

ALASKA LEGISLATURE COMMITTEE FILES 1900-1900 00/2

3705 HSTA HB 465 - HB 475 58

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST
 Bill/Resolution No: HB 465
 Title: State and Persons Doing Business
 in the Republic of South Africa
 Sponsor: Clocksin
 Requestor: House State Affairs
 Date of Request: February 11, 1986

FISCAL DETAIL
 Agency Affected: _____
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: See attached analysis.

Prepared By: Milt Barker *MB*
 Division: Treasury
 Approved by Commissioner: *Max G. Skudale*
 Agency: Department of Revenue

Phone: 465-2350
 Date: February 12, 1986
 Date: 2/12/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

HB 465
Fiscal Note Analysis

HB 465 is also estimated to reduce retirement fund earnings as described in the attached memo. The effect on the General Fund and municipalities' finances from the higher required employer contributions would require actuarial evaluation.

The estimated effects of HB 465 on retirement fund earnings stem in large part from certain inherent restrictions on the flexibility of the funds to be restructured in line with divestment requirements. Even if South African-free securities were to offer higher returns in the future than those of firms doing business in South Africa, the requirements of fiduciary duty, fund size, and Alaska statutes would so affect the restructuring of the investment portfolios that there would still be reductions in overall earnings.

More specifically, the five year earnings loss for the retirement funds, estimated in the attached memo to be \$178 million, would still be a loss of approximately \$107 million if one assumed that South Africa-free stocks earned the same rate of return as South Africa-related stocks.

South Africa-free stocks would have to earn approximately 19.3 percent under the divestment scenario shown in the table attached to the memo to eliminate any loss. Such a rate on South Africa-free stocks would imply a 10.1 percent return on South Africa-related stocks to produce the average 15.0 percent return assumed in the no-divestment scenario. A spread of 9.2 percent for South Africa-free stocks over South Africa-related stocks would be highly improbable over any sustained period of time.

The restructuring of the portfolio, as described in the memo, would be done to avoid increasing the risk of the portfolio, which otherwise would result from replacing blue chip common stocks with stocks of smaller, less diversified corporations. This avoidance of excessive risk would be required by the prudent investor rule as well as specific statutory restraints such as the prohibition on purchase of stocks which have not paid dividends for the last three years. The restructuring also would be necessary because it would be difficult to invest funds of this size in a smaller group of stocks with much smaller market values without affecting the prices at which they are purchased.

STATE OF ALASKA
DEPARTMENT OF REVENUE

M E M O R A N D U M

TO: Milt Barker ^{MB}
Deputy Commissioner

FROM: James R. Wilson
State Investment Officer

DATE: September 9, 1985

RE: South African Divestment Effects

The proposed divestment of investments in companies doing business in South Africa would have the effect of removing

62% of the 50 largest U.S. companies,
57% of the Fortune 100 companies,
47% of the S & P 500 companies, and
35% of the Wilshire 5000 companies

and would constitute avoiding, to name a few,

91% of international oil companies,
90% of office equipment companies,
89% of drug companies,
88% of chemical companies, and
87% of automobile manufacturers.

The common stock portfolios would have to avoid most of the large, heavily capitalized, successful, and relatively secure U.S. companies and would have to concentrate on utility, transportation, and retail stocks. Because the smaller companies in which investments would have to be made are inherently riskier on a credit basis, they also have more volatile stock prices and hold a greater chance of losing money on the investments. The non-South African S & P 265 (what is left of the 500) has been shown to be 1.84 times more volatile on the upside but 2.27 times more volatile on the downside. This translates to a drop of 18.9% in the probable rate of return over long periods of time. For large funds like the Alaska Retirement Systems, common stock holdings would have to be excessively diversified into too many small holdings. It has been demonstrated that common stock portfolios approaching 100 or more stocks have virtually no chance of surpassing the general stock market's average performance -- ergo, a lower

Milt Barker
September 9, 1985
Page 2

return than we currently enjoy. Consequently, we would find it necessary to reduce our potential risk by reducing what otherwise would be the size of our common stock portfolios.

The divestment would also affect our bond and money market portfolios by removing much of our potential investment universe; i.e.,

77% of commercial paper issuers,
87% of bank issued paper, and
50% of industrial corporate bonds.

The loss of money opportunities would reduce our yield by .25% in those areas, but the loss of most of the best credits in the corporate bond area would have more pronounced effects. Because the remaining industrial bonds would be substantially more risky, we would have to maintain a smaller, relative position -- although it would cost us 1.1% in yield. Prudence would also demand a smaller utility bond position as well so we would not be overly weighted in that riskier and less call protected area.

Divestment would have similar but somewhat reduced effects on the State's General Fund and on the Public School and University of Alaska Funds. These endowment funds would lose their only equity investments (convertibles) and more than half of their high yielding corporate bonds. The General Fund would be practically trapped into only U.S. Treasury issues for a give-up of about \$1 million a year.

In order to quantify the effects on the Retirement Systems' investments, I have calculated their probable average positions and rates of return for each of the next five fiscal years. Then, after allowing for the divestment effects on the portfolio's positions and yields -- as previously noted in this memorandum -- I have recalculated the rates of return for the same five fiscal years. The results of these calculations are shown in the attached table. The divestment portfolios have smaller common stock and corporate bond positions and larger U.S. Treasury positions, and yields on common stocks are lower. The net result for the sum of the five years is a reduction in returns on investments totalling \$177,890,000.

JRW/gb

Attachment

Combined Retirement Systems' Investments
Average Assets & Yields During Fiscal Years
(\$ Millions)

	1986		1987		1988		1989		1990		Sum of 5 years
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	
Common Stocks	\$ 517.9	15.00%	\$ 716.6	15.00%	\$ 913.2	15.00%	\$1,127.1	15.00%	\$1,352.6	15.00%	
Industrial Bonds	97.8	12.00	162.2	12.00	251.9	12.00	345.4	12.00	416.2	12.00	
Utility Bonds	69.1	12.25	162.2	12.25	251.9	12.25	345.4	12.25	416.2	12.25	
Treasury Bonds	658.4	10.90	727.4	10.90	691.2	10.90	667.2	10.90	715.9	10.90	
Money Market	262.4	9.20	162.2	9.20	188.9	9.20	218.1	9.20	249.7	9.20	
R. E. Equities	168.0	14.00	202.8	14.00	242.5	14.00	287.2	14.00	333.0	14.00	
Mortgages	529.5	12.50	570.5	12.50	609.3	12.50	645.4	12.50	678.4	12.50	
Total	\$2,303.1	12.31%	\$2,703.9	12.60%	\$3,148.9	12.73%	\$3,635.8	12.83%	\$4,162.0	12.88%	
Return	\$283.51		\$340.69		\$400.85		\$466.47		\$536.06		\$2,027.58

Divestment Effects (Less 47% stocks, 60% industrial bonds, 87% of CD's, BA's, & 77% of cml. paper)

Common Stock	\$ 274.6	12.15%	\$ 379.8	12.15%	\$ 484.0	12.15%	\$ 597.4	12.15%	\$ 717.1	12.15%	
Industrial Bonds	39.2	12.00	64.9	12.00	100.8	12.00	138.2	12.00	166.5	12.00	
Utility Bonds	34.5	12.25	64.9	12.25	100.8	12.25	138.2	12.25	166.5	12.25	
Treasury Bonds	994.9	10.90	1,258.8	10.90	1,422.6	10.90	1,611.3	10.90	1,850.8	10.90	
Money Market	262.4	9.10	162.2	9.10	188.9	9.10	218.1	9.10	249.7	9.10	
R. E. Equities	168.0	14.00	202.8	14.00	242.5	14.00	287.2	14.00	333.0	14.00	
Mortgages	529.5	12.50	570.5	12.50	609.3	12.50	645.4	12.50	678.4	12.50	
Total	\$2,303.1	11.48%	\$2,703.9	11.60%	\$3,148.9	11.61%	\$3,635.8	11.62%	\$4,162.0	11.61%	
Return	\$264.40		\$311.64		\$365.59		\$422.48		\$483.58		\$1,849.69
Divestment Loss	- \$19.11		- \$27.05		- \$35.26		- \$43.99		- \$52.48		- \$177.89

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST
Bill/Resolution No.: HB 465
Title: An act relating to fiscal matters
involving the State and persons doing
business in the Republic of South Africa..
Sponsor: Clocksin and Koponen
Requestor: House State Affairs
Date of Request: February 12, 1986

FISCAL DETAIL
Agency Affected: A11
BRU: _____
Components: A11

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary See Attached

Prepared By: Kenneth E. Bischoff *KES* Phone: 465-2200
 Division: Finance Date: _____

Approved by Commissioner: Eleanor Andrews *Eleanor Andrews* Date: 3-11-86
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 465

SUBJECT OF PROPOSED BILL:

An act relating to fiscal matters involving the State and persons doing business in the Republic of South Africa

SUMMARY/EXPLANATION OF INTENT:

The Department of Administration (DOA) is only directly impacted by one section of this bill, Section 37.24.050 as it relates to DOA's general oversight responsibility for statewide purchasing and contracting defined elsewhere in AS 37.

