

**32<sup>nd</sup> Alfred and Winifred Hoernlé Memorial Lecture**

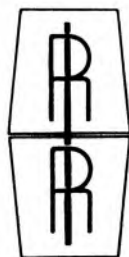
# **The role of multinational corporations in South Africa**

**Leon Sullivan**

# THE ROLE OF MULTINATIONAL CORPORATIONS IN SOUTH AFRICA

The 1980 Hoernlé Memorial Lecture, delivered in the  
Great Hall of the University of the Witwatersrand.  
Thursday, September 4, 1980

by  
**THE REV. DR LEON SULLIVAN**



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## **THE ALFRED AND WINIFRED HOERNLÉ MEMORIAL LECTURE**

**T**he Alfred and Winifred Hoernlé Memorial Lecture is delivered annually in memory of Professor R.F. Alfred Hoernlé, President of the South African Institute of Race Relations from 1934 to 1943, and his wife, Winifred Hoernlé President of the Institute from 1948 to 1950, and again from 1953 to 1954. It is given under the auspices of the Institute, invitations to deliver the lecture being extended to people having special knowledge and experience of racial problems in Africa and elsewhere.

It is hoped that the Hoernlé Memorial Lecture provides a platform for constructive and helpful contributions to thought and action. While the lecturers are entirely free to express their own views, which may not be those of the Institute as expressed in its formal decisions, it is hoped that lecturers will be guided by the Institute's declaration of policy that "scientific study and research must be allied with the fullest recognition of the human reactions to changing racial situations; that respectful regard must be paid to the traditions and usages of various national, racial and tribal groups which comprise the population; and due account must be taken of opposing views earnestly held".

## LEON SULLIVAN

THE REV. DR LEON SULLIVAN is an American who has left an indelible mark on the debate surrounding the issue of foreign investments in South Africa. He was the first to formulate and introduce a code of fair employment practice for companies operating in South Africa. Since the launching of those "Sullivan Principles" in 1977 no fewer than 13 other, similar codes have been introduced, perhaps the best known of which is the code of the European Economic Community.

Dr Sullivan gives details about how he came to introduce this code in the pages of this lecture, and how he changed his position from one of favouring total withdrawal of investments from South Africa.

As a black civil rights activist, Dr Sullivan initially took up the latter position until a short visit to South Africa persuaded him to attempt an alternative strategy.

Dr Sullivan ranks as one of the major leaders of the black community in the United States, having had a distinguished career. His original home was in West Virginia, where he was born in Charlestown on October 16, 1922. He graduated with a BA degree from the University of West Virginia in 1943, and with an MA from the University of Columbia four years later. He holds honorary doctorates in divinity and laws from Virginia Union University, and Dartmouth College, Princeton, respectively.

In 1950 he founded the Zion Baptist Church in Philadelphia, which with 5 000 members, is today one of the largest individual congregations in America.

He has received numerous awards and honours, including the Freedom Foundation Award in 1969. He is also involved in corporate business, and since 1971 has sat on the board of the General Motors Corporation.

In this position, he was drawn into the debate on investments in South Africa, and it was because of his interest in this country on that basis, as well as his pioneering work on fair employment practice codes; that he was invited to deliver the 1980 Hoernlé Lecture.

List of previous lecturers:

The Rt Hon. J.H. Hofmeyr, *Christian Principles and Race Problems*

Dr E.G. Malherbe, *Race Attitudes and Education*

Prof. I.D. MacCrone, *Group Conflicts and Race Prejudices*

Prof. W.M. Macmillan, *Africa Beyond the Union*

Dr the Hon. E.H. Brookes, *We Come of Age*

Mrs A.W. Hoernlé, *Penal Reform and Race Relations*

Dr H.J. van Eck, *Some Aspects of the Industrial Revolution*

Prof S. Herbert Frankel, *Some Reflections on Civilisation in Africa*

Prof. A.R. Radcliffe-Brown, *Outlook for Africa*

Dr Emory Ross, *Colour and Christian Community*

Vice-Chancellor T.B. Davie, *Education and Race Relations in South Africa*

Prof. Gordon W. Allport, *Prejudice in Modern Perspective*

Prof. B.B. Keet, *The Ethics of Apartheid*

Dr David Thompson, *The Government of Divided Communities*

Dr Simon Biesheuvel, *Race, Culture and Personality*

Dr C.W. de Kiewiet, *Can Africa Come of Age?*

Prof. D.V. Cowen, *Liberty, Equality, Fraternity — Today*

The Most Rev. Denis E. Hurley, Archbishop of Durban, *Apartheid: A Crisis of the Christian Conscience*

Prof. Gwendolen M. Carter, *Separate Development: The Challenge of the Transkei*

Sir Keith Hancock, *Are There South Africans?*

Prof. Meyer Fortes, *The Plural Society in Africa*

Prof. D. Hobart Houghton, *Enlightened Self-Interest and the Liberal Spirit*

Prof. A.S. Mathews, *Freedom and State Security in the South African Plural Society*

Prof. Philip Mayer, *Urban Africans and the Bantustans*

Alan Pifer, *The Higher Education of Blacks in the United States*

Chief M. Gatsha Buthelezi, *White and Black Nationalism, Ethnicity and the Future of the Homelands*

Prof. Monica Wilson, "... So Truth be in the Field ..."

Prof. Marshall W. Murphree, *Education, Development and Change in Africa*

Dr G.R. Bozzoli, *Education is the key to Change in South Africa*

Dr Hugh Ashton, *Moral Suasion*

Dr Alan Paton, *Towards Racial Justice: Will there be a change of heart?*

## THE ROLE OF MULTINATIONAL CORPORATIONS IN SOUTH AFRICA

“Once to every man and nation comes the moment to decide . . .”

(James Russell Lowell)

I first want to express my appreciation to the Institute of Race Relations for the invitation to be the Hoernlé Memorial lecturer this year.

I have carefully read the programme and policies of the Institute and of your high ideal and activities. You deserve the highest commendation for your efforts.

