-86 Shell South Africa president John Wilson issues statement refuting FSAM charges.
Thirteen pickets appear at Shell Washington office, carry signs and pass out handbills during two hour period at mid-day.

1-14-86 Sit-in begins in Shell offices in Washington D.C. by Robinson, Mary Frances Berry, Civil Rights Commissioner; William Lucy, AFSME president; Cong. Walter Fauntroy; and Sylvia Hill, U. of D.C. professor.

1-15-86 Coretta Scott King urges boycott at Morehouse College in Atlanta.

1-15-86 Seventeen-hour sit in ends at Shell's Washington office with threats of more sit-ins at Shell stations.

1-15-86 Three pickets appear at one Shell station.

1-16-86 Black Cleveland Shell dealers speak out against boycott as a "bread and butter issue."

- - UAW reps distribute petition in Dearborn residential area and ask for credit cards.

1-16-86 Tulsa Credit Card Center provided with form letters to answer customer inquiries regarding boycott.

1-17-86 UAW representatives distribute handbills at Detroit auto plant.

1-19-86 Meeting held by TransAfrica at Trinity Methodist Church in Chicago to attempt to organize boycott.

1-22-86 Boycott activists address Bay City, Michigan City Council meeting.

1-22-86 Governor Celeste tears up his personal Shell credit card at UAW meeting in Washington, D.C.

1-22-86 TAMPA TRIBUNE editorial denouncing boycott.

1-23-86 Scallop issues explanatory bulletin to all employees.

1-24-86 One picket appears at One Shell Plaza.
Shell Oil establishes formal anti-boycott organization: Central Coordinating Operations Team and 10 individual Task Groups.

1-27-86 Shell Oil issues explanatory Management Letter and employee bulletin.

1-28-86 Two students from local college in western Massachusetts are reported picketing Shell station.

- - NEWSWEEK story quoting Lo Van Wachem on Shell and South Africa.

1- -86 Cong. Mickey Leland gives assurance of neutrality.

1-29-86 R.W. Woodworth writes letter to Ohio governor Celeste expressing concern over Governor's support of boycott.

1-30-86 SIPC issues info pamphlet to all employees regarding South Africa situation - mentions Shell Oil.

1- -86 Georgia Coalition for Divestment in South Africa holds organizational meeting in Atlanta with "about 50" Houston representatives attending.

2-4-86 Coretta King speaks at TSU and calls for boycott.

2-5-86 Coretta King speaks at U of Houston and mentions boycott.
FASM holds boycott organizing meeting on University of Houston campus.
Warner Hensen, Houston Area Urban League, privately assumes a neutral position on boycott.
Benjamin Hooks, exec. director NAACP, writes letter to J.F. Bookout naming Shell as boycott target.

2-6-86 Benjamin Hooks visited by Messrs. Seggerman and Holcomb.

2- -86 Deloyd Parker, Houston SHAPE director, takes neutral position privately, but agrees boycott not appropriate, agrees to serve as intermediary if needed.

2-13-86 FSAM holds meeting to announce plans to organize six-month corporate education program against Shell beginning in Houston this month. Chicago committee of TransAfrica spokesman Charles Green and Ill. Rep. Gus Savage et. al. announce boycott at Chicago press conference, hand out info to media. March and rally planned for March 22nd.

2-15-86 Hooks announces boycott at NAACP annual meeting in New York.

2-18-86 Cleveland AFL/CIO president and secretary call for support of boycott. Establish Cleveland Labor Shell Boycott Committee.

2-19-86 Boycott handbills distributed in Chicago city hall by AFSCME.

2-20-86 AFL/CIO executive council meeting in Bal Harbour, reiterates call for boycott.

2-20-86 Boycott handbills distributed in Austin, Texas City Hall by AFSCME.

2-21-86 Four or five AFSCME demonstrators attract limited media attention at Shell station in Austin, threaten more demonstrations on succeeding Fridays at salary stations.

2-22-86 Frank Currano, president of the Greater New Haven Central Labor Council announces boycott and promises pickets at Shell stations.

2-24-86 Shell makes $1,000 donation to the National Black Programming Consortum, Inc. for premiere showing of Mandell's Documentary.

2-25-86 FSAM fund raiser at Kennedy Center ($50M plus) no Shell mention.

2-25-86 Detroit Retail Sales District personnel and 24 Shell dealers appear at Wayne County AFL/CIO boycott committee meeting to read their case.

2-26-86 Maryland NAACP in Baltimore calls for boycott and return of credit cards.

2-28-86 Rev. W.A. Lawson, pastor, Wheeler Avenue Baptist Church, declares privately against boycott..

2-27-86 Major WALL STREET JOURNAL story on U.S. companies pulling out of South Africa and mentioning Shell boycott.

3-1-86 20 UAW pickets at Shell station in Cleveland, Ohio.

3-4-86 Sit-in and picketing begins at Shell St. Louis marketing office by St. Louis Committee for a Free South Africa Clergy and Laity Concern.

3-5-86 Sit-in at Shell's St. Louis office ends.

3-6-86 30 to 40 UMW pickets block driveway and harass customers at several Birmingham Shell stations. In addition, they attempt to picket a dealer meeting being held at a local hotel. Limited media coverage.

3-9-86 Coretta Scott King urges Shell boycott speaking at the First Congregational Church in Fall River, Massachusetts.

3-10-86 Boycott organizing meeting held in Richmond, Virginia by TransAfrica representative from Washington, D.C. State that mass merchandisers selling Shell motor oils, A.T. Massey headquarters and local loading facilities in NEWSPORT NEWS are likely targets for media events. "Boycott Shell" picketers demonstrated at Shell service stations in Wilmington, Delaware. Light media coverage. NAACP, Delaware chapter, announces support for Shell boycott. Moderate media coverage.

3-12-86 Shell dealers in Birmingham, Alabama interviewed regarding impact of boycott. TV coverage limited to one local station (Channel 13) and local coverage.

3-15-86 Pickets demonstrated at Shell's West Orange New Jersey administration office. Local TV coverage.
St. Louis: Five picketers demonstrated for about an hour at a black Shell dealer's station.

3-17-86 Randall Robinson and 24 others picketed One Shell Plaza during noon hour. Media coverage included local TV and newspapers. However, no stories were run.

3-18-86 AFL-CIO held press conference in Detroit. Call for continuation of Shell boycott. Invited Shell dealers to attend. Shell dealers held press briefing at local Shell station to present their position to media. Moderate to heavy local press coverage. Articles and stories generally balanced (both sides presented).
Five picketers at South Euclid (Cleveland), Ohio Shell service station. All appeared to represent local AFL-CIO office in area.

3-20-86 Cleveland: Boycott Shell rally held by AFL-CIO. 30 people attended, representing UAW, painters. Cut up Shell cards, passed out "Boycott Shell" stickers, etc. Light to moderate media coverage.
Cincinnati: Boycott Shell rally held by TransAfrica, AFL-CIO, NOW, Coalition of Black Trade Unions. 15-18 persons participated. Media coverage light.

3-20-86 New York Times Op-Ed Piece. Written by Randall Robinson of Free South Africa Movement and Rich Trumka, President of United Mine Workers. (The piece was syndicated and may appear elsewhere.) We are presently reviewing responses to editor stating Shell's position.

3-21-86 Five anti-Shell picketers demonstrated at Shell station in Los Angeles - no press coverage.

3-21-86 Open Letter to Royal Dutch/Shell. Letter from Committee on Southern Africa and Working Group Kairos received by Messrs. Van Wachem and Tookey in The Hague and London, respectively. We have made the RD/S response to the allegations regarding operations in South Africa available to the U.S. media on an "if asked" basis.

3-22-86 Day of Solidarity against apartheid - Rallys held in seven cities. All demonstrations mentioned Shell boycott, call for cutting up credit cards, passed out "Boycott Shell" stickers, lapel pins, etc. Locations and attendees as follows: New York, 600 people; Washington, 300 people; Detroit, 250 people; Houston, 350 people; St. Louis, 200 people; Los Angeles, 100 people; San Francisco, 500 people.
Principal speakers included: Lane Kirkland, president AFL-CIO; Rich Trumka, president UMWA; Owen Bieber, president UAW; Frank Drozak, president Seafarers Union; Alvin Heaps, president Retail Workers; William Lucy, secretary/treasurer AFSME; Marty Barr, president Communications Workers; Tom Bradley, Mayor of Los Angeles; Marian Barry, mayor of Washington, D.C.

3-26-86 Picketing at One Shell Plaza. Eighteen to twenty pickets demonstrated at OSP over the noon hour. They distributed Anti-Apartheid Boycott Shell literature and announced their intentions to return each Wednesday at noon.

3-26-86 Picketing at Shell service stations in San Francisco Bay area. 20 picketers at a salary station in Oakland representing FSAM included Alameda County Supervisor John George. Six picketers at a dealer station in San Francisco represented San Francisco anti-apartheid committee. Media coverage consisted of one radio (KGO), one TV (Channel 7 - Oakland), and the OAKLAND TRIBUNE. All were given our statement.

3-28-86 35-40 students from Cleveland State picketed Shell salary station. Local TV station covered but did not run story. Picketers indicated intentions to picket other stations in Cleveland "periodically."

4-2-86 10-12 picketers from FSAM, several unions at One Shell Plaza over noon hour. Local TV (Channel 13) shot footage but no news coverage was run.

4-4-86 Boston -- 100 students march against apartheid. Call for University (Harvard) divestment. Only one Shell mention. No media coverage.
New York City -- 150-200 marchers staged rally against CitiCorp, Shell, Mobil. Call for divestiture, boycott Shell, Mobil. Media present but no media coverage.
Baltimore -- 50 people rally at city hall. AFL-CIO represented anti-Shell material handed out. Media present but no media coverage.

4-5-86 Denver -- 200 people at rally sponsored by Colorado Coalition against apartheid. Brief Shell mention by UMWA. Press attended but no media coverage.
Cleveland -- 300 people march against apartheid. Approximately 80 UAW workers bussed in. Speakers included William Lucy, President of Coalition of Black Trade Unionist, called for continuation of boycott. Very light (one article) media coverage.

4-9-86 Houston -- (Weekly Picketing) only one person at noon. No handouts, did not stay.
Cambridge, Ohio -- Richard Trumka addresses Ohio UMWA Workers. Calls for continued boycott and picketing of Shell stations in Columbus, Cleveland, Cincinnati and Youngstown. (No dates available at this time.)

4-11-86 Los Angeles -- 75-100 picketers/protesters at Shell service station (3rd & Western). Media coverage by LOS ANGELES TIMES, AP, local TV; Shell position included in most reports. Where appropriate, media follow-up was made, e.g., LOS ANGELES TIMES, KABC.

4-12-86 Cleveland -- 25 union picketers at Shell station (117 & Detroit Road) for about an hour. No media coverage.

4-13-86 Chicago -- Shell truck driver harrassed/heckled while making a delivery. Hecklers consisted of one woman, one man who made anti-apartheid remarks. Security (Los Angeles police) was called because of concern for driver's safety.

4-14-86 WHLY (PBS, Philadelphia) does on-camera interview with Shell dealer in Wilmington. Shell statement provided.

4-16-86 Picketers (10-12) appear at One Shell Plaza. Same anti-apartheid signs and handouts as before. No media coverage.

4-17-86 Colorado Coalition against apartheid pickets API meeting in Denver where Shell executives are participating. Local TV coverage; Shell statement provided and used.

