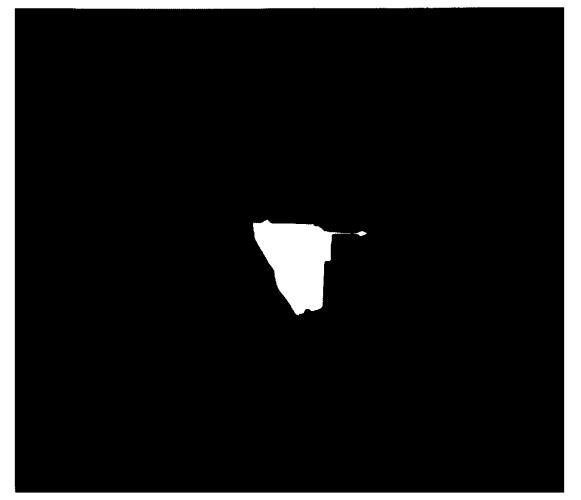


Namibia's Stolen Wealth

North American Investment and South African Occupation

by Gail Hovey Foreword by Sean MacBride



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by

Gail Hovey

Foreword by Sean MacBride



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Foreword

As long ago as 1975 when I was the United Nations Commissioner for Namibia, I said that time was running out in Namibia, that the alternative to South African withdrawal was indeed a ghastly one. We have witnessed that alternative now for seven years as South Africa has continued to flout the authority of the United Nations in direct violation of international law. Namibia today is a nation occupied by foreign South African troops. Its population continues to endure the ravages of war, poverty and political disenfranchisement.

For sixteen years the United Nations has worked to end South Africa's illegal occupation. Since the mid-1970s it has also sought to protect Namibia's natural resources from foreign exploitation. These endeavors have been frustrated and circumvented by the Western Five: the United States, United Kingdom, France, Canada, and the Federal Republic of Germany. These major trading partners of South Africa initiated negotiations in 1977 which they said would bring about a settlement of the Namibian question. But time has shown that both their political and their economic interests make them allies of South Africa rather than advocates of genuine Namibian independence. The United States has even exercised its veto in the Security Council to prevent the imposition of sanctions against South Africa and to block a condemnation of South Africa for expanding its war against Namibia into Angola.

In addition to the injustices perpetrated against the people of Namibia, the whole question of Namibia involves the credibility of the United Nations and the rule of law.

This pamphlet demonstrates the unholy alliance between the United States and South Africa. It focuses particularly on the corporations of North America which have with impunity violated United Nations decrees and robbed Namibia of its natural resources. I hope the information in this pamphlet will inspire us all to make a new and greater commitment to support the Namibian people in their fight to free their land.

Sean MacBride

Nobel Peace Laureate

Former United Nations Commissioner for Namibia

North American Investment and South African Occupation

South Africa is waging war on the people of Namibia. It is a war that has seen many phases: from colonial occupation and economic plunder to forced labor, detentions, torture, and martial law. Because of the wealth of South Africa, and its importance to the West, the international controversy over Namibia has tended to focus on South Africa's illegal occupation. What is sometimes lost in this preoccupation with South Africa is what is happening to the Namibian people. What tends to be overlooked is the presence of foreign corporations that support South Africa's occupation—exploiting Namibian resources not for the benefit of Namibia's people but for shareholders in South Africa, Britain and North America.

This study focuses on the role of North American corporations in Namibia. The history and social and political conditions in Namibia are described as well. The people of Namibia have struggled against foreign political and economic domination for almost 100 years, and recent developments in that struggle are outlined, especially the emergence of the Namibian liberation movement SWAPO. The pamphlet ends with a brief analysis of United States policy towards the region.

Plundering the Land

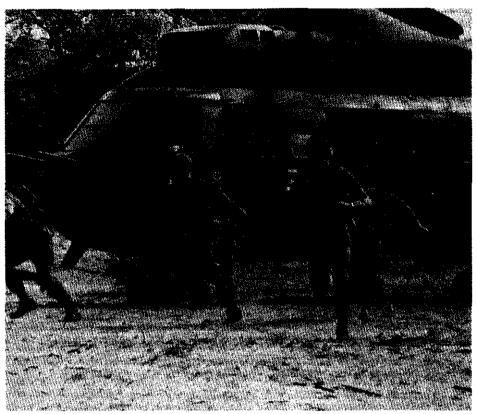
South Africa has turned Namibia into an armed camp, controlled by some 90,000 police and military forces. And Namibia is a land worth controlling. Its diamonds, base metals and recently-discovered uranium have made it a most attractive investment area for South African, North American and British corporations. Its mineral-rich territory stretches 870 miles along the southwest coast of Africa and covers some 318,000 square miles, which is roughly the size of California, Oregon and Washington. Although half the country is desert, and the annual rainfall in the best-watered areas is not more than 20 inches, large areas are suited to the herding of cattle and karakul sheep.¹ Until overfishing destroyed it, there was a very lucrative off-shore fishing industry as well. But because of the external ownership of these industries, Namibia's economy is profoundly distorted, with foreigners expropriating the wealth while the black population of Namibia remains one of the poorest in the world.²

The vast majority of Namibia's people are black and although estimates vary widely, they probably number about 1,500,000. There are approximately 77,000 whites remaining in the territory. The war has disrupted daily life in Namibia, causing large numbers of people to flee to the cities where as much as a third of the population now lives. In addition, some 70,000 Namibians have fled to Angola and Zambia to escape the fighting, and they live in those countries as refugees.³

Corporate Support for Aggression

Meanwhile, South Africa has expanded its war against the people of Namibia into Angola. It has regular bases there and attacks not only SWAPO forces but also Angola's regular troops.⁴ This military action is part of South Africa's

larger plan for the destabilization of all its independent neighbors. South Africa is trying to hold on to Namibia because it fears the effect a SWAPO victory would have on its own black population. By its actions in Angola, South Africa is trying to demonstrate that it will be costly for any of the African Frontline States* to harbor South Africa's liberation movements in the future. What is at stake in Namibia is not just the question of Namibian independence, but the future of South Africa itself.



South African troops in Namibia.

Examined in this context it seems clear that there is no way in which North American or other foreign business activity can further the legitimate struggle of the Namibian people. On the contrary, as this pamphlet will show, apart from directly exploiting the people of Namibia, it plays an important role in bolstering the illegal South African regime. North American transnationals supply Namibia's South African rulers with taxes, capital, and connections, both economic and political.

As the war intensifies, these corporations are being pulled into closer and closer cooperation with South African forces, even providing paramilitary collaboration in some cases. Thus, U.S. and other foreign investment ultimately contributes only to the reinforcement and perpetuation of the status quo, the enrichment of the local whites and profits for outside investors.

*Mozambique, Zimbabwe, Angola, Zambia, Botswana, Tanzania.

One Hundred Years of Colonialism

The political and military struggle presently being waged by the Namibian people is the final chapter in a story of foreign domination and oppression that began almost 100 years ago. Only by driving out the occupying South African army and establishing their independence as a nation can Namibians regain control of their own destiny.

In the 1880s, Germany colonized the country as part of its effort to build an empire in Africa. The British had already annexed Walvis Bay, the territory's only deep-water port, but the rest of South West Africa, as Namibia was then called, became a German possession. In 1891, white farmers began seizing land from the indigenous population. By 1904, African land holdings had been reduced from 318,000 square miles to 120,000 square miles.

German control never extended to the populous northern regions of the country where the Ovambo people lived, but was concentrated in the center and south, home of the Herero and Nama. In 1904, angry at the loss of their land to the encroaching whites, the Herero and Nama separately challenged German rule, mounting guerrilla campaigns that were sustained for much of that year. In the end, however, outgunned and divided among themselves, they were both cruelly defeated. The 80,000 cattle-rich Herero were reduced to 15,000 starving refugees, their land and cattle seized by the Germans. More than half the Nama died.¹

These brutal military victories enabled the Germans to extend complete political and economic control over the indigenous population in what was known as "the Police Zone." The surviving Herero and Nama, their way of life destroyed, were forced into wage labor for white employers, a process that was completed by 1912.²

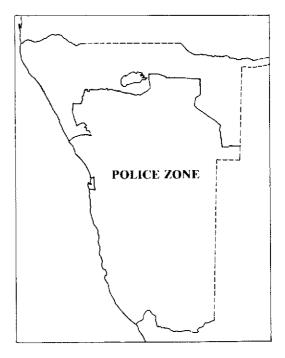
South Africans Arrive

During World War I, the German colonial army was expelled from the territory by South African troops, who maintained military rule on behalf of the Allies until the Treaty of Versailles in 1919. In the meantime, South Africa expanded the area under white control, subduing the Ovambos in the north and killing their chief, Mandume in 1917. But South Africa was prevented from annexing the territory outright. Instead, it was granted a League of Nations mandate over the former German colony in 1919, with the responsibility to "promote to the utmost the material and moral well-being and the social progress of the inhabitants of the Territory."

South African policies in the following decades made a mockery of that mandate. Instead of promoting the interests of the black population, South African control perpetuated and extended the injustices begun by the Germans. Requests by the Herero for the return of land taken by the Germans were refused while white South Africans were offered generous incentives to settle in Namibia. Between 1912 and 1928 the white population doubled. The economy was legally structured so that blacks were forced to sell their labor to whites in order to survive. The injustice and brutality of the system provoked several uprisings but South Africa, with overwhelming military superiority, ruthlessly crushed the revolts.

In 1945, the United Nations entered into trusteeship agreements with countries administering the League of Nations mandates. The international community's intention was that mandated territories be led to full independence. South Africa, however, demanded that it be allowed to incorporate Namibia, a demand the U.N. General Assembly rejected. South Africa refused to enter into a trusteeship agreement and in 1949 ceased submitting the annual reports required by the terms of the mandate. There were long diplomatic struggles in the United Nations and World Court. Finally, in October 1966, the General Assembly adopted Resolution 2145 (XXI) which terminated South Africa's mandate and placed Namibia under direct United Nations legal responsibility.

The Police Zone was the area set aside for white settlement. The Nama and Herero, who had formerly grazed their herds in much of this area, were forced either into reserves or into employment for white settlers.



In Resolution 264, of March 20, 1969, the U.N. Security Council, with full U.S. backing, endorsed the General Assembly action, declaring South African occupation of Namibia illegal and calling on South Africa to withdraw immediately from the territory. In June 1971, the International Court of Justice confirmed that South Africa's occupation was indeed illegal, and that its troops and civil servants should withdraw.

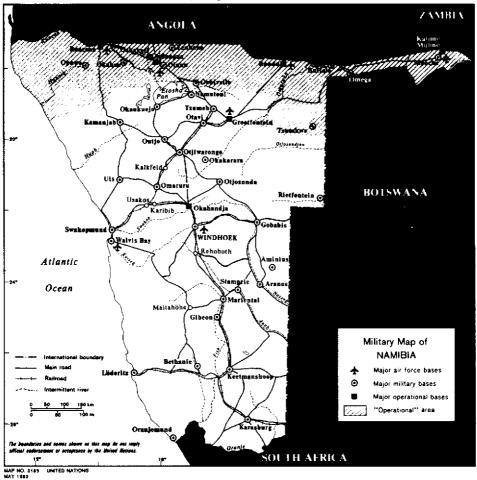
U.N. Decisions Ignored

Yet South Africa has continuously rejected United Nations authority over Namibia. Instead, apartheid* has been ruthlessly applied to all aspects of Namibian life, depriving the black population of basic rights and completely

^{*}Apartheid: a legally mandated system of segregation and political and economic discrimination against blacks for the purpose of maintaining white supremacy.

subordinating its interests and well-being to those of the white minority. Further, instead of preparing the territory for self-government, South Africa passed legislation in 1968 and 1969 that tightened its illegal control over Namibia. The territory was divided into ten ethnic bantustans or "homelands" with an eleventh area reserved for whites. This is precisely the system followed in South Africa itself. It is a system designed to fragment the black population, and, because of the extreme poverty of the bantustans, creates a perpetual pool of labor for the white-controlled economy.

The fight over Namibia's future has continued at the United Nations. In 1976 the Security Council, in Resolution 385, called for U.N.-supervised elections for the whole of Namibia as one political entity. Instead, South Africa organized internal elections in 1978. These elections, rather than abolishing apartheid,



Military Map of Namibia

As the armed struggle waged by SWAPO has intensified, the apartheid army's "operational area" has increased. There are more than 40 South African military bases in Namibia, most along the border with Angola. Raids into Angola have increased in frequency in the past four years and South Africa now has some 90,000 troops and police in Namibia, including 5,000 soldiers who operate continuously inside Angola.

enshrined it in the constitution and government.

The involvement of the U.N. and the international community have made Namibia's independence struggle unique. But along with the legal and diplomatic efforts there has been, since 1966, a military struggle. Years of unsuccessful petitioning to the U.N., and repression of peaceful protest inside Namibia persuaded a number of Namibian leaders that without the pressure of an armed struggle, South Africa would never give up its illegal occupation. Thus, on August 26, 1966, the South West Africa People's Organization (SWAPO) launched that struggle.

