



Gold and the S. African crisis

Submitted by **Walt Sheasby, Roger Walke, and Bruce Bowers** for the People for Southern African Freedom

The resolution against the sale of the South African gold coin, the Krugerrand, will come before a closely divided Eugene City Council this evening for discussion and a final vote. A large turnout might sway those on the council who are not yet convinced that the active concern of local citizens has turned the Krugerrand into a local issue, just as it has in Portland, Denver, Dayton, San Antonio, Chicago, Madison, and Milwaukee, all cities that have passed similar anti-Krugerrand resolutions.

Those who have looked closely at the Krugerrand issue have seen that such resolutions are not simply moral gestures, but important weapons in the struggle for southern African freedom.

In order to withstand international pressures, the Pretoria regime has embarked on a campaign of making its economy invulnerable to boycotts. Foreign exchange is an essential part of this strategy, with Vorster claiming that "every South African product sold is a brick in the wall of apartheid." Gold sales abroad provide 40 percent of South Africa's foreign exchange and pay for nearly 50 percent of its imports. As Business Week reports, "the Krugerrand is becoming a major part of South Africa's gold marketing strategy." Coin sales push up the price of gold in the London and Zurich exchanges by tapping what promoters call "the nervous school-teacher type of investor." But Krugerrand sales are also important in their own right, and have soared in recent years to between 14 and 21 percent of total gold exports, paying for \$1 out of every \$20 of South African imports.

As Siphon Buthelezi pointed out to the city council, "Krugerrand sales enable the South African government to purchase the foreign technology that it needs to build up its military and industrial base." South Africa's military budget has soared from \$397 million in 1971 to \$1.5 billion in 1976, and arms imports have gone from \$450 million in 1973 to \$1.2 billion in 1977.

This military build-up has come at a time when the South African economy is in deep trouble. The world recession has kept South Africa from expanding its other exports, and the regime faces double-digit inflation, a no-growth economy, and an estimated 40 percent black unemployment.

Beneath the surface of the slick \$1.2 million promotion of the Krugerrand is a fear that the economic crisis could lead to a toppling of the regime. Demonstrations and city resolutions have led firms like Merrill-Lynch to drop Krugerrand sales. New York City affiliates of ABC, CBS and NBC have banned its advertising.

In the last six months, apartheid divestment on college campuses in the U.S. have alarmed the South African government. So far, the campus struggles have had varying successes: the Stanford University trustees, after months of demonstrations,

adopted guidelines that will prevent investment in firms whose activities cause "substantial social injury." The Universities of Minnesota, Illinois and Boston, along with Amherst, Hampshire, Haverford and Oberlin Colleges, have approved stockholder resolutions favoring corporate withdrawal from South Africa. Smith College has dumped more than 42,000 shares of stock in Firestone because of its operations there, and the University of Massachusetts has sold \$620,000 worth of stock in 20 firms with investments in South Africa.

In January, the Attorney General of Wisconsin applied a state law against discrimination-related investments to the University of Wisconsin, ordering to dump its South Africa-related stock. But, as the Chronicle of Higher Education reported (Dec. 19, 1977), "the most sweeping action so far has come in Oregon." If the Oregon divestment is upheld, the action will have an unsettling effect on South Africa, which fears other University divestments.

The embassy of South Africa has tried recently to stem this tide by sending propaganda material to U.S. college administrators warning of the effects of divestment on South African blacks. The letter reads: "Individuals and groups have for some time now applied pressure on various universities in this country to sell their stock of American business corporations involved in the Republic of South Africa. You might have been approached by groups who profess to act solely on behalf of the peoples of South Africa."

One does not have to look very far to find the reasons for this concern over the divestment move by universities, churches and labor unions. Four major banks have responded to public pressure by discontinuing loans to South Africa, and two banks have withdrawn from loan commitments. Many banks helped bail out the South African government when foreign capital fled the country after the 1960 Sharpsville Massacre.

Most corporations want to hold their investments in South Africa, but the recession and political instability there, along with growing pressure from anti-apartheid groups in the U.S., have dampened business ardor. In May, 1977, Weyerhaeuser pulled out for financial reasons, selling four plants to local interests. In November, Polaroid severed all sales to South Africa in response to an expose of the company's involvement with the hated "pass cards". General Motors has frozen its investment, while several firms have sold controlling interests to local capital because of losses: Chrysler sold 75 percent, ITT 64 percent and Phelps Dodge 51 percent of their South African operations last year.

Clearly, this is a time of crisis for the regime, and the liberation support movement in the U.S. must redouble its efforts. We urge everyone to register their support for the anti-Krugerrand resolution by calling the City Manager's office (687-5010) today and by attending the City Council meeting tonight at 7:30 p.m. in the Council Chambers at City Hall.

Letters

Oregon minority?

I realize the danger of sticking too many irons into the ERA fire.

Nevertheless, I would also like to see "Oregonians" recognized as a minority entitled to equal (or greater) rights — at least in our own state.

In March, I will set out on my serious quest for that life sustaining/fulfilling job. I would like to find it here in Oregon.

But, as an Oregonian, I know I must tuck my chin and walk to the rear of the bus. And fight the feculent fumes. New York, maybe?

Perhaps not in my own lifetime. But I have a dream that one fine day all Oregon job listings will carry the tag line, "Equal Opportunity Employer. Oregonians and other minorities encouraged to apply."

Jeanine Holly
Senior, English-Journalism

A Response...

As members of the South University Neighborhood Association (SUNA) Executive Board, we felt it necessary to respond to and clarify your editorial of January 25, "Another Bad Parking Plan."

The South University area is frequently clogged with automobiles and automobile congestion from student commuters looking for parking spots. At the University, a few blocks away, many parking spots are empty because of an \$18 parking fee.

Students don't want to pay the parking fees because they have our neighborhood to park in. But, what is fair about expecting the SUNA residents to subsidize student parking fees at the cost of an automobile-cluttered neighborhood?

The SUNA planning goals

support high density residential development. The trade-off for high density residential housing is that there are very few provisions for parking, except for on-street spaces. This is OK, except that we feel that neighbors living in the area should have first priority to this limited resource. Ecologically, we feel that owning a car is a luxury. Caring for and keeping a car includes all sorts of expenses — including parking fees! But what about other modes of transportation? Why aren't those students biking, walking or taking the bus to get to school? This would greatly reduce automobile pollution of all kinds in the neighborhood.

Finally, if students are so concerned about the parking problem, as indicated in your editorial, why aren't they demanding that the University do something about this? We feel that the parking problem, or lack thereof, is clearly the University's responsibility. Our neighborhood is looking for a solution to this problem. Maybe the students are interested in a solution too, or maybe they aren't. But whatever the results, everyone isn't going to be happy.

Then again, they don't have to park there.

Denyse McGriff
for the SUNA Executive Board

Letters policy

The Emerald will accept and try to print all letters and opinion columns containing fair comment on ideas and topics of concern or interest to the University community. Letters and opinions must be typewritten, using 65 character margins, and should be triple-spaced. Letters and opinions must be signed, with the author's year and field of study (or faculty status) noted. Letters and opinions will be run on a first-come first-served basis.