4-18-86 Richard Trumka, President UMWA, holds press conference in San Francisco. Again calls for support of unions to boycott Shell products. Media provided with Shell position, statement, etc. Coverage limited to one local news broadcast (KGO-Channel 7).

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4-23-86 Seven picketers demonstrated in front of One Shell Plaza during lunch hour. Same handouts and signs. No media present.

4-24-86 San Francisco Board of Supervisors Human Services Committee holds hearing to consider implementation of legislation in support of Shell Oil boycott. Committee met, heard resolution, did not vote on resolution but deferred (tabled it) back to Chairman. Three dealers appeared - made remarks from briefing material provided by E. M. Munger (who was also present). No one from unions appeared, however, Supervisor Silver presented union position. No media present.

4-24-86 John F. Bookout, sends letter to employees regarding Boycott. Fact Sheet on Shell S. A. provided.

4-25-86 Ft. Wayne Ind - Local Labor group (Retail, Wholesale, Department Store Workers) hold meeting to announce support for AFL/CIO Boycott of Soc. Limited News coverage - Shell statement provided.
Oakland, CA - About a dozen pickets demonstrated at a Shell Station for about one hour. No media coverage reported.

4-28-86 Washington D.C. Shell executives made presentation to Union of American Hebrew Congregations which resulted in a decision by the "Union" not to join the AFL-CIO Boycott against SOC at this time.

4-30-86 Houston - Local FSAM groups and representatives from local labor held press conference at OSP. Approximately 10 demonstrators attended with signs, hand bills, etc. Press attendance included KRIV-Ch 26, KTRK-Ch 13, Houston Post, Houston Chronicle. Shell statement and interviews provided. Coverage limited to a Ch 26 noon newscast, one news article (Houston Post). Spokesman for Boycott supporters included a SOC employee from Deerpark.
Houston - Weekly picketers (FSAM - AFLCIO) return for their one-hour demonstration. (Approximately 10 in group)

5-1-86 Boston - 35-40 picketers demonstrate for Shell boycott at Shell Service Station for about one hour. Picketers moved to Harvard and joined group of 200-250 calling for divestment by University of RD Stock. Press attendance moderately heavy. Press coverage moderate. (Boston Globe runs corrected story which includes SOC statement).
Los Angeles - 50 chanting protesters show up a Shell Service Station near UCLA campus. No signs, no handouts. One local TV station covered event, but did not air story. Protesters left when they determined station was dealer operated.

5-10-86 New Hampshire Episcopal Diocese votes to table resolution calling for joining the boycott against Shell Oil. Shell Retiree, L. T. Simmelent, a delegate to the Diocese Convention, presents Shell's position and material provided to him by Head Office.

5-12-86 Columbus, Ohio - AFL-CIO, Teamsters hold organization meeting, press conference to announce participation in boycott. Media representation light, statements and materials provided.
Washington, D.C. - Shell offices visited by leadership of FSAM, (Robinson, Berry, Hill, Fountroy). Seek audience/entrance. Offer to meet 'off-site' rejected. They elect to 'sit-in.' Building management has them evicted. Press coverage light to moderate. Shell position and statement provided.

5-13-86 San Diego - NAACP, AFL-CIO conduct organization meeting and press conference to announce participation in boycott. Press coverage light - balanced with Shell's statement - also announce plans to picket Shell station on 5/16.

5-13-86 Washington, D.C. - Boycott demonstrators march outside of Safeway board meeting. Call for Safeway to ask J. F. Bookout to resign until RD/S "pulls out" of South Africa.

5-14-86 St. Louis - 6 picketers at Shell dealer-operated station in inner-city. No media coverage.

Washington, D.C. - FSAM, AFL-CIO hold press conference, rally, march. Activity conducted in three phases. (A) About 100 people at noon press conference march to Shell's Washington office for demonstration which concludes about 1:45. Key participants included Robinson, Trumka, Fauntroy, Jesse Jackson, Gene Upshaw. (B) Pickets returned (about 20) and demonstrated in front of Shell offices from 5-7 PM. (C) 4-5 pickets on vigil in front of building throughout the night. Media attendance light to moderate. Press coverage limited to one local newscast at 6:30 and UPI wire story not widely picked up.

Houston - 12-15 demonstrators picket OSP over the lunch hour. Groups represented included FSAM and AFSME. No media coverage.

5-15-86 London - Two pickets appear at Shell T&T annual stockholder's meeting.

The Hague - Netherlands - 200-250 demonstrators appear at annual shareholder's meeting. Press coverage of either event not known at this time.

5-16-86 San Diego - 6-8 pickets at Shell dealer-operated station. Shell response, statement provided. Media coverage light.

5-18-86 Chicago - Representatives of UMW meet with other AFL-CIO affiliates to announce boycott plans. Media coverage light. Mayor Washington adds his support to campaign against apartheid, does not mention Shell.

5-21-86 Houston - 6-8 pickets in front of OSP. No press.

Washington D.C. - Congressional delegation holds press conference to announce plans for legislation seeking sanctions, ban on imports, divestment, etc., from South Africa. Congressman Fauntroy appears wearing 'Boycott Shell' button -- no mention of Shell, however.

5-28-86 Houston - 4 pickets demonstrate at OSP. Houston Post photographer happening by took pics. M/R talked with him, provided materials. No story ran.

5-31-86 San Diego - 25-30 pickets demonstrated again at Shell station over weekend. They reportedly represent NAACP, AFL/CIO and local church groups. No reported press coverage.

Los Angeles - NAACP March for Human Dignity begins. It is planned to continue across the country (30 + cities). Twelve marchers started out. Very light press coverage. We'll continue to monitor.

6-04-86 Houston/Washington - 4-6 pickets continue through noon time. Passive demonstrations. No media coverage.

6-05-86 Los Angeles - 30 delegates to UAW convention demonstrate at Shell offices from 10-11 AM. Moderate press coverage. Shell statements, position provided.

APPENDIX VI

ORGANIZATIONS SUPPORTING THE BOYCOTT IN THE U.S.

AFL-CIO (and 25 affiliate unions)
United Mineworkers of America
NAACP
Transafrica
American Committee on Africa
American Friends Service Committee
Washington Office on Africa
Southern Christian Leadership Conference
National Rainbow Coalition
Leadership Conference on Civil Rights
National Alliance Against Racist and Political Repression
U.S. Student Association
National Education Association
National Organization for Women
Americans for Democratic Action
Citizen Action
Clergy and Laity Concerned
Chicago Peace Council
Coalition for Illinois Divestment from South Africa
Georgia Coalition for Divestment
Shrines of the Black Madonna
A. Philip Randolph Institute
Pesticide Education and Action Project (PAN, U.S.)
Citizen Labor Energy Coalition

Highly sympathetic of the boycott and of great significance are:

National Council of Churches
Interfaith Center on Corporate Responsibility
Churches' Committee on Southern Africa

Other endorsements have been given at the local, state and regional levels, but have not been compiled, even by the boycott coalition.

PROMINENT INDIVIDUALS SUPPORTING THE BOYCOTT IN THE U.S.

* high potential for support

Jim Bates, D-CA
Asia Bennet, AFSC
Mary Frances Berry, U.S. Civil Rights Commission
FSAM
Owen Bieber, UAW
Kenneth Blaylock, AFGE
Arie Brouwer, NCC*
Philip Cousin, NCC*
Jennifer Davis, ACOA
Julian Dixon, D-CA
Walter Fauntroy, D.C. Delegate
Benjamin Hooks, NAACP
Jesse Jackson, Rainbow Coalition, PUSH
John Joyce, Bricklayers
Coretta Scott King
Lane Kirkland, AFL-CIO
Joseph Lowery, SCLC
William Lucy, AFSCME
Coalition of Black Trade Unionists
Gerald McEntee, AFSCME
Parren Mitchell, D-MD
Monica Moore, Pesticide Education and Action
Project
Avery Post, Churches' Committee on S.A.
Randall Robinson, FSAM, Transafrica
Gus Savage, D-IL
Pat Schroeder, D-CO
Jean Sindab, WOA
Eleanor Smeal, NOW
Tim Smith, ICCR
Rich Trumka, UMW
Roger Wilkins, IPS, FSAM, Transafrica
William Winpisinger, IAM & AW

Other individuals likely to support the boycott have been identified and are being monitored.

APPENDIX VII

The diagram on the following page briefly depicts the anti-Shell environment both in the U.S. and Europe.

The boycott coalition has organized most effectively in the U.S. where the National Labor Shell Boycott Committee (NLSBC) and the Free South Africa Movement (FSAM) have led the anti-Shell publicity campaign. Several other key organizations have endorsed the boycott and are cooperating with boycott leaders from the NLSBC and FSAM.

A key group to watch at the present time is the United Mineworkers of America, headed by Rich Trumka. It is providing much of the organizing muscle behind the boycott.

The U.S. church groups represent a very large potential threat, especially through their ecumenical networks. The Interfaith Center on Corporate Responsibility is already helping to facilitate boycott efforts, and others may follow. The recently formed Churches'Emergency Committee on Southern Africa could play an important role in the future.

The Royal Dutch/Shell headquarters in the United Kingdom and the Netherlands have been facing their own national boycotts. These boycotts will draw their support primarily from the well-established anti-apartheid networks in both countries. Support for the boycott in other countries as listed has been reported.

The international effort will be supported by the International Confederation of Free Trade Unions (ICFTU) and the World Council of Churches. These groups could provide important personal and economic resources to the boycott coalition as well as international communication networks within their own constituencies and a link to related groups in South Africa. Potential support from the International Organization of Consumers' Unions (IOCU) must also be considered an important threat even though its support has not been confirmed.