I particularly like the setting of this Great Hall, because it is representative of this noble university that has lit a candle rather than curse the darkness, by upholding the policy that all who wish to learn, regardless of race or colour, are welcome through its doors.

I want to also acknowledge the presence of so many of my black and non-white brothers and sisters. I pray God my coming, in some way, will help to lighten your burdens. I particularly want to thank those black leaders without whose willingness I would not have accepted this invitation to be here today.

This evening, I come to your country as a black man, with an appeal. It is an appeal for equality and for justice and for freedom for the black and other non-white population of South Africa. I come though, not just for them, but for all the people of your nation, white and non-white alike, because your destinies are tied together. For,

the laws of sacred justice bind oppressor with  
oppressed.

And close as sin and suffering joined we march to  
fate abreast.

I ask you, therefore, as I speak to you here and to your nation, to find the national will to save your beloved country before it is too late, and to provide full human rights and individual freedom to all your people, and to let South Africa become South Africa equally for everyone.

Above all things else, the need in South Africa today is for individual freedom, and the recognition of the universal and inalienable rights of man. The notion must be confronted and dispelled that a white person is superior to a black person, or

a black person inferior to a white person, or a person of any colour inferior to another, just because of the colour of their skin.

I emphasize individual freedom, because nothing will be more important to the future of your country than this. Without individual freedom for your black and other dark skinned people, there will be no future peace in your land. There must be individual freedom to work where a person wants to work on the basis of their ability and willingness to learn; the individual freedom to live where a person wants to live according to their desire and circumstances to do so; the individual freedom to attend a school with equal access, without restriction because of colour, or race or tribe; the individual freedom to take equal part in choosing their government and decide who shall make laws and govern their lives, as well as to be a part of those who govern; the individual freedom to move about without hindrance because of racial characteristics or identity; the individual freedom to speak as you please without fear; the individual freedom to be what you want to be, and to work and to strive and to save and to own, as all others, for the benefit of your person, your family, your community and your nation.

It must be sounded from your pulpits, taught in your classrooms, interpreted in your laws, and practiced in your nation. It must be realised here, as elsewhere, that if a nation is to be truly democratic, the fundamental premise of the equality of all people, before God and man, must prevail.

Whatever other measures are attempted to assist with your racial conditions, such as 'The Principles', these efforts can and will only go so far, until nationally and constitutionally, and in practice, your racial segregation ends and individual freedom for all your people becomes a reality.

Already unrest and disorder grows, and will continue to grow and mount until you change your outlook and your ways of dealing with your non-white population. Unless you change, your country will be engulfed in turmoil, and your cities, and towns and countrysides paralyzed with revolt and destruction. Unless you change, nothing you do will stop the devastation that lies ahead: neither your secret service, or your police, or your military. Unless economically, socially and politically, you change, and there is individual freedom for all, one day the tides of revolution will sweep over you and destroy everything you have built.

While there is still time, in the name of justice and in the name of God, accord your non-white population, through



the actions of your parliament, your councils, your institutions, your churches, and your businesses, their status as full citizens, with human dignity, and all the rights and opportunities it provides. Do it before it is too late. It is time for South Africa to change with the times.

A means **must** be found for all to live together in this beautiful country in harmony and peace.

There is need to find a way to build a bridge between your white and your non-white population before havoc overtakes you all. It is to help build that bridge, if possible, by peaceful means, that the 'Statement of Principles' were conceived and initiated. The Principles must be viewed as a humanitarian and economic effort, using companies of America, combined with companies of the world, to help build that bridge, and to help right the wrongs and injustices against blacks and other non-white people in South Africa, before it is too late.

Before I speak further of the Principles, and how they come about, and how they continue to evolve, you should know something about me.

All my life I have been engaged in the struggle for equal rights and opportunities for black and other oppressed people in America. From the time as a boy in the town where I was born, where I was told to stand on my feet at a lunch counter by a prejudiced white man, because I was black, I have been standing on my feet against race discrimination.

Since my youth, I have fought race prejudice in America. My past has been consistent in the struggle for justice and freedom. I am, also, a minister of God, and a Baptist preacher. I am pastor of the Zion Baptist Church in Philadelphia, one of the largest congregations in America; but I am a minister who believes that his mission is to help people to live on earth, as well as in heaven; and I believe in the words of Jesus when he said: "I am come that men might have life, and that they might have it more abundantly." I believe that God wants us "to preach good tidings unto the meek, to bind up the broken hearted, to proclaim liberty to the captive, and to open the prison to them that are bound."

I cannot emphasize enough that I am a minister, and a Baptist preacher — not a politician, not an educator, not a philosopher, not an economist, and not a businessman.

Also, I am a black man. There are 700 million of us in the world, along with three billion other people of colour, and we cannot permit a system that legally divides and segregates and degrades people, simply because of the colour of

their skins, such as apartheid, to continue in the world today. Apartheid must come to an end, one way or another. And I intend to bring it to an end, if I can, hopefully, by peaceful means. My main personal objective is to help end apartheid. I want to see apartheid eliminated from the face of the earth. And the world must help make it happen.

Hurricanes are not deterred by national boundaries, epidemics do not select persons because they are black, brown, yellow, white or red. The seas indiscriminately wash many shores and pollution from one nation can easily reach the shores of another.

In a world such as ours where the few can dominate the many, no one knows what direction history will take. We must never forget facism, and what happened because no one dared to stop it before it was too late. We must recognize there is a racial pollution here in South Africa that must be stopped. And it must be stopped now.

I know the question will be asked: "You have enough to do at home. Why aren't you in America dealing with your problems there?" And I can only reply: "I am busy dealing with the problems there." In 150 cities I have established programmes to help deal with the problems there, with training and education. But to the extent that I can, it is my responsibility as a preacher and a black man, to do what I can also, to help deal with the problems that blacks and other non-whites face here: for our fates are tied together. Wherever people suffer indignities anywhere, because of the colour of their skins we all suffer, and we must strive to help remove these indignities. That is what I am trying to do.