Occupation and Exploitation

More than a decade and a half later, Namibia has not yet achieved its independence. And while the search for a settlement continues diplomatically, politically and militarily, Namibia remains an occupied land, held onto by South Africa through force of arms.

There are estimated to be as many as 90,000 troops and police under South African command in Namibia—approximately one soldier for every 17 Namibians. Given the size of the population, that makes the occupation force one of the largest in the world today.³

This enormous army is supported by an economic system dominated by foreign corporations—including a significant number of North American firms. To free themselves, the people of Namibia have to confront not only the South African military, but also economic, social, and political structures that are geared to the needs of the white minority, and of outsiders in South Africa, Europe, and North America.

The Apartheid Society

Political Apartheid

For decades South Africa has tried to incorporate Namibia, and representatives elected by Namibian whites sat in South Africa's all-white parliament. But pressures created by political changes in southern Africa and demands from the international community that Namibia be granted its independence forced South Africa to abandon the idea of outright annexation. Instead, South Africa set about creating its own version of an independent Namibia.



South Africa has imposed the apartheid system on Namibia. In the 1960s it divided the country into ten different areas for blacks, with the bulk of the remaining area reserved for whites. These "bantustans" formed the basis for the ethnic authorities of today.

South Africa's aim has been to install a government it can control, to create an alternative to SWAPO, and prevent the free and fair elections that virtually all observers agree SWAPO would win. To achieve this it has constructed a complex three-tier political structure ostensibly giving Namibia internal selfgovernment. Established under Proclamation Number 8 of 1980, the first tier is that of the National Assembly, chosen on an ethnic basis. It in turn chooses the Council of Ministers, which functions as the cabinet. Some 20 "national" government departments come under its authority, and the National Assembly has the power to draft legislation.

The second tier of government establishes eleven ethnic legislative assemblies which are responsible for social welfare, education, health and housing in each of their respective constituencies. Tax revenues used to finance these services come from the general fund and are supplemented by income taxes collected and dispersed on an ethnic basis.

This means that taxes on whites' incomes, far greater than those of the impoverished blacks, are used only for white amenities. Far from being a mechanism for a fair distribution of Namibia's wealth, the three-tier government only enshrines white wealth and privilege.

The third and final tier is that of local, or municipal ethnic authorities. In every sphere and every level, the Namibian government is based firmly on the apartheid principle of racial and ethnic division.

Moreover, the Administrator General, appointed by South Africa, has the authority to veto any decision taken by the Council of Ministers and any legislation drafted by the National Assembly. He can make laws by proclamation, independent of either national body—or even dissolve the government entirely. Thus the so-called Namibian government is completely controlled by South Africa through the Administrator General.

The process which culminated in the current government began in 1976 when the "Turnhalle Conference" was held in Windhoek to draft a constitution. The conference was called at the very time the U.N. was demanding an end to South Africa's occupation and was calling for elections. The Turnhalle constitution was never adopted, but the participants in that conference, who were chosen on an ethnic basis, formed a political coalition called the Democratic Turnhalle Alliance. South Africa has promoted the DTA as the party to bring about its form of Namibian independence.

No Support for DTA

The Namibian people have refused to accept this imposition of apartheid government. According to a report on an investigative trip to Namibia by the Southern African Catholic Bishop's Conference, the 1978 elections are viewed as farcical by the Namibians themselves:

SWAPO and a few small groups did not participate. We were told that among the blacks the DTA was the only party that could campaign effectively, backed by state radio and most of the press...

It is asserted that the elections for the ethnic legislative assemblies in May 1980 were equally farcical.

It was the almost unanimous opinion of those to whom we spoke that the great majority of the people do not want the South African-imposed constitution. They do not want the ethnic divisions enshrined in this constitution. They want a unified and united country. To this end they want free and fair elections under United Nations supervision and are prepared to accept whatever government emerges from such elections.¹

Health

The new governmental structure makes health care the responsibility of the second-tier government and the already poor health conditions in the country have been worsened by the war, drought in the north, and by the dislocation of the population caused by both.

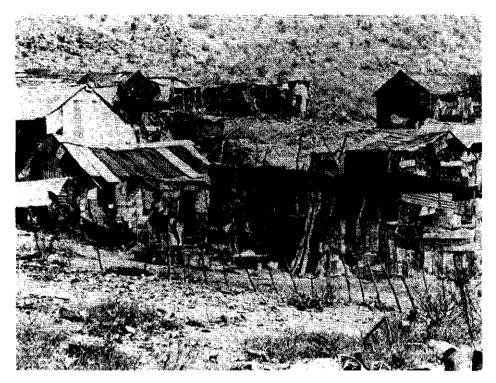
The main causes of sickness and disease among the black population are poverty, malnutrition, overcrowded living conditions, lack of preventive services such as inoculation programs, and an acute shortage of doctors, nurses, and clinics in the rural areas.² These are social problems that could be attacked by a conscientious governmental system.

But the very system that should tackle these problems has instead made them worse. Under the second-tier authorities, hospitals and other services remain segregated, with each population group responsible for operating its own health services. What has resulted is a deterioration of services caused by the fragmentation on ethnic lines.

The most recent statistical information on health conditions in Namibia was published in the *Windhoek Advertiser* of May 5, 1981. Life expectancy for Namibian whites was said to be between 68 and 72 years, for blacks between 42 and 52 years. The infant mortality rate for whites was given as 21.6 per 1000



In 1978, supporters of SWAPO rallied in Windhoek on behalf of United Nations supervised and controlled elections. children under the age of one, 145 per 1000 for "coloureds"* and 163 per 1000 for Africans.



Township at Rehoboth. The black population is amongst the poorest in the world.

It was also reported that the annual per capita expenditure on health services for whites in 1980-81 was \$270, compared to \$65.84 for black people in Kavango; \$43 in Caprivi; \$30 in Ovamboland; \$17 in Damaraland, and a meager \$5.40 in Rehoboth. Of 152 doctors in Namibia, 80 percent of them practiced in the urban areas where most whites live. With only 20 percent of the doctors in the rural areas where about half the population lives, the doctor/patient ratio was about one doctor for every 17,000 people.

In the north, where the war is most intense, conditions are worse. People are afraid to travel to the few clinics that are still open. The most available doctors are those connected to the South African Defense Force but according to a report presented at a June 1981 forum in Windhoek, "The doctors in uniform are not welcomed by most Ovambos."³

Where war and drought exist together, conditions are indeed grim. In Kaokoland there is only one hospital for the entire region. A team of medical experts and journalists visited the area in August 1981. They found malnutrition rife among the population and a widespread occurrence of whooping cough, chest and eye complaints, scabies and venereal disease. There was no immunization program or organized health care of any kind available there.⁴

*"Coloureds": A South African government category for people of mixed race.

Education

The changes in the educational system illustrate the necessity of looking carefully beyond the rhetoric of the new "Namibian government" which claims that apartheid is dead. The central government of Namibia pays out of the general fund an average of \$225 a year per child for education, irrespective of race. But because of the complicated three-tier system, \$1,500 a year is actually spent on each white child, which is seven times more than is spent on each black and "coloured" child.

More funds are made available for white schooling out of the personal income taxes paid by whites. These taxes, some \$20 to \$30 million a year, are thus used to perpetuate the system of white privilege. Because of historical discrimination, white schools are far better than black ones and the new system ensures that they will remain superior.⁵

In 1981, 83 percent of black children of primary school age were in school, but that figure drops to only 16 percent for black children of secondary school age—12,301 out of a potential 76,436. Statistics show a dramatic falloff in attendance as the grades, or standards, increase, indicating that very few black Namibians are getting any high school training.

Standard 6	4,967 pupils
7	3,419
8	3,028
9	544
10 Matric	343

Matric, or standard ten, is the rough equivalent of the senior year of high school. In 1981, among black matric students only 105 were taking mathematics, 42 science, 25 accounting, 6 economics, 26 typing, and 17 technical drawing.⁶



In November 1980 the printing press of the Evangelical Lutheran OvamboKavango Church was blown up for the second time. The press was located at Oniipa in Ovamboland, where the large majority of the population is Lutheran. According to Joseph Lelyveld of the *New York Times*, "The South African security police, whose authority in Namibia has yet to be curtailed, tend to regard this church as SWAPO's ecclesiastical arm." Many church members assume that South Africa was responsible for the attack.

Repression

The laws and regulations which repress the Namibian people are similar or identical to South Africa's internal repressive instruments of control:

The Terrorism Act, 1967: made retroactive to 1962. Enacted specifically to try 37 SWAPO members. Provides for the death penalty for a wide range of "terrorist activities," including interfering with traffic, causing any substantial financial loss to private business or the state, etc. Empowers the police to arrest anyone suspected of being or having aided a terrorist, and to detain such persons indefinitely and incommunicado for interrogation.

Internal Security Amendment Act, 1976: Allows for the banning of organizations and publications, the prohibition of attendance at gatherings and preventive detention.

Riotous Assembly Act, 1956: extended to Namibia in 1976. Allows for the banning of organizations, the prohibition of gatherings and other political activities.

Proclamation AG9, 1977 as amended: allows for the declaration of any area as a security district imposing martial law there. It empowers the police to search, arrest, question and detain people for up to 30-day periods.

Proclamation AG26, 1978 as amended: reinforces the above measures, empowering the police to detain people believed to threaten violence or intimidation for indefinite periods without recourse to the courts.

Proclamation AG50, 1978: provides for the deportation of persons considered a threat to good government. Under this provision many ministers and church lay people have been deported.⁷

Prohibition and Notification of Meeting Act of the National Assembly of South West Africa/Namibia, 1981: Requires 24-hour notice of any meeting to be given to a magistrate, including names and addresses of organizers and speakers. Meetings can be banned by the magistrate if he deems the organization supports armed struggle. This effectively bars SWAPO from holding public meetings in Namibia. The law allows for penalties of three years imprisonment or \$3450 fines.

The process of refining the laws and proclamations to repress any meaningful opposition has continued unchecked under so-called internal self-government with South African laws replaced by proclamations and local legislation. The intent remains the same. As the war intensifies, the suffering of the Namibian people increases. They are not only subject to the institutionalized violence of an apartheid system with its racism, poverty, disease, and fundamental lack of choice and opportunity. Now they must endure an army of occupation and a police force with the vast legal powers outlined above. The extra-legal powers these forces exercise are even greater and more terrible, with intimidation and torture on the increase.

Members of the so-called "dirty tricks" department of the South African Defense Forces, often disguising themselves as guerrillas, operate in Angola and Namibia with impunity, killing SWAPO members and abducting people for interrogation by torture.⁸

Churches Confirm Abuses

In 1981, a British Council of Churches team visited Namibia where they investigated charges that South African troops brutalized and tortured Namibian civilians. Their findings, released in 1982, are chilling:

Soldiers came to a local shop and took from it what they wished. When the shopkeeper, who had not been present, returned and went to ask for payment, he was badly beaten and may lose the sight of one eye.

The team met a woman in whose arms a young man had been killed. The young man, who was mentally disabled but known to be harmless, was fired upon near his kraal by two helicopter gunships. He fled to the woman who was carrying water to the kraal and asked her to speak for him. One helicopter landed and the young man was shot dead. The woman was also shot in the arm and we saw the wound. The body was taken to town and the family claimed him from there and buried him. There is of course now no redress...

The team met a teacher who had not slept in his own bed for more than a fortnight. He had stood up to a gang of security force people who wished to pull some of the girls out of his school and violate them. They threatened to get him and had been twice to his home. He is now in terror of his life.

A particularly objectionable practice of the Security Forces is to drag through the villages behind their vehicles the corpses of those killed whom they allege to have been 'terrorists.' The bodies of the young men are exhibited to their parents, to villagers, and even to young children in school.⁹

Attacks on Churches

In November 1980, the Evangelical Lutheran OvamboKavango Church press at Oniipa was blown up for the second time. It published the only Africancontrolled newspaper in Namibia, *Omukweta* (The Friend), besides SWAPO's publication *Ombuzeya Namibia*. It was one of the few independent voices in the entire country.¹⁰

The Lutherans have not been the only church subject to attack. In June 1981, St. Mary's, an Anglican seminary at Odibo in Ovamboland, was also blown up.¹¹ The police and the South African army of occupation have created a situation where nothing is sacred and no one is safe.

South Africa's Angola War

Although it is outside the scope of this pamphlet to examine in detail South Africa's attacks on neighboring states, its actions in Angola are intimately related to its continued repression of the Namibian people.

When Angola achieved its independence from Portugal in 1975, South Africa lost an ally. Alarmed by the increase in SWAPO activity, possible because of support from Angola, South Africa dramatically expanded its military presence in Namibia. By 1977 it had 20 military bases in the territory and estimates of South African troop strength almost doubled from 1976 to 1982 when as many as 90,000 troops and police were deployed.

