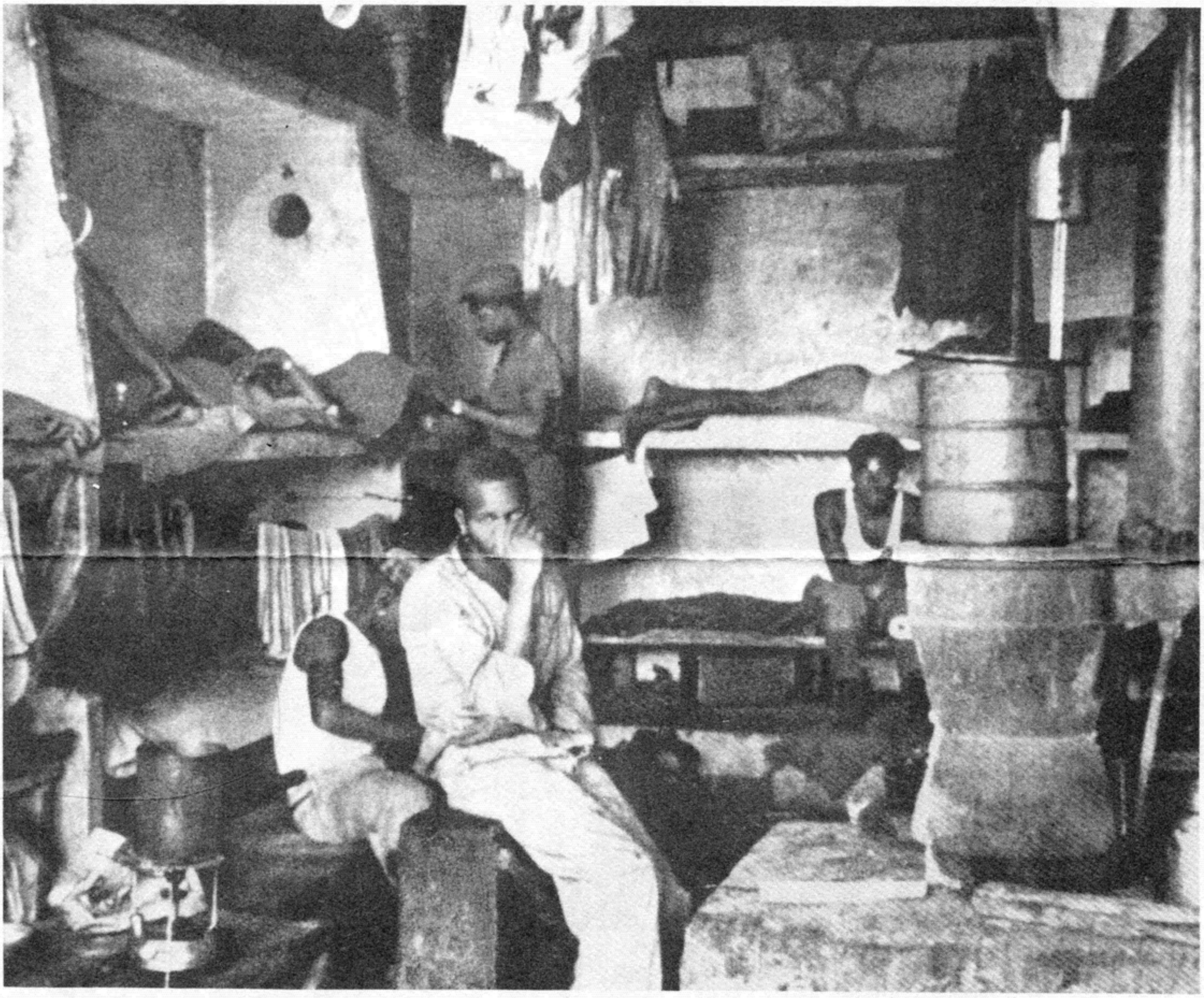
STEEL



SOUTH AFRICA & SANCTIONS

SOUTH AFRICA, SANCTIONS AND THE STEEL INDUSTRY

'Act now to impose such sanctions that will bring about the necessary change and avert what can become the greatest African tragedy of our times.'