My involvement with Africa is not new. I have made many journeys to Africa in the establishment of training centres to help school leavers and school drop-outs, and people who are unemployed, to secure skills so they might be able to perform useful work, and add to the technical development and capabilities of themselves and their nations. Hundreds of thousands of previously unskilled and unemployed people have benefited from these programmes in America, and thousands in Africa.

These programs are now operational in nine African nations including your own neighbouring Lesotho, and there are further plans for their development in many other parts of the continent. They are the most successful community based training programs in Africa.

I have made a commitment to do what I can to help black people, not only in America, but also in Africa, because I

believe in the future of Africa, and I want to see every section of Africa independent, trained, prosperous and free. I want it clearly known that I am proud of my African heritage. I am proud to be an 'African-American'.

My active involvement with South Africa parallels my active participation with General Motors. In 1971 I accepted an invitation to become a member of the Board of General Motors because I believed in that capacity, along with other things, I could help blacks and others in America and other countries to secure equality and a better way of life. My relationship with General Motors has been a productive one.

My first public reaction regarding the Republic of South Africa occurred in 1971 at the annual General Motors stockholders' meeting. At that meeting I stated my views and voted that the General Motors Company should withdraw from the Republic of South Africa until apartheid was ended. To my knowledge, I was the only board member in America or in the world, to take such a public position on a stockholders' meeting floor. I held that position until the summer of 1975 when I briefly stopped over near Johannesburg during a trip to Lesotho, to establish an Opportunities Industrialisation Centre training programme there.

While here, I was met by a number of blacks, coloureds, labour leaders, and other private individuals, many of whom learned I was there through stories that appeared in the local papers reporting a statement I made on arrival condemning apartheid. During those meetings, that lasted all through the night, I was asked, over and over again, to make an attempt to see if it was possible to get American companies, and other companies, to become a real force for change in South Africa, by taking a stand against racial segregation, beginning with their own operations. I was told that although a few companies had done a few things, the effort had never really been tried.

Upon returning home, I continued to think about it and prayed to God, and was directed to initiate this effort among companies, starting in America, with the hope it would spread around the world, to direct the power and strength of multi-national corporations against the evils of race discrimination that exist here; and to find out, once and for all, conclusively, if the influences of companies could, indeed, be organised sufficiently in America, and hopefully around the world, to become a major force in ending discriminatory conditions in South Africa.

My approach was to be a peaceful one, because my efforts

against injustices have always been in the direction of peaceful means, even in America, when I organised and led great economic boycotts against companies that discriminated against black people there, until the companies changed their policies.

I am aware conditions in America cannot be compared with conditions in South Africa. Here racism is so deep and so entangled in centuries of traditions and customs and practices, that one wonders if it can ever be ended without warfare. Still, I believe, even in South Africa, that peaceful means, if given a chance, with the help of Almighty God, and the persistence of people who believe in the ideals of freedom, can prevail. Also, I know that a violent answer in South Africa will, inevitably, mean the loss of untold numbers of lives, perhaps in the millions, and most of them will undoubtedly be black.

So, I proceeded, still not certain my plan would work, and still at this moment not certain how far it can go, but willing to give it a try.

This endeavour took the form of what has come to be known as 'The Sullivan Principles'.

In March of 1977, the plan was initiated with twelve companies. It became the first united effort of its kind on behalf of companies ever attempted in South Africa.

From the beginning I saw the Principles as an evolving process. From the start I realised other steps would be required and additional phases would have to be initiated if the desired goals were ever to be realised, and that in time, it would have to become worldwide.

At the outset the resistance of many companies was very strong, but I decided to start where I was, and with what I had, even with the initial wording, and to work to where I wanted to go. As a result, since the first announcement, the Principles have been amplified and expanded several times to include such things as the right of black workers to organise and belong to trade unions, and support of changes to influx control laws, to allow the right of family life.

There are still steps ahead that will have to be taken, as well as other phases to be initiated, as the programme evolves, strengthens, and unfolds.

For the benefit of some who might not know what the American Principles and their guidelines really are, I will give highlights of them at this time, as well as an idea of the process that has been developed with the companies, for implementing and carrying them out.

**Principle Number 1:** Non-segregation of the races in all eating, comfort and work facilities.

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

- eliminate all vestiges of racial discrimination;
- remove all race designation signs;
- desegregate all eating, comfort and work facilities.

**Principle Number 2:** Equal and fair employment practices for all employees.

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

- support the elimination of all industrial racial discriminatory laws which impede the implementation of equal and fair terms and conditions of employment, such as abolition of job reservations, job fragmentation, and apprenticeship restrictions for blacks and other non-whites
- support the elimination of discrimination against the rights of blacks to form or belong to government-registered unions, and acknowledge generally the right of black workers to form their own union or be represented by trade unions where unions already exist.

**Principle Number 3:** Equal pay for all employees doing equal or comparable work for the same period of time.

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

- design and implement a wage and salary administration plan which is applied equally to all employees regardless of race who are performing equal or comparable work;
- assign equitable wages and salary ranges, the minimum of these to be well above the appropriate local minimum economic living level.

**Principle Number 4:** Initiation of and development of training programmes that will prepare, in substantial numbers, blacks and other non-whites for supervisory, administrative, clerical and technical jobs.

**Principle Number 5:** Increasing the number of blacks and other non-whites in management and supervisory positions.

- Identify, actively recruit, train and develop a suffi-

cient and significant number of blacks and other non-whites to assure that as quickly as possible there will be appropriate representation of blacks and other non-whites in the management group of each company at all levels of operations.

**Principle Number 6:** Improving the quality of life for blacks and other non-whites outside the work environment in such areas as housing, transportation, schooling, recreation and health facilities.

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

- participate in the development of programs that address the educational needs of employees, their dependants and the local community. Both individual and collective programs should be considered, including such activities as literacy, education, business training, direct assistance to local schools, contributions and scholarships.
- increase utilization of and assist in the development of black and non-white owned and operated business enterprises including distributors, suppliers of goods and services and manufacturers;

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

Recently several expansions have been made, consistent with the evolving nature of the Principles. They include requiring all companies to work towards the upgrading of blacks and other non-whites to all levels of the company's employment; and the requirement that all companies hold periodic meetings with representative black and other non-white workers to determine the extent to which the Principles are being fully implemented.