Since 1976, South Africa's targets have not been limited to attacks on SWAPO forces in Namibia. Angola has been invaded regularly as well. In a

report to the Security Council, the Angolan government reported that between March 1976 and June 1979, South African forces consistently intruded onto its territory with 94 air-space violations, 21 ground attacks, 7 artillery bombardments, 193 mine-laying operations and 24 aerial attacks. Reported casualties totalled 1,383 killed and 1,800 wounded.

Kassinga

The most deadly South African raid into Angola took place on May 4, 1978, when a refugee camp at Kassinga was attacked. Three thousand people, primarily children, women, and old people lived at the settlement, and hundreds were mowed down by South African troops. When the massacre ended, 867 people had been killed and 464 wounded. Two hundred more were taken prisoner and forcibly returned to Namibia. Of these more than one hundred are still held prisoner.¹²

The attacks against Angola have continued. In 1981, there were two major intrusions: Operation Protea in late August and Operation Daisy in early November. In August 1982, while South Africa talked as if it might be ready to negotiate, it again sent its forces into Angola in an apparent attempt to derail a settlement. This time it claimed to have killed 314 Namibians.

Not only has South Africa sent its own troops into Angola, it has given extensive support to a paramilitary, anti-government organization in Angola, the Union for the Total Independence of Angola, or UNITA. UNITA's origins go back to the period of anti-colonial struggle against the Portuguese, but following the establishment of the MPLA government, UNITA has continued to exist as a thorn in the side of that central authority. Supplied at one time by the C.I.A., it has played a continual role of banditry and harassment, increasing the pressure on the Luanda government.



Victims of the South African attack on the Kassinga refugee camp.

The Workers of Namibia

Forced from their land by colonialism, and denied basic human rights by apartheid, Namibia's workers are trapped in an economic system that long ago destroyed their traditional means of support but failed to offer them a viable alternative. Vast numbers of them endure as victims of a vicious migrant labor system which forces them to suffer the worst aspects of both subsistence agriculture and wage labor.

Namibia's foreign-owned economy is totally dependent on cheap black labor. A steady supply of this labor has been ensured by the destruction of peasant agriculture. Over the years ninety percent of traditional African land has fallen into the hands of white farmers.¹ By 1970, census figures indicated that whites dependent on farming had on average 65 times as much useful land per person as blacks. And even this staggering figure is misleading. An average white farmer in Namibia has 170 times as much land as the average black farmer in Ovamboland, the most densely populated area of the country.² Not only was peasant agriculture destroyed, blacks were also denied the option of developing as independent farmers with prosperous commercial establishments analogous to white commercial agriculture.

Namibia's wealth comes primarily from its mineral deposits. But blacks have been prohibited from obtaining licenses to prospect in the Police Zone where most of the deposits have been found. Even in the black reserves, the Bantu Mining Corporation, a state monopoly, has given prospecting rights not to local people, but to the big foreign mining corporations. Finally, a tax system barring payment-in-kind was imposed decades ago, making the need for cash wages unavoidable.

Thus, the vast majority of black Namibians have become dependent on wage labor for survival. The total black work force is estimated at 481,000, of whom 240,000 are involved in subsistence agriculture and 241,000 are employed in the white-owned sectors of the economy. Yet nearly all black Namibians are dependent on the wages earned by this second group.³

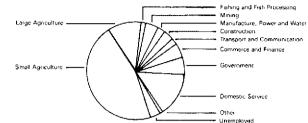
Most of the 241,000 workers involved in wage labor are men, and 40 percent of them are migrants, forced to leave the poverty-stricken reserves for jobs in mining, manufacturing, commercial agriculture and other white-owned enterprises.⁴

The Migrant Labor System

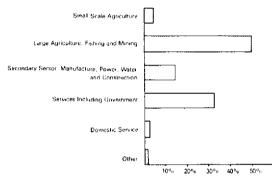
In order to guarantee a constant supply of cheap black labor, great restrictions are placed on a worker's ability to seek work, to live in a family setting, to earn a living wage, and to organize. The laws have changed in recent years but a complex set of customs and ordinances determine when and where a laborer may seek employment. For example, almost half the population lives in the north. Because of the war, the area has been declared an "operational area of the South African Defense Force." No one is allowed to leave this area to seek work without an official permit.⁵ Once this permit is acquired, the worker, typically a man, leaves his family behind, and may be gone from 12 to 30

Sectoral employment and sectoral contribution to the Gross Domestic Product.

Sectoral Employment



Sectoral contribution to the Gross Domestic Produce (%)



Source: Manpower Estimates and Development Implications for Namihia, United Nations Institute for Namibia.

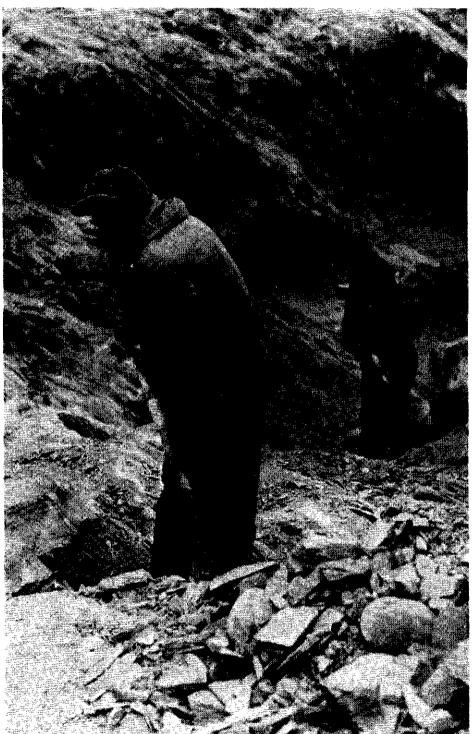
months. He has to receive official permission to accept employment and his contract must be registered with the government.

These are the current requirements of the migratory labor system which has been in effect in Namibia for decades, and which still dominates the mining, fishing and agricultural sectors. It is a profoundly cruel system because it separates families, forcing vast numbers of men and women to live most of their married lives as if they were single. As one man said, "I left a small child at home and when I return he will ask his mother: 'Who is this funny man?'"⁶

The migratory labor system has been advantageous for the foreign corporations as well as government authorities. It relieves them of the responsibility of providing fundamental services such as housing, health care, schools, and pensions, and it keeps wages low. Workers are treated as if they are permanent residents of the rural bantustans from which they come. Yet the poverty of these agricultural areas is precisely what forces the men to seek work as migrants. The workers are thus exploited coming and going. They are paid inadequate wages which are justified by the rationalization that their families are independent subsistence farmers.

Wages

The structure of Namibia's labor exploitation is classically colonial. The economy is geared to external markets and thus it does not matter to



Workers at Consolidated Diamond Mine's Oranjemund complex are among over 100,000 migrant workers in the country who must leave their families and homes for jobs in mining, manufacturing, commercial agriculture and other white-owned enterprises.

management that the workers in Namibia cannot afford to buy the goods and products they produce.⁷

Although it is very difficult to obtain reliable statistics, there is no question that wages and income in Namibia are highly discriminatory. The foreign corporations and government refuse to publish income figures, but it has been estimated that the annual per capita personal income for whites is \$3570. For blacks it is only \$150 per capita per year.⁸ Blacks produce the wealth of the nation but do not reap the profits. For example, in the mining sector, the average net output per employee per year is about \$17,250 at the three most productive mines, Tsumeb, CDM's Oranjemund, and Rossing. The average remuneration for black miners is \$1,725 to \$2,012 per year, including non-cash payments.⁹

In the fishing industry, the average net output per employee was between \$3,450 and \$4,025 in 1977. Blacks were paid from \$805 to \$920 a year.

In commercial agriculture the figures follow the same pattern. Net output per employee is in the range of \$2,875 while black workers receive \$290 to \$345 a year including non-cash payments. Domestic labor, one of the few areas of employment open to women (although men dominate even here) is too poorly paid to sustain a family and has to be considered merely supplemental income.¹⁰ The two poorest paying sectors, farm work and domestic work, employ the large majority of black workers.

Double Oppression of Women

Black women in all categories of work earn less than both black men and white women.¹¹ In fact, precolonial, colonial and occupation structures have, in different ways, exploited and oppressed them as women, while colonial and occupational structures oppress them as blacks. In this way women suffer a double burden.¹²

Labor Unions

Namibia has a long history of workers' struggles, but until 1978 black workers were denied the right to organize into trade unions. Obstacles to effective union organizing and activity still remain overwhelming. Law requires the registration of trade unions, but it is very difficult for independent black trade unions to register. Unions are explicitly forbidden from pursuing political objectives.¹³

In 1977 the National Union of Namibian Workers (NUNW) was founded to mobilize the potential power of Namibian workers and organize them to play a role in the national liberation struggle. NUNW is affiliated with SWAPO and has operated largely underground.¹⁴ Its importance lies in its recognition of the potential power of a labor movement for building a new Namibia. Its experience demonstrates that only after independence will it be possible for a union movement to function freely. In 1980 the offices of NUNW were closed by the government and its funds frozen.¹⁵

The Namibian Economy

The wealth of Namibia—its rich reserves of minerals, its lucrative fishing industry, its agricultural production—has been exploited by foreign corporations operating from South Africa, Britain and North America for decades. Most of what is produced, including profits, is exported, and most consumer goods, including food, have to be imported. The economy is thus tremendously dependent on forces over which the people of Namibia have no control: the international price of metals, the development of nuclear energy, and the demand for luxury furs in Europe and America, to name only three.

Development in Namibia has been subordinated to the need of foreign corporations to maintain stockholder dividends. Because of this, in a country with one of the highest Gross Domestic Products per capita in Africa, the black population is among the poorest in the world.¹

The continued illegal occupation of Namibia by South Africa, and the overwhelming military presence in the north has, of course, had an effect on foreign economic involvement in Namibia. North American and British corporations have responded to these conditions by attempting to accelerate their operations, reaping profits while conditions are favorable for them, and by cooperating with the South African security forces in arming themselves against SWAPO guerrillas.

The Mining Industry

Namibia's rich mineral resources are its major source of wealth, and foreign domination is most significant in this sector. In terms of value of output, in the late 1970s Namibia was the fourth largest mineral exporter in the world, after South Africa, Zaire, and Zambia. Namibian mines produced 16 percent of the world's diamonds, 3 percent of its uranium and 1 percent each of cadmium, lead, zinc and copper.²

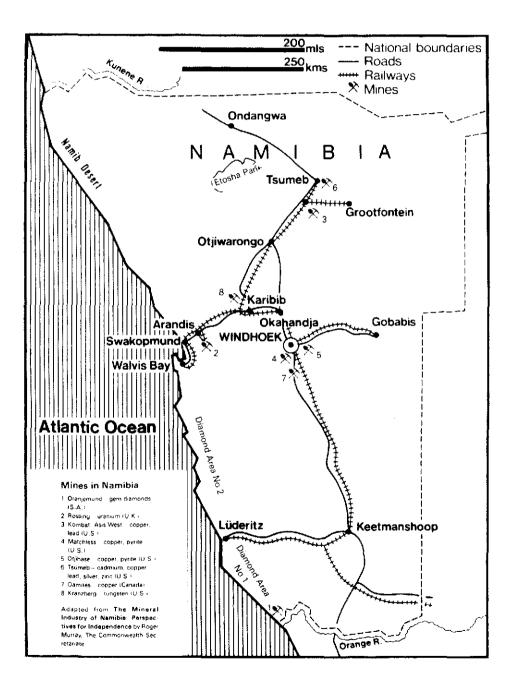
There have been persistent rumors of supplies of oil and natural gas both offshore and in the Etosha Pan. The oil companies have kept their actual findings secret, and the only way to verify the rumors is to drill, as preliminary exploration has been completed.* Coal has also been discovered offshore but the locality has not been disclosed and it would be very difficult, technically, to exploit the deposits.³

The mining industry accounts for 32 to 37 percent of Namibia's GDP. In 1978, minerals made up 60 percent of Namibian exports.⁴ The industry is dominated by three major corporations: South Africa's Consolidated Diamond Mines, the British-controlled Rossing Uranium Ltd., and the U.S.-owned Tsumeb Corporation, which is the largest and most profitable base mineral mine in the country. These three operations control about 95 percent of mineral production and exports.⁵

*See reports in Journal of Commerce, June 19, 1980; Oil and Gas Journal, April 5, 1982.

Diamonds: The South African Connection

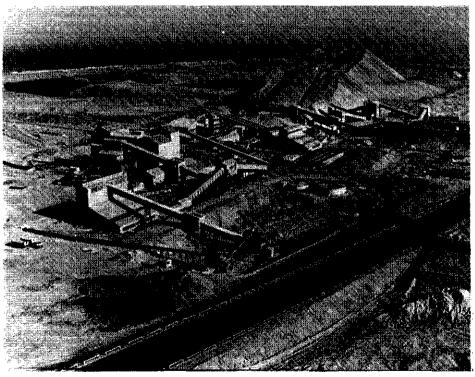
Diamonds have been Namibia's single most valuable resource. They are found in the south, both along the desolate Namib Desert and offshore, where they are washed by the Orange River and deposited in alluvial sand and gravel accumulations. Most stones are of gem quality and the annual production of 1.5 million carats is nearly a quarter of the world's gem diamond production.