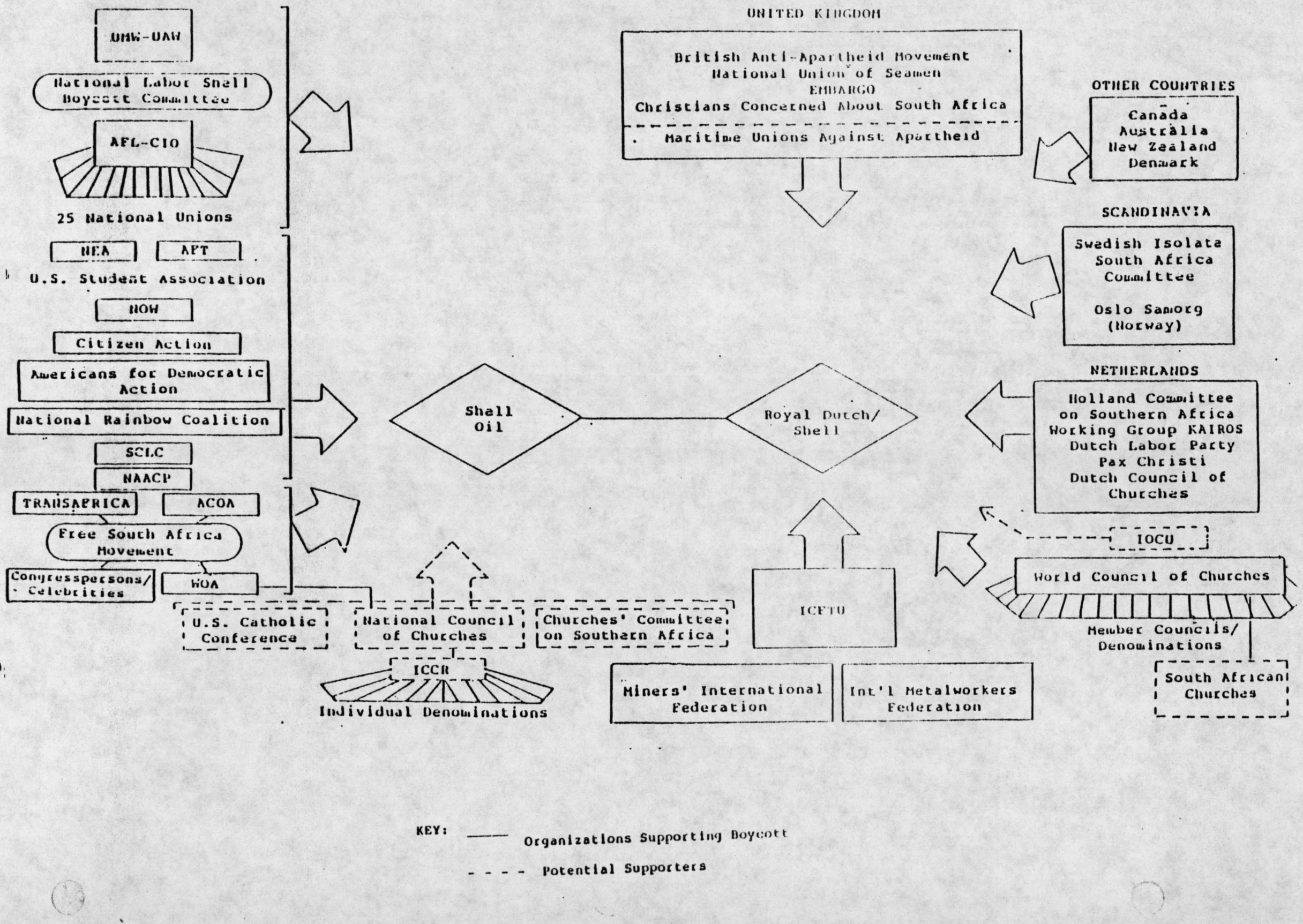
It should not be assumed, from glancing at the diagram, that the character of support for the boycott is similar between groups. There is an array of political, economic, social and personal reasons why each group may have joined, and this will have to be determined and monitored by the intelligence team.

We expect that other important groups may have to be added to the diagram as the boycott develops, especially in Europe.

The diagram only depicts the general anti-Shell environment. It does not include all groups supporting the boycott or all the links between these groups.

APPENDIX VII

ANTI-NEPTUNE ENVIRONMENT



KEY: —— Organizations Supporting Boycott

- - - - Potential Supporters

APPENDIX VIII

INTELLIGENCE PLAN

Objective

The primary objective of the intelligence function will be to collect, process and analyze information so that it can be disseminated as intelligence to the appropriate strategists at Shell and PI.

The information will provide an in-depth understanding of the individuals, groups, and networks targeting Shell or likely to target Shell on the South Africa issue, and any other external forces that may be brought to bear on the parent company or its subsidiary in the U.S.

Execution

Information will be analyzed and disseminated so that it is well-focused and of appropriate length for use by strategists. It will provide background on the key groups and individuals affecting the company as well as frequent updates on the status of the boycott in the U.S. and abroad. This will allow strategists to identify "reasonable" points of contact for a constructive dialogue as well as dangerous obstacles to the resolution of the conflict which should be avoided in order to bring the maximum benefit from our strategic efforts.

Profiles of groups will include an analysis of an organization's goals (both public and private), tactics, structure, political orientation, and potential influence. The relationships between the critic groups will be emphasized in order to understand the strengths and weaknesses of the organized attack on the company. Profiles of activist leaders will provide the individual's professional background and, where possible, personal characteristics that will help the strategist determine who to approach and how to approach them.

To achieve these intelligence goals, PI has assigned an experienced, full-time analyst (R. Bell) to prepare intelligence reports. The analyst will use the following methods to obtain information:

a) traditional methods of research on personalities and organizations using background data already existing in PI's computerized data base and hard copy files, publicly available sources found in-house and at the Library of Congress, and materials found in the in-house libraries of boycotting organizations;

b) monitoring of news coverage (using the NEXIS computerized information system), articles collected by Shell's clipping service, and newspapers, specialized literature and activist publications received by PI;

c) processing information on international boycott-related activities and key people received from Shell's markets in the U.K., Netherlands and South Africa, and from PI's network of correspondents;

d) establishing personal contacts either in boycotting organizations or with access to such organizations who can provide information not available to the public;

e) using accepted investigative journalism techniques and personal interviews with key members of the boycott coalition as a reporter for the International Barometer; and

f) when possible, attending meetings, conferences or direct-action events sponsored by critic groups.

PI has also activated an experienced associate in Europe to help gather and analyze information on the anti-Royal Dutch/Shell coalitions which are developing and organizing in Royal Dutch/Shell's home countries, U.K. and the Netherlands.

Both intelligence functionaries will be supported by the rest of PI's research staff and will report directly to Arion Pattakos, the Director of Pi's Early Warning--Research, Analysis and Monitoring System.

Intelligence memoranda will be sent frequently to Shell at the initiative of PI. PI is also prepared to respond to direct intelligence requests from Shell.

In addition to PI resources, a key component of a sound information collection system is the use of Shell resources both in the U.S. and overseas. Additionally, Shell affiliates should be urged to contribute information concerning boycott activities as such information becomes available to them. In both these cases, a procedure for expeditiously forwarding relevant information to PI for analysis and reporting should be established.

APPENDIX IX

SOME POSSIBLE KEY EVENTS RE: BOYCOTT *

1986 - sometime during the year is the 25th anniversary of the founding of the military wing of the ANC

June 14 - March Against Apartheid, New York City

June 16 - Commemoration of Soweto riots (in South Africa, Tenth Anniversary U.S. and abroad)

- Opening of U.N.-sponsored World Conference on Sanctions Against Racist South Africa

early July - Anti-Apartheid Act of 1986 expected to reach floor of the House of Representatives

mid August - National Party Caucus in South Africa hoped to present moves toward negotiation

September - American universities back in session
- National Council of Churches plans actions against companies

October 11 - National Protest Day planned in the U.S.

November 4 - Elections in the U.S.

1987

most post-April dates apply again

March 21 - Anniversary of Sharpeville Massacre
- International Day for the Elimination of Racial Discrimination

May 1 - International Labor Day (May Day)

May - Sullivan Deadline

June 16 - Soweto Anniversary -- Other commemoration from events of June 16, 1986?

* This is a preliminary and incomplete set of dates. Additional research is underway.

APPENDIX X

This appendix analyzes the similarities and differences between the Sullivan Principles and the EEC Code of Conduct for companies operating in South Africa.

Included in the analysis are: 1) a comparison by column of the actual principles, 2) an comparison by subject area of both codes, and 3) copies of the actual text of both codes.

Sullivan Principles	EEC Principles
Principle I. Non-segregation of the races in all eating, comfort and work facilities.	6a) Do everything possible to abolish any practice of segregation, notably at the workplace, in canteens, in education and training and in sports activities.
- Eliminate all vestiges of racial discrimination.	
- Remove all race designation signs.	6b) Directly support inter-staff contacts, and help employees from different racial groups to get to know each other better and integrate more fully.
- Desegregate all eating, comfort and work facilities.	Companies should encourage sporting activities in which employees from different racial groups take part as mixed teams in mixed competitions.
Principle II. Equal and fair employment practices for all employees.	
- Implement equal and fair terms and conditions of employment.	6a) Ensure equal working conditions for all staff.
- Provide non-discriminatory eligibility for benefit plans.	1e) Do everything to establish a climate of confidence in relations with employees. Make available to them the text of the Code of Conduct of the European Communities and inform them, in an appropriate language and in places to which they normally have access, of what the company is doing to implement this code.
- Establish an appropriate and comprehensive procedure for handling and resolving individual employee complaints.	
- Support the elimination of all industrial racial discriminatory laws which impede the implementation of	

equal and fair terms and conditions of employment, such as abolition of job reservations, job fragmentation, and apprenticeship restrictions for blacks and other non-whites.

- Support the elimination of discrimination against the rights of blacks to form or belong to government registered and unregistered unions and acknowledge generally the rights of blacks to form their own unions or be represented by trade unions which already exist.

1a) Ensure that all employees irrespective of racial or other distinction are allowed to choose freely and without any hindrance the type organization to represent them.

1b) Pay particular attention to black trade unions and be prepared to recognize them

1c) Be prepared to sign recognition agreements with representative black trade unions within the company and allow collective bargaining, including the signing of collective agreements, in accordance with internationally accepted labor standards.

Regularly and unequivocally inform employees that consultations and collective bargaining with organizations which are freely elected and representative of employees are part of company policy.

1d) Do everything possible to inform employees within the company of their social and trade union rights.

Make every effort to ensure that black African employees are free to form or join the trade union of their choice. Steps should be taken as a matter of course to allow trade union officials to explain to employees the aims of trade unions and the

advantages of membership, to distribute trade union documentation and display trade union notices on the company's premises, to duties without loss of pay and to organize meetings. Encourage trade union members to take part in trade union training programmes.

1f) In companies where work or liaison committees already operate, trade union officials should have representative status on these bodies if employees so wish. The existence of these types of committees should not prejudice the development or status of trade unions or of their representatives.

- Secure rights of black workers to the freedom of association and assure protection against victimization while pursuing and after attaining these rights.

- Involve black workers or their representatives in the development of programs that address their educational and other needs and those of their dependents and the local community.

Principle III. Equal pay for all employees doing equal or comparable work for the same period of time.

3a) Assume a special responsibility as regards the pay and conditions of employment of black African employees.

- Design and implement a wage and salary administration plan which is applied equally to all employees, regardless of race, who are perfomring equal or comparable work.

3b) The principle of equal opportunities for all employees ought to be fully respected.

The same pay scales should be applied to the same jobs.

- Ensure an equitable system of job classifications, including a review of the distinction between hourly and salaried classification.	The principle of "equal pay for equal work" means that all jobs should be open to any worker who possesses suitable qualifications, irrespective of racial or other distinction, and that wages should be based on a qualitative job evaluation.
- Determine the extent upgrading of personnel and/or jobs in the upper echelons is needed, and accordingly implement programs to accomplish this objective in representative numbers, ensuring the employment of blacks and other non-whites at all levels of company operations.	
- Assign equitable wage and salary ranges, the minimum of these to be well above the appropriate local minimum economic living level.	3a) Formulate specific guidelines aimed at improving their terms of employment. Pay based on the `supplemented living level' for an average-sized family must be considered as the absolute minimum necessary. Make every effort to exceed this level when fixing wages. Supply the required explanations and give an account of the wage scale and the possibilities for progress in this context.
Principle IV. Initiation of and development of training programs that will prepare, in substantial numbers, blacks and other non-whites for supervisory, administrative, clerical and technical jobs.	4a) Draw up an appropriate range of training schemes of a suitable standard to provide training for black African employees and reduce the dependence on immigrant white labour.
- Determine employee training needs and capabilities, and identify employees with potential for further advancement.	