The principles represent one of the most detailed and comprehensive industrial fair-employment charters ever to be voluntarily developed and activated in a united way by companies against racial discrimination in a nation. If the Principles were followed and implemented by multi-national companies in the Third World countries they would become a major force in the elimination of workers' inequities, widespread poverty, and pervasive ignorance and illiteracy in



those countries.

As part of the process that has been developed in the planning and implementation of the Principles, every effort has been made to involve the companies on a close and continuing basis. All signatory companies, through their representatives, meet regularly through the year to exchange ideas, to summarize efforts, to discuss reports, to receive directions, and to plan future actions. Each company, through its representative, is assigned to at least one task group, representing each of the six Principles, to assure close, on-going participation. A seventh task group of company representatives deals specifically with periodic reporting and non-white business development.

Each American-based task group has a counterpart task group in South Africa, designated to work in co-operation with the American group, on plans and objectives.

In the future, American task groups will strive for closer collaboration with South African representatives. This is essential because the work that really counts will be done here in South Africa, and not in America, or some other part of the world. I have also found already, since being here, the great need for closer co-ordination. And I want to commend and encourage the South African task force group representatives for the work they have done.

Task groups have also been asked to work towards the greatest possible involvement of blacks and other non-whites in all projects and programmes. **The significant involvement of blacks and other non-whites must be emphasized.** Blacks must be a vital part of everything that is attempted in the improvement of South Africa, not only with the Principles, but, also with the codes and with everything else that relates to the future. Otherwise, success in all things will be limited, as the companies will be helping to create a new paternalism that will be totally destructive to everything the Principles are trying to accomplish.

Each company is expected to fill out a questionnaire twice during the year, describing the efforts of the company in implementing the Principles. The cumulative information is placed in a report, prepared by an organisation of outstanding credibility, the Arthur D. Little company, and the report is made available, on a semi-annual basis, to the public. For these reports data and information is gathered of the most exacting kind, and maintained to help with the most accurate measurements of the company's efforts. An annual rating is given each company for its performance. The report-

ing requirements for the Statement of Principles for American companies are substantially more stringent than those for any other codes. The companies and their ratings are made public.

Next month in America, great interest will be centered on the next company 'report card' as more and more stockholders and large investors and organisations will be making investment, divestment, and consumer judgements on the basis of the companies' ratings on the implementation of the Principles. It can be expected that growing numbers of selective divestment campaigns will be initiated against non-participating companies and companies that fail to implement the Principles in an acceptable way.

In the near future, I will be meeting with presidents from a hundred colleges and universities that have endowment funds amounting to billions of dollars, as well as state treasurers, pension and insurance company heads, and leaders of other fiduciary institutions, to discuss their investment policies regarding signatory and non-signatory companies.

In America, of the approximately 300 multi-national corporations doing business in South Africa, 140 have signed the principles, employing 80% of the American company South African-based work force. The remaining 160 companies have not as yet become signatories. Strong efforts will be undertaken to persuade all remaining companies to become signatories to the Principles.

A voluntary on-site monitoring plan is being completed for much needed on-site inspection of American company activities in addition to the semi-annual progress reports, to ascertain visual compliance with the Principles in word and spirit. On-site monitoring is one of the most essential present needs for the success of this effort, and hopefully will be fully underway within the coming year.

Never before in American industrial history has there been such a concentration and mobilization of companies around a 'volunteer trans-national corporate activity'.

All things considered, though, the biggest question is that of results, and what the Principles have actually accomplished.

According to reports I have received, there has, thus far, been measurable progress in both effect and substance. It is clear the Principles have had an effect on industrial thinking and activity in South Africa. The fact that I have been asked to deliver this annual lecture, is some evidence of that. Moreover, there is little question the Principles have made an im-



pact on the thinking of multi-national companies operating here, as well as on South African companies.

The Principles have established, as never before, a new worldwide sensitivity to the humanitarian role companies can, and must play in South Africa.

**The Principles have become a catalyst for change.**

In the past 36 months, since the Principles were introduced, more has happened in South Africa, as far as equal opportunity for black and other non-white workers is concerned, than has happened in the past 100 years. The Principles have also become an impetus for increasing and widening desegregation efforts in private and public places throughout the nation.

The Principles have their own momentum, and they will continue to change conditions.

One of the most encouraging developments in the past year have been efforts of a number of your largest South African companies, with a voluntary commitment to support the Principles and to improve employment practices in their respective companies. These companies employ more than 750 000 workers most of them black and non-white. This participation of South African companies with the Principles in the improvement of employment practices, is one of the most hopeful recent signs.

We hope to collaborate with these companies to the fullest extent possible, because the most important and lasting progress that can be made in South Africa will come from those who live here, and not from those who live across the seas. I am hopeful that, in time, many other South African companies will support fair employment practices and end all racial discrimination.

It should be noted, at least 13 fair employment codes from other nations have been developed as a result of the Principles. Although the American companies employ less than 2% of the South African work force (and less than 1% of black workers) the Principles are already impacting the lives of hundreds of thousands of workers, and this can be expected to rise into the millions. It is also the aim of the Principles to help the poor and the masses outside the work place, and to not just help create a black middle class. A major effort of the Principles must be to lift those at the bottom, and to assist those at the 'grass roots'.

In addition, the American companies have shown some important results in measurable substance. According to information received from Arthur D. Little reports, as of Octo-

ber 1979, more than 75% of signatory companies had fully desegregated their work places and facilities. Walls have been torn out and new facilities have been constructed to end segregation, in spite of laws that said it could not be done, and many of the companies were moving towards the implementation of the other objectives and goals of the Principles, such as equal pay for equal work, and the upgrading of black and other non-whites to supervisory and other jobs.