(Chief Albert Luthuli, the late President of the African National Congress and Africa's first Nobel Peace Prize winner, appealing to the world in 1959.)

People who profit from Apartheid often claim that economic links with South Africa are in Britain's interest. Sanctions, they say, would hit employment and cut off the supply of vital raw materials to British industry. A new report proves these claims are false.

The report, published by Sheffield Anti-Apartheid Movement — on behalf of a working party of the City Council, trade unions and MP's — looks at the arguments and, by highlighting the links that local engineering and steel firms have with South Africa, it reveals that:

- **trade and investment in the Apartheid economy has undermined manufacturing industry in Britain.**
- **over-dependence on raw materials from South Africa is unnecessary and makes us highly vulnerable if supplies are cut off because of the crisis there.**

The report looks in detail at the steel industry and the so-called 'strategic raw materials' it uses that are currently purchased from South Africa. In each case, South Africa does have sizeable reserves of these vital materials as well as the capacity to mine and process them. But the report points out that Britain 'could in every case find other suppliers to the same specification.' And it argues that British steel producers should 'end their dependence on South African imports before they are obliged to.'

Limited sanctions have already been imposed on South Africa by the Commonwealth, the United States and the Common Market. Pressure for tougher action is growing. And, whether a British Government imposes sanctions or not, doing business with South Africa is bound to become an increasingly risky business as the crisis in Southern Africa gets worse.

Apartheid — Immoral and Unstable

The apartheid system is unique. South Africa is the only country in the world where 87 per cent of the population are denied any basic rights in their own land purely on the basis of skin colour.

Apartheid rule relies on brute force — 29,000 people are in detention, the black townships are under military occupation and thousands have died at the hands of the regime's security forces and their paid agents.

Armed police are frequently used in industrial disputes, as here during a Johannesburg municipal workers' strike. And the weapons are used, as recently when police shot dead striking railway workers.

Cover photo: Living quarters for black miners.
As many as 50 men live in each room in the compounds, sleeping on concrete bunks. Separated from their wives and families for months at a time, 'migrant labourers' are a virtual slave labour force for the companies investing in South Africa.

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And the Apartheid regime's terrorism extends beyond South Africa's borders. Neighbouring Namibia is illegally occupied and constant military aggression against Angola and Mozambique has brought both countries to the brink of a famine that could prove to be as horrific as the Ethiopian disaster.

Southern Africa has been declared by the United Nations to be in a state of war and the blame for this situation rests squarely with the Apartheid regime and those who profit from its rule.

Britain is by far the largest foreign investor in South Africa. There are about 1,400 subsidiaries of British Companies in the Apartheid state and over 370,000 workers there are employed by companies with a British link.

Investment in South Africa has been twice as profitable as other overseas investment by Britain's transnational companies. The reason for this is simple: slave labour. By paying starvation wages and ignoring the most basic safety requirements, firms operating in South Africa can produce cheap goods for the world market even though industry there is often highly inefficient.

Take steel as an example. In 1983, it took BSC only 9.3 man hours to produce a tonne of steel, as compared with 16.8 man hours in South Africa's state owned steel company (ISCOR). But because ISCOR's labour costs are half those of BSC, the South African steel firm is able to undercut its British rival.

Like ISCOR, the transnational corporations operating in South Africa use the Apartheid system to their advantage. And this often means that they produce goods there at the expense of jobs in Britain.

BSC itself has strong ties with the Apartheid economy. Until the early 1980s it had steelworks in South Africa employing around 20,000 people. In 1977, BSC invested £2 million in setting up a ferrochrome smelter at Lydenburg while Britain's capacity to smelt imported chromite ore disappeared completely.