It is difficult to measure the fiscal impact, if any, that this bill may produce on State contracting and procurement activities. We do not feel that the potential impact will be significant if this bill is passed.

A schedule is attached showing FY 86 payments made by the State of Alaska to businesses who have been identified as having business interests within the Republic of South Africa.

ESTIMATED FISCAL IMPACT:

Capital:

Operating:

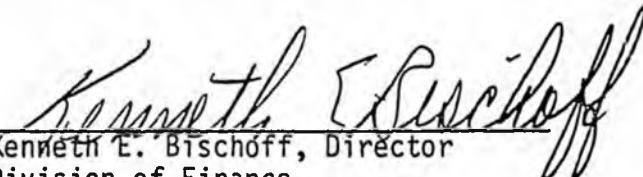
POSITION PAPER
HB 465

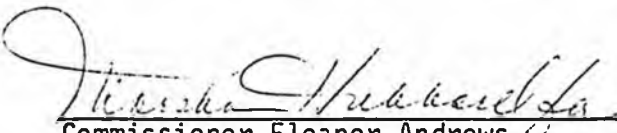
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It is difficult to measure the fiscal impact, if any, that this bill may produce on State contracting and procurement activities. We do not feel that the potential impact will be significant if this bill is passed.

We understand and endorse the intent behind this bill and, if passed, will make a good faith effort to comply with its provisions.

A schedule is attached showing FY 86 payments made by the State of Alaska to businesses who have been identified as having business interests within the Republic of South Africa.


Kenneth E. Bischoff, Director
Division of Finance


Commissioner Eleanor Andrews
Department of Administration

The figures below consist of payments made during the six-month period prior to February 12, 1986.

	<u>CORPORATION</u>	<u>VENDOR CODE</u>		<u>TOTAL PAID</u>
1.	AT&T	ATT 84159		.00
2.	Air Products and Chemicals			
3.	Alexander and Alexander			
4.	Allis-Chalmers			
5.	American Brands			
6.	American Home Products			
7.	American Hospital Supply	AHS 84636	4,124.80	
		AHS 84709	.00	
		AHS 84999	1,229.43	5,354.23
8.	American Standard			
9.	Armco			
10.	Ashland Oil			
11.	Bandag Incorporated			
12.	Bechtel Group			
13.	Bell and Howell	BEH 84171		35.85
14.	Black and Decker	BLD 84040	51.78	
		BLD 85238	988.48	1,040.26
15.	Borg-Warner	BOW 84227		1,788.12
16.	Borroughs Corp.	BUR 84419	.00	
		BUR 84608	2,197.84	2,197.84
17.	CBS Incorporated	CBS 85322		350.00
18.	Cigna Corporation			
19.	Carnation Company			
20.	Caterpillar Tractor			
21.	Chase Manhattan			
	Chase Manhattan Bank	CMB 84300		.00
	Chase Manhattan Service Corp.	CMS 84108		10,949.96
22.	Chevron			
	Chevron USA	CHE 84266	1,112.50	
		CHE 84302	3,093.84	
		CHU 84036	59,799.59	
		CHU 84050	3,020.00	
		CHU 84064	600.00	
		CHU 84065	15,238.63	
		CHU 84081	.00	
		CHU 84082	.00	
		CHU 84085	2,200.00	
		CHU 84302	33,644.98	118,709.54
23.	Chicago Pneumatic Tool			
24.	Citicorp			
25.	Control Data Corporation	COD 84020	.00	
		COD 84084	165.00	
		COD 85343	5,000.00	5,165.00
26.	Cooper Industries			
27.	Diamond Shamrock			
28.	Dow Chemical			
29.	Dresser Industries			

<u>CORPORATION</u>	<u>VENDOR CODE</u>		<u>TOTAL PAID</u>
30. Estman Kodak	EAK 84143	48,474.02	
	EAK 84264	707.47	
	EAK 84426	12,298.14	
	EAK 84817	3,066.24	
	EKC 84238	70,624.17	
	EKC 84751	17,256.36	152,426.40
31. Eaton Corporation	EEI 84315		1,425.50
32. Emery Air Freight			
33. Exxon			
Exxon Company USA	EXX 84103		.00
34. FMC Corporation			
35. Firestone			
36. Fluor Corporation			
37. Ford Motor			
38. Foster Wheeler			
39. Fruehauf	FRU 86015		2,175.00
40. GAF Corporation			
41. GATX Corporation			
42. GTE Corporation			
43. Gelco Corporation			
44. General Electric			
General Electric Co., Inc.	GEC 85212	3,045.00	
General Electric Company	GEE 84012	109,224.80	
	GEE 84047	3,200.00	
	GEE 84108	.00	
	GEE 84924	3,549.83	
	GEE 84946	.00	
	GEE 85316	13,463.39	132,483.02
45. General Motors			
46. General Signal			
47. Goodyear			
48. W. R. Grace			
49. Hewlett-Packard	HEP 84052	5,614.57	
	HEP 84281	39,485.17	
	HEP 84773	.00	
	HEP 85227	1,402.75	46,502.49
50. Honeywell Incorporated	HON 84509		85,554.92
51. Hughes Tool Company			
52. IBM	IBM 84019	43,168.53	
	IBM 84045	21,975.08	
	IBM 84060	345,944.72	
	IBM 84147	112.43	
	IBM 84152	268,172.00	
	IBM 84183	446,432.07	
	IBM 84253	.00	
	IBM 84313	325,463.18	
	IBM 84354	358.00	
	IBM 84366	2,015,931.44	
	IBM 84695	67,758.07	
	IBM 84749	2,394,507.54	
	IBM 86016	.00	5,929,823.06

	<u>CORPORATION</u>	<u>VENDOR CODE</u>		<u>TOTAL PAID</u>
53.	ITT (Mackay Division)	ITT 85274		9,706.28
54.	Ingersoll-Rand			
55.	Intergraph			
56.	Int'l Minerals & Chemical			
57.	Interpublic Group			
58.	Johnson Controls	JOC 84617	29,633.13	
		JOC 85192	358.06	29,991.19
59.	Joy Manufacturing			
60.	Kimberly-Clark			
61.	Koppers			
62.	Longyear Company			
63.	Marriott Corporation			
64.	Marsh & McLennan	MAM 84215		105,947.49
65.	Medtronic Incorporated			
66.	Minn. Mining & Manufacturing			
67.	Mobil Corporation			
68.	Monsanto Company			
69.	NCR Corporation	NCR 84041	461.55	
		NCR 84111	.00	
		NCR 85346	142.77	
		NCR 86035	.00	604.32
70.	Nalco Chemical			
71.	National Utility	NAU 84017		27,599.87
72.	Newmont Mining			
73.	Phelps Dodge			
74.	Phillips Petroleum			
75.	Raytheon Company			
76.	Rexnord Incorporated			
77.	R. J. Reynolds			
78.	Robbins Company			
79.	Schlumberger			
80.	Scovill Incorporated			
81.	Sperry Corporation	SMS 84032		18,190.81
82.	Standard Oil (Ohio)			
83.	Sterling Drug	STE 84087		.00
84.	Stone and Webster	SWE 84316		1,002,741.77
85.	Sun Chemical			
86.	Sybron Corporation			
87.	Texaco	TEX 84369		35,129.31
88.	Union Carbide	UCC 84092		58,037.75
89.	Uniraya			
90.	U.S. Steel			
91.	United Technologies			
92.	Upjohn Company	UPJ 84174	101.17	
		UPJ 84549	.00	101.17
93.	Utah International			
94.	Van Dusen Air	VDA 84182		36.60
95.	Warner Communications			
96.	Westinghouse			

<u>CORPORATION</u>	<u>VENDOR CODE</u>	<u>TOTAL PAID</u>
97. Xerox Corporation	XEC 84048	39,994.47
	XEC 84110	178.28
	XER 84142	1,545,877.73
	XER 84253	7,531.89
	XER 84366	659.72
	XER 84811	59,382.69
	XER 85203	120,123.14
	XER 86016	.00
		1,773,747.92

ALASKA WOMEN'S LOBBY

POST OFFICE BOX 10-1571, ANCHORAGE, ALASKA 99510

February 19, 1986

TO: The Honorable Katie Hurley
 Chair
 House State Affairs Committee

RE: HB 465, relating to fiscal matters involving the state and persons
 doing business in the Republic of South Africa

Madam Chair and members of the Committee:

The Alaska Women's Lobby would like to express its support for HB 465 which calls for divestment of the State's investments in companies and institutions doing business with South Africa.