A further interim report of June 1980, also, has shown hopeful progress being made in other areas to improve conditions of life, outside the work place, particularly in education. A paramount aim of the American principles is the improvement of education. It is believed that the development of an educational infra-structure is essential for the future of the black and non-white population and whatever happens in South Africa the people will need to be educated.

The American companies are proceeding in this regard with timetables and goals. Already, hundreds of scholarships have been given, and there will be thousands; schools are being adopted, and there will be hundreds; literacy programs have been initiated, and they will reach hundreds of thousands. Management training programs have been started, and they will train tens of thousands. Skills training programmes and technical schools have been opened, and are being developed, and there will be scores of them, reaching tens of thousands of students.

Some evidences of education benefits, as of April 1, 1980, as a direct result of the Principles by American signatory companies are as follows:

1. The number of scholarships provided for blacks and other non-whites: 655 in universities in South Africa and overseas, with a projected goal of 1 000 by the end of 1980, and 5 000 by the end of 1984.

2. Adopt-a-School programs: (companies sponsoring elementary and secondary schools as interim efforts only until essential and non-segregated equality of educational opportunities is available for all). Seventy schools have now been adopted, serving 50 000, with a projected goal of 100 000 by the end of 1980, and serving at least a million by 1984.

3. Company teaching staff contribution of hours to job training programmes: 70 000 hours; with a projected goal of 200 000 hours by the end of 1980. This will be in the millions by 1984.

4. Management training for blacks and other non-

whites. There are presently 1 000 in professional, supervisory and managerial training, with a project goal of 1 500 by the end of 1980, and tens of thousands by 1984.

5. Skills training programs (in-house and external). 7 000 presently enrolled (4 000 being technicians and artisans) in these courses, with a projected goal of 10 000 by the end of 1980 and 100 000 by 1984.

The interim report cited, also showed increasing efforts by companies in the improvement of housing, health benefits and health care services, black and non-white business development, and the initiation of other kinds of community and human development programmes.

Whatever might be said, it is clear that there has been some movement, and some progress in South Africa, as a result of the Principles. Therefore, I am **encouraged**.

But I am **still very much dissatisfied, because in relation to the need, it has all fallen far, far short of my desires and progress is far, far too slow**. Conditions in South Africa are of such that the greatest of urgency is required if the Principles and codes are to be effective enough to meet the needs at hand. Although there has been movement, the companies are not moving fast enough. In spite of the positive things that have been happening, the companies, overall, are simply moving too slowly. The companies must be pushed more, for greater results. They are moving at the pace of a possum, when they should be moving at the speed of a hare. The companies are like a possum crossing a street, taking their own good time. This includes American companies, and other companies of the world as well.

To be sure, I am pleased by the leadership role American companies have taken thus far in this process, and I am pleased the Principles have been an important catalyst for change, and I am pleased for the recognition they have received. But I am far, far from being satisfied. They must do more to end discrimination, upgrade their workers, and promote equal opportunities outside the work place. I acknowledge that some American companies are trying hard and doing encouraging things, but overall, American companies must do more, and they must do them faster.

So, I will be returning to America and turning screws, more and more. I will be pushing all the companies, harder and harder to implement the Principles faster and faster, because the needs of black people in South Africa today are beyond description, and massive efforts are needed to eliminate their problems and to help them get rid of their oppression.

Most whites don't know what is going on where the black people and non-whites live. Most of you live in your modern protected cities and you never see where the people live. It is beyond description and their oppression and humiliation are constant; bannings, jailings, exiles, suppression. Any American companies that do not do their part to improve those conditions and to help alleviate that oppression simply have no moral justification for remaining in this country, and as far as I am concerned, they should pick up, pack up, and get out!

So, I will be supporting selective divestments against American companies that do not co-operate with the Principles, and who fail to favourably comply with their implementation. I will also be calling for aid, be urging strong United States government action against them, including tax penalties, sanctions, and the loss of government contracts. And, if change still does not come fast enough, I will consider stronger measures, including total divestment, and ultimately, a total embargo on all American exports and imports to and from South Africa. And I am also particularly concerned about the efforts of European companies, and other companies, to comply with their fair employment codes, and promote equal opportunity outside of their plants and businesses. **Pressure, pressure, pressure** must be put on them too for results.

Several years ago, when I first initiated the Principles, I made a trip to Europe to secure co-operation and participation of European companies. I was told they preferred to develop a code of their own. Later, the European Economic Code for South Africa was initiated. I was encouraged by this development, and hoped that the companies from these countries would back up their codes, because we are aware that 65% of foreign investment in South Africa is in European based companies.

Since then, I have been watchful for results, and I have been deeply concerned, distressed and disappointed by the caution of their efforts. Out of prudence, I will not speak as sharply to them as I can and do, of the American companies, but the European companies will have to become more vigorous behind their codes in South Africa and stop playing games with their codes, as must, also companies from other nations with great influence in South Africa, such as the Japanese, who have been far too silent on these matters.

The Japanese and others are making money out of South Africa. They ought to do more to change these conditions. Much, much more is required of all. Companies of the world

simply are not doing enough!

And do not place all the blame on the South African plant manager, or even altogether with the South African government, but also on the home offices where the decisions are made. It is time the home offices of multi-nationals took hold of their responsibilities in South Africa and made the decisions and the resources available to get a job done. Frankly, I have found there is more desire to improve conditions among some South African businessmen than among the foreigners.

Now, I am aware the companies cannot solve all the problems in South Africa by themselves. It is a mistake to think they can. The problems here are far too deep and complex for that. In order to end racial discrimination in South Africa help is needed from many fronts — from churches, unions, schools, governments, the United Nations, and world public opinion, along with the companies. But the companies have a major role to play because they have been among the chief beneficiaries of an unjust system, and they should be required to the utmost of their capabilities, to help improve the conditions of the people and to help change that system.

It is my hope that the interest publics in these European and other nations with interests in South Africa, will use their investments, and their consumer power, and their influence with their governments, to press these companies towards greater efforts. All companies should be required to implement their codes, and to report their progress, and to be monitored. There should be sanctions and penalties against them if they do so, and publication of the names of the defaulters.