- Take advantage of existing outside training resources and activities, such as exchange programs, technical colleges, and similar institutions or programs.	4b) Help black employees to take advantage of other educational and occupational training programmes outside their places of work.
- Support the development of outside training facilities, individually or collectively -- including technical centers, professional training exposure, correspondence and extension courses, as appropriate, for extensive training outreach.	Where required, set up or use educational facilities to enable their black employees to benefit from more specialized training.
- Initiate and expand inside training programs and facilities.	Organize occupational training programmes for black employees.
Principle V. Increasing the number of blacks and other non-whites in management and supervisory positions.	4b) Ensure that supervisory and management jobs and those requiring high technical qualifications are open to black African employees.
- Identify, actively recruit, train and develop a sufficient and significant number of blacks and other non-whites to assure that as quickly as possible there will be appropriate representation of blacks and other non-whites in the management group of each company at all levels of operations.	
- Establish management development programs for blacks and other non-whites, as needed, and improve existing programs and facilities for developing management skills of blacks and other non-whites.	4c) Make every effort to eliminate in practice the de facto restriction based on custom on apprenticeships for black employees. They should ensure that employees of different racial groups can take part in training programmes without any form of segregation.
- Identify and channel high management potential blacks and other non-white employees into management development programs.	

Principle VI. Improving the quality of employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation and health facilities.

- Evaluate existing and/or develop programs, as appropriate, to address the specific needs of black and other non-white employees in the areas of housing, health care, transportation and recreation.

- Evaluate methods for utilizing existing, expanded or newly established in-house medical facilities or other medical programs to improve medical care for all non-whites and their dependents.

- Participate in the development of programs that address the educational needs of employees, their dependents, and the local community. Both individual and collective programs should be considered, in addition to technical education, including such activities as literacy education, business training, direct assistance to local schools, contributions and scholarships.

5a) Concern selves with the living conditions of employees and their families.

5c) Support projects which aim to improve the quality of life of the black communities from which they draw their staff.

5b) Company funds could be set aside to provide benefits over and above those currently provided according to South African legislation:

- providing complete social protection schemes for employees and their families (health, accident and unemployment insurance and old age pensions);

- ensuring that their employees and their families have the benefit of adequate medical care;

- in the education of members of their families;

- involving the accommodation of black African staff and their families, in particular by helping them to buy their own housing;

- providing transport from home to work and back;

- providing their employees with assistance in problems they encounter with the authorities over their movement from one place to another, their choice of residence and their employment;

- providing leisure facilities.

- Support changes in influx control laws to provide for the right of black migrant workers to normal family life.	2a) Apartheid leads to the use of migrant labour, which robs the individual of the basic freedom to seek and obtain the job of his choice. It also causes grave social and family problems. 2b) Contribute towards ensuring freedom of movement for black African workers and giving them the opportunity to lead a family life. 2c) Endeavour to alleviate the effects of existing regulations by facilitating the regular reviewal of contracts of employment and making it easier for the families of employees to settle near their companies.
- Increase utilization of and assist in the development of black and other non-white owned and operated business enterprises including distributors, suppliers of goods and services and manufacturers.	7) As far as they are able, companies should, in the framework of their activities, encourage the setting up and expansion of black businesses by subcontracting, providing assistance for their black employees to set up their own companies and preferential, priority treatment in customer-supplier relations.
INCREASED DIMENSIONS OF ACTIVITIES OUTSIDE THE WORKPLACE.	
- Use influence and support the unrestricted rights of black businesses to locate in the urban areas of the nation.	
- Influence other companies in South Africa to follow the standards of equal rights principles.	
- Support the freedom of mobility of black workers to seek employment	

opportunities wherever they exist, and make possible provisions for adequate housing for families of employees within the proximity of workers employment.

- Support the ending of all apartheid laws.

CODES OF CONDUCT ON SOUTH AFRICA

SUMMARY

The EEC Code concerns itself solely with conditions in the workplace and the well-being of a company's own workers and their families, whilst the Sullivan Principles also require that signatory companies should act in a positive way to bring about more widespread change within South Africa by using their influence on the government, other companies, etc. This is especially true of the four clauses added in the November 1984 amplification.

In most cases, the Sullivan Principles refer to "Blacks and other non-whites" whereas the EEC Code concerns itself with Black African employees only.

In general, the Sullivan Principles use much stronger language than the EEC Code. Each Sullivan heading is preceded by "Each signatory will proceed immediately to...". The EEC Code uses weaker works and phrases such as "if possible", "should encourage", and "should assume a responsibility as regards...".

In several places, the Sullivan Principles pressure signatories to oppose the legal system and support systemic change. The EEC Code generally limits its recommendations to softening or alleviating the effects of the ongoing system of apartheid.

A COMPARISON BETWEEN THE EEC CODE OF CONDUCT FOR COMPANIES WITH INTERESTS IN SOUTH AFRICA AND THE (SULLIVAN) STATEMENT OF PRINCIPLES (FOURTH AMPLIFICATION)

1. Industrial Relations within the undertaking (collective bargaining, trade union recognition, etc.)

   The Sullivan Principles cover this in one sentence, concerned with the rights of blacks to form or belong to registered or unregistered trade unions, whereas the EEC Code is much broader in coverage, saying that companies should ensure that their employees are free to choose the type of organization to represent them and that employers should regularly inform them of this freedom.

2. **Migrant Labour**

   The EEC Code states that the system of migrant labour in South Africa is an instrument of apartheid and causes grave social and family problems. Employers are required to alleviate its effects as much as possible. The one sentence

covering black migrant workers in the Sullivan Principles is under the heading of employees care outside the work environment and requires companies to "support changes in influence control laws to provide for the right of Black migrant workers to normal family life".

3. **Pay**

The Sullivan Principles state that minimum wages should be "well above the appropriate local minimum economic living level". The EEC Code advocates a minimum wage at the Supplemental Living Level (SLL) for a family of average size (stated to be 5/6 persons). An earlier version of the EEC Code stated that "the minimum wage should initially exceed by at least 50% of the minimum level required to satisfy the basic needs of an employee and his family". This statement was deleted when the Code was changed in November 1985.

4. **Wage structure and Black African advancement**

Both Codes demand equal pay for equal work irrespective of race.

Both require employers to take positive steps for the training of Black (and in the case of Sullivan other non-white) workers for all levels of employment. The requirements are laid out in very much more detail in the Sullivan Principles than in the EEC Code.

5. **Fringe Benefits**

Both Codes state that companies should concern themselves with the living conditions, education, health care, etc. of their employees but the EEC Code goes further in stating that "for this purpose Company funds could be set aside" for use in this way. The Sullivan Principles state that signatories should "evaluate existing programs or develop them as appropriate" and "participate in the development of programs".

6. Desegregation at place of work

No real differences except that the Sullivan Principles seem rather stronger in stating "each signator of the Statement of Principles will proceed immediately to... (abolish segregation)", whereas the EEC Code says that companies should abolish segregation "so far as it lies within their own companies".

In addition to the above, there are clauses which appear only in the Sullivan Principles:

- Secure rights of Black workers to the freedom of association and assure protection against victimization while pursuing and after attaining these rights.

- Increase utilization of and assist in the development of Black and other non-white owned and operated business enterprises including distributors, suppliers of goods and services and manufactureers. A section on encouragement of black business was added to the EEC Principles in the November 19, 1985 revision.

(The following four clauses were included in the Sullivan Principles as a result of their November 1984 amplification):

- Use influence and support the unrestricted rights of Black businesses to locate in the urban areas of the nation.

- Influence other companies in South Africa to follow the standards of equal rights principles.

- Support the freedom of mobility of Black workers to seek employment opportunities wherever they exist, and make possible provisions for adequate housing for families of employees within the proximity of workers employment.

- Support the recension of all apartheid laws.

Copies of both codes of conduct are included in this appendix.

The Sullivan principles have been amplified on four occasions since their appearance in 1977. The most recent amplification was in November 1984 and is underlined in the following text.

Sullivan Principles (1985)

Principle I. Non-segregation of the races in all eating, comfort and work facilities.

Each signator of the Statement of Principles will proceed immediately to:

- Eliminate all vestiges of racial discrimination.
- Remove all race designation signs.
- Desegregate all eating, comfort and work facilities.

Principle II. Equal and fair employment practices for all employees.

Each signator of the Statement of Principles will proceed immediately to:

- Implement equal and fair terms and conditions of employment.
- Provide non-discriminatory eligibility for benefit plans.
- Establish an appropriate and comprehensive procedure for handling and resolving individual employee complaints.
- Support the elimination of all industrial racial discriminatory laws which impede the implementation of equal and fair terms and conditions of employment, such as abolition of job reservations, job fragmentation, and apprenticeship restrictions for blacks and other non-whites.
- Support the elimination of discrimination against the rights of blacks to form or belong to government registered and unregistered unions and acknowledge generally the rights of blacks to form their own unions or be represented by trade unions which already exist.
- Secure rights of black workers to the freedom of association and assure protection against victimization while pursuing and after attaining these rights.
- Involve black workers or their representatives in the development of programs that address their educational and other needs and those of their dependents and the local community.

Principle III. Equal pay for all employees doing equal or comparable work for the same period of time.

Each signator of the Statement of Principles will proceed immediately to:

- Design and implement a wage and salary administration plan which is applied equally to all employees, regardless of race, who are performing equal or comparable work.
- Ensure an equitable system of job classifications, including a review of the distinction between hourly and salaried classifications.

- Determine the extent upgrading of personnel and/or jobs in the upper echelons is needed, and accordingly implement programs to accomplish this objective in representative numbers, ensuring the employment of blacks and other non-whites at all levels of company operations.
- Assign equitable wage and salary ranges, the minimum of these to be well above the appropriate local minimum economic living level.

Principle IV. Initiation of and development of training programs that will prepare, in substantial numbers, blacks and other non-whites for supervisory, administrative, clerical and technical jobs.

Each signator of the Statement of Principles will proceed immediately to:

- Determine employee training needs and capabilities, and identify employees with potential for further advancement.
- Take advantage of existing outside training resources and activities, such as exchange programs, technical colleges, and similar institutions or programs.
- Support the development of outside training facilities, individually or collectively—including technical centers, professional training exposure, correspondence and extension courses, as appropriate, for extensive training outreach.
- Initiate and expand inside training programs and facilities.

Principle V. Increasing the number of blacks and other non-whites in management and supervisory positions.

Each signator of the Statement of Principles will proceed immediately to:

- Identify, actively recruit, train and develop a sufficient and significant number of blacks and other non-whites to assure that as quickly as possible there will be appropriate representation of blacks and other non-whites in the management group of each company at all levels of operations.
- Establish management development programs for blacks and other non-whites, as needed, and improve existing programs and facilities for developing management skills of blacks and other non-whites.
- Identify and channel high management potential blacks and other non-white employees into management development programs.

Principle VI: Improving the quality of employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation and health facilities.

Each signator of the Statement of Principles will proceed immediately to:

- Evaluate existing and/or develop programs, as appropriate, to address the specific needs of black and other non-white employees in the areas of housing, health care, transportation and recreation.
- Evaluate methods for utilizing existing, expanded or newly established inhouse medical facilities or other medical programs to improve medical care for all non-whites and their dependents.

- Participate in the development of programs that address the educational needs of employees, their dependents, and the local community. Both individual and collective programs should be considered, in addition to technical education, including such activities as literacy education, business training, direct assistance to local schools, contributions and scholarships.
- Support changes in influx control laws to provide for the right of black migrant workers to normal family life.
- Increase utilization of and assist in the development of black and other non-white owned and operated business enterprises including distributors, suppliers of goods and services and manufacturers.

With all the foregoing in mind, it is the objective of the companies to involve and assist in the education and training of large and telling numbers of blacks and other non-whites as quickly as possible. The ultimate impact of this effort is intended to be of massive proportion, reaching millions.