Consolidated Diamond Mines, CDM, has mining rights through the year 2000 and is the world's top producer of gem diamonds as well as the largest private employer in Namibia. It represents 34 percent of mining investment (\$241.5 million) and employs 5000 workers — about 30 percent of the mining work force.⁶ CDM is owned by De Beers Consolidated Mines Ltd., the giant South African corporation long headed by Harry Oppenheimer. De Beers itself is merely a part of the South African-based Anglo-American group, among the largest multinational conglomerates in the world.

Diamond prices (and De Beers' profits) remained high throughout the 1970s. In 1981, however, the market was significantly shaken. A stagnant Western economy finally made itself felt and sales dropped from nearly \$3 billion the previous year to \$1.45 billion—only 46 percent of 1980 sales.⁷ More than half of all gem diamonds sold go to the United States, and Americans weren't buying. To stimulate sales in 1982, De Beers tripled its advertising budget in the U.S. to \$10.6 million, placing ads on TV and in magazines all year instead of just before Christmas, when half of all diamond dollars are spent.⁸

The gravity of the slump and the effect it will have on the Namibian economy is difficult to determine. CDM records are not made public for such information



The diamond fields at Oranjemund, source of Namibia's most valuable export, are owned by Consolidated Diamond Mines, the world's largest producer of gem diamonds. More than half of all gem diamonds sold are bought in the United States. is considered highly sensitive and could have international economic repercussions. Disenchantment with this secrecy is growing in Namibia, however, even among whites. The *Windhoek Observer*, reporting on CDM on May 8, 1982, insisted that the country had a right to know "what is ripped from its bosom, and that by a foreign owned company."

Uranium

The newcomer to the Namibia mining industry is Rossing, the largest single producer of uranium in the world.⁹ The British corporation Rio Tinto Zinc, (RTZ), holds 46.5 percent of equity capital directly or through its Canadian subsidiary, Rio Algom. Other owners include South Africa's General Mining and Finance, the parastatal Industrial Development Corporation and the French energy corporation Total.¹⁰

Rossing began production in 1977 and reached its full capacity of 5,000 tons in 1979. Its share of Namibia's total mining investment is 42 percent (\$299 million) and it employs about 2,000 workers or 12 percent of the mining labor force.¹¹

Rossing's net profit has leaped from \$4.6 million in 1978 to \$128 million in 1981.¹² Yet the future is clouded. Some experts predict that Western nuclear energy and weapons programs will keep the demand for uranium high. Others point to the fact that the move to nuclear power is a slow process and there is currently an oversupply of uranium, creating a buyers market.¹³ Rossing itself has notified its employees and the state that in spite of the dramatic increase in profits, they should not expect too much. Craig Gibson, the managing director of Rossing, complained, "We are being increasingly squeezed between a weak uranium market and rising operating costs."¹⁴

Special mention needs to be made of the labor conditions at Rossing because of the health hazards connected with uranium mining. Such mining is dangerous in the best of circumstances. The water supply is easily contaminated; waste from the milling (tailings left in the open) continues to release radioactive materials into the atmosphere; and inhaled uranium ore dust and thorium attacks workers' lymphatic systems. Thus, miners are exposed to varying degrees of radioactivity throughout the mining, milling, and waste disposal of the uranium. The consequences of this exposure are both long and short-term. It may take 15 to 20 years for lung cancer to develop, but respiratory diseases and genetic risks occur in a much shorter time.

Working and living conditions at Rossing are frightening. The mine is an enormous open pit. The millings are not covered and the prevailing morning winds blow dust from the tailings into the compound where the black miners live. All workers have been supplied with respirators but they are required to wear them only in very dusty areas or when one of the chemical plants breaks down. When there is a breakdown, a thick acrid smoke covers the mine and people feel sick even if they wear the respirators.

Rossing has not been in operation long enough for long term damages to be visible, and it is even doubtful that health statistics are being kept. What is shocking is that the danger is known, the exposure is deadly, and yet the

DECREE NO. 1

Foreign corporations have been mining Namibia's wealth for decades. In an effort to prevent the exhaustion of Namibia's resources before independence, the United Nations Council for Namibia adopted Decree Number One, in September, 1974. This decree, which follows, makes it illegal to extract or export Namibia's wealth without the consent of the Council.

1. No person or entity, whether a body corporate or unincorporated, may search for, explore for, take, extract, mine, process, refine, use, sell, export, or distribute any natural resource, whether animal or mineral, situated or found to be situated within the territorial limits of Namibia without the consent and permission of the United Nations Council for Namibia...;

2. Any permission, concession or license...granted by any person or entity, including any body purporting to act under the authority of the Government of the Republic of South Africa or the "Administration of South West Africa" or their predecessors, is null, void and of no force or effect;

3. No animal resource, mineral or other natural resource produced in or emanating from the Territory of Namibia may be taken... outside the territorial limits of Namibia...without the consent and permission of the United Nations Council for Namibia...;

4. Any animal, mineral or natural resource produced in or emanating from the Territory of Namibia which shall be taken from the said Territory without the consent and written authority of the United Nations Council for Namibia...may be seized and shall be forfeited to the benefit of said Council and held in trust by them for the benefit of the people of Namibia;

5. Any vehicle, ship or container found to be carrying animal, mineral or other natural resources produced in or emanating from the Territory of Namibia shall also be subject to seizure and forfeiture...;

6. Any person, entity or corporation which contravenes the present decree in respect to Namibia may be held liable in damages by the future Government of an independent Namibia.

Adopted by the United Nations Council for Namibia 27 September 1974

conditions continue. White workers, who live away from the mines and do not suffer night-time pollution, are given thorough medical tests several times a year which include x-rays, and blood tests. In contrast, black workers are only x-rayed.¹⁵

Base Metals

The final component of the mining sector in Namibia is that of base metals, primarily copper, lead and zinc. The oldest mine, opened in 1906 and still the largest and most profitable, is Tsumeb, which mines all three major metals. Tsumeb employs 4,000 workers or 29 percent of the mining work force. Its share of Namibia's mining investment is 9 percent (\$63.25 million). Tsumeb is controlled by three American corporations: Newmont Mining, Amax, and O'okiep Copper (South Africa/United States).¹⁶ Detailed information on Tsumeb is given in the next chapter.

Other Namibian mineral resources include tin, cadmium, wolfram, lithium, vanadium and arsenic, all of which are being mined and exported. Aside from CDM, Rossing and Tsumeb, other companies have \$109.25 million invested in mining (15 percent of the total) and employ 5,500 workers or 34 percent of the mining workforce.¹⁷

Namibia's mining industry is not only controlled by South African and other foreign transnationals, but the markets are also external. In violation of U.N. decrees, the wealth of the country is ever more rapidly leaving Namibia, enriching foreigners and depleting the finite reserves that are the inheritance of the Namibian people.

Agriculture

The distortion in Namibia's economy is blatantly evident in agriculture. This sector as a whole produces about 14 percent of the GDP and 20 to 24 percent of exports.¹⁸ It also employs about 50 percent of the total number of economically active persons in the country. The vast majority of these workers, some 240,000 Namibians, are engaged in peasant agriculture, which produces no more than 2.5 percent of total marketed agricultural output. The bulk of the agricultural income comes from karakul sheep farming and cattle ranching. These industries employ only 56,000 people, 5000 of whom are the white farmers who own or manage the farms.¹⁹

In 1977, the estimated total value of agricultural exports was about \$172.5 million. Of this, \$80.5 million was from beef, mostly exported on the hoof to South Africa, \$80.5 million was from karakul pelts exported to Europe, and the remaining \$11.5 million from hides and skins.²⁰ Since then, however, karakul farmers have had to contend with a declining demand for pelts in Europe and the United States. Prices have fallen from \$19.55 to \$12.65 a pelt in the last two years.²¹

Devastation by Drought and War

To make matters worse, in the late 1970s and early 80s, the entire agricultural sector was severely affected by a drought. Hundreds of farms have been

abandoned as a result and livestock herds drastically reduced.²² White cattle farmers have managed for the most part to sell their stock to South Africa, but black subsistence farmers have been unable to do this and have suffered the devastation of their herds. According to a veterinarian attached to the South African army in Kaokoland, the cattle population of the area dropped from 110,000 to 60,000 in one year.²³

The effects of the drought have been profoundly exacerbated by the war. The entire white farming area north of Windhoek has been under martial law since May 1979, and in February 1980, the chief of the South West African Command admitted that he could not guarantee the safety of transport for white farmers. These conditions have caused even more farmers to move to the cities, than moved because of the drought, a situation the defense force wants to turn around because white farmers are used as a second line of defense against the guerrilla forces. Massive drought aid and subsidies have been allocated to farmers who agree to stay and participate in local paramilitary commando groups aiding the security forces. But the farmers are still leaving.²⁴

External Dependency

Namibia's agricultural sector is almost totally dependent, directly or indirectly, on South Africa. Capital is generated by sales to external markets which are unstable, creating a situation of perpetual vulnerability. To make matters worse, Namibia does not feed itself. More than half of Namibia's food, including the bulk of the maize, the staple for the black population, has to be imported from South Africa. Wheat, processed food, vegetables and fruits are also imported. Thus Namibia sells its agricultural products to South Africa or through South Africa to Europe and North America and buys its food from South Africa. The emphasis on cash crop production and dependence on South Africa at the expense of food production could pose serious political problems for a future independent Namibia.

Fishing

Namibia's fishing grounds are historically among the richest in the world. Pilchards or sardines were the most important fish, followed by maasbanker, anchovies, tuna and mackerel. The fishing industry is South African owned and managed with Namibian blacks supplying the labor. In 1975 Namibia was the largest producer of canned pilchards in the world, and in the mid 1970s the industry contributed as much as 13 percent to the GDP and 15 percent of exports.²⁵

Ironically, fish is not a source of protein for most of the coastal people in spite of an extreme protein deficiency in the area. The tinned fish is too expensive for blacks, and most has been sold to South Africa, the United Kingdom, the United States, Japan, France, the Netherlands, and Australia.

Today the industry is in ruins. Massive overfishing reduced the catch from a record 1.5 million tons of pilchards in 1968 to a mere 12,000 tons in 1980. Early warnings were ignored and quick profits took precedence over the need to protect a vital national resource. In 1976, 5000 blacks had jobs in the fishing

industry at Walvis Bay, but by 1980, fewer than 500 jobs remained.²⁶ In 1981, pilchard fishing was finally banned.

The future of the industry depends on whether the fish shoals will be allowed sufficient time to build up their numbers. The future of Namibia's fishing industry is further complicated by South Africa's effort to keep Walvis Bay, the center of the industry, and 200 miles of sea as its own territory even after Namibian independence, thus maintaining control of fishing and fish-processing activities.²⁷

Industry, Commerce and Services, and Transportation

Manufacturing in Namibia is closely tied to its primary export industries. The processing of mineral ore, for instance, is highly integrated with the extraction process. Food processing, mostly cattle and fish, is again, the final stage of primary sector production.²⁸ This manufacturing contributes about 10 percent of Namibia's GDP and 10 percent of employment.²⁹

Namibia remains almost totally dependent on South Africa for manufactured goods, for services and products for the mining and livestock industries, and for capital goods for development.³⁰ A limiting factor on the development of Namibia's manufacturing sector is its membership in the South African-sponsored Southern African Customs Union. Since imports from South Africa are shipped at subsidized rates and there are no import duties, there are few price incentives to create new, local industries.³¹

The transportation system of Namibia symbolizes the entire economy. It was built to haul Namibia's natural resources out of Namibia. Almost all the roads and railroads lead to South Africa or Walvis Bay. The railroad, predictably, is owned and operated by South African Railways.³²

During the 1970s South Africa embarked on major infrastructure projects to extend its control over Namibia. Roads were built and power stations constructed. The most important was the Kunene hydroelectric and water supply complex which has the potential for radically transforming the nation's power system. Namibia is still tied to South Africa's power grid however, because SWAPO, in a successful effort to deny this resource to the occupying South African forces, regularly blows up the Kunene pylons.³³