The Principles and the codes were never intended, as far as I am concerned to alleviate conditions, but to change conditions. Some might have thought they meant to alleviate; and to provide a cover for the companies to hide behind, but No! No! They were not meant to appease, or to cover up, they were meant to help change the discriminatory conditions here, otherwise, as far as I am concerned, they lose their purpose.

If the companies of the world, with their principles and their codes, fail to make a greater thrust inside and outside the work place soon, and if they fail to use their power and influence to help persuade the South African government to end its racial and discriminatory laws soon, then we will have missed the mark, and we can all forget about our peaceful solutions. Time for change is running out!

I am making an appeal today to companies of the world — and we need the help of everyone — to use their power, and influence to help end racial discrimination in South Africa and to help end apartheid.

I ask the companies of the world to stop using the Principles and codes as a camouflage, and to realise they can no longer do 'business as usual' in South Africa.

I ask the companies of the world to demonstrate their commitment to change. You can if you will and with other thrusts, you can help turn this system around.

Let the companies of the world in South Africa agree, that within this next year, every company and business in South Africa will take down all racial signs and end all racial segregation and discrimination in the work place.

Let the companies of the world in South Africa agree, that within this next year, a plan of equal pay for equal work will be developed, and an action programme, beginning now, for the upgrading of black and other non-white workers, be achieved, so that blacks won't all be at the bottom, but they will begin moving to the top. And don't say they are not qualified. They are as qualified as some of the white workers you have moving up. Clear the way, and give them a chance and in your plans work towards an adequate living wage for every worker.

Let the companies operating in South Africa agree to face up to one of their greatest challenges and to insure the rights of black workers to association, and to organise or belong to the union of their choice, and the right to be represented in collective bargaining. For one of the greatest hopes for a peaceful solution in South Africa is co-operation with and equality of opportunity and benefits for the black and non-white workers.

I implore you, don't suppress the workers. Let them organise if they choose, work with them. To do less will be counter-productive. There has been more labour unrest in recent months by black workers in South Africa, than since 1973. Give the workers their legal opportunities and rights to express themselves, otherwise you invite expanding disruption. And with respect to the Principles, let it be clarified that when it says: "To acknowledge generally the right of black workers to form their own union or be represented by trade unions where trade unions already exist" it means if workers choose to organise, American signatory companies should recognise any representative registered or unregistered trade union, and should work with them to help improve the lot of



the workers. It has been indicated to me that as a result of the Principles something new is happening in South Africa. There has developed a new 'workers' awareness' throughout the nation. Do not victimise those who are trying to organise. Work with them to your mutual advantage, and give the black workers a bigger piece of the pie.

Remember Poland.

Also, let companies of the world agree to begin to expand their efforts outside the work place, as described in Statement Six of the Principles. Let the companies of the world agree, beginning now, to assist in the initiation and the support of massive educational programs that will lead to the ending of illiteracy throughout South Africa, and to the equalization of standards of education for every school and for every child in the nation.

Let the companies of the world agree, beginning now, to assist with the development of training centres that will teach thousands and thousands of non-white youth with technical skills, as quickly as possible, and reach millions by the end of the decade.

Let the centres be planned and designed to meet the needs of unemployed and unskilled youth, on an expansive scale — youth who are frustrated because they are idle, frustrated because they are neglected, frustrated because of discrimination and segregation. . . . Remember: 'Frustration breeds destruction'.

Let the centres be open to all, with the fullest support of the companies: their facilities, equipment, instructors, curriculum development and operation funds.

Let the training be shaped to meet the needs of the trainee, with heavy emphasis on development of confidence, attitude, work habits, basic communication and computation and practical skills, that can help a youngster get a job, or make a job for themselves: bricklaying, electrician, carpenter, plumber, automobile mechanic, radio and television technician, appliance repairer, typist, key punch operator, gardener, mechanical farming, electronic assembler, power machine operator, tile and carpet layer, medical assistants, and on and on. Begin with a few of these centres and develop them by the hundreds.

And in these centres teach the blacks, and other non-whites, self confidence. For 300 years their self confidence has been taken away from them by the teaching of white superiority. Teach these black young people to believe in themselves and what they are capable of becoming (and give

them equality) and they will help build this nation into one of the greatest for its size on this earth.

And let the companies of the world agree, beginning now, to set individual company goals in every community where their businesses operate, to assist in the development of health facilities, electrification projects, housing programs and the array of needs that have grown and festered through generation and generations of continuous neglect.

Let each of the companies of the world agree individually, beginning now, to assist with the development of one or two non-white businesses they can use as suppliers, or deliverers of services. Let the companies assist in management support, technical know-how, loans and financial aid, thereby strengthening and developing businesses within several years, by the thousands, with the expectation of some developing into major enterprises like shopping centres, department stores, factories, mines, banks etc. The need for black and non-white economic empowerment in South Africa is critical, and the need for business know-how, urgent, particularly in black communities, since up to 90% of all black income is spent in all white areas and with all-white merchants.

Let the companies work, in co-operation with the National African Chamber of Commerce and qualified multi racial educational institutions and management training and business support organisations. And, in all things attempted, let the companies of the world remember that a significant involvement of blacks must be emphasized in everything otherwise it will surely fail.

In this respect white attitudes must be changed. The attitude that blacks cannot measure up to whites on committees and in organisation, or in top jobs, must be changed. Give them a chance, they will measure up. Put them into every committee or programme that is organised. Open the door. Let my people in. They will measure up.

The kinds of things I have mentioned today will be costly to the companies, amounting to billions of rand in new programmes, and tens of billions in new wages in this decade, but it is a cost that will have to be paid if there is any chance at all for a peaceful solution to the racial problems here. And it is time the companies began to put back into the lives of the people, a portion of what they have taken out. There is nothing stopping the companies from doing these things. The companies of the world can make a co-ordinated thrust to see community improvement occur in urban and rural areas for



blacks and others in this nation. And such a co-ordinated efforts should be planned for as quickly as possible with plans to see development for the accomplishing of goals and an international plan for monitoring.