INCREASED DIMENSIONS OF ACTIVITIES OUTSIDE THE WORKPLACE

- Use influence and support the unrestricted rights of black businesses to locate in the urban areas of the nation.
- Influence other companies in South Africa to follow the standards of equal rights principles.
- Support the freedom of mobility of black workers to seek employment opportunities wherever they exist, and make possible provisions for adequate housing for families of employees within the proximity of workers' employment.
- Support the ending of all apartheid laws.

PERIODIC REPORTING

The Signatory Companies of the Statement of Principles will proceed immediately to:

- Report progress on an annual basis to Reverend Sullivan through the independent administrative unit he has established.
- Have all areas specified by Reverend Sullivan audited by a certified public accounting firm.
- Inform all employees of the company's annual periodic report rating and invite their input on ways to improve the rating.

to the classification, packaging and labelling of dangerous substances [1] (Greece).

Financial institutions and taxation

Failure to inform the Commission of national measures to give effect to the first Council Directive of 12 December 1977 on the coordination of the laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions [2] (Belgium, Italy).

Failure to inform the Commission of national measures to give effect to the Council Directive of 5 March 1979 coordinating the conditions for the admission of securities to official stock exchange listing [3] (Greece, Luxembourg).

Failure to inform the Commission of national measures to give effect to the Council Directive of 17 March 1980 coordinating the requirements for the drawing up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing [4] (Greece).

Failure to inform the Commission of national measures to give effect to the Council Directive of 15 February 1982 on information to be published on a regular basis by companies the shares of which have been admitted to official stock-exchange listing [5] (Greece, Luxembourg).

Failure to inform the Commission of national measures to give effect to the Council Directive of 28 March 1983 [6] determining the scope of Article 14(1)(d) of the Council Directive of 17 May 1977 [7] as regards exemption from value-added tax on the final importation of certain goods (Ireland).

1 OJ L 196, 16.8.1967.
2 OJ L 322, 17.12.1977.
3 OJ L 66, 16.3.1979.
4 OJ L 100, 17.4.1980.
5 OJ L 48, 20.2.1982.
6 OJ L 105, 23.4.1983.
7 OJ L 145, 13.6.1977.

4. Code of Conduct for companies from the European Community with subsidiaries, branches or representation in South Africa

As revised on 19 November 1985 by the Foreign Ministers of the 10 Community countries, Spain and Portugal

3.4.1. This Code is addressed to all companies from the European Community which have subsidiaries, branches or representatives in South Africa.

The aim of the Code is to make a contribution towards abolishing apartheid. None of the provisions of this Code should be interpreted as leading to discrimination between the various racial communities in South Africa. The dispositions concerning black employees have the sole objective of putting these on an equal footing with the other employees.

1. Relations within the undertaking

(a) Companies should ensure that all their employees irrespective of racial or other distinction are allowed to choose freely and without any hindrance the type organization to represent them.

(b) Companies should pay particular attention to black trade unions and be prepared to recognize them.

(c) Companies should be prepared to sign recognition agreements with representative black trade unions within the company and allow collective bargaining, including the signing of collective agreements, in accordance with internationally accepted labour standards.

Employers should regularly and unequivocally inform their employees that consultations and co-

lective bargaining with organizaions which are freely elected and representative of employees are part of company policy.

(d) Companies should do everything possible to inform their employees within the company of their social and trade union rights.

Employers should make every effort to ensure that black African employees are free to form or join the trade union of their choice. Steps should be taken as a matter of course to allow trade union officials to explain to employees the aims of trade unions and the advantages of membership, to distribute trade union documentation and display trade union notices on the company's premises, to have reasonable time off to carry out their union duties without loss of pay and to organize meetings. Employers should encourage trade union members to take part in trade union training programmes.

(e) Companies should do everything to establish a climate of confidence in their relations with their employees and should in particular make available to them the text of the Code of Conduct of the European Communities and inform them, in an appropriate language and in places to which they normally have access, of what the company is doing to implement this Code.

(f) In companies where works or liaison committees already operate, trade union officials should have representative status on these bodies if employees so wish. The existence of these types of committee should not prejudice the development or status of trade unions or of their representatives.

2. Migrant labour

(a) The policy of apartheid leads to the use of migrant labour, which robs the individual of the basic freedom to seek and obtain the job of his choice. It also causes grave social and family problems.

(b) Employers have the social responsibility to contribute towards ensuring freedom of movement for black African workers and giving them the opportunity to lead a family life.

(c) Employers should endeavour to alleviate the effects of existing regulations, in particular by facilitating the regular revewal of contracts of employment and making it easier for the families of employees to settle near their companies.

3. Pay and wage structures

(a) Companies should assume a special responsibility as regards the pay and conditions of employment of their black African employees. In this context, they should refer to the data of the University of South Africa (Unisa).

They should formulate specific guidelines aimed at improving their terms of employment. Pay based on the 'supplemented living level' for an average-sized family must be considered as the absolute minimum necessary.[1] Nevertheless, companies should make every effort to exceed this level when fixing wages. In their reports they should supply the required explanations and, in particular, give an account of their wage scale and the possibilities for progress in this context.

(b) The principle of equal opportunities for all employees ought to be fully respected. The principle of 'equal pay for equal work' means that all jobs should be open to any worker who possesses suitable qualifications, irrespective of racial or other distinction, and that wages should be based on a qualitative job evaluation. The same pay scales should be applied to the same jobs.

4. Training and promotion of black employees

(a) The principle of equal pay would, however, be meaningless if black African employees were kept in inferior jobs. Employers should therefore draw up an appropriate range of training schemes of a suitable standard to provide training for their black African employees and reduce the dependence of their companies on immigrant white labour.

(b) Companies should ensure that supervisory and management jobs and those requiring high technical qualifications are open to their black African employees.

Companies should, if possible, organize occupational training programmes for their black employees. Companies should, if possible, help their black employees to take advantage of other educational and occupational training programmes outside their places of work. Where required, companies, should set up or use educational facilities to enable their black employees to benefit from more specialized training.

(c) Companies should make every effort to eliminate in practice the *de facto* restriction or based on custom on apprenticeships for black employees. They should ensure that employees of different racial groups can take part in training programmes without any form of segregation.

[1] In this context, it is to be recalled that the previous text of the Code of Conduct mentioned that the minimum wage should exceed by at least 50% the minimum level required to satisfy the basic needs of an employee and his family.

5. Fringe benefits

(a) In view of their social responsibilities, companies should concern themselves with the living conditions of their employees and their families.

(b) For this purpose, company funds could be set aside to provide benefits over and above those currently provided according to South African legislation:

(i) providing complete social protection schemes for employees and their families (health, accident and unemployment insurance and old age pensions);

(ii) ensuring that their employees and their families have the benefit of adequate medical care;

(iii) in the education of members of their families;

(iv) involving the accommodation of black African staff and their families, in particular by helping them to buy their own housing;

(v) providing transport from home to work and back;

(vi) providing their employees with assistance in problems they encounter with the authorities over their movement from one place to another, their choice of residence and their employment;

(vii) providing leisure facilities.

(c) Companies should support projects which aim to improve the quality of life of the black communities from which they draw their staff.

6. Desegregation at places of work

(a) Employers should do everything possible to abolish any practice of segregation, notably at the workplace, in canteens, in education and training and in sports activities. They should also ensure equal working conditions for all their staff.

(b) Along with the advancement of their black employees, companies should directly support inter-staff contacts, and help employees from different racial groups to get to know each other better and integrate more fully.

Companies should encourage sporting activities in which employees from different racial groups take part as mixed teams in mixed competitions.

7. Encouragement of black businesses

As far as they are able, companies should, in the framework of their activities, encourage the setting up and expansion of black businesses by subcontracting, providing assistance for their black employees to set up their own companies and preferential, priority treatment in customer-supplier relations.

Procedure

1. Criteria for implementation

(a) A detailed and fully documented report should be prepared by all companies which have a controlling interest in a South African company employing black workers.

(b) In other companies where there are European interests, whether significant or not, the European shareholders should make every effort to ensure that the principles of this Code are implemented and that a report is produced.

2. Drafting of reports

(a) Reports shall be drafted by companies according to the uniform criteria agreed by the European Community countries. These reports shall be sent either to embassies in South Africa or directly to the national authorities of the country of origin and should be made public by the companies.

(b) The reports shall cover the period from 1 July of the previous year to 30 June of the current year. They should be sent to the national authorities by the end of September. The authorities will then be responsible for drawing up national reports to be available by the end of March in the following year and submitted to the national parliaments. A summary report will be prepared by the Presidency-in-Office of the countries of the Community and presented to the European Parliament and the Economic and Social Committee of the European Community before the summer recess. The national and joint reports will be public.

3. Coordinating implementation of the Code

The Member States will consult regularly on the implementation of this Code, in particular through their representatives in South Africa. To this effect, the latter will draw up an annual report which will be taken into account when the summary report is drafted. This annual report will also assess the impact of this Code of Conduct in the economic and social context of South Africa and in particular the views of the relevant trade union and employers' circles concerning its content and implementation.

Application of the Code of Conduct by Community companies with subsidiaries in South Africa

Fifth Summary analysis [1]
1 July 1983 — 30 June 1984

Introduction

During the period under review, there were a number of important developments in the economic and social climate in South Africa. The worsening economic recession which hit many sectors of the South African economy and resulted in a sharp upswing in unemployment, particularly among blacks, with an estimated 30% of the working black population (including the black homelands) out of work, was accompanied by the rapid growth of trade unionism. The number of black workers belonging to trade unions rose from 545 000 at the end of 1982 to about 700 000 at the end of 1983.

The same period also saw the workers giving more effective expression to their demands. It must be noted that compared to 1983, the official number of strikes has known a remarkable increase of about 30% in 1984, this number mounting from 331 to 469. An even bigger increase in the number of strikers was noted, this number almost tripling, going from 64 469 in 1983 to 181 942 in 1984.

This had a direct effect on the form of black worker representation in firms, with representative bodies such as liaison committees gradually being superseded by other forms of direct contact between black trade unions and companies. In this context, the difference between registered and non-registered trade unions is tending to fade in practice. On the legal front, a number of court rulings confirmed and reinforced the new trade union rights granted by South African law, but the legal mechanisms in the field of the labour law are not really adequate to enable workers to defend their rights and interests effectively. Trade unions continue to face major obstacles, in particular because of the imprisonment of many of their leaders and activists. Certain trade unions are even forbidden in the homelands of Ciskei and Bophuthatswana. Large groups of workers are, and always have been, excluded from the scope of labour legislation. Agricultural workers, domestic staff, civil servants and workers in certain strategic industries, a total of approximately three million people, are still excluded.

The law may prohibit discrimination in salary scales, but what happens in reality is often quite different and discriminatory practices do exist under the cover of the closed shop system, particularly in the mining industry. Various factors, including the poor quality of education in the black community, mean that there is still a wide gap between the incomes of blacks and whites and there was no significant improvement since 1983. This was compounded at the beginning of 1984, when the South African Government reduced the fiscal benefits granted to firms to encourage the vocational training of black workers. It is therefore to be expected that the continuing economic crisis and the absence of favourable prospects in the short term will have an adverse effect on efforts to improve the social situation of black workers by improving their vocational training.

As regards the free movement of black workers, the application of the influx control laws led to the arrest of more than 100 000 blacks in 1983. However, the situation improved slightly following the *Rikhoto* judgment in 1983, which gave black workers the right, under certain conditions, to take up permanent residence in 'black' urban areas, and thus to become South African citizens rather than citizens of the homelands.

The 1983 Basic Conditions of Employment Act abolished regulations on segregation at the workplace.