As citizens of Alaska, our membership feels strongly that the state's revenues should not be used to support in any way a regime that has institutionalized racial discrimination.

We believe, also, that the stability of South Africa's government is threatened by the system of Apartheid which discriminates against the majority of South Africans, and therefore investment in South Africa is not prudent at this time.

With some effort, we would hope that other investments may be found which can provide an equal rate of return without supporting injustices against our fellow human beings.

We urge the passage of this legislation. Thank you for your consideration.

Alaska Women's Lobby
Sherrie Goll, Lobbyist

FEB 19 1986

February 12, 1986

TO: Alaska Legislators

FROM: Carol Johnson, ^{CJ} Anchorage attorney in private practice who spent six weeks in South Africa in 1985, and has been a frequent spokesperson about her experiences there (i.e., to the Alaska World Affairs Council, the Harvard Club, interviewed twice by the Anchorage Daily News) and is currently writing a book on South Africa

RE: HR 465, HCR 11, SB 328, SCR 14

I was dismayed, but not surprised, to read the enclosed editorial in the February 10 edition of the Anchorage Daily News, that the News is in favor of approval of House Bill 465 (and undoubtedly Senate Bill 328), which provides for disinvestment of the Alaska Permanent Fund from South Africa. Quite accurately, the editorial notes that it is advocating passage of a bill which has been similarly approved in a number of states, cities, and academic institutions throughout the country. While side-stepping the potential legal issues which have been previously mentioned by several Alaskan legislators and permanent fund committee members, and attempting to deny that it is not really a knee-jerk reaction to the growing number of (misinformed) Alaskan and American citizens by saying that disinvestment is "more than a hollow moral exercise," the editorial uses a number of other rationales. First, that "[i]nvestment in companies that do business in South Africa can be risky." Maybe the News should tell that to IBM and the myriad of other US-based companies who have been operating in South Africa for years, show no signs of pulling out, and have participated in the Sullivan doctrine. Secondly, that disinvestment of the Permanent Fund would occur "slowly." That this so-called "timetable" is proposed to appease Alaska's investors and citizens, and not the residents of South Africa, is clear. It is true that the economy of South Africa is in bad shape. The rand is at its lowest point in history, and unemployment at perhaps its highest. But there are reasons for this other than those ascribed to apartheid -- including years of drought and the rapid decline in the price of gold and diamonds, two of South Africa's main industries and export bases.

What most Westerners do not realize -- or choose to ignore -- is that South Africa is the bread basket of Southern Africa. There is no doubt that all peoples of South Africa -- Black, Coloured, Asian and White -- will suffer if sanctions were

February 12, 1986

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to be applied effectively. What is not generally realized, however, is that the consequences of such sanctions, such as disinvestment, will be felt throughout Southern Africa, possibly disastrously so. In large respect, South Africa is the mainstay of the entire region. For example, South Africa/ESCOM supplies 50 percent of Botswana's power, and 60% of Maputo's, the capital of Mozambique, as well as over 50% of the power of Swaziland, the Transkei, Ciskei, and Lesotho. While a recent meeting of the African states contended that this really represented South Africa's "stranglehold" on African states, the real fact remains that these countries in all probability could not either produce this power on their own, for lack of finances, human resources or development, or obtain it elsewhere. South Africa supplies over 60% of the minerals, foodstuffs (e.g., wheat, maize), automobiles, cattle and sheep, roadworks, railways and harbours, and telephones, and contributes to over 80% of the GNP of Southern African countries. Over 45% of the combined total imports and exports of Malawi, Zimbabwe, Zambia, and Zaire are carried to and from South African ports by the South African Transport Services (SATS). South Africa runs 24,500 route kilometers of railways (25% of Africa's total) which serve as a lifeline, along with its harbours, in Southern Africa. South Africa Airways (SAA), in cooperation with the airlines of neighboring states, provides an extensive and efficient network of scheduled passenger and freight services throughout Southern Africa and beyond. In addition, its cargo planes ferry urgently needed spares, machinery, pharmaceuticals and consumer goods all over Africa. For example, when the rail link between Malawi and Beira was severed by Mozambican dissidents in 1979, fuel was airlifted from Johannesburg's Jan Smuts Airport to keep the Malawian economy afloat. By agreement with Swaziland, Lesotho, and Botswana, SAA does not run services to and from these states, thus permitting their airlines to operate to and from South Africa and elsewhere without competition from SAA.

Anyone familiar with African air transportation, including myself, can attest that it is totally unreliable, at best. Flights are cancelled subject to the whim of a government official who simply wants the airplane for the day. Reservations suddenly cease to exist. Flights that do take off are delayed hours if not days. Flights are routinely overbooked. I am reminded of an article that appeared in the London DAILY TELEGRAPH, later reprinted in Executive Travel, that stated as follows:

Nigerian soldiers, faced with sorting out the problem of an internal Nigerian Airways flight that had been three times overbooked, insisted that all passengers with boarding

raft twice -
seats.

stantial creditor for
the private and public

outh Africa and the rest
ts to Africa amounted to
S), while imports came to
countries admit to trade
is a reciprocal flow of
an states.

disinvestment, were to be
. undermine South Africa's
h vital imports, especially
ive sources of supply could
itutes would be much more
orts would tax the frail
utmost, as most suffer from
je. Longer delivery periods

ltinationals not only employ
: build and subsidize other
urns in South Africa, such as
for a library to be built in
e of Johannesburg.

fect of disinvestment, were it
uth Africa's black population,
unemployment, primarily amongst
omprise the majority of those
d in the violence which has
; the past twelve months. The
/ many as self-serving, but to
th African history, and current
je degree of truth, and certainly

which will affect the
ving standards and the
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South Africa, is just as immoral as chemical warfare. The international community should take note that its prejudices and hate against South Africa would cause millions of innocent people to suffer. Deputy Minister of Foreign Affairs, Dr. D. J. Louis Nel, July 31, 1985.

If multinational companies were forced to withdraw from South Africa, either by sanctions or persistent harassment, they would at the same time be withdrawing from Southern Africa as a whole. Should the activities of these Western companies and institutions in South and Southern Africa be scaled down by sanctions, the overall influence of the West in the region would be drastically diminished. That would leave a vacuum, and vacuums are usually filled - sooner or later. Japan is a likely candidate.

Alaska should not be pressured into joining what appears to be the American bandwagon of disinvestment without a reasoned and informed discussion of the effects of disinvestment on South Africa, and on Southern Africa as a whole. I have always considered Alaskans as fairly independent thinkers, with a "Lower 48 be damned" mentality. So what if Columbia University, the City of San Francisco, and Washington State are pursuing various forms of disinvestment? Alaska should make its own decision, based on facts, not solely a moral sense of duty or emotionalism.

It is indisputably true that the South African government's response to mounting pressure from inside and outside South Africa has been, as recently stated in Breyten Breytenbach's article in the New Republic, "standard": "promises, doublespeak, obfuscating the real problems, one step forward and two in the kisser, shooting the messengers of ill tidings." But it is also equally true, as noted by Donald Horowitz in an article in the same issue,

that the domestic and international crisis that has faced the [South African] regime in recent months has hardly given it a chance to think seriously about what it is doing. Immobility has been apparent in long-term planning, partly because the regime has been trying to put out fires and partly because the leadership has had trouble shaking old ways of thinking.

There have been major changes in South African apartheid policy in the past year, which, while admittedly even to South

February 12, 1986

Page 6

totally unclear, and unlikely to change in the near future, who is their representative. The tribal divisions and hatred run long and deep, and do not appear to be at all able to be united at this time to defeat apartheid. There is no leader who can purport to represent the blacks of South Africa, certainly not Gatsha Buthelezi, chief of the Kwazulu (the Zulu homeland and black South African's largest tribal population), as he is unacceptable to most other black tribes and political groups, and certainly to the ANC. Nelson Mandela is still incarcerated, and though there appears to be continuing rumors of his imminent release, I truly doubt if even he would be able to unite and be a spokesperson for all South African blacks for any length of time.

Continued violence, on a smaller or larger scale, is perhaps inevitable at this point in time. In fact, however, little of the violence has been directed against whites, perhaps revealing a continued frustration amongst the blacks themselves, precipitated undoubtedly by the apartheid policies of the South African government, but possibly also by the blacks' unemployment, tribal hatred, and other reasons which outsiders cannot hope to understand.