And it is my belief, if the companies of the world do not begin to mount these kinds of efforts in a co-ordinated thrust, inside and outside the work place, of the kind and magnitude described here, that the Principles and codes should be re-assessed as to their value in helping to bring about desirable change in South Africa.

In addition, someone must speak up for the political rights of the people. Although there has been some limited progress in the economic sphere here in South Africa, there has yet to be a realization of blacks participating in the political processes of the South African nation. The true extent of progress in South Africa must be measured in terms of the full acceptance of blacks in any system of a political nature. Blacks must participate in the system, both economically and politically, or all other efforts fall short.

It is my hope a moral imperative will develop within South Africa, among the forces of goodwill, for the ending of all racial laws and for the full inclusion of blacks in the political process of the country. This moral push must come. It must come from the churches, it must come from the white middle class, it must come from the students. The churches, the white middle class, and the students are at the point of the wedge, and if they want to save their country, they must speak out. Speak out for the full political inclusion of blacks and non-whites in the primary governmental process, and for the end to separate development.

Separate development is at the core of the SA problem. There can be no fundamental progress until separate development is ended. The elimination of so-called 'homelands' is mandatory for a just and peaceful solution to the problems of South Africa. Deal with separate development and solve the problem; evade it, and with all other improvements, the main problem of South Africa will still exist.

**The Principles can help put a crack in the wall, but the wall must come down.**

And may the day come when chief executive officers from various nations, representative of the multi-national companies of the world, will call on Pretoria and request an end to race discrimination, separate development, and the exclusion of blacks from the governmental process. For if the businesses of the world speak, the government will listen.

The task ahead seems so great, but it can and it must be accomplished.

There are those who have come to the Republic of South Africa, and have returned to America to declare there is no hope; that there is no way of escaping violence, bloodshed, warfare — a revolution, in which military revolt destroys thousands of lives, and those who try to put down the revolt destroy lives.

They say: Sullivan, your idea is a good one, but its too late. The power structure in South Africa will only eliminate apartheid over millions of dead bodies.

To them I say: "Where there is life, there is hope". We must try. I have come to look to see for myself; I have come to listen and to hear for myself. I say every possible effort must be made to turn around this trend to destruction. Every human effort possible must be made to demonstrate the historical necessity to eliminate apartheid without a racial war, which would engulf the entire third world, and eventually, possibly, the entire world.

Every effort must be made by governments, by businesses, by religious leaders, by educators, by labour leaders, by grass roots community workers, in an age of nuclear annihilation, to make the effort, to win the minds of men and women among the oppressed and the oppressors to work together, in spite of the doubts, to find a way out. And that is what, with the help of God, I am trying to do — to find a way out! We must try!

Here I acknowledge and give a salute to the most courageous people in the world today; the black and other non-white men and women of the Republic of South Africa. I admire your great fortitude, and ask you to hold on a while longer, because God is not dead, and "the morning cometh". I acknowledge, too, your great leadership. The black leaders of South Africa I have met are amongst the most courageous and able I have seen anywhere in the world.

To blacks I say, develop more of them and follow them: and to the white community I say, listen to them, because one of the greatest hopes for peaceful change in South Africa is for the white leadership to recognise the validity of the emerging black leadership and to deal with them on an equal basis.

And to my black and non-white brothers and sisters, I make this special appeal: do not permit the divisive forces and influences to divide you. People will divide you if they can and put you against each other, tribe against tribe, leader

against leader, spokesman against spokesman. They will divide you and control you. Do not let it happen to you. Have your different points of views and strategies, as do other people, but when it comes to the common good of the black and non-white masses of your nation, be together, and use the power that you have.

I know the system has taken away most of your power — but use the power that you have. Use your brain power: do all that you can to further the preparation of your people. For as long as your enemy can keep you a slave in your mind you will be a slave forever. So continue, however you can, to protest your inferior schools and stand up for better and equal education to your progress. Desegregation without education means more frustration. And use your faith power. Remember that God still loves and he has not left you alone. Use your purchasing power. Learn how to put your purchasing power together and use it. Among blacks and coloureds and asians there is more than ten billion rand in annual purchasing power. Learn how to use it in the opening of jobs and in the breaking down of racial barriers and it will be more powerful than you could ever believe.

Use your power of self-help. God helps those who help themselves. Use your resources to develop programmes of self-help. Self-help co-operatives, self-help credit unions, self-help buying clubs. You will be surprised at what you will be able to do. And I, and others like me, will support you on the other side.

Black and other non-white ministers, labour leaders, community workers, youth leaders in the forefront of a new South Africa, you are a great and brave people: I salute you.

As I look at your country, the promise of what you can be is so great. The Republic of South Africa has been blessed as no place in the world with an abundance of natural resources. South Africa can be an economic and multi-racial paradise, in which all will have and prosper. Share your benefits with all your people. There is more than enough for everyone.

I have noticed commission recommendations, I have noticed statements regarding the importance of changes: there is a glance by your authorities in a different direction. I hope this glance can be translated into meaningful movement. Your non-white population comprises five-sixths of your people: make them five-sixths of your nation's progress, or they will become five-sixths of your nation's destruction. Join together in your nation's progress.

As I near the end of this lecture, I want to tell you of my personal position beyond the principles, concerning bank loans to your government and new investments, so you will understand fully where I stand on these matters today. Regarding bank loans (this or its equivalent):

Until apartheid has ended, and there is clear, tangible evidence and demonstration thereof, no United States bank shall make any further loans to the South African government or its agencies, and will give consideration only to specific, privately sponsored projects or programmes, developed in co-operation with blacks and other non-whites, which contribute to their social, and economic advancement and equality, and that do not support apartheid.

And it should be known that when I speak of the ending of apartheid in the bank statement, and 'clear and tangible evidence and demonstration thereof', I mean such things as: the ending of the passbook system, the end to racially motivated bannings and detentions, the rights of blacks to buy and own property, anywhere in the nation, the ending of so-called independent homelands, equal protection under the law, full citizenship rights, and full political participation for blacks and other non-whites, equal to that of all other citizens in the Republic of South Africa. I will be pursuing support for this position and for its equivalent, throughout America with the help of thousands of churches and bank depositors.