Analysis of the reports

The fifth common report on the implementation of the Code of Conduct covers the period 1 July 1983 to 30 June 1984. A summary of the reports analysed is given in the table below.

The fifth common report discusses the conditions of employment in 218 firms employing approximately 131 000 black workers. The Governments of the Ten are endeavouring to persuade firms which do not yet submit a report that they should do so in compliance with point 7 of the Code of Conduct. While it is true that the total number of workers concerned has decreased since the fourth common report, the number of reports from firms went down only slightly. This can be explained by the general development of the South African economy. However, the Code of Conduct has as large an acceptance as it had in the preceding period.

The national reports from Denmark, France, the Federal Republic of Germany, the Netherlands and the United Kingdom are public.

[1] Previous analysis: Bull. EC 11-1984, point 3.4.1.

Period covered: 1 July 1983 — 30 June 1984

Country[1]	Number of company reports analysed	Number of black workers
Belgium	5	[2]
Denmark	2	223
Federal Republic of Germany	47	19 400
Greece	2	40
France	6	1 629
Italy	2	1 000
Netherlands	17	4 782
United Kingdom	137	104 000
Total	218	131 074

[1] No firms in Ireland or Luxembourg have to submit reports in compliance with the Code of Conduct.
[2] No figures available.

Relations within firms

The black trade union movement and the representation of black workers have continued to make significant progress. The principle of the free choice by workers of their representatives is generally accepted by the firms which submitted reports.

One hundred and twenty-eight British firms have or are prepared to have formal or informal relations with black trade unions.

According to the report from the Federal Republic of Germany twenty-four firms with a total of 33 264 employees (70% of all employees) have cooperated in a broad sense with unions having a black membership. In the case of six of them (22 848 employees), cooperation is based on written agreements, while the other firms have come to practical agreements on a non-contractual basis. Twenty-nine German firms have also informed their employees that they are prepared to cooperate with both registered and non-registered unions. Eighteen firms cooperate on a practical level in a variety of ways. The main advantages granted to trade union representatives are as follows:

(i) authorization of meetings at the workplace and during working hours;

(ii) technical assistance for trade union work (printing, premises, secretaries, etc.);

(iii) partial or total exemption from work for staff delegates in 11 firms employing 24 000 workers;

(iv) direct debit of union contributions from salaries in eight firms employing 17 790 workers.

The Dutch firms have all made it known that they are prepared to negotiate with black trade union representatives unconditionally. Eight firms are involved in collective negotiations by sector, and in seven large firms employing 8 210 staff direct contact with black trade unions is either already under way or is in the process of being introduced. The Dutch report particularly stresses the fact that the distinction between registered and non-registered unions is tending to lose its significance.

The British report shows that through a large number of firms have formal (41 firms) or informal (28 firms) contacts with black unions, the unions are not as yet involved to the full in collective bargaining procedures. There has been a marked increase in the number of firms which formally recognize the union rights of black employees. However, regulations applying collectively to the majority of black workers are introduced without negotiation, although in most of the firms procedures for consultation do exist. Thus nearly a third of the firms report that salary conditions are not yet negotiated with the black workers, and 10% of firms apply regulations adopted by bodies on which black workers are not represented.

The two Danish companies which answered the questionnaire gave blacks full rights to join a trade union, and this is also true of the two Italian firms, one of which has a union representation within the company, and a large majority of the French companies operating in South Africa.

The two Greek companies concerned point out that in the two sectors concerned either there are no trade unions or their employees have not yet expressed a wish to join one. The same is true of the Belgian companies.

Although the role of the union is growing more prominent, the liaison committee is still the main form of workers' organization. Ninety-three British companies, or 67.9% of the firms which filed a report, stated that they had liaison committees. The workers in 25 German companies, or 62% of the workers in German companies (29 491), are represented by this type of committee, as are the workers in the two Danish companies, three of the French companies and nine of the Dutch companies, mainly the larger ones. None the less, a growing number of companies stated in their reports that the importance of the liaison committee has diminished as a result of the growth of the black trade union movement.

Migrant labour

As in previous years, only a minority of the firms which filed a report employ migrant labour and none of the Danish, Italian or Greek firms do so.

The problem of the migrant worker does not arise in four of the five Belgian companies, while the fifth employs only migrant labour. Only 17 German companies employ migrant workers and the total number fell from 1 700 in 1983 to 1 060 in 1984. Moreover, 90% of these workers are concentrated in four firms (mines and assembly lines) in regions with no local labour. Only one French company employs a significant proportion of migrant workers, but tries to limit the numbers as far as possible. The others employ a very small percentage of migrant workers. Four Dutch companies use migrant labour, only one to any significant degree (more than 50% of the black workers). The situation in British companies shows a slight increase in the total number of migrant workers, who represent approximately 10.6% (or 11 000) of all black workers employed by British companies. Nearly 80% of the migrant workers are employed by a single company. The total number of British firms employing migrant workers is 47.

As regards working conditions for migrant workers, many companies stated that they aimed to ensure equal working conditions for their migrant employees. A number of firms give additional benefits, such as paying transport costs, extra days' leave, improvement of housing, particularly to accommodate the workers' families, in an attempt to ease their situation. Some firms expressed a desire to stop employing migrant workers. Others take particular care to guarantee migrant workers a regular renewal of their work contracts for a period of 10 years, thus enabling them to obtain the right of permanent residence in 'white' areas.

Wages

The Code recommends that all employers should pay minimum wages at least 50% higher than the amount needed to meet the minimum household needs.

According to the reports received, most companies pay wages above the minimum. For example, 68% of blacks employed by German firms earn wages 50% higher than the minimum required to meet the needs of a household of four persons. However, thirteen German firms with 5 315 employees have either not sent detailed information or reported wages below the recommended minimum for certain categories. The British report reveals that of 104 000 black workers, some 102 400 (98.2%) are paid more than the 'lower datum level'. Despite the economic recession in South Africa, the number of black workers earning less than the 'higher datum level' has dropped significantly, levelling off at 5 500 persons, or 5.2% of the black workers employed by British companies.

Of the 4 782 black workers employed by Dutch companies, approximately 4 555, or 95.3% are paid in accordance with the recommendations of the Code and 202 earn less than the recommended level but way above the minimum level. About 25 black workers earn wages below this minimum level.

All employees in French firms are paid well over the minimum rate and only a few are paid less than the recommended 'optimal' wage. The five Belgian companies, two Danish firms and one Italian firm also report paying only wages above the recommended minimum. In addition, many European companies stressed their efforts to adjust wages regularly to keep pace with the cost of living.

Wage structures and promotion of black workers

The European Code of Conduct is based on the principle of 'equal work, equal pay' which implies that any job should be open to any worker with the right qualifications and that racial differences have no effect on wage levels and promotion prospects. The Code also calls on firms to reduce their dependence on white immigrant staff.

Nevertheless, although these principles are broadly accepted, there is still much to be done, particularly in the field of training black workers, a field in which increasing numbers of European firms are active.

As regards the principle of equal pay and promotion prospects, the great majority of European firms report that they are introducing objective job classification systems and salary scales in which racial criteria play no part, although it must be acknowledged that differences in the quality of education for the various racial groups do make themselves felt.

It is only rarely (less than 5% of British firms) that the principle of equal pay and equal access to jobs is not accepted.

The need to have sufficiently qualified staff has led a large number of firms to finance training for their black workers. This is so in 130 of the 137 British companies, 28 of the German (74% of the workers), both the Danish and Italian, one of the Belgian, most of the French and all the major Dutch companies.

While the importance of more specialist training for black workers is acknowledged, the ways in which this training is provided vary from one company to the next. Two of the big Dutch firms have their own training centres, others either

help their employees to follow external training courses or feel that priority must be given to on-the-job training. Sixteen German companies offer special training for commercial and technical jobs and nine have special training centres. Similarly, two thirds of British firms have their own training infrastructure. In-house training programmes are also organized by the two Danish firms, one Belgian firm and one French.

A number of companies which are unable to have their own centres help their black workers to participate in outside training courses by giving study grants and financing traineeships in other firms. Eight German firms have awarded specific grants for university or technical college courses. Three French companies have announced that they intend to take part in a training project for black managerial staff. A number of firms report that they have a deliberate policy for the promotion of black workers and cite examples.

Nevertheless, in view of the shortage of specialist black workers in certain fields, European firms are still obliged, although to a reduced extent, to employ European immigrant workers. Some reports, in particular the British report, reveal a substantial reduction in the number of white immigrants employed.

Generally speaking, the report show that the fact that many black workers are under-qualified is still a major problem for companies and continues to be at the root of the persisting concentration of these workers in the least specialized and least well-paid jobs.

Fringe benefits

The Code of Conduct recommends that firms should extend their responsibilities to the living conditions of their employees and their families and take specific action in the fields of housing, transport, leisure, health, education and social welfare.

A large majority of firms report that they give additional benefits to their black employees, in a wide range of forms:

(i) contributions to insurance schemes (sickness, accident, unemployment, retirement);

(ii) loans at reduced rates for house purchases;

(iii) thirteenth month or end-of-year bonus;

(iv) aid for children's education;

(v) subsidies for sports and other leisure activities;

(vi) food at reduced prices or free;

(vii) free transport and other extra benefits.

A number of firms also finance various projects in the communities in which the black workers live.

Desegregation at the workplace

Firms are invited to eliminate all segregatory practices at the workplace and in other premises.

Efforts have been made by most European firms to achieve desegregation. Thus, 41 of the German, all the Danish, Belgian, French, Italian and Greek, most Dutch and 37 British companies stated that they had eliminated all forms of segregation, while in certain companies a distinction is made between complete desegregation at the workplace and the maintenance of some segregation in the toilet and wash-room facilities and canteens.

Nevertheless, generally speaking the progress made in previous years seems to have continued in many firms during the period under review, despite the fact that a number of legal, practical and psychological obstacles remain.

Conclusion

As was found in the fourth Community analysis, the black trade union movement has made rapid progress both in terms of organization and in the number of members. This state of affairs is largely recognized by European firms, which are now more willing to enter into contact and negotiate with the representative trade union, whether registered or not. South African law, reinforced by court rulings, has in a large measure taken account of the recommendations made in point 1 of the European Code of Conduct, and it now remains to adapt the Code to the situation which has developed since the Wiehahn Committee report in 1979.

It is clear that contacts and negotiations between trade unions and employers are increasingly supplanting the paternalistic institutions set up by South African law (liaison committee, works council, etc.), although these still play an important part in the reporting firms. In a number of cases, there are still no workers' representative bodies.

Despite the difficulties encountered during the period under review (economic crisis, changes in the legislation), appreciable efforts have been made by European firms in the field of the vocational training of black workers both within the firms and in external institutions. Nevertheless, it has to be acknowledged that the number of black workers who have achieved positions of responsibility is still very small and that there continue to be wide

discrepancies between the incomes of black and white workers.

In the absence of harmonized assessment, it is difficult to judge how far the recommendation of the Code of Conduct on the minimum salary has been applied in such a way as to improve the social situation of black workers. At most, it can be concluded that a large majority of European firms pay wages way above the minimum laid down by South African law. According to the reports, the deterioration of the economic climate in South Africa is the main cause for a certain stagnation in this field.