Profits to Foreign Corporations

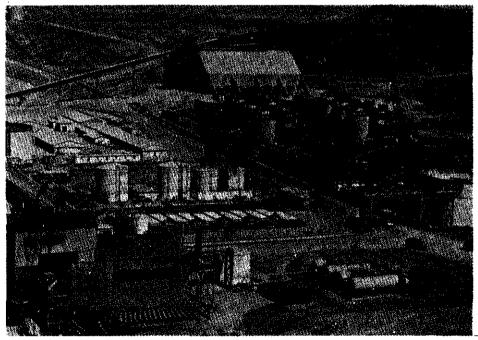
The three main sectors of the economy, fishing, agriculture and mining, produce nearly 50 percent of GDP and 90 percent of exports.³⁴ Much of this production is controlled by South African and Western companies, and over the years the amount of GDP remitted abroad has steadily increased. From 1950 to 1956, some 17.2 percent of GDP was appropriated by the foreign corporations. By 1977, a United Nations Institute for Namibia study estimated that 36 percent of Namibia's GDP was remitted abroad.³⁵

In the late 1970s, when it appeared possible that U.N.-sponsored elections would take place and Namibia would gain genuine independence, the multinationals stepped up production to take profits while the taking was good. In 1979, CDM put its operation on a round-the-clock, three-shift schedule to raise output to the highest possible level.³⁶ Now, because of political uncertainty and the pressures of the war, expansion in the mining sector has slowed.³⁷

The Tax Structure

The detrimental effects of the depletion of finite reserves by foreign-owned companies are exacerbated by a tax structure that favors foreign corporations. For example, in its most profitable years, 1963–1972, Tsumeb Corporation paid no more than an average 36 percent of its gross profits in taxes, and distributed 95 percent of the remainder in dividends to its shareholders abroad. From 1971–74, CDM paid only 35 percent of its profits in taxes and deposited huge sums in cash and investments with subsidiaries and its parent, De Beers, outside Namibia. For South African-owned corporations there are no exchange controls at all. Such firms can send their profits to South Africa rather than holding or investing them in Namibia.³⁸

Rossing illustrates these conditions most dramatically. Rossing has paid absolutely no taxes to the government and will pay none until 1984. Yet it paid more than \$115 million in shareholders' dividends up to 1982.³⁹ South African mining law permits capital investment in gold and uranium mining to be completely redeemed before any taxes are paid on profits. Rossing's total capital investment was \$460 million. Its earnings over the past four years have been: 1978, \$4.6 million net profit; 1979, \$54.75 million; 1980, \$126.42 million, and 1981, \$128 million.⁴⁰



The Rossing uranium mine began production in 1977. By 1982 the mine had paid more than \$115 million in dividends to shareholders. During this same period management failed to invest in health and safety measures and workers have been exposed to varying degrees of radioactivity. Health hazards from this exposure include lung cancer, respiratory diseases and genetic damage.

Foreign Corporations: Allies in War

North American, British and South African corporations have taken full advantage of a highly profitable South African-created investment climate reaping vast profits and depleting the wealth of Namibia. Now a new connection between the corporations and the illegal occupying South Africans has been established. The foreign corporations are cooperating to a great degree with the occupying army and puppet government to defeat SWAPO and preserve their privileged position.

South African Defense Force and South African Air Force strength in Namibia is presently estimated at around 80,000. In addition, there are 10,500 police, reserves, mercenaries, and vigilante members.⁴¹ The foreign corporations are part of, and contribute to, this military force in several ways. First, there are strategic products supplied to the army by foreign corporations. The most obvious of these is oil, without which the military machine could not run. There is also a substantial financial contribution made to both Namibia and South Africa in the form of salaries and taxes. The military depends on these finances and on the infrastructure they help generate.

Secondly, the corporations are setting up their own security forces. Rossing has a private commando force of 69 which, according to Sir Anthony Tuke, chairman of RTZ, exists because of the civil strife in Namibia. It is, Tuke said, the duty of management to protect its employees and its equipment.⁴² In this case, "protection" means close cooperation between Rossing security guards, South African police and armed white employees. The protection extends to action against black workers, particularly during industrial unrest. The use of informers is reported as well.⁴³

Less information is available for Tsumeb although it has been advertising for security guards with at least two years' experience in the South African armed forces. Tsumeb helps in other ways as well. When SWAPO forces attacked Windhoek's Van Eck power station in January 1982, Tsumeb sent engineers, and Rossing sent cranes to repair the damages as quickly as possible.⁴⁴

Corporate Strategy Against SWAPO

A strategy meeting held at Tsumeb in the spring of 1982 illustrates most graphically the meaning of foreign corporate involvement in Namibia today. During 1981, South Africa made major attacks into Angola and claimed that it had severely crippled SWAPO. By April 1982, however, SWAPO forces were active near Tsumeb.⁴⁵ This advance generated the top-level session at Tsumeb, called by the South Africans to develop a total strategy, "not only to beat the enemy but to make the area safe for its people."

Representatives from Tsumeb Corp. as well as farmers, businessmen, municipal officials, and officers of the army and police attended the consultation.⁴⁶ All of these groups saw themselves as allies working together to defeat SWAPO. Yet SWAPO is universally recognized as the sure winner in any free and fair elections. Foreign corporations are working hand in glove with the South African Defense Force to defeat the leadership that is desired by the Namibian people.

North American Corporations: Profiles

Newmont Mining Corporation and Amax Inc.

Tsumeb Corporation

The Tsumeb Corporation is the largest and most important United Statesowned corporation in Namibia. Jointly controlled by Newmont Mining Corporation and Amax Inc.,¹ Tsumeb is the largest base metal producer in the country. In addition to its main products, copper, lead and zinc; some silver, gold, cadmium, arsenic and pyrite are also produced.

The deposits at Tsumeb's main mine, about 200 miles north of Windhoek, were first commercially exploited at the turn of the century by a German-owned firm. By 1947, when Tsumeb Corporation took over the mine, 330,000 tons of lead and 180 tons of copper had already been extracted.² In the years following World War II, Tsumeb's mines have accounted for about 80 percent of Namibia's total base metal production.³

Since the mid-1970s, Tsumeb's metal output has been cut back substantially, primarily because of declining metal prices on world markets. Another factor, however, has been the serious depletion of the ore deposits at the main mine after so many years of extraction. In 1947, one ton of ore at Tsumeb contained 9.5 percent copper and 29.3 percent lead.⁴ By 1981, comparable figures were 3.61 percent copper and 7.32 percent lead, and managers at the big Tsumeb mine predicted that the reserves would be depleted by the early 1990s. Despite this dramatic decline in ore richness, the Tsumeb Corporation's main Tsumeb mine remains rich compared with mines in the U.S. The second largest copper mine in the U.S. has a copper content per ton of ore of only 0.7 percent.⁵

	1981	1978	1974	1971	1966
Tsumeb					
ore (sT)	543,079	514,264	464,300	576,000	792,000
% Cu	3.61	4.95	4.36	2,44	4.4
% Pb	7.32	7.01	10.06	12.22	11.37
% Zn	2.08	1.68	3.20	3.91	3,66
Kombat/Asi West					
ore (sT)	341,501	44,658	389,000	423,000	322,000
% Cu	2.99	2.23	1.19	1.76	2.42
% Pb	1.92	1.66	2.62	1.90	2.02
Matchless					
ore (sT)	123,472	121.103	119,400	99,900	_
% Cu	2.37	2.49	1.93	0.99	
Otjihase					
ore (sT)	227,592				
% Cu	1.54				

Production: Tsumeb Corporation Limited Mines

sT = short ton, Cu = Copper, Pb = Lead, Zn = ZincSources: Newmont Annual Reports 1966–1981 and U.S. Bureau of Mines In addition to the main Tsumeb mine, Tsumeb Corporation controls three other mines in Namibia. Kombat copper/lead mine began production in 1962 and reached a peak in the early 1970s of 400,000 short tons of ore mined per year.⁶ The Matchless copper/pyrite mine was opened in 1970.⁷

New Investments

In 1980, the Tsumeb Corporation reaffirmed its faith in the South Africanbacked internal government by making its largest new investment in Namibia in over ten years. Tsumeb purchased a 70 percent interest in the Otjihase Copper Corporation, a company that had operated the Otjihase mine briefly in the mid-1970s.⁸ The Otjihase mine was brought back into production and today produces, in addition to copper, some gold and silver, as well as large amounts of magnetite and pyrite.

Tsumeb Corporation also operates the only copper and lead smelters in the country, producing blister copper, refined lead, and byproducts including highquality cadmium and arsenic. Ore from non-Tsumeb mines in Namibia and South Africa is also smelted.

South Africa and Japan are the two main importers of Tsumeb Corporation metals. A major portion of the corporation's refined lead productions goes to South Africa, which until the end of 1979 did not have any lead production of its own. Important customers for Tsumeb metals, after Japan and South Africa, are Belgium, Italy and West Germany.⁹

Exporting Namibian Wealth

Tsumeb is a relatively small mine that has been immensely profitable for its owners. Their original investment was \$2.8 million,¹⁰ and by 1977 an additional \$99 million had been invested.¹¹ In that period, well over \$1 billion worth of metals had been produced. The average annual return on the original investment over the period 1950 to 1970 was 348 percent.¹²

Because of declining copper prices and the declining quality of the ore, the gross value of profits has been decreasing since 1975. But for the ten-year period ending in 1975, Tsumeb's net earnings averaged \$16.8 million per year. During that decade, an average of \$15.9 million per year was paid in dividends. Over 90 percent of the net income from Tsumeb was sent out of the country.¹³ Even in the last six years, when net annual income has been about \$8.8 million, dividend payments have averaged \$8.7 million.¹⁴ The natural resources of Namibia are being depleted by American interests and the wealth from these resources has not been used to develop Namibia but to enrich foreign shareholders.

The Tsumeb Corporation still accounts for the largest single contribution to GDP of any base metal producer in Namibia. Tsumeb's gross metal sales accounted for approximately 9 percent of GDP in 1980.¹⁵ Tsumeb's taxes over the last ten years have been a relatively low 35 percent of pre-tax profits, with total taxes paid since Tsumeb was established amounting to only about \$200 million — a small sum considering sales have come to well over 1.2 billion dollars.¹⁶

Tsumeb Corporation Limited

Economic Data (figures in millions U.S. dollars)

	1981	1978	1974	1971	1966
Total Assets:	92.93	71.8	71.4	47.94	
Gross Revenues:	99.76	86.5	107.3	50.18	81.6
Taxation:	0	5.8	11.9	7.28	12.6
Net Income (loss):	(5.89)	11.57	21.02	14.5	31.0
Shareholder Equity:		35.7	41.89	32.5	
Long Term Debt:	6.95	14.3	0	0	0
Dividends:	0	12.7	19.34	21.0	28.0

Source: Newmont Annual Reports

Working Conditions

Tsumeb operates a company town next to its major mine where all aspects of the miners' lives are dependent on the corporation. In 1979, there were 5,695 workers, 1,313 of whom were white and 4,382 of whom were black.¹⁷ Ninety percent of the black workers are migrants. Working conditions for these men are among the worst of any major mining company. They are forced to live in bachelor dormitories—12 to a room—in buildings constructed shortly after the Second World War.¹⁸

The Tsumeb Corporation has generated an enormous amount of wealth in the last three decades, yet very little of this wealth has found its way into the pockets of Tsumeb's black employees. In 1971, when contract workers went on strike to protest poor working conditions, unequal wages and the separation of families caused by the contract labor system, almost all of Tsumeb's work force went on strike.¹⁹

The workers' biggest grievance then remains the major grievance today—the migrant labor system. In 1973, Newmont announced that steps were being taken to provide housing for black employees and their families.²⁰ Yet, as of 1980, only 185 black men out of a work force of over 4,000 had new homes for themselves and their families.²¹

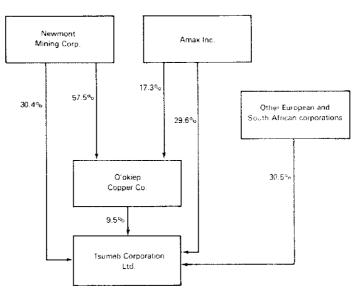
By 1982 the vast majority of workers at Tsumeb continued to be paid substantially lower wages than white employees, although accurate information about wages is difficult to obtain. Newmont has continually refused to release such information, saying that releasing it "would make sensitive negotiations with the white unions and the government for further progress more difficult and uncertain."²² Since 1977 Tsumeb has claimed a single uniform wage scale based on job category not on race. However there is still profound discrimination based on race as whites remain entrenched in the top jobs. Average wages in 1977 were \$97.80 per month for blacks and \$774 per month for whites.²³ By 1979, wages had increased to an average of \$130 per month for blacks and \$1,222 for whites.²⁴ The black wage, which includes non-cash payments, was far below the bare subsistence level, put at \$190 in 1978 for a family of six in Windhoek.²⁵ Another result of the 1971 strike was the announcement of plans to develop training programs for workers. Yet by the end of 1981, only 23 workers were in apprentice school, and only 65 black workers were in jobs traditionally held by whites.²⁶

Newmont Mining Corporation

Tsumeb's ownership demonstrates the complex connections which bind together corporate interests in Namibia, South Africa and the United States. The largest owner of Tsumeb stock is Newmont Mining Corporation, a major American producer of non-ferrous minerals. Newmont owns 35.9 percent of Tsumeb's stock, 30.4 percent directly and 5.5 percent indirectly via its 57.5 percent holding in the O'okiep Copper Co.²⁷

Newmont Mining led the 1947 consortium of companies that purchased the assets and mining rights that had been owned by a German company. The American mining giant appoints six members of Tsumeb's Board of Directors. Newmont also held a management contract for Tsumeb until 1978, when management was taken over by a managing director appointed by the Board of Directors of Tsumeb. Yet Newmont has, given its relatively large profits, made little effort to help improve conditions for black workers or facilitate economic development in Namibia.