And regarding new investments (this or its equivalent): I am opposed to new investments now except for retooling to remain competitive, or for programmes and projects that promote equality and improved social conditions for the non-white population. I am opposed to new investments until there are concrete evidences that apartheid is ending, including official meetings of white government leaders with black and other non-white leaders such as a national convention, and a time-table with 'common agreement' for full inclusion of blacks and other non-whites equally in the economic, social and political life of the country. At such a meeting or convention there should be real spokesmen for the people and leaders like those banned or in exile, like Nelson Mandela.

There is a question as to the extent broadened investment in a structurally racially segregated society, such as South Africa, will help the masses, and might even serve to create a wider economic disparity.

A full investment tide may lift all the boats, but it does not help those who have no boats to sail.

And remember that for me, economic persuasions, reason, and my faith in God are the only weapons I have to use, and I intend to use them to the greatest extent of my ability.

In conclusion: an addendum about the importance of efforts of companies in South Africa, as they relate to the future of the free enterprise system. I believe that in the Republic of South Africa, to a large measure, the free enterprise system today is on trial. I think that the survival of free enterprise will be determined by the extent companies from the Western World, and other areas, are willing to exert their influence to help change conditions in South Africa and Third World nations.

Recent developments have demonstrated to all that rising tides of discontent among the disadvantaged can change the course and the character of economic, social and political systems. Historically, we know the revolutions that have shaken the world have come from lack of economic and political equality for the masses, and lack of justice for the disadvantaged.

Even today, the free enterprise system, and the multinational corporations, are regarded by the disadvantaged of the world, as being detached and unconcerned with the needs of the poor, so long as they make their profits. And, as I see it, multinational corporations have, historically, been unresponsive to the needs of workers and for the most part, they are still so today. They have disregarded the human and social needs in the communities and environments where their plants and businesses exist. The great majority of companies have been more interested in the bottom line than in helping people out of bread lines. Within Third World nations, often referred to as developing countries, the free enterprise system, and multinational corporations are regarded as enemies of the people, and obstacles to social and economic progress. This need not be the case. The multinational corporations, companies, and businesses, have the resources and capabilities to improve the quality of life for millions of people, and to play a vital role in upgrading the social and the economic lives of individuals, wherever they exist.

The Principles should be applied throughout the Third World!

The current negative view of multinational corporations and Western companies and businesses is pervasive among the poor, and must be changed if the free enterprise system is to survive.

The Republic of South Africa provides the setting where companies can make significant progress in answering their critics by demonstrating clear and humanistic concern for the underemployed, they can use their vast powers and massive resources to help millions of people who have been cut off from opportunities to gain equality, and great and equitable benefits from their labours and a better way of life. It is apparent that such direction is overdue and needed.

America, as the rest of the Western World, has a great deal to learn in this direction. The following comment appeared in an editorial in one of our great American financial journals not long ago,

“It seems to us that the policy of American business makes little difference in South Africa, one way or another . . . most United States business in South Africa are expounding the sensible view that we provide goods and services to our customers, and profits to our investors: we obey the local laws and try not to do anything beastly, and politics is the politicians’ business.”

It is this kind of view that must be proven wrong and dispelled, because, “providing goods and services to customers and profits to investors” might unfortunately have been considered sensible at one time, but not now. “Observing local laws and trying not to do anything beastly” is for a day long gone. Today, “humanistic interest” had better be the concern of companies if under the banner of free enterprise, they expect to survive. The greatest enemy of capitalism is not communism, but the selfishness and the lack of humanity of capitalism.

The challenges of Sharpeville, Soweto, Crossroads, the death of Steve Biko, the continuing bombings and bannings and jailings of the people, all rise before us to be met. The Principles, their guidelines, and continuing evolvement, and the codes, are attempts along with other thrusts, that are necessary to meet this challenge.

Just before the turn of the 19th century, W.E.B. du Bois, a great scholar and philosopher, warned: “The problem of the 20th century is the problem of the colour line — the relation of the darker to the lighter races of men in Asia and Africa”. Here in South Africa, today, that problem is seen as its apex.

If it can be solved here, it can be solved anywhere.

For the sake of South Africa . . .

For the sake of all your people . . .

For the sake of the world . . . let us work to solve it.

That, by the grace of God, there might be found, in spite of the odds, a peaceful alternative to warfare in South Africa.

It can . . . it must be done!

South Africa, my black and white and brown brothers and sisters, may God Almighty bless you on the way, and help you all in the struggle for freedom. Take each other's hands, and help build a new South Africa that the whole world can see and be proud of.



# The Hoernlé Memorial Lectures

The IRR is republishing the text of the Hoernlé Memorial Lectures, a series of talks which started in 1945. The original introductory note to the lecture series reads as follows:

*A lecture, entitled the Hoernlé Memorial Lecture (in memory of the late Professor R. F. Alfred Hoernle), President of the Institute from 1934—1943), will be delivered once a year under the auspices of the South African Institute of Race Relations. An invitation to deliver the lecture will be extended each year to some person having special knowledge and experience of racial problems in Africa or elsewhere.*

*It is hoped that the Hoernlé Memorial Lecture will provide a platform for constructive and helpful contributions to thought and action. While the lecturers will be entirely free to express their own views, which may not be those of the Institute as expressed in its formal decisions, it is hoped that lecturers will be guided by the Institute's declaration of policy that "scientific study and research must be allied with the fullest recognition of the human reactions to changing racial situations; that respectful regard must be paid to the traditions and usages of the various national, racial and tribal groups which comprise the population; and that due account must be taken of opposing views earnestly held."*

## About the IRR

Since 1929, the Institute of Race Relations has advocated for a free, fair, and prospering South Africa. At the heart of this vision lie the fundamental principles of liberty of the individual and equality before the law guaranteeing the freedom of all citizens. The IRR stands for the right of all people to make decisions about their lives without undue political or bureaucratic interference.