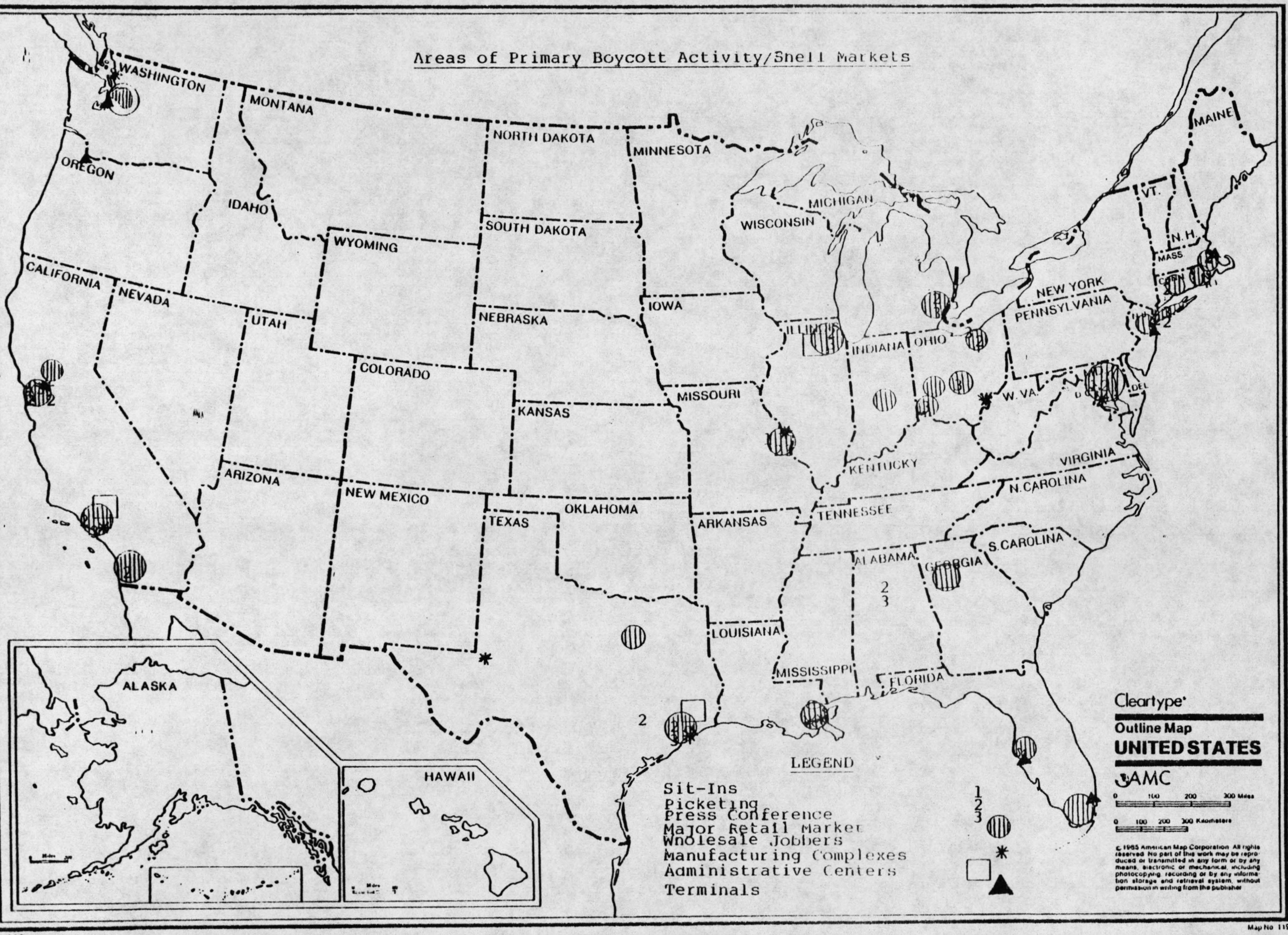
Finally, as regards desegregation at the workplace, progress was made during the period under review and this is a less prominent issue, though certain legal, institutional and psychological barriers still remain, particularly with regard to canteens and toilet and wash-room facilities.

Generally speaking, there has been positive progress in the accuracy and detail of the information supplied by companies, which is a reflection of the attention with which European firms operating in South Africa are, in the main, implementing the recommendations made in the European Code of Conduct.

Lastly, it should be mentioned that the Ministers of the Ten and of Spain and Portugal decided at their meeting on 22 July 1985 to amend and reinforce the Code of Conduct to enable it to make a more effective contribution to the abolition of apartheid in South Africa. The period from 1 July 1984 to 30 June 1985 will, however, still be examined on the basis of the present Code of Conduct. The revised Code will be applicable with effect from 1 July 1985.

APPENDIX XI

Areas of Primary Boycott Activity/Shell Markets



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Map No 119

APPENDIX XII.

THE ENERGY SITUATION AND SHELL EXPOSURE IN SOUTH AFRICA

OVERVIEW

- Coal is the cornerstone of the SA energy economy.Petroleum comprises 15% of total energy consumption and its role is diminishing.

- A third of SA petroleum demand is covered by synthetic fuels (oil from coal).

- SA has a strategic stockpile of oil estimated to cover about 2-3 years of crude oil imports.

- Shell SA has roughly an 18% share of the SA market.

- Shell SA's major interests in SA are: a 50% share in the South African Petroleum Refineries PL refinery, co-owned with BP, a 50% share in the Rietspruit coal mine, major shares in SAMCO lubricant plant, ABECOL asphalt manufacturer, TREK petroleum, and several chemical companies.

- Shell SA operates, and partly owns, the single buoy mooring point, a key facility through which 85% of SA's imported oil flows.

- Shell is required to store a thirteen week supply of fuel. It is also required to organize corporate plant protection forces at some of its installations.

- Royal Dutch/Shell is alleged to be implicated in the process of importing oil to SA through its interest in Brunei Shell Petroleum, through its trans-shipment terminal in the Netherlands Antilles, and through its production company in Oman.

- Even if it were legally feasible, a Shell SA denial of supplies to the SA security forces would probably have very little effect. Shell SA supplies only 5000 barrels/day to the security forces. This is no more than 2% of total oil imports, and only about 10% of Shell SA's contribution to total SA petroleum consumption.

- Present attempts to impose an embargo, although it has incurred a price on SA, is largely a failure.

- Should an effective embargo be imposed in the near future, SA's economy would be strained. Those who would be hurt the most, however, would be SA's neighbors, who are highly

INTRODUCTION

This report provides an overview of the energy situation in South Africa(SA), with a special emphasis on Shell involvement. In the first part an overall energy picture is sketched, followed by a closer look at petroleum in particular. It then goes on to examine Shell SA exposure within South Africa, to describe the process whereby embargoed oil enters the country and potential Shell vulnerabilities in this process. Finally, some tentative conclusions about the role of Shell SA in South Africa, its importance to the security forces and the economy in general, are drawn.

It is important to note that information about SA's oil situation is considered a state secret, and is therefore highly classified. Under the Official Secrets Act, the National Supplies Procurement Act and the Petroleum Products Act, the divulging of such information can be punished by up to seven years of imprisonment. It also has to be assumed that South African Government Agencies use both passive and active(such as disinformation) measures to protect these secrets. The figures in this report should therefore be considered as no more than rough estimates, which in concert with other information compiled, nevertheless will provide the reader with an accurate overall picture of the energy situation in SA.

THE OVERALL ENERGY PICTURE .

Coal is the cornerstone of the SA energy economy. Roughly 75% of the total energy demand is furnished by coal, 9% by wood, animal and crop waste, and 16% by other sources, primarily petroleum.\1

Domestic coal consumption for 1983 was some 114-million tons, of which about 55% was consumed for electricity generation, 22% for the production of synthetic fuels and gas, and 6% for the manufacture of coke and charcoal.\2 Electricity, mostly generated from coal-conversion, accounts for about 23% of SA's total energy consumption. Planners expect this to grow to about 35% by the turn of the century.\3 In 1982, more than 93% of the power of ESCOM, the SA state utility, came from 20 coal-fired plants. ESCOM also operated three hydro stations and two gas turbine plants. Six coal plants are under construction.\4 Coal, of which there are abundant reserves(at current rates of production, only some 5.5 billion tons, or 11% of total recoverable reserves, are likely to have been depleted by the year 2000), is also the country's second largest foreign exchange earner, after gold, accounting for some R1000 million in 1983.\5

Roughly 1-2% of the total energy demand is supplied by nuclear energy, coming from two 920 Megawatt units at the Koeberg plant in the vicinity of Capetown, opened in 1984. This nuclear energy is consumed

almost exlusively in the southern part of the country, to compensate for the lack of coal mines that abound in the north(Transvaal). SA also has a fuel plant and enrichment facilities at Valindaba, and research facilities in nearby Pelindaba. SA is currently the world's third largest producer of uranium, and holds 14% of world uranium reserves outside the Centrally Planned Economies areas.\6 Although nuclear energy presently plays a very limited role in SA, this might very well change in the future. At this time a number of selected areas are being studied in depth for possible sites of future plants. One might reasonably expect that a limited number of units will be commissioned around the turn of the century, with nuclear power coming into its own around 2020.

It is also worth taking note of how much the neighbors of SA depend on its energy. In the words of a magazine article, "South Africa is the dynamo that powers Southern Africa. When the lights dim in Pretoria, they also flicker in neighboring Lesotho, Botswana, Swaziland, and Maputo, the capital of Mozambique".\7

ESCOM supplies 100% of Lesotho's electric power, 79% of Swaziland's, 50% of Botswana's, and more than 60% of Maputo's power. SA, which covers less than 4% of the land mass of the continent of Africa, and has just over 5% of the total population of that continent, supplies nearly 60% of all the electricity generated in Africa.\8

PETROLEUM

In 1978, the last year that figures were openly available, total SA petroleum consumption amounted to 300,000 barrels/day, or 109 million barrels/year. Since then this figure has certainly increased, but not as much as might be expected, due to severe rationing measures, speed limits etc., in combination with a recession. A rough estimate of current consumption is 21 million tons/year, or 113 million barrels/year, which translates into 310,000 barrels/day.\9

Presently roughly 30% of the total petroleum demand, or 34 million barrels/year(93,000 barrels/day), is covered by synthetically produced fuels.\10The effort to transform coal into oil, was started in the 1920's, and has intensified during the last few decades, as the threat of an oil embargo kept growing. The current output is being produced by three plants, run by the state-owned SASOL. Several more are planned, the tentative opening date of the next one with a capacity of 20,000 barrels/day is 1991. But throughout this decade SA is not expected to be able to significantly increase its synfuel share above 30% of overall consumption.\11

This leaves a petroleum import demand of 70%, which translates into 15 million tons of crude/year, or 79 million barrels(216,000 barrels/day), which has to be obtained on the international market. Since SA is officially embargoed by all major oil-supplying countries, except Brunei, much of this is acquired on the international spot market, and enters the country in a variety of ways. At present, in

spite of the embargo, SA has little difficulty fulfilling its petroleum demand. For a more detailed discussion of this process see below.

The price of gasoline in SA is set by the government at levels related to the world oil price. The price used is the posted price of Middle East petroleum products, which is why a decline in the spot market might not have an impact on the domestic price.

SA is presently served by four crude-processing refineries, three of which are situated on the coast and one inland. Caltex Oil SA PL operates a refinery in Cape town, with a capacity of 90,000 barrels/calendar day(b/cd). Mobil Oil Refining Co.- Southern Africa PL(capacity: 65,000 b/cd) and Shell and BP South Africa Petroleum Refineries PL(capacity: 155,000 b/cd) both operate refineries in Durban. Finally, National Petroleum Refiners of South Africa PL operates a refinery in Sasolburg(capacity: 78,500 b/cd). This amounts to a current SA crude oil refining capacity of 388,500 b/cd.\12 The output consists of a broad range of products, including liquified petroleum gas, petrol, diesel and aviation fuels, and only a small range of highly specialized products has to be directly imported, mostly from Western Europe. This refining capacity, however, has been seriously under-utilized ever since the synfuel plants came into operation. Estimates of average utilization vary between 40 and 70% of capacity.