What Newmont has done, however, is use profits from Tsumeb to help build the rest of the corporation. According to Newmont historian Robert H. Ramsey, "Tsumeb has been one of the strongest economic forces that projected Newmont into the front rank of the world's mining industry."²⁸ Today it is the fourth largest copper producer in the United States and the seventh largest in the world. During the 1970s Newmont began to diversify, moving away from non-



Tsumeb Corporation Limited

Ownership

ferrous metals into such fields as energy, precious metals and cement. In 1977, it acquired 27.5 percent of the Peabody Coal Co., the largest U.S. coal producer.²⁹

Although the depressed state of the copper market has caused a dramatic drop in earnings, the diversification efforts have paid off, and Newmont has continued to declare profits.

Most significantly, in 1981, Consolidated Gold Fields acquired 22.4 percent of Newmont's equity to become the largest single owner of Newmont.³⁰ The company has reported that no other person or group holds more than five percent of any class of Newmont's stock.³¹ Consolidated Gold Fields is an associate of the Anglo-American Corporation of South Africa, and Anglo is now the single largest foreign investor in the United States.³²

Amax Inc.

Newmont's principal partner in Tsumeb is Amax Inc., the largest mining company in the United States. Amax was one of the companies in the original 1947 consortium and as the second largest shareholder, appoints six of the fifteen directors. Amax owns 31.2 percent of Tsumeb's stock, 29.6 percent directly and 1.6 percent indirectly via its 17.3 percent holding in the O'okiep Copper Company.³³

As in the case of Newmont, Tsumeb has been an enormously successful investment for Amax. Its initial investment was less than one million dollars, but profits averaged over three times that during the 1960s and early 1970s. During the 1960s approximately seven percent of Amax's net income came from Tsumeb.³⁴ By 1980, Tsumeb represented less than 1 percent of net income, with Amax receiving \$5.8 million in dividends that year.³⁵

Amax, eager to avoid criticism of its presence in the disputed territory, has played down the influence that it has in Namibia in general and Tsumeb in particular. On two occasions, 1974 and 1977, it released reports on Tsumeb's earnings, profits, taxes and labor practices.³⁶ In these reports it argued that Amax was making excellent profits and that Tsumeb was important to the economy of Namibia. It stressed the payment of wages, benefits, and taxes inside the country. More recently, Amax has been taking the position that Tsumeb is only an investment and that Amax has no control over its Namibian associate.

In fact, because Amax is the second largest owner of Tsumeb and appoints six directors, it has significant influence on company policy and is implicated in the decisions to expand in Namibia in the face of United Nations prohibitions on that expansion.

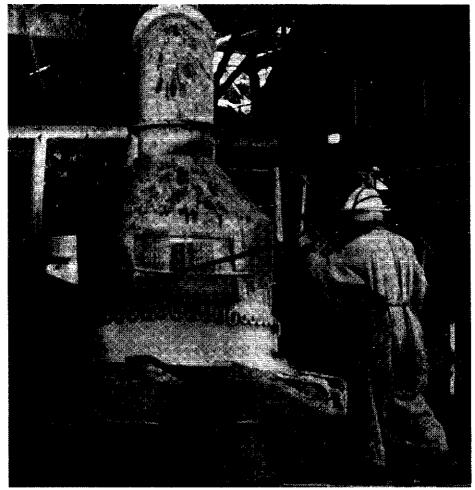
Amax is a powerful corporation politically and economically in the U.S. as well as in Namibia. Members of its Board of Directors include former President Gerald Ford and former Secretary of Defense Harold Brown. The largest mining company in the United States, it made its fortune on molybdenum and experienced spectacular growth in the 1970s, buying into oil, gas, coal, and copper companies. It is the second largest producer of tungsten in the United States, and has interests in oil in the U.S., Canada, and Europe as well as investments in Zambia and Botswana.³⁷ With the price of molybdenum

depressed, it is having to struggle to maintain dividends and fight a take-over attempt.

Nord Resources Corporation

Nord Resources Corporation of Dayton, Ohio, has had interests in Namibia dating back to 1968. Because of limited capital resources, its method of operation has been to locate possible mineral deposits and purchase land grants. If a small amount of preliminary prospecting indicates a mineral deposit, Nord asks another company for assistance and enters into a joint venture to develop the property.

The most extensive Nord operation in Namibia was Nord Joint Venture, formed in 1970 to explore and develop Krantzberg mine, located 140 miles north of Windhoek. Nord managed the operation and held 40 percent equity, with a Bethlehem Steel subsidiary, Ebco Mining, holding the remaining 60 percent. The



This Tsumeb worker is one of the more than 4,300 blacks employed by the company. In 1979 the average wage for blacks was \$130 per month while the average wage for whites was \$1,222. Tsumeb sends over 90 percent of its net income out of the country to foreign shareholders.

mine was open from 1973 to 1980, producing wolframite and tungsten. It turned a profit in 1975 alone and was closed in 1980.³⁸

The operation was plagued with difficulties from the beginning and, not surprisingly, such a tenuous operation was harsh in its dealings with its labor force. In January 1979, 208 black miners went on strike to demand wage increases. Nord simply fired them, and since they were all migrants, shipped them back to their "homelands."³⁹

The only remaining Nord holding in Namibia is 20 percent equity in Penarroya JCI Joint Venture, a copper prospecting operation in the Gorob area which is not being developed.

Nord is operating in Namibia only because the corporation believes it will some day be able to make enormous profits on the land grants it now holds. Nord is a speculating company that buys mineral rights, counting on them to be profitable at some later date. Actual production is carried out through joint ventures. The corporation has had serious financial difficulties, with losses being declared in every year of the last decade except 1974. Its subsidiary, Nord Kaolin, is its most important asset.

Texaco Inc. and Standard Oil Company of California

Caltex Oil (SWA) Pty. Ltd.

Caltex Oil operates service stations and supplies petroleum products throughout Namibia. Caltex Oil (SWA) Pty. Ltd. is a wholly-owned subsidiary of Caltex Oil of South Africa; which in turn is a wholly-owned subsidiary of Caltex Oil Company (U.S.), itself owned equally by Texaco and Standard Oil of California.⁴⁰

Service stations selling Caltex products are scattered throughout Namibia, in such places as Windhoek, Walvis Bay, Tsumeb, Gobabis, and Keetmanshoop, supplying petroleum products refined at a Caltex refinery in Cape Town, South Africa.⁴¹ While very little is known about the specifics of the Caltex presence in Namibia, what is clear is that Caltex operations, like the operations of other corporations in Namibia, help to perpetuate apartheid. For example, John Evenson, an American Lutheran pastor who visited Namibia in 1981 reported that Caltex gas stations operate segregated restrooms; one for blacks and one for whites.⁴²

The economic details of Caltex in Namibia are not easy to obtain, but information on Caltex in South Africa suggests the role of the company in both countries. Caltex controls about 20 percent of the inland market for petroleum products in the South Africa/Namibia area,⁴³ supplying such strategic products as aviation fuel, and motor oil. It has also been involved in efforts to develop fuel conservation techniques, a practice of great interest to a country facing an oil embargo from petroleum exporting countries.⁴⁴

Caltex operations in Namibia go a long way towards supporting South Africa's illegal occupation: from providing a valuable commodity without which the economy could not run to helping perpetuate apartheid through segregated facilities. Yet Namibian operations are of little financial importance to Caltex's two owners. Texaco, the second largest oil company in the world, has a much greater interest in Namibia's oil-rich neighbor, Angola, than it does in Namibia.⁴⁵ Namibian oil operations are of equally minor concern to Standard Oil of California, as that company makes well over half of its profits from operations within the United States.⁴⁶ Standard does, however, have an interest in Namibian base metal mining through its 20 percent stake in Amax, Inc.

Both oil companies were involved in offshore oil prospecting in the early 1970s, and both announced they were pulling out of Namibia in 1975.⁴⁷ The announcement was precipitated in part by pressure from concerned activist groups in the U.S. who had been pressuring oil companies to withdraw. At the time, both companies maintained that economic considerations were the rationale for the decision.

Mobil Oil Corporation

Mobil Oil Corporation, the fourth largest oil company in the world, is involved in distributing petroleum products in Namibia through its whollyowned subsidiary Mobil Oil SWA (Pty.) Ltd.⁴⁸ Mobil depots are located throughout the country at places such as Tsumeb, Luderitz, Windhoek, Walvis Bay, and Grootfontein.⁴⁹

Petroleum products are vital to a functioning economy and a modern army, and it is in these areas that Mobil Oil provides direct support for South Africa's occupation of Namibia. In the process, Mobil helps South Africa defeat the oil embargo imposed by the Organization of Petroleum Exporting Countries on the apartheid government.

The parent company has been a target of repeated shareholder appeals to stop providing oil to the military in South Africa. But Mobil has continued to defend its policy saying, "Mobil's management in New York believes that its South African subsidiaries' sales to the police and military are but a small part of its total sales.... Total denial of supplies to the police and military forces of a host country is hardly consistent with an image of good citizenship in that country. The great bulk of the work of both police and the military forces in every country, including South Africa, is for the benefit of all its inhabitants."⁵⁰

Details on Mobil's operations in Namibia are difficult to obtain, but the corporation's operations in South Africa provide a picture of a major multinational giving aid and comfort to apartheid. Mobil Corporation's investments in South Africa account for a sixth of all U.S. corporate investment in South Africa. Mobil and Caltex together account for a third of all U.S. corporate investment in the apartheid republic.⁵¹

Documents obtained since Zimbabwe's independence in 1980 reveal that for over a decade Mobil's subsidiaries in South Africa and Rhodesia worked together to provide the illegal Rhodesian government with oil in direct violation of U.S. and international law.⁵² Supplying oil to South Africa and Namibia is fully consistent with that corporate history.

Brilund Ltd.

Etosha Petroleum Company

As in South Africa, the search for oil in Namibia carries with it the prospect of

freeing the country from dependence on outside sources. That search was begun in 1959 by the Etosha Petroleum Co. of Namibia, after the company obtained a "Prospecting and Mining Grant from the Administrator of the Mandated Territory of South West Africa."⁵³

In 1966, Etosha Petroleum was taken over by Brilund Ltd. Brilund was incorporated in that year in Canada and later, in 1976, in Liechtenstein. But 90 pecent of its shareholders and all its company officers live in the United States. For all practical purposes the operations of Brilund and the operations of Etosha are synonymous.

The 1959 grant, as amended, gives Etosha the exclusive right to prospect and drill for oil and gas in more than 100,000 square miles of northern Namibia.⁵⁴ This represents almost one third of the entire country, an enormous concession to grant to a single foreign corporation. The grant runs until 1985 and can be renewed if commercial quantities of oil or gas are being produced by that time.

Over the years, basic exploratory work was carried out and the results have convinced petroleum experts that exploratory drilling should be undertaken. But the only way to determine if oil is present is to drill, and Etosha is not in a position either financially or technically to undertake the necessary drilling. It has been seeking to enter into an agreement with a company that has the resources and expertise Etosha lacks. In the early 1980s it looked as if it had found the partner it sought in Superior Oil. However, in 1981 the agreement between the two corporations fell through and Brilund was reportedly looking for another partner.

In addition to oil rights, Etosha has two exclusive prospecting grants for minerals in the same area. The company's problems with lack of capital to conduct oil exploration remain equally true when it comes to mineral exploration, and in 1970 an agreement was reached with a subsidiary of the Canadian Company Cominco.⁵⁵ Their subsidiary, Eland Exploration (Pty) Ltd. of S.W.A. did geological and geochemical exploration for base metals on the Etosha concessions, but found no deposits of commercial quality.⁵⁶

In addition to the oil and mineral grants, Etosha owns a mineral laboratory, soil analyzing equipment and other exploratory and drilling equipment. Most of this equipment has been transported to the United States for safekeeping and possible rental, according to the company, because of "uncertainties" surrounding the political situation in Namibia.⁵⁷

Superior Oil Company

Superior Oil of Houston, Texas, is involved in Namibia through its control of Falconbridge Ltd., a Canadian mining firm.⁵⁸ In 1980, Superior, the largest independent oil and gas producer in the U.S., signed a letter of intent with Etosha Petroleum Company (see Brilund entry above) that called on Superior to conduct test drilling on Etosha's petroleum concession and, if commercial quantities of oil were found, to begin commercial production.⁵⁹

Although the agreement was eventually canceled for unspecified reasons, the company's attitude towards investing in Namibia was clearly stated to a representative of the Investor Responsibility Research Center. When asked about its prospective drilling contract, Superior officials responded that the company was willing to make an investment in Namibia provided it "can develop the resources, make a reasonable profit and get our investment out if we have to."⁶⁰ Company officials cited Superior's involvement in pumping oil out of the Israeli-occupied Sinai Desert as a model for company involvement in Namibia. In the Sinai, Superior set up operations under Israeli license, pumped oil day-and-night for a couple of years, and pulled out before the Sinai was handed back to Egypt. Superior was clearly anticipating moving into Namibia quickly, drilling and pumping as much oil as possible as quickly as possible and then pulling out at independence if necessary.