WAGES IN SOUTH AFRICA

(Rand per month: R3 is roughly equal to £1)

	African	White
Coal Mining	317	1608
Gold Mining	285	1566
Metal/Machining	450	1535
Food	292	1334
Local Authority	313	1538
Transport	357	1298
Average	310	1210

Source: South African Institute of Race Relations Survey for 1984.

The wages shown are average figures, and do not cover agricultural and domestic workers, who are notoriously badly paid.

Minimum pay rates can be much lower, for example: unskilled underground miners earn only R166 per month (£55), surface workers R136 per month (£45). (July figures).

The bulk of South African ferrachrome and nickel imported into Britain is used in the Sheffield and South Yorkshire steel industry — including BSC Stainless, UES and Forgemasters.

Fatal accidents are a regular feature of South African mines. Between 1973 and 1983 over 8,000 miners were killed and a further 230,000 injured.

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Propping Up Apartheid

The great bulk of ferrochrome is used in the production of stainless steel, which has a chromium content of between 13 and 35 percent. The Apartheid economy has only 16.5 percent of world ferrochrome-smelting capacity, yet in 1986 Britain imported 60 percent of its ferrochrome supplies from South Africa.

Equally strikingly, in 1986 Britain imported 32 percent of its ferromanganese from South Africa, whose share of current world production is only 13 percent. **BSC could have smelted these imports itself at its Teeside furnaces, which it runs at less than half capacity.**

Britain relies on other South African steel-related raw materials more than it needs, too. We buy disproportionately high amounts of South Africa's manganese ore, nickel and tin.

All these materials are easily available elsewhere at the same price.

Instead, Britain relies on an old pals' act relationship with Apartheid. Last year over 11 percent of our iron ore supplies (value £18.3 million) came from South Africa. Yet South Africa is a minor producer of ore on a glutted world market, where the largest suppliers are said to be 'pleading for mercy' to consumers and making substantial price cuts. *(Financial Times 27 February 1987).*

An examination of the facts concerning another key material — vanadium — shows that even where South Africa is in a strong position of the world market (36 percent of production) we need not be dependent on it. Traditionally, we have purchased only a tiny proportion of this raw material from the Apartheid state.

Trades Union Congress 1986 . . .
' . . . calls on the whole labour movement in concert with the Anti-Apartheid Movement and the international trade union movement to strengthen the boycott against South African goods and to help to achieve a complete embargo on all trade . . . '

'every effort to isolate South Africa adds strength to our struggle'

**Nelson Mandela,
Leader of the African National Congress,
imprisoned since 5 August 1962**

Living Without Apartheid

Sheffield City Council's report points out that 'the case of vanadium shows that a metal's physical concentration in South Africa need not lead to a commercial dependence on it as a supplier.'

And it argues that Britain should move to alternative suppliers in a planned way so as to minimise any disruption that might occur as a result of sanctions or because of the war in Southern Africa itself.

Fears of an increase in the prices of these key raw materials are also answered. Even in the supply of chromite ore and ferrochrome, where South Africa's position as a supplier is strongest, and Britain's dependence is greatest, world demand could be met from existing capacity and any price increases are likely to be temporary as the market adjusts to a new situation.

Moreover, a price increase — if it occurred — would hit all steel producing countries and should not therefore undermine their competitiveness in relation to each other.

Britain can live without Apartheid. It is time that we responded to the call from the people of South Africa for mandatory comprehensive sanctions. And it is time to take action to end the British Steel Industry's dependence on Apartheid.

This leaflet is published by Sheffield Anti-Apartheid Movement. If you would like a copy of the report 'Steel, South Africa and Sanctions', please write to:

Department of Employment and Economic Development
Sheffield City Council
Palatine Chambers
Pinstone Street
Sheffield S1 2HN
(tel: 766755 ext 226)

The Anti-Apartheid Movement has produced a 'Manifesto for Sanctions'. Copies of this and other AAM publications are available from:

Sheffield Anti-Apartheid Movement
c/o MP's Office
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