On the SA market competition against the very expensive SASOL products is blocked because the government has imposed heavy levies on products from refineries; refining companies are forced to purchase and retail part of the SASOL production in proportion to their share of the petroleum product market in the pre-SASOL period. Thus SA refineries actually try to export certain refined products.

There is a threatening imbalance between demand for gasoline and diesel fuel. Since 1972, demand for the former-- used almost exclusively by private motorists-- has risen only 20%; for the latter 65%. This, together with the fact that the SASOL plants produce more gasoline than diesel, led in 1979/80 to great pressure on crude oil refineries to produce suffient amount of diesel without an oversupply of gasoline. The situation now seems to have stabilized somewhat, and demand for both gasoline and diesel fuel is expected to rise at about 5% a year over the next few years.\13

It should also be noted that SA has a very significant strategic stockpile of oil, which is stored mainly in old, unused coalmines in the Transvaal area. This stockpile, which is about 8 times the size of that of a similar country upon which no oil embargo has been imposed, is estimated to cover about 2-3 years of crude oil imports.\14 There are even substantial rumors in SA, to the effect that volumes covering up to 7 years are in store(this might, of course, be disinformation).\15

Finally, SA seems to be making some limited progress in its Offshore exploration efforts, after decades of frustration. The

Southern Oil Exploration Corporation(SOEKOR), having abandoned its on-land exploration efforts, has now found a series of wells with limited potential, primarily in the Mossel Bay field. Tests indicate that one well, FA-2, is capable of producing 1200 barrels of oil together with 1.58 million cubic metres of gas a day under realistic production conditions. The development of the Mossel Bay field has been given top priority by the SA government, which is aiming towards full-scale production by 1990.\16

SHELL EXPOSURE IN SOUTH AFRICA

This section will highlight Shell SA exposure solely within SA, whereas in one of the following sections, its role in the process of importing petroleum into SA will be dealt with.

According to Dr. Martin Bailey, a UN consultant, "Shell is probably the largest international oil company in SA". He estimates that the company has a market share of roughly 18% of the SA petroleum market.\17 This would amount to around 56,000 b/d.

Shell has a 50%-share in the South Africa Petroleum Refineries PL refinery in Durban, which it co-owns with BP. It has a 25% share in the adjacent SAMCO lubricant plant, a 50% share in asphalt manufacturer Abecol, a 17% share in TREK petroleum, and chemical companies with major plants in Durban, Wadeville and Germiston. Shell also has a major interest in coal through its 50% share in the Rietspruit coal mine and it is considering the development of a tungsten deposit at Upington.\18

Shell SA imports its crude oil supplies through Durban, where tankers unload at the single buoy mooring point, a facility that is operated, and partly owned, by Shell SA. Through this key facility flow about 85% of SA's oil imports, according to Dr. Bailey.\19

Besides Shell SA's business operations, Dr. Bailey also points to two indirect Shell SA ties to the SA regime: First, Shell SA, along with other oil companies, is required to keep thirteen weeks of supply of fuel and one year's supply of lubricants, and it might therefore be argued that Shell SA is actively involved in helping the SA regime survive in the face of an effective oil embargo. Second, in compliance with the National Key Points Act, introduced in the wake of the 1980 guerilla attack on a SASOL plant, corporate owners of strategic installations are required to take security precautions; such as storing weapons and organizing a corporate plant protection force. In all probability, several of Shell SA's installations fall within this category, and Shell SA is therefore "spending company money on security measures to help protect strategic installations for the South African authorities".\20

SHELL SA AND THE SECURITY FORCES

In SA almost all oil is used in two sectors only; transportation

and the national security forces. Roughly 80% of all oil consumption is used in the transportation sector, and 10% is consumed by the security forces, according to a rough estimate by Dr. Bailey. If Namibia is included in this estimate, the figure would be around 30,000 b/d of oil products.\21 Supposing that Shell SA supplies the security forces with a share roughly corresponding to its overall market share(18%), the Shell SA component would be around 5,000 b/d. This is no more than roughly 2% of the total market of imported petroleum(SA and Namibia), and only about 10% of Shell SA's contribution to total SA petroleum consumption.

SA PETROLEUM IMPORT-- THE PROCESS, THE MAJOR ACTORS AND SHELL EXPOSURE

SA seems to be quite successful in meeting its demand of imported petroleum, in spite of present embargo attempts. This success is not without a price: The value of imported petroleum is roughly USD 3,000 million/year. SA, however, has to pay an additional USD 2,000 million annually; for extra emergency stocks, for the high-cost low-value synfuel products, and for intensive off-shore oil-search.\22

Shell, Esso, Caltex, Mobil, Total and BP all have subsidiaries in SA. But head offices claim they have no control over buying policies, and indeed, under local law managers are forbidden to talk about these matters.

Since perceptions tend to live in the minds of people long after the actual practice has been discontinued, it should be remembered that Royal Dutch/Shell has played a role in the process of importing oil to SA in the past. According to a report published in 1984 by the Shipping Research Bureau(SRB) in Amsterdam:

"In the period from early 1979 to mid-1981 tankers owned, managed or chartered by Shell frequently called at South African ports and at least 22 times apparently delivered crude oil cargoes there."\23

Royal Dutch/Shell claims to have discontinued this practice, and indeed the SRB has no evidence of Royal Dutch/Shell deliveries since mid-1981.

Presently, the large companies seem to have withdrawn from the importing process, with smaller, independent companies moving in, although, according to the SRB, there is some indication that some of the major companies use the smaller ones as fronts. The SRB, however, offers no conclusive evidence to support this allegation.

The SRB has identified a number of trading and shipping companies that are involved in supplying oil to SA. Prominent among the oil trading companies are Transworld Oil of the Netherlands/Bermuda, Marimpex/Hampetrol of the FRG,and Palm Shipping of the US. Most notable among the shipping companies are the Norwegian companies Sig. Bergesen d.y. & Co, Staubo/Verven, and Hansen-Tangen.\24

Some of the practices allegedly employed to camouflage delivery to SA ports are: listing the voyage charter party of tankers as "unknown charterer"; reporting false destinations, producing forged customs documents of delivery; and, falsifying log books. Trans-shipment from one tanker to another, and mixing of different types of crude oil on the high seas, might also occur to counter the tracing of cargoes and the identification of the origin of the oil.

Other practices reportedly include keeping tanker calls at SA ports strictly secret and out of the shipping press, using special code names for radio and paper-contacts with SA ports, and using temporary post-box companies that are dissolved shortly after the oil delivery takes place.

Most of the oil ending up in SA ports, seem to have originated in the Arabian Gulf area, with a fraction coming from the North Sea.\25 During the recent oil glut, companies and governments seemed to grow more reckless, more openly delivering to SA, in their effort to dispose of the oil surplus. Recent embargo pressure and publicity, however, seem to have spurred a reversal to more cautious procedures.

In a recent development, a number of companies with SA ties have been investing in refineries in the West that could be used to process oil for SA. For instance, Marimpex is taking over a refinery in Wilhelmshaven in West Germany, that could provide a useful official destination for Iranian oil. Transworld Oil is doing the same in Philadelphia.\26

Concerning Shell's role in the importing process, there are currently three main issues. First, Royal Dutch/Shell has a 50% stake in Brunei Shell Petroleum, an important part of the Brunei economy. Brunei, at least until recently, was the only major oil producing country openly allowing its oil to be exported to SA.\27

Second, trans-shipment ports play an important role in the process of importing oil to SA. Crude oil is transported from oil - exporting countries to such ports, where it is unloaded, held in storage tanks, possibly resold, then reloaded onto other tankers going to new destinations, including SA. Important trans-shipment ports are Rotterdam, Fos(in France), Singapore and some ports in the Netherlands Antilles.\28

In the Netherlands Antilles, a Dutch territory, there are several major trans-shipment terminals, one is the Shell-owned Curacao Oil Terminal, which is the largest in the world. Here, Shell also has a refinery with an output of about 160,000 b/d. Shell has a history of shipping oil to SA from its Curacao terminal\29, and although its present linkage to the SA importing process through this terminal is unclear, it certainly is a matter of concern.

Third, the company is alleged to be indirectly involved in the SA importing process through the Shell-run production company in Oman. According to Dr. Bailey, sometime after the Observer in 1981 revealed that Shell tankers were shipping oil from Oman to SA, purchases made

by the Dutch-based Transworld Oil company from the Shell-run production company in Oman suddenly more than doubled.\30 Transworld Oil is, according to the Shipping Research Bureau in Amsterdam, heavily involved in importing oil to SA.\31

TWO KEY ARGUMENTS

Two key arguments, concerning Shell's involvement in SA, have received much attention, and it might therefore be of some value to briefly study them.

Royal Dutch/Shell claims that: 1) The Shell SA subsidiary is forbidden by law to communicate with its international headquarters, and therefore Royal Dutch/Shell is not aware of the identity of its customers in SA; and 2) even if sales are being made to the SA security forces, its SA subsidiary is powerless to cut off these supplies. This refers to the National Supplies Procurement Act, which outlaws "conditional selling" and requires that oil companies sell to all creditworthy customers.

The response of embargo proponents is as follows. With respect to the first argument, they claim that there is nevertheless evidence that Royal Dutch/Shell has received detailed information about sales and other operations from its SA subsidiary.\32 Where the second argument is concerned, activists refer to the experience of the US oil companies, who, during the period between 1978 and 1982, faced US Department of Commerce regulations making it an offense to sell goods of US origin to the SA armed forces or police. The US companies supposedly observed the regulations, thus breaching the rules against "conditional selling", but received no punishment from SA authorities.\33 Hence, they argue, a similar approach should be possible for Shell SA.

CONCLUSIONS

This is but a brief study of a highly complex issue. But nevertheless some conclusions should be drawn.

First, it is obvious that SA oil dependency is comparatively limited, and thanks to intense efforts, is still diminishing. Present attempts to impose an effective oil embargo, although it has incurred a price on SA, is largely a failure. One reason for this is the lack of unanimous support from the UN security council, and the lack of means to enforce the embargo. And besides, money speaks louder than words; at present only limited risk is imposed on companies delivering to SA.

The possibilities for further SA reduction of its dependency on oil in the short term, however, appear to be virtually exhausted. An effective embargo, if implemented in the near future, could thus strain the SA economy. Those who would be hurt the most, however, would be SA's neighbors, who are highly dependent on SA not only for

electricity, but for oil as well.\34 Facing an embargo, SA might simply cut off these supplies.

When discussing a Shell SA cutoff of supplies to the SA security forces, it should be noted that, besides the legal restraints, it would probably have very little effect. Shell SA supplies only 5000 b/d to the security forces, which is no more than 2% of total oil imports. Since the delivery of supplies to SA security forces are doubtless given top priority, SA authorities would probably be able to fill this gap without much difficulty.

As regards a total Royal Dutch/Shell withdrawal from the SA economy, this would probably leave a noticeable dent, at least temporarily. But after a while, other companies, or SA companies, will fill this gap too. For such action to be effective, clearly, a concerted action involving all the major oil companies would be required.