When the Etosha deal was canceled, Superior notified its shareholders that, "Superior Oil now has no interests in Namibia, no concessions in Namibia, no investments in Namibia, no personnel in Namibia, and no plans to make any investments in Namibia."⁶¹

This is a highly misleading statement as Superior Oil controls 46.3 percent of Falconbridge Ltd., a Canadian corporation with major investments in Namibia.⁶²

Falconbridge Ltd.

Falconbridge Ltd. is primarily involved in nickel and copper mining, and is the second largest nickel producer in the Western world. Its main operations are in Ontario, where over 60 percent of the corporation's capital expenditures have been made. However, it does have exploration and mining operations in the Dominican Republic, the Philippines, Namibia, South Africa, and Zimbabwe.⁶³ Its gold mine in Zimbabwe, Blanket Mine (Private) Ltd., was involved in breaking United Nations sanctions against Rhodesia when the white minority there declared itself independent in an unsuccessful attempt to prevent a black majority government from taking power.

Superior Oil Company controls 46.3 percent of Falconbridge stock and through Falconbridge remains involved in the exploration and mining of Namibia's mineral resources.⁶⁴

Oamites Mining Company

Oamites Mining Company, the second largest producer of copper in Namibia, is 74.9 percent owned by Falconbridge.⁶⁵ The remaining 25.1 percent is owned by the South African government's Industrial Development Corporation. Incorporated in 1971 with an initial investment of \$7 million, Oamites yielded over 5.6 million tons of copper ore in its first ten years of operation. Gross revenues from copper totalled over \$124 million.⁶⁶ Silver has also been mined at the site.

Since 1975, the profitability of the mine has decreased because of the decline in world copper prices and the depletion of high quality ore. The parent company, Falconbridge, is responsible for marketing the copper from Oamites and its largest customer is France.

Falconbridge Ltd. of Canada has a second Namibian holding, Falconbridge of South West Africa.⁶⁷ This prospecting company is wholly owned by Falconbridge Ltd. through South African and Bermudian connections. It has

been prospecting for zinc and copper since 1971, and for uranium since 1976. The decline in the Oamites ore body has spurred the exploration process.

The Oamites mine has produced a small but steady profit for its parent company, yet the company has done little to mitigate the harsh conditions under which black migrant workers live at the mine. Oamites employs about 450 workers; 300 African migrant laborers; 100 "coloured" workers, and 55 whites.⁶⁸ The Africans work at the most difficult, menial jobs, earning wages well below the poverty level.

Working conditions at Oamites are considered better than those at mines like Tsumeb. Nevertheless African workers are still forced to live away from their families, four to a room, in housing a 1981 visitor characterized as "cramped."⁶⁹ Such conditions bring on a multitude of problems, including loneliness and alcoholism.

As of early 1981, Oamites still felt it was necessary to provide separate facilities for whites and blacks. The health clinic at Oamites has two entrances, one for whites and "coloured" workers, the other for Africans.⁷⁰

Asked about working conditions, a Falconbridge spokesman defended the corporation's labor practices in 1979 by pointing out that most of the African workers were migrants. He said they lacked education and their "primitive agricultural backgrounds" led to low productivity.⁷¹ After eleven years in Namibia, Falconbridge appears to have little interest in providing for the welfare of the majority of its work force.

Cominco Ltd.

Eland Exploration (Pty) Ltd., a subsidiary of the Canadian Company Cominco, involved in the early 1970s with Brilund's operations in Namibia, is still listed, as of 1981, as a member of the Chamber of Mines of South West Africa/Namibia.⁷² Information about Eland is scanty and Cominco seems to include Namibia as part of South Africa in its annual reports. The only recent information about Eland in South Africa is the announcement in 1980 of the initiation of small scale alluvial diamond production.⁷³

Cominco of Vancouver, British Columbia, is the world's largest producer of zinc and lead. It is also involved in the production of numerous other metals including silver, gold, tin, tungsten and copper as well as chemical fertilizers. Fifty four percent of its stock is controlled by Canadian Pacific Ltd., which is ranked number one in sales of all Canadian companies. Cominco's earnings fluctuate dramatically because they are to a large extent dependent on the swings in world metal pricies.

Standard Oil Company (Ohio)

Kennecott Corporation

Standard Oil Company (Ohio), Sohio, is one of the largest petroleum companies in the world and the largest holder of proven crude oil reserves in the United States. British Petroleum PLC is Sohio's parent company, holding 53 percent of the firm's stock.⁷⁴

In June 1981, Sohio acquired Kennecott Corporation, which has subsidiaries in both South Africa and Namibia.⁷⁵ There is no evidence that Kennecott has pulled out of Namibia but no information on its two Namibian subsidiaries is available.

Hudson's Bay Company

The marketing of Namibian products is another aspect of North American involvement in the Namibian economy. For fifty years, Hudson's Bay Company of Canada has played a major role in the marketing of karakul furs in Britain and North America.⁷⁶ Karakul pelts come from baby lambs and are sold under the trade name SWAKARA (South West African Karakul). In 1980, three million karakul pelts, valued at \$58 million were exported from Namibia.⁷⁷ This represented about 35 percent of all agricultural production. The industry has suffered in recent years because of a drought in the sheep-raising area of Namibia and because of a decrease in demand for this luxury item. Nevertheless, the industry has been a very significant part of the Namibian economy for a very long time.

Hudson's Bay and Annings (SWA) Pty. Ltd., the Namibian operation, is wholly owned by the British company of the same name. The British company is 59 percent owned by Hudson's Bay Company of Canada.⁷⁸

Hudson's Bay of Canada is a powerful company with a single family, the Thomsons, holding nearly 75 percent of the stock.⁷⁹ It owns about 600 retail stores that operate under the names The Bay, Simpsons, and Zellers. It is also involved in real estate and oil and gas development. It owns 16 percent of Hudson's Bay Oil and Gas Co., 60 percent of Roxy Petroleum and a substantial part of Dome Petroleum Limited. The Thomson family is a major force in the newspaper world with 17 weeklies and over a dozen dailies in the United States and Canada, including the *Toronto Globe and Mail.*⁸⁰

BankAmerica Corporation

Swabank

Long involved in South Africa as one of the leading lenders to the apartheid government, BankAmerica recently expanded its interests in southern Africa by buying into a Namibian bank. Swabank Ltd. was founded in 1973 with assets of \$33 million and 9,000 account holders. Swabank has four branches in Namibia.⁸¹ Barclays National Bank Ltd. and Standard Bank SWA Ltd., by comparison, have 26 and 30 branches, respectively. They are the major private financiers of the economy for both the private and public sector.⁸²

In 1981, the Societe Financiere pour les Pays d'Outremer acquired 51 percent interest in Swabank. BankAmerica is one of the four principal shareholders in Societe Financiere.⁸³ No data is available on Swabank's contribution to BankAmerica's earnings.

BankAmerica Corporation is a bank holding company whose chief asset is Bank of America National Trust and Savings Association. Bank of America is the second largest non-governmental bank in the world, based on assets. The bank has over one thousand branches in California, and branches in 101 other countries.⁸⁴

Forging Resistance, Building the Future

The Namibian people are struggling, not only for an end to an oppressive socio-economic structure but for genuine political independence. Without the expulsion of South Africa's occupying army, the fundamental problems of the society cannot be addressed. This struggle for independence is being waged on two fronts. The first is that of the people of Namibia themselves—striking, protesting, and organizing to overthrow white minority domination. The second is the international struggle — with the United Nations and its member states engaged in diplomatic action against South Africa. This latter makes the Namibian situation unique. It is the only country in the world that is legally a direct charge of the United Nations.

The struggle within Namibia is now led by SWAPO. Its objective is the same as that of the United Nations: to end South Africa's occupation and exploitation as well as the racism of the white minority against the black majority, and to achieve independence.

Over the last several decades, the focus of the Namibian struggle has shifted back and forth between Namibia and the U.N., but it has always been the efforts of the Namibian people which have kept the issue alive. During the early years of the United Nations, it was the traditional leaders, most importantly the head of the powerful Herero Chief's Council, Hosea Kutako, who initiated petitions to the United Nations calling on the international body to take action. By 1960, 120 petitions a year were reaching the U.N.

Massacre at Windhoek

While this petitioning was going on, younger leaders were turning away from ethnic politics and growing impatient with endless appeals to the world body. Strongly influenced by political organizations and campaigns against apartheid in South Africa, Namibians began creating a national political force that could confront the power of South Africa. And despite harassment and imprisonment, these efforts continued. In 1959, a major confrontation with the South African authorities took place in the Windhoek "location," where the city's black workers were forced to live.

The "Old Location" close to the center of the city, was to be emptied, and the people moved to Katutura, a new ethnically-divided township much further from the city. There was united protest against the new location, which included Kutako's Chief's Council and several newer political organizations.

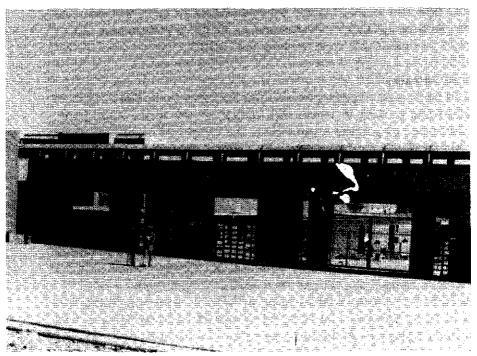
On December 9, 1959, a procession of women took the initiative, demonstrating in front of the symbol of South African power, the Administrator's residence. A boycott was called for the following day and picketers filled the streets. Then, without warning, the police fired, killing 13 people and wounding 54.

The Windhoek shootings demonstrated that non-violent protests and peaceful marches would be ruthlessly crushed by the armed forces of the state. Although the leaders of the organizations which led the protest were pursued and imprisoned, banned or restricted, a new stage in opposition had been reached.

SWAPO-The Beginning

Not long after this, on April 19, 1960, SWAPO, the South West Africa Peoples' Organization, was formed. It had its origins in Cape Town, where Namibian workers and students formed the Ovamboland People's Organization in 1958. OPO's immediate and urgent issue was to abolish the migratory labor system. When the South African security police discovered that the OPO leader, Herman Toivo ja Toivo, had smuggled a taped record of South African oppression out to the U.N., he was ordered out of South Africa to Namibia. There, Toivo began to organize in Ovamboland and continued to do so despite house arrest and periodic imprisonment. The OPO soon spread to locations and contract workers compounds across the country. The Windhoek branch was launched in April 1959, under the leadership of Sam Nujoma, who later became president of SWAPO.

Following the December 1959 confrontation with police in Windhoek, Nujoma was banished to Ovamboland but escaped into exile. Toivo was finally arrested by the South Africans in 1966. In order to convict him and 37 other Namibians, South Africa passed the Terrorism Act in 1967, made it retroactive to 1962, and under it found Toivo and his colleagues guilty of crimes punishable by long prison terms. Toivo is serving twenty years in South Africa's notorious Robben Island political prison. Nine others were sentenced for life.



This prison-like structure is the entrance to Katutura, the "location" which houses black workers employed in Namibia's capital Windhoek. It was built in 1959 to replace the "Old Location" which was deemed by the authorities to be too close to the center of the city. In classic apartheid fashion, Katutura has been built as a fragmented city. Bachelor quarters for migrant laborers are separated from regular housing for families, and each ethnic group is forced to live in a separate area.

The People Armed

During the early 1960s, SWAPO worked within Namibia to create a national movement cutting across ethnic lines. It brought together people from many different sectors of the population — workers, church members, women, and students. External offices were established in Dar-es-Salaam, Tanzania and Lusaka, Zambia. Working relations with other liberation movements were also established and the decision to begin preparation for guerrilla warfare was taken as early as 1962. However, throughout this period, high hopes were placed on a case being heard by the International Court of Justice. If the Court ruled in Namibia's favor, finding that South Africa was violating its mandate, many Namibians still believed the white minority regime would be forced to withdraw from Namibia and the long period of colonial occupation would be ended.

Instead, on July 18, 1966, the court declared that for technical reasons it could make no ruling at all.