Representative Clocksin stated several months ago that the success of any disinvestment bill depends on how lawmakers feel "morally" about dropping investments in companies with South African connections when that is liable to cost the State money, according to an Associated Press article reported in the News by Dean Fosdick. Reportedly, Mr. Clocksin and Sen. Vic Fischer, who introduced HB 465 and SB 328, respectively, join in that feeling. Mr. Clocksin was quoted as saying, "So what it boils down to is even if we do lose money, is it a moral cost we're willing to bear?"...Maybe Alaskans are. Twenty years ago, when I was a knee-jerk liberal, I probably would have said the same thing, and done the same thing, too. I espoused positions on a lot of issues I was pretty ignorant about because they were popular and sexy. But I'd like to think I am more informed now, before I advocate or vote on anything, and I hope the Alaska Legislature does the same thing on HB 465; that they educate themselves on the issues, not just the legal ones as far as they impact the Permanent Fund or its investors, but the very real implications disinvestment will have on South and Southern Africa, moral considerations aside. I need not remind anyone that this country continues to have a history of actively supporting regimes and governments which have a current history of far worse civil rights violations than that of South Africa, but South Africa is currently in the "vogue" for public outcry and condemnation, so Alaska should not be left out and should hop on the moral bandwagon, right? Wrong.

I believe the United States can, and should, continue its dialogue with the South African government, for it clearly has had more than a small degree of effect. The changes that have occurred in the past year, and I believe will continue to occur, are major and far-reaching. But the U.S., and those espousing disinvestment, are truly naive to believe that that policy will have any real or far-reaching positive effect on forcing changes in apartheid. The South African government has displayed in the past its ability to survive sanctions, such as the oil embargo, which resulted in South Africa developing one of the strongest national militaries in the world. I do not believe that if disinvestment continues to attempt to produce a stranglehold on South Africa, that it will inevitably lead to that country's turning to the Soviet Union for aid. South Africa is in fact battling Communists in Angola and Mozambique, and has exiled the ANC, which admittedly has Communist ties. While clearly not a "democratic nation" in any sense that we understand and know it, South Africa does have a free market economy, private enterprise, and quite clearly is not and will not be dependent or rely on any nation for subsidies or any form of assistance. It will retrench into itself before it reaches out for outside help or let other nations dictate what its internal policies should be. I end with this quote from the South African Minister of Foreign Affairs, Mr. R.F. Botha (no relation to the country's president):

The South African government is not only still prepared to continue its co-operation in all spheres, but is prepared to extend it. It also remains the South African government's standpoint that the countries of Southern Africa should solve the problems of the region themselves without interference by other countries with other interests.



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Daily News



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A chance to say 'No' to apartheid

When it comes to expressing revulsion at South Africa's subjugation of its black population, it's time for Alaska to put its money where its mouth is. Today, the House State Affairs Committee considers a bill to end all state investments in companies with substantial business operations in South Africa. The measure, HB 465, deserves swift approval.

Just about everyone agrees South Africa must abandon apartheid and establish full political and economic rights for blacks. There's little question that international economic pressures have helped convince the Botha government that its repressive regime does not make it a desirable place for investment. The question now is whether Alaska wants to lend its moral and economic weight to the growing national trend toward divestment.

The strongest argument against divestment is offered by Permanent Fund trustees and the state's other money managers. They say it would lead to financial losses and subject the fund to all sort of dubious political schemes.

We stand second to none in our defense of the Permanent Fund. Its prudent management is absolutely essential to the economic future of this state. But, contrary to some detractors' claims, divestment is more than a hollow moral exercise proposed by political dilitants with more money than they know what to do with; it can be financially prudent, as well.

Investing in companies that do business in South Africa can be risky. The economy there is tottering and political upheaval could result in expropriation of foreign holdings. More than 50 U.S. companies have pulled out of South Africa in the past five years, a third of them within the last year.

Divestment would be accomplished gradually to avoid losses from selling all the holdings at once. Specifically written for prudent financial planning, HB 465 gives the state a December, 1988 deadline for divesting the affected investments — which include less than 10 percent of the entire permanent fund. Roughly \$900 million of the state's \$11 billion total investments would be affected. Even the fund's directors agree, the fund would turn a modest profit if Alaska divested at today's prices.

Clearly, the pressure for change in South Africa is growing, both from within and without. By divesting, Alaska would join 11 other states, 28 cities and 70 academic institutions in sending an increasingly effective "no more" message to South Africa. Alaska's is a welcome quandry of how to wisely invest our wealth; to unnecessarily employ it to the benefit of a system as morally bankrupt as apartheid is a bad piece of tunnel

A PIECE OF MY SOUL

She married South Africa's leading foe of apartheid in 1958.

Four years later he was imprisoned for life.

For 22 years she was not allowed to even touch his hand.

She has carried on their struggle alone.

BY WINNIE MANDELA

Illustration By Dennis Luzak



Editor's note: On Sunday, August 5, 1962, three carloads of South African police surrounded an automobile on the road from Durban to Johannesburg. They seized the black driver, who was posing as chauffeur for a white passenger. A 17-month manhunt, the most intense in South African history, had come to an end. Nelson Mandela was captured. He has been in prison, under life sentence, ever since. ■ Mandela was born 67 years ago in Umtata, today the capital of the Transkei, South Africa's largest Bantustan, or black puppet state. His father was a tribal chief. Had Mandela chosen a different course in life, he could probably have become chief minister, or at least a cabinet member, of the Transkei. Instead, that position went to his cousin. ■ From the time he was a university student, Mandela was involved in protests against South Africa's white supremacist regime. As a young man he became one of a handful of black lawyers in the country. Soon he joined the African National Congress (ANC), the oldest and most important organization working for majority rule in South Africa. In 1960 it was banned and forced underground. At the time of his last arrest, Mandela was its president. ■ Great social movements do not always have great leaders, but the ANC was blessed with one in Nelson Mandela. His eloquence, his passion, and his deep integrity had a powerful effect on those around him. Some of those qualities are evident in his famous speech at his 1964 trial, excerpted on page 20. ■ Mandela's stature has grown during his 23 years in prison. Despite a law preventing his picture or anything he says from appearing in print, black teenagers—many of them born after Mandela went to prison—polled by a black newspaper in 1980 overwhelmingly named Mandela their most favored candidate to be prime minister of South Africa. In the tumultuous uprisings and demonstrations that have swept across South Africa in the last year, protesters have often displayed the forbidden green-gold-and-black banner of the African National Congress, and "Free Mandela!" has been a rallying cry. ■ Eager to be rid of a martyr, the government recently offered Mandela his release from prison on the

■
I can't even go
to church without a
permit. But I will
never go and ask a
magistrate if I can
go and worship
God. That's going
too far, giving
them the religious
powers they
think they have.

Winnie Mandela

condition that he renounce violence. He refused. He says that he will accept no such condition until the government ceases using its own violence to deprive black South Africans of their rights. ■ Mandela left his birthplace to avoid a marriage arranged for him by tribal elders. Some years later, he married Winnie Madikizela, a fellow activist in the resistance movement who was the first black woman social worker in South Africa. They were married only four years when Nelson began serving his life sentence. For much of that short time either he was underground or one of them was under arrest. ■ In the years since then, Winnie Mandela has emerged as an activist and leader whose bravery is easily the equal of her husband's. The list of her arrests, bannings, and detentions since 1958 fills nearly two manuscript pages. She has served several long spells in prison, including 17 months in solitary confinement; she fought back against police officers who abused her. In one scuffle, a policeman broke his neck. She refuses to use the back white entrance to the police station where she must report weekly. ■ In 1977 the South African authorities banished Winnie Mandela to Brandfort, a remote farming community in the Orange Free State—the most conservative and rural of South Africa's four provinces. It was there during the last several years that she was interviewed by Ann and James West, a German journalist. The oral history of Winnie Mandela, *Winnie: My South Went with Him*, will be published in November by W.W. Norton. ■ Mother Jones is honored 66th anniversary of the release of Nelson Mandela from South Africa. (AP Wirephoto)

—Ann Hochstetler

"The Security Police won't even stop outside a church."

(Winnie Mandela is kept under constant observation by South Africa's political police.)

THE SECURITY POLICE

In the beginning I was kept under constant surveillance by the Security Police.

I started being charged almost every day with many stupid things. They all had to do with some violation of my banning order. We were literally in court almost every day. My house was like an operational area, an extension of the police station, with the Security Police going in and out.

Gert Prinsloo, a Security Policeman, has been especially assigned to watch all my movements. He was over-zealous in trying to catch me redhanded violating my banning order. During the first year, Prinsloo often came in the middle of the night to look under the bed and under the cupboard, just to check if there were any forbidden visitors. We had such violent rows that he has been keeping more distance lately—now he parks himself on that hill opposite here with binoculars.

I can't even go to church without a permit. But I will never go and ask a magistrate if I can go and worship God. That's going too far, giving them the religious powers they think they have. That would be accepting the fact that their powers supersede those of God. I will never ask for permission from a human being to go to church. That is God's right and nobody else's.

There are about ten churches for this small community here—that's all they have in abundance, huge structures; the most modern is the Dutch Reformed Church. There are no multi-racial churches; there is an Anglican church for blacks, but there is no priest. So a friend of our family, Father John Rushton from the Anglican church, comes once a week to give me Holy Communion.

He can't get into my house. Only the doctor and the lawyer are allowed to enter, apart from my children. So when he gets there, he hoots outside my cells—that's what the house is, just a combination of three cells put together—and I run out and we pray outside his car, giving me Holy Communion on the hood, and when it's raining we sit inside the car.

The Security Police won't even stop

outside a church. When we went to the christening of my grandchild in the cathedral in Bloemfontein, who do you think was leaning against the wall, observing the whole sermon? Prinsloo! He even mingled with us, the close relatives.

I felt so ashamed of our white South Africans. They seemed to be doing nothing wrong with that. It was normal for them. Such gross arrangements, but some common part of the life, but they see nothing wrong with it.

"As a result of our friendship, Adele was ostracized by the white community."

(When a police truck abruptly deposited Winnie Mandela at her place of banishment in 1977, she knew no one in the remote town of Brandfort. She found herself a lawyer there—and had a considerable effect on his life and that of his wife.)

THE DE WAALS

I have great respect for Piet de Waal. This Boer lawyer is more reliable than some of my own people. He and his family have gone through a lot because he is my attorney. He even fell out with Jimmy Kruger, then the Minister of so-called Justice because he was acting for me; Kruger said to him, "Why don't you let her find a Jewish lawyer—what the hell forced you to act for that woman!"

Of course, at first de Waal was frightened, but he couldn't refuse me as a client. It was a question of the professional ethics of the Law Society—and also he was the only attorney in Brandfort.

Before my arrival he hardly ever had any dealings with the police. And now it was almost daily. He continually had to get me out of prison, he had to defend me in court. As a result of that, they were ostracized by the white community—we were directly responsible for that.

After all, he lives with these people; they play golf together. I cannot put my appreciation into words—we really became the best of friends.

He has changed a lot since I met him. When I think back to our first meeting in his office on Voornberg Road in May 1977, I had a shock on the face of his secretary when I arrived. You know how they are when they see us up at arms' length, with the white client who didn't come through the

In May of 1984 we had our first "contact visit." Can you imagine! We last touched his hand in 1962. We kissed Nelson and held him a long time. It was fantastic and hurting at the same time. He clung to the child right through the visit.

Winnie and Nelson Mandela

She then I know what to do with me. She must have been too embarrassed to offer me anything. She finally called Mrs. [Name] over. I thought she was busy with them. It was the most pathetic incident of my life. He was so shaken. He was holding a pen in his hand and the pen dropped and he was frantic. He could not even control his voice. It was trembling and he was unable to continue. He went to the door and he went out.

Under normal circumstances you think of protection in connection with a lawyer, and here I was miles and miles from home and I see that reaction. It was such a painful experience that I excused myself after five minutes and said I would come another time. Adele, his wife, was totally different. She introduced herself and said, "You must be terribly lonely in a place like this. Please come to my house any time. I would like to have you."

books to read. That was the first humane attitude I got in Brandfort. She was the first white woman to behave like that. She quickly prepared warm meals for us to take home when we didn't have anywhere to cook. From then on she always extended invitations, she wanted to teach me knitting or dressmaking. So we went over to her house one day. Oh, what warmth, incredible warmth. What was striking was

"I AM THE FIRST ACCUSED"

Editor's note: In June 1961 the South African police raided a farm at Rivonia, Johannesburg, and captured the leadership of the African National Congress military wing, Umkonto we Sizwe, 'the spear of the nation'. The ANC had been operating underground since its banning several years before. Nelson Mandela was already in jail at the time, but he acknowledged that he had been one of the founders of Umkonto. He was tried along with eight others, arrested at Rivonia—five Africans, two whites, and an Indian. His speech to the court, of which excerpts appear below, opened the case for the defense.

I am the First Accused. At the outset, I want to say that the suggestion made by the State in its opening that the struggle in South Africa is under the influence of foreigners or communists is wholly incorrect. I have done whatever I did, both as an individual and as a leader of my people, because of my experience in South Africa and my own proudly felt African background, and not because of what any outsider might have said. In my youth in the Transkei I listened to the elders of my tribe telling stories of the old days. Amongst the tales they related to me were those of wars fought by our ancestors in defence of the fatherland. I hoped then that life might offer me the opportunity to serve my people and make my own humble contribution to their freedom struggle. This is what has motivated me in all that I have done in relation to the charges made against me in this case. Having said this, I must deal immediately and at some length with the question of violence. Some of the things so far told to the Court are true and some are untrue. I do not, however, deny that I planned sabotage. I did not plan it in a spirit of bitterness, nor

because I have any love of violence. I planned it as a result of a calm and sober assessment of the political situation that had arisen after many years of tyranny, exploitation, and oppression of my people by the Whites. We of the ANC had always stood for a non-racial democracy, and we shrink from any action which might drive the races further apart than they already were. But the hard facts were that fifty years of non-violence had brought the African people nothing but more and more repressive legislation, and fewer and fewer rights. It may not be easy for this Court to understand, but it is a fact that for a long time the people had been talking of violence—of the day when they would fight the White man and win back their country—and we, the leaders of the ANC, had nevertheless always prevailed upon them to avoid violence and to pursue peaceful methods. When some of us discussed this in May and June of 1961, it could not be denied that our policy to achieve a non-racial State by non-violence had achieved nothing, and that our followers were beginning to lose confidence in this policy and were developing disturbing ideas of terrorism. At the beginning of June 1961, after a long and anxious assessment of the South African situation, I, and some colleagues, came to the conclusion that as violence in this country was inevitable, it would be unrealistic and wrong for African leaders to continue preaching peace and non-violence at a time when the Government met our peaceful demands with force. This conclusion was not easily arrived at. It was only when all else had failed when all channels of peaceful protest had been barred to us, that the decision was made to embark on violent forms of political struggle, and to form Umkonto we Sizwe. We did so not be-

cause we desired such a course, but solely because the Government had left us with no other choice. Already scores of Africans had died as a result of racial friction. In 1920 when the famous leader, Masabala, was held in Fort Elizabeth jail, twenty-four of a group of Africans who had gathered to demand his release were killed by the police and White civilians. In 1921, more than one hundred Africans died in the Bulhoek affair. In 1927 over two hundred Africans were killed when the Administrator of South-West Africa led force against a group which had rebelled against the imposition of dog tax. On 1 May 1950, eighteen Africans died as a result of police shootings during the strike. On 21 March 1960, sixty-nine unarmed Africans died at Sharpeville. How many more Sharpevilles would there be in the history of our country? And how many more Sharpevilles could the country stand without violence and terror becoming the order of the day? And what would happen to our people when that stage was reached? In the long run we felt certain we must succeed, but at what cost to ourselves and the rest of the country? And if this happened, how could Black and White ever live together again in peace and harmony? These were the problems that faced us, and these were our decisions. I turn now to my own position. I have denied that I am a communist, and I think in the circumstances I am obliged to state fully what my political beliefs are. I have always regarded myself, in this place, as an African patriot. Today I am attracted by the idea of a classless society, a attraction which springs in part from Marx's reading and, in part, from my admiration of the structure and organization of African societies in this country. The land is

that she does not show one ounce of racial attitude. The person who went out of her way to make us feel at home was Adele. She really is a tremendous woman.

I have learned a lot from her, a lot I could never have learned otherwise. Living with her these past years and so close to her as an Afrikaner woman in the Free State, I've understood their problems.

One day, I received an urgent message

for me, I must come over. So I go to her house and I find her aged parents there. And she introduces me to them. I could see the expression on their faces. We had problems, of course, communicating, because they are from one of the *backveld* little *dorps* in the Free State—proper, proper Afrikaners. So we struggle along. I don't know Afrikaans. I don't know a word up to now. I've developed a psychological barrier against it. I cannot even greet them in my

the main means of production, belonged to the tribe. There were no rich or poor and there was no exploitation.

It is true, as I have already stated, that I have been influenced by Marxist thought. But this is also true of many of the leaders of the new independent States: Such widely different persons as Gandhi, Nehru, Nkrumah, and Nasser all acknowledge this fact. We all accept the need for some form of socialism to enable our people to catch up with the advanced countries of this world and to overcome their legacy of extreme poverty. But this does not mean we are Marxists.

I have been influenced in my thinking by both West and East. All this has led me to feel that in my search for a political formula, I should be absolutely impartial and objective. I should tie myself to no particular system of society other than of socialism. I must leave myself free to borrow the best from the West and from the East.

Our fight is against real, and not imaginary, hardships or, to use the language of the State Prosecutor, 'so-called hardship'. Basically, we fight against two features which are the hallmarks of African life in South Africa and which are entrenched by legislation which we seek to have repealed. These features are poverty and lack of human dignity, and we do not need communists or so-called 'agitators' to teach us about these things.

Above all, we want equal political rights, because without them our disabilities will be permanent. I know this sounds revolutionary to the Whites in this country, because the majority of voters will be Africans. This makes the White man fear democracy.

But this fear cannot be allowed to stand in the way of the only solution which will guarantee racial harmony and freedom for all: It is true that the enfranchisement of all will result in racial domination. Political division based on colour is entirely artificial and when it disappears, so will the domination of one colour group by another. The ANC has spent half a century fighting against racialism. When it triumphs it will not change

that policy.

This then is what the ANC is fighting. Their struggle is a truly national one. It is a struggle of the African people, inspired by their own suffering and their own experience. It is a struggle for the right to live.

During my lifetime I have dedicated myself to this struggle of the African people. I have fought against White domination, and I have fought against Black domination. I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to achieve. But if needs be, it is an ideal for which I am prepared to die.

From No Easy Walk to Freedom, by Nelson Mandela, published by Heinemann Educational Books (London), 1965.

His status seems to grow with the years, even in prison itself. Once when the police chief called him, "Hallo, Nelson," he said, "Mr. Mandela to you. You don't call me Nelson."



Nelson Mandela

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MOTHER JONES

...had a lovely afternoon together...
...heard little statements and they stood
...next to each other and the white man
...spoke and said: 'Mrs. Mandela, we
...want to tell you that we bear you no
...grudge.'

...I should have thought they would be
...other way round...
...with which they said it. They bear me
...no grudge. [As if] I have wronged
...them. What a statement to make! It
...summarized the whole Afrikaner out-
...look. Here they were so absolutely
...wonderful, going out of their way to
...meet this Communist and to tell me that
...they bear me no grudge. They said it
...very ceremoniously. They knew just
...what was the right thing to say to a
...person like me. They wanted to express
...their warmth and their friendship. It
...was so sweet. And, honestly, that is the
...problem of the white man in this coun-
...try. It was a very serious statement. So
...you see, we are at war. We are virtually
...at war. I should feel guilty because, by
...virtue of my blackness—not even my
...political views—I have wronged them.

Here I am, I am twenty-two million
—it's not the right thing to say to them,

because they didn't mean it that way
and yet, at the same time, they did
really mean it that way. Here is a settler,
telling me in my country, when I'm try-
ing to get it back, that he bears me no
grudge. I was stunned.

As a result of our friendship, Adele
was ostracized by the white community.
All her friends stayed away. Any time
you'd come to her house, you'd find her
alone, doing her needlework and tapestry
and that sort of thing.

**"I think I even saw tears in the
eyes of the warders."**

(For the first 22
years of his imprisonment, Nelson Mandela was
kept in the maximum security prison on Robben
Island, off Cape Town—an expensive plane trip
of several hundred miles from his wife's place of
banishment. Here she described the routine of
visiting him in prison.)

ROBBEN ISLAND

I am always called in last. It's a little
room at the end of a passage.

There are three warders behind me
and three warders behind him. In the
beginning there was some wire mesh
between us and I could just see a dark
figure. The lighting is very bad and the
glass partition now is so thick—it must
be bulletproof—I can never see a clear
picture of him, just a silhouette really. I

think he has a better view of me. He
jocularly says I must stand back so that
he can see what I am wearing. I don't
have any clear vision. We talk through
earphones which they can switch off
any time. And of course we are once
again reminded not to talk about any-
thing else but the family. If, for in-
stance, I mention a name they don't
know—look, I have grandchildren
now, we call them by all kinds of names
—they stop and disconnect the phone
and politely ask me what we are now
talking about. In the past it used to be
very bad. Visits were stopped on some
occasions. We used to have violent ex-
changes with the officers. He would ad-
dress them as the boys they are.

When you have been a prisoner as
long as I have, there is a certain com-
municating language that is just known
between the two of you. I think that's
the ease with every one of us. This de-
velops on its own, you don't undergo
any training. This was the experience I
had too in 1969. We never knew who
else was there in prison. But we found
our own system of communicating. In
the end we knew that there were so
many women from Johannesburg and
so on—that's just the same way be-
tween him and me. He is able to tell me
a hell of a lot and I am able to convey to
him anything I wish to convey and in a
certain way he understands.

The warders treat him very re-
spectfully, especially in the latter years.
His image outside has remained what it
is in prison, even with the white staff.

Whenever I am there, half of the
time he spends discussing family prob-
lems of certain prisoners. I gather that
he's got special permission throughout
the years to do that because they are not
part of the family. Some of the pris-
oners who have been there for, say, ten
years, without having had contacts with
their families, he would give me instruc-
tions about them; others come from
different family backgrounds where
there is no one who is directly responsi-
ble for them. We have a lot of broken
homes in our society, children who land
up in prison and he gives me a list of
those and sends me funds for their
education and is able to channel
that. It shows the harmonious rela-
tionship between him and the staff
there. In the past it wasn't so. The first
ten years were extremely difficult. As
his status seems to grow with the years,
even in prison itself, they recognized

*It's not easy for a
mother to say:*

*"Look, there
is your father,
he is doing
life in prison."*

*You never know
what the child's
reaction is
going to be.*



Nelson Mandela (right) with his youngest daughter, Zindzi

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about you is quiet. It means those blind-
ing torches shone simultaneously
through every window of your house
before the door is kicked open. It
means the exclusive right the Security
Branch have to read each and every
letter in the house. It means paging
through each and every book on your
shelves, lifting carpets, looking under
beds, lifting sleeping children from mat-
tresses and looking under the sheets. It
means their hunting you, your
mother, your father, every person in your
family. Unpacking all your
clothing and going through each
pocket. Ultimately it means your seizure
at dawn, dragged away from little

children screaming and clinging to your
skirt, imploring the white man drag-
ging Mummy away to leave her alone.

I was kept in the death cell of Central
Prison in Pretoria. My cell had a grill
inside, a door in the middle and a grill
outside. Although the other sounds
were distant, the keys they used were
rather too many for my particular cell—
from what I heard and read I realized
that this must be the death cell. The
opening of the main locks—just that
noise—was finished and I did not even
know I was with other detainees in the
same block. I thought I was alone, for
months I didn't know that the whole
country had been rounded up. I could

hear a distant cough and a faint sound
of prison doors being locked.

Those first few days are the worst in
anyone's life—that uncertainty, that in-
security; there is such a sense of hope-
lessness, the feeling that this is now the
end. The whole thing is calculated to
destroy you.

And you have nothing in the cell. All
we had in our cell those days was a
sanitary bucket, a plastic bottle that
could contain only about three glasses
of water and a mug.

Sometimes they would bring a little
plastic bucket with water to wash your-
self. They must have been the same as
the sanitary buckets because the smell

SIT-IN ON EMBASSY ROW

The South African embassy on Wash-
ington's Massachusetts Avenue doesn't
look much like a lunch counter or the
inside of a bus. But the four-story concrete
building has become the modern-day version
of those landmarks of the civil rights move-
ment of the 1950s and the 1960s. It is the kind
of symbolic focal point that yields lasting
freeze-frame images for the mind's eye, and
lends a precise geographic identity to a popu-
lar movement.

Since November of last year, a legion of
anti-apartheid protesters from the renowned
to the obscure has converged on the embassy
every single working day. Their presence has
been duly noted by D.C. police—there have
been more than 3,000 arrests—as well as by
reporters and camera crews from several
countries, and government and opposition
leaders in South Africa. In fact, much of the
world is watching the daily drama on the
embassy sidewalk.

The demonstrations have been coordi-
nated by the Free South Africa (FSA) move-
ment, which was formed in November after
three prominent Washington figures were ar-
rested at a Thanksgiving eve sit-in at the em-
bassy. Randall Robinson, the executive di-
rector of the TransAfrica lobbying group;
Mary Frances Berry, a Howard University
history professor who sits on the U.S. Com-
mission on Civil Rights; and Walter
Fauntroy, the District of Columbia delegate
to the House of Representatives, all told Am-
bassador Bernardus Fourie that they didn't
plan on leaving his offices until Pretoria re-
leased Nelson Mandela and scores of other
political prisoners. They also demanded that
South Africa begin negotiating with the
country's non-white majority for a peaceful

transition toward economic and political ju-
stice, and called on the Reagan administra-
tion to stop supplying diplomatic, intelligence,
financial, and police aid to the white minority
government.

For their trouble, Robinson, Berry, and
Fauntroy got a night in jail. Now, along with
lawyer-writer Roger Wilkins, professor-
activist Sylvia Hill, they sit on the steering
committee of FSA, which has emerged as the
driving force in the anti-apartheid move-
ment. The group has coordinated protests in
some 30 cities coast to coast since that first sit-
in at the embassy in Washington.

Why did the movement suddenly take off
last fall? After all, students and church activ-
ists have tried unsuccessfully to put South
Africa on the U.S. public agenda for de-
cades. We asked Wilkins, a fellow at the Wash-
ington-based Institute for Policy Studies
whose résumé includes sharing a Pulitzer
Prize as an editorial writer for the *Washington
Post* and a stint as a columnist for the *New
York Times*, as well as work as an assistant
U.S. attorney general. The voices in the anti-
apartheid wilderness have become a chorus,
Wilkins says, because several divergent
forces suddenly came together.

"A lot of Americans were appalled at what
the 1984 election seemed to say about the
nature of the American people, and they
wanted to show that, instead, we are an ide-
alistic, caring people," Wilkins reflects. The
November sit-in came in reaction, only three
weeks after the election. Then the 1984 No-
bel Peace Prize was awarded in South Af-
rica, Bishop Desmond Tutu, just as the
South African government, in Wilkins's
words, began its moves to crack down quite
brutally on demonstrators.

All this came on the heels of the Reverend
Jesse Jackson's run for the White House,
which had left the black body politic pump-
ed up with new energy that needed a place to go.
"If a black man can run for president,"
Wilkins says, "why can't we change the policy
of the country?"

Indeed, the anti-apartheid movement can
now claim success in beginning to change
U.S. public opinion and relations between
Washington and Pretoria. Wilkins credits
popular pressure with forcing Congress to
move toward passage of legislation curtailing
U.S. financial ties to South Africa. He also
notes that the Free South Africa demonstra-
tions and subsequent student protests have
"put South Africa on the front page and
made it one of the country's principal foreign
policy issues."

The Reagan administration's public po-
sure on South Africa changed dramatically
between the spring and summer. When
South African police fired on a large group of
black demonstrators commemorating the
25th anniversary of the Sharpeville massacre
on March 21, Reagan claimed at a news con-
ference that the protesters were at least par-
tially to blame for precipitating the violence
in which at least 19 demonstrators were
killed. "There is an element in South Africa,"
Reagan intoned, "who wants to trouble
the streets."

But by July, when Pretoria tightened its
screws by declaring a state of emergency, the
Reagan administration was blaming the
apartheid system. The overwhelming vote
in favor of anti-apartheid legislation in Con-
gress were seen by the White House as a
political barometer. "Even bigots," remarks
Wilkins, "can count."

was terrible. They didn't even rinse them properly. So I used the drinking water from the plastic bottle to wash my face with. And I had to use my panties to wash my body because there was nothing else. During menstruation we only got toilet paper or they would say, "Go and use your big fat hands." We only had a mat and three stinking filthy blankets. The one I rolled up for a pillow and I slept with the other two.

The days and nights became so long that I found I was talking to myself. It is dead quiet that alone is so torturous. You don't know what to do with yourself, you sit down, you stand up, you pace up and down, the cell is so small

that you can't even run right around, you lie on your stomach, you lie on your back, on the side, the body becomes sore, because you are not used to sleeping on cement. What kept me going in the cells were the Canadian Air Force exercises for women—I'm addicted to those, I couldn't live without them.

You find yourself looking for anything in these cells, for instance, I remember how happy I was when I found two ants, how I spent the whole day with these ants, playing with them on my finger and how sad I was when they switched off the lights.

Then there was nothing else to do. So I started ripping off one of those

Halfway across the world, another government is aware of the fury on the embassy doorstep and the fire in the campus halls. South African President P. W. Botha doggedly insists that his government "cannot let itself be prescribed to" by street protesters or world leaders. Like the Boer settlers from which the Afrikaners are descended, Botha & Co. are circling the wagons.

But it might not be so easy to wait out this latest siege: even true believers sometimes tire of the role of pariah. Wilkins is convinced that South African officials are "clearly worried" by the rash of anti-apartheid activities in the United States and the growing anti-apartheid mood in the Congress, "no matter what the hell they say." Wilkins says he and his fellow FSA activists "don't want a bloodbath" in South Africa. "We do want the government to negotiate," and he says the pressure on Pretoria from the U.S. anti-apartheid movement has "heartened and emboldened" the South African opposition.

It has done the same for black Americans: Although demonstrators of "all creeds and colors" have joined the embassy protests, Wilkins points out, "the FSA leadership is entirely black. That increases the feeling of potency and pride for black people." Déjà vu: 20 years ago, a multiracial, black-led civil rights movement inspired by a charismatic religious leader foreshadowed the development of the black pride movement and helped channel the energy of a generation of activists. From King to Tutu, from Selma to Soweto.

The fight against racism closer to home, of course, has not yet been won. But Wilkins is not concerned that anti-apartheid activities in the United States siphon energy from civil rights organizing here.

"One of the things that has impressed me about the press coverage of this is the lack of the assumption that because we're black, we're civil rights people and nothing more

Black people can hold many thoughts in their heads at once.

And many ideas are in fact being discussed by Wilkins and the other FSA steering committee members. What's next? Perhaps more lobbying at the state and municipal level, perhaps more emphasis on anti-apartheid educational programs, perhaps stepped-up pressure on the private sector. The pressing need to coordinate daily protests at the embassy, to meet with media representatives, and to push for legislation on Capitol Hill hasn't left much time for precise long-term planning. But Roger Wilkins promises that the movement "won't fritter away the momentum" generated by nearly a year of intense political organizing. The sounds of that momentum are resonating, and black South Africans can hear them clearly.

—Bernard Ohanian

I got more liberated in prison.

The physical identification with your beliefs is far more satisfying than articulating them on a platform. My soul has been much more purified when I was in prison, much more than anywhere else. —Winnie Mandela



Randall Robinson (center), executive director of the Trans Africa lobbying group, demonstrating outside the South African embassy alongside Rory and Douglas Kennedy and U.S. Senator Gary Hart.

blankets. I would pull out the threads and make little ropes, just to have something to do the whole day, make them undo them, make them and undo them. Then I would mend the hems of my dress, just to have something to do. Then there was nothing else to do.

At night it was impossible to sleep. I had been suffering from this insomnia for some years, which had culminated from the time I was in the prison. I was usually brutal, but I was referred to that and said, "there is the woman they are doing a favour, it is me." "We are providing company for you all night long and you are ungrateful."

We had inspection every day in prison. Two wardresses walk in, they order you to stand up, they take off your clothes, they would start from the shoes, inspect that shoe they brought you with to prison, you stand there stark naked, she goes through your panties, your bra, she goes through every seam and every garment. Then they go through your hair like this and—of course, they never succeeded with me, but with other female prisoners, it's common practice—they inspect the vagina every day. I don't think they did that to my other five comrades who were with me in that prison. Nothing is more humiliating. And you are all alone in that cell.

I was so angry. If I didn't have children, and if it wasn't for the fact that I would be playing into their hands if I took my life in protest against this type of thing, I would have done that.

I considered just about everything I could do to myself as a form of protest, as an expression of anger. My problem was, how to do it and not play into their hands, because they would continue killing people inside and claim that they took their lives in protest. And one would be doing this for people who have no conscience at all.

Nothing is more dehumanizing. The wounds these people have inflicted! And they continued right to the end.

My interrogation started on a Monday. And I was only delivered back in the cell on Saturday night. They interrogated me for five days and five nights. I remember that very vaguely. During the fifth night I was having these amazing spells which are very relieving. It was the first time I realized that nature has a fantastic way of providing for excess exhaustion of the body. I just had the long black night. I must have been

delivered back in the cell during one of those. We were the lot that were interrogated continually, and of course there was no such thing as even allowing people the sleeping spells. My whole body was badly swollen, I was urinating blood. The body tends to retain the fluid, it was difficult to pass water. There were times when one was allowed to go to the toilet, but very briefly, and this woman wardress would usually go into the toilet with you. They do give you something to eat, but you can't eat under those circumstances—food is of no relevance. The whole experience is so terrible, because I had left little children at home in bed and I had no idea what had happened to them.

They didn't let black warders come near us—we had only white warders and wardresses.

So when they brought our food in the morning, it was porridge. We could only tell by the type of food they brought that it was in the morning. They would take the sanitary buckets and bring them back without even rinsing them, turn the lid upside down, put the plate of food on that lid and you would just see a white leg pushing in that sanitary bucket. You never even saw who brought the food. This white woman would stand in the door—it was dark in the cell—and they would switch off the lights during the day. But the building was so old and ugly in its construction that it was perpetually dark.

It was impossible to eat. Firstly, you could actually see the droppings of the birds on that food. What they used to do was to put the plates of food outside next to the cells and the birds did everything on that food. By the time it came, it was full of bird shit—besides the fact that it was uncooked porridge. You know how porridge gets when it's not properly cooked. It gets those cracks and at times it had worms.

Lunch was supposed to be a better meal. The mash and carrots were just as they were from the garden with the soil and they would just put them in a pot. It was impossible to swallow. I feel nauseous from even relating that. The gravy would actually be the soil from the pot. The mealie pap was of the same quality that my father used to give to the pigs.

For supper we had porridge again which would often float in blood. They must have cooked pork in that pot and

didn't wash it properly. Things were as bad as that. So we went on a hunger strike for a week, although it was difficult to communicate. We did it the usual way, by banging on the wall.

There was no improvement on the prison food as a result of the hunger strike. At least we got our food from the relatives a little more decently. They never stopped trying to humiliate us. When we prepared for the court case, my family had brought me some clothes to wear on that day. One day when we came back to our cells after consulting with our attorneys, not only had they emptied the suitcase on the floor but they had opened jars of cosmetics and had thrown them on the clothes. There was cream all over and I saw footprints, their shoes must have been muddy too. To do that to clothes that I would have to wear in court! I had no way of washing or ironing them! I stood there at the door—then came the stripping, the usual process—and when I saw the woman in charge of the prison, I was so angry I saw red, the same as I had when that policeman came to my bedroom. I don't know how she escaped that cell. I was so satisfied by the fact that I was able to beat her up. No human being can continue taking those humiliations without reaction. You can be humiliated that far and no more.

I got more liberated in prison. The physical identification with your beliefs is far more satisfying than articulating them on a platform. When you are in prison, there is some kind of satisfaction in that sense. My soul has been much more purified when I was in prison, much more than anywhere else. I am not saying it is best to be in prison. But under the circumstances, when it is a question of which prison is better, the prison outside or inside, the whole country is a prison for the black man and when you are inside, you know why you are there and the people who put you there also know.

Excerpted from Part of My Soul Went with Him, by Winnie Mandela. Edited by Anne Benjamin. Published by Rowohlt Taschenbuch Verlag GmbH, Reinbeck bei Hamburg. Published by arrangement with Rowohlt Verlag GmbH, Reinbeck bei Hamburg. English translation © 1985 by Anne Benjamin. Reprinted with permission of the publisher, W. W. Norton & Co., Inc.

WHITES ONLY.
NET BLANKES.

A segregated train in Johannesburg, South Africa, August 1984.

CHURCHES TARGET FIRMS

Anti-Apartheid

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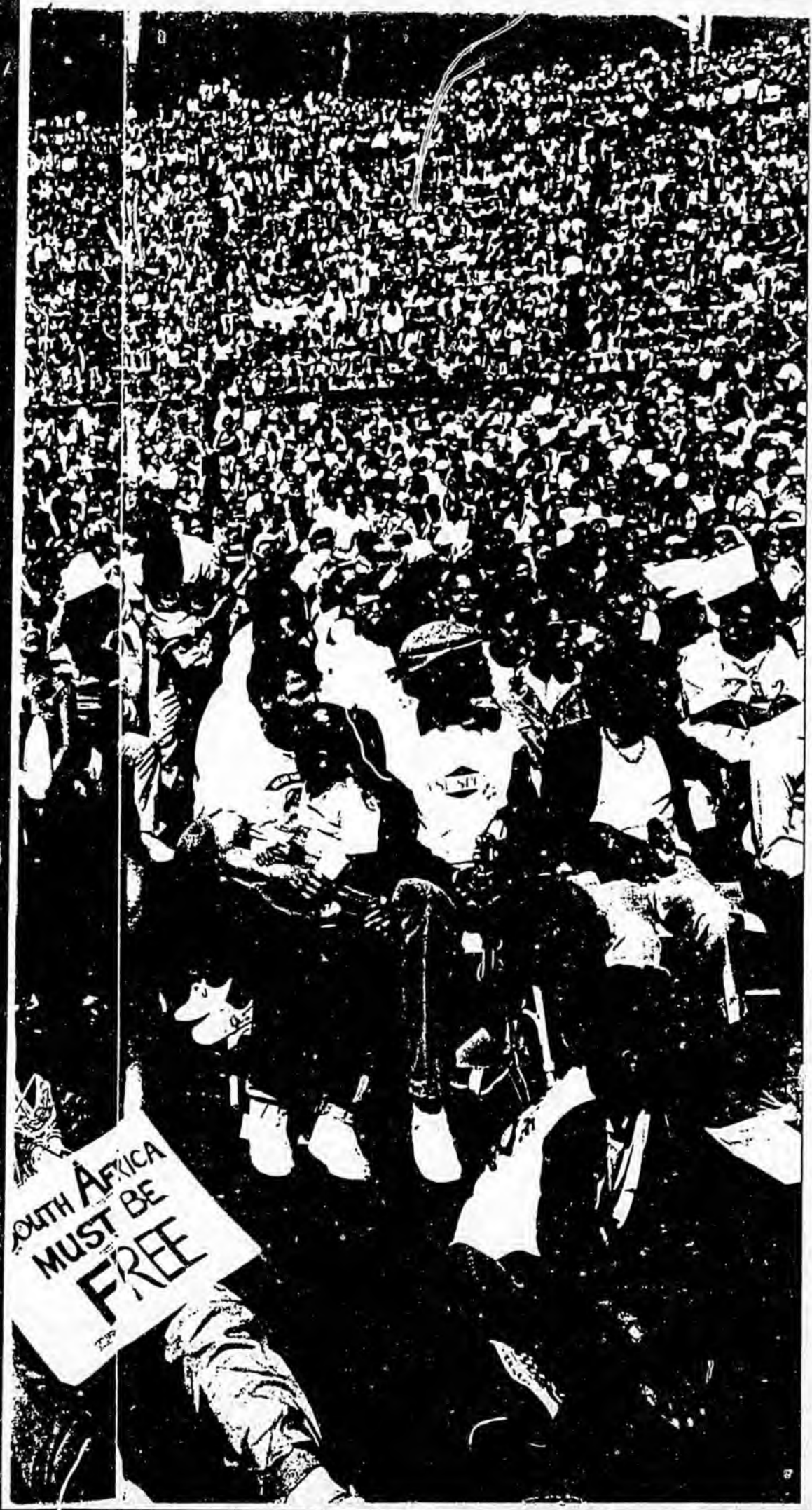
Alison Gaskell / 1984

DIVESTMENT DEBATE

■ "Cough drops for cancer of the throat" was how John Henning, head of the California AFL-CIO and a regent of the University of California, described it. His fellow regents had reacted to months of prodivestment protests throughout the nine-campus University of California system—including more than 1,000 arrests of students, faculty, staff, and supporters for actions of civil disobedience—by voting to set up an advisory committee. ■ The regents' decision, which Assembly Speaker (and ex officio regent) Willie Brown said would leave the South African regime "overjoyed," is not a provincial issue. The university's portfolio is the largest fund in the United States to have been the subject of a divestment debate (it contains \$6.3 billion, of which about \$2.4 billion is invested in companies with business ties to South Africa). So this non-decision, engineered by University President David P. Gardner, will most likely be cited as "the prudent alternative" by Ivy and other embattled academic leagues. ■ The proposal Willie Brown submitted and the regents rejected was itself a watered-down version of Faculty for Full Divestment's plan for full divestment over five years. (Two thousand UC faculty from all nine campuses have signed full divestment petitions.) Brown would have imposed a one-year freeze on new investments in companies doing business with South Africa; withdrawn university funds from banks lending directly or indirectly to the South African government, or from companies selling to the South African military and police; and required full divestment unless "significant progress" was made toward abolishing apartheid within two years. ■ Four arguments against divestment proved decisive. First, that divestment would lose lots of money. (Strong arguments to the contrary from several investment bankers were ignored, as were 18 UC Berkeley economists who pointed out that the fund was already losing \$50 million a year compared with random investments in Standard & Poor's 500. Only the university treasurer's scare figures garnered big publicity.) Second, that selling the stock would only transfer control to the new buyers who might have less liberal leanings than the university. (This overlooked the fact that the university's do-good influence to date has been virtually nil: in 34 out of 36 times since 1977 when the regents had voted their proxies on South Africa-related stockholder resolutions, they voted against reforms. Moreover, divestment might shake companies that seek academic associations, such as IBM.) Third, that if American companies leave South Africa, foreign or South Africa capital would happily gobble up their plants and markets. (This ignored the growing impact of parallel anti-apartheid movements abroad, especially in Canada, France, and northern Europe. It also ignored South Africa's declining economy.) ■ In the shadows crouched the fourth argument, and maybe the most important: Who are lowly students, faculty, and staff to tell the mighty regents what to do? All but four of the 28 regents are wealthy white men, a number of them connected to California's leading centers of capital. Even though 78 percent of the funds go to faculty and staff pensions, they don't want anyone telling them what to do with "their" portfolio. Where do you draw the line, some asked, when other protesters clamor for divestment on other issues? Indeed, the conservatives grasp the profound implication of the divestment movement: that all