On the same day, SWAPO issued a statement from its external headquarters in Dar-es-Salaam, declaring that the court's failure to act "would relieve Namibians once and for all from any illusions which they may have harbored about the United Nations as some kind of savior in their plight... We have no alternative but to rise in arms and bring about our liberation."¹ The first military encounter between SWAPO and the South African forces occurred on August 26, 1966, hardly a month after the World Court's decision. A new period in the struggle for independence had begun.

The Conflict Intensifies

From 1966 on, while SWAPO continued its work of political mobilization throughout Namibia, there was also a gradual build-up in the level of military clashes. At the beginning it took the form of small-scale guerrilla warfare. The SWAPO units were equipped only with what could be carried on foot and they had to rely on ambushing South African patrols and convoys, mining military roads and, less frequently, raiding enemy posts.

From October 1971 to September 1972, SWAPO forces estimated that they had killed or wounded between 150 and 200 South African troops.² The attacks were limited and spasmodic, but indicated a stepping up of the conflict.

The military struggle was not the only one that expressed the frustrations and determination of the Namibian people. In December 1971, a general strike hit the country, beginning with contract workers in Windhoek and spreading quickly to Walvis Bay and Tsumeb. By the end of the year as many as 20,000 laborers had walked off the job, demanding not only wage increases and better working conditions, but also an end to the contract labor system and all race discrimination. The strike failed to win immediate concessions, but it was a powerful expression of mounting discontent.

Victory in Angola

The struggle in Namibia underwent a dramatic change after the April 1974 coup in Portugal and the independence of Angola under the MPLA government in November 1975. Namibia's neighbor to the north was no longer an ally of South Africa but a friend of the Namibian people. SWAPO moved its headquarters to Luanda and the level of military activity carried out by PLAN (the People's Liberation Army of Namibia) increased dramatically. SWAPO's tactics continued to be those of guerrilla war but combatants moved in bigger groups and reached deep into Namibia, finding a high level of support among the local population. Roads were mined and telephone and electric pylons sabotaged.

On the International Front

The 1966 failure of the World Court to rule on the illegality of South Africa's occupation of Namibia generated new activity at the U.N. The General Assembly took action terminating the League of Nations mandate in Resolution 2145 of October 24, 1966. The Council for Namibia was established the following May as the U.N. administrative authority for the territory until the achievement of independence. In 1969, the Security Council called on South Africa to withdraw from Namibia. Then, in June 1971, the International Court of Justice issued an advisory opinion on Namibia, confirming the illegality of South African rule. This was a great political victory because it destroyed once and for all the legitimacy of the South African position and reaffirmed U.N. responsibility for the territory.



oost Guntenaar

Despite the International Court's ruling, South Africa continued to defy United Nations authority in Namibia and further action was required. In 1976 the Security Council adopted Resolution 385 which called for South Africa to withdraw and for elections for a constituent assembly under United Nations supervision and control.

Contact Group Negotiations

Then, in 1977, a "Contact Group" made up of Britain, France, the United States, Canada and West Germany was formed. Its stated purpose was to mediate in negotiations for the implementation of U.N. resolutions on Namibia.

SWAPO was skeptical of these negotiations because of the close political and economic ties between the group, also known as the Western Five, and South Africa. But group members insisted that they had a vested interest in a settlement and the leverage with South Africa necessary to bring it about.

By 1978 the Western Five had drawn up a plan for Namibian independence which was accepted by both SWAPO and South Africa. The plan became embodied in Security Council Resolution 435. It provided for elections in Namibia run by the South African-appointed Administrator General. The elections would be monitored by a Special Representative of the U.N. Secretary General. There would also be a U.N. military force that would monitor a cease fire between the parties.

Four years later the elections have yet to be held because South Africa has raised one objection after another to the implementation of the United Nations plan. In 1978 South Africa objected to the election date and the monitoring by U.N. forces of South African police in Namibia. In 1979 it was the size of the U.N. military force and the location of SWAPO bases in Namibia. Then, in 1980 and 1981, the issue was a demilitarized zone and the accusation of lack of impartiality of the United Nations. Finally, in 1982, the Cubans in Angola became the obstacle.³

"Linkage"

The question of Angola has become tangled with the question of Namibia. From the very beginning South Africa resisted the establishment of the MPLA government in Angola. In November 1975, when Angola became independent, South African troops were inside the country, moving north towards the Angolan capital, Luanda. The Angolan government invited Cuba to send troops to help repulse the South African advance and the Cubans have remained to assist in the protection of Angola from aggression from the south.

In 1982, South Africa, with the blessing of the Reagan Administration, brought the question of Cuban troops into the Namibian negotiations, insisting that they be withdrawn from Angola before South Africa withdraws from Namibia. This linkage of the two issues is a false one. The Cubans are in Angola at the invitation of the Angolan government. South Africa is in Namibia as an occupation force in defiance of international law. Nevertheless, the linkage question became the latest in a series of South African-imposed obstacles to moving ahead to elections under U.N. supervision.

Namibia and U.S. Policy

For more than fifteen years, under five presidential administrations, U.S. policy on Namibia has been one of strong words in favor of freedom and equality. But those strong words have been accompanied not by an aggressive policy to enforce them but by an absence of such actions, resulting in a perpetuation of the status quo of racism, repression and exploitation.

In 1966, the United States voted in favor of the U.N. General Assembly resolution which revoked the South African mandate over Namibia. But when the Council for Namibia was established the following year to administer the territory until independence, the U.S. abstained on the vote. The Council for Namibia was created to implement the revocation of the mandate and the U.S. government has consistently refused to sit on it. By this refusal, it is denying the Council the prestige and power of the U.S. government.

U.S. economic policy for Namibia is based on principles established by the Nixon Administration. Under this policy, the U.S. officially discourages new investment in Namibia, and Export-Import Bank credit guarantees are not available for trade with Namibia. Further, U.S. nationals who invested there after the revocation of the mandate in 1966 will not receive U.S. government assistance in protection of such investments against claims by a future lawful government of Namibia.

Yet this policy has not prevented U.S. corporations from continuing and expanding their operations in Namibia. The Department of Commerce makes it clear that the policy is not a prohibition on investment. It is not illegal to invest, and individual corporations are free to make their own decisions.

In 1974, the U.N. Council for Namibia issued Decree Number One, which outlaws the mining or exporting of Namibia's resources without the consent of the Council. This measure was taken because of the recognition that Namibia's mineral reserves were being depleted. The U.S. government has ignored this decree, as have private firms which operate there.

Contact Group Forms

As the Carter Administration came to power, significant change had just occurred on the political map of southern Africa. The coming to power of the MPLA in Angola enabled SWAPO to augment its growing internal support with more effective military action. African states at the United Nations were pushing for effective international action in support of Namibian independence by pushing for economic sanctions against South Africa.

Rather than support sanctions, the Carter Administration pleaded for time to negotiate a settlement with South Africa, and the five-member Western Contact Group was established in April 1977. African states were encouraged to believe that the U.S. was finally putting real pressure on South Africa when the Security Council, with U.S. support, enacted a mandatory arms embargo against South Africa in November.

But the Contact Group, with the U.S. as senior partner, has been unable to deliver the settlement it promised. It has refused strong action against South Africa, and has prevented such action on the part of others. In April 1981, the U.S., U.K., and France vetoed a series of Security Council resolutions instituting a range of mandatory measures against South Africa for its refusal to implement Security Council Resolution 435. In August 1981, the U.S. alone vetoed a Security Council resolution condemning South Africa's invasion of Angola. Then Secretary of State Alexander Haig said the veto was to "influence South African attitudes." He pointed to "bloodshed and terrorism"¹ that he said was being perpetrated by SWAPO but he refused to censure South Africa.

Reagan's South Africa Alliance

The Reagan Administration policy has turned the problem upside down. It tries to make SWAPO and the Angolans with their Cuban allies the obstacles to peace while at the same time giving free rein to South Africa's diplomatic intransigence and military aggression. The entire Reagan approach toward southern Africa is based on "constructive engagement" with South Africa. By this theory, South Africa can be coaxed into relinquishing control of Namibia and relaxing its harsh internal policies through the development of closer economic, political and military ties with the West. This policy has included a significant relaxation of the arms embargo, allowing the sale to the South African government of computers and even the sale of small aircraft to the South African military. By insisting on the withdrawal of Cuban soldiers from Angola as a condition for a Namibian settlement, the U.S. has moved the negotiations away from the fundamental issue: South Africa's continued illegal occupation of Namibia.

With this policy the United States bears major responsibility for the continued suffering of the Namibian people. This policy and the economic exploitation that accompanies it must be challenged. It must be challenged by all those who reject racism and exploitation, who support the just demands of the Namibian people.

Appendix

North American Corporations with Investments in Namibia						
United States Parent		Namibian Subsidiary or Affiliate	Field of Operation			
	Amax Inc.	Tsumeb Corporation Limited	Mining			
	BankAmerica Corp.	Swabank	Banking			
	Bethlehem Steel Corp.	Krantzberg Mine*	Mining			
	Brilund Ltd.**	Etosha Petroleum Company (Pty.) (Ltd.)	Prospecting, petroleum and minerals			
	Caltex	Caltex Oil (SWA) Pty. Ltd.	Supplies petroleum products			
	Mobil Oil Corp.	Mobil Oil SWA (Pty.) Ltd.	Supplies petroleum products			
	Newmont Mining Co.	Tsumeb Corporation Limited	Mining			
	Nord Resources Corp.	Nordex Joint Venture* Penarroya Joint Venture	Mining Prospecting			
	Standard Oil Co. of California	Caltex Oil (SWA) Pty. Ltd. (through Caltex U.S.)	Supplies petroleum products			
	Standard Oil (Ohio)***	Kennecott (SWA) Pty. Ltd. Kennecott Explorations (Pty.) Ltd.	Prospecting Prospecting			
	Superior Oil Co.	Oamites Mining Company (SWA) (through Falconbridge)	Mining			
	Texaco Inc.	Caltex Oil (SWA) Pty. Ltd. (through Caltex U.S.)	Supplies petroleum products			
	TONM Oil & Gas Exploration					
	Canadian Parent Canadian Pacific	Namibian Subsidiary or Affiliate Eland Exploration (Pty.) Ltd. (through Cominco)	Field of Operation Prospecting, minerals			
	Cominco	Eland Exploration (Pty.) Ltd.	Prospecting, minerals			
	Falconbridge Ltd.	Oamites Mining Company (Pty.) Ltd. Falconbridge of South West Africa (Pty.) Ltd.	Mining Prospecting, minerals including uranium			
	Noranda Mine Ltd.	Zapata Mining (Pty.) Ltd. Onganja Mine	Mining and prospecting			
	Rio Algom	Rossing Uranium Limited	Mining			

Notes:

- * The Krantzberg Mine, which the Nordex Joint Venture operates, was closed down in 1981 according to Nord Resources Annual Report, 1981.
- ** Brilund, although incorporated in Liechtenstein since 1976 (Canada before then), is controlled by individuals living in the United States.
- *** Standard Oil of Ohio is a subsidiary of the British Petroleum Company Ltd. of the United Kingdom which holds a 53 percent equity.

Sources: Annual reports and 10-K filings with the U.S. Securities and Exchange Commission; U.N. Centre on Transnational Corporations; Official Gazette Extraordinary of South West Africa, 30 Ianuary 1979; Oil & Gas Journal; Economist Intelligence Unit; 1981-1982 World Mines Register; 1981 E&MJ International Directory of Mining; Petroleum Economist; Rand Daily Mail; New York Times, and The Rossing File by Alun Roberts.

North American Corporations with Marketing Outlets or Franchise Agreements in Namibia

United States Parent

Alexander & Alexander Services Allis Chalmers American Cyanamid American Express Arthur G. McKee Black & Decker **Burroughs Machines** Coca Cola Consolidated Foods **Colgate Palmolive** Dow Chemical **Dresser** Industries Eveready Firestone Ford Motor General Electric General Motors General Tire and Rubber Heinz International Harvester John Deere

Joy Manufacturing Johnson & Johnson Midwest Uranium Minnesota Mining & Manufacturing National Cash Register Norton-Simon United Technologies Pepsi-Cola Piper Aircraft RCA Sears Roebuck Singer Southern Uranium Tenneco Transamerica Tristate Nuclear Woolworths Xerox

Canadian Parent Canadian Southern Petroleum Massey-Ferguson

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The Africa Fund 198 Broadway New York, N.Y. 10038 (212) 962-1210 Namibia, illegally occupied by South Africa, is today being robbed of its wealth while its people are denied their rights to self determination. North American corporations, along with South Africa, are involved in this ongoing theft. The vast majority of the people of Namibia live in dire poverty and tens of thousands of men are forced into the contract labor system that separates them from their families for long periods of time. At the same time, the corporations are repatriating up to 90 percent of the profits produced by these laborers. This study examines the role of North American corporations in the extraction of Namibia's wealth and the part they play in supporting South Africa's war against the Namibian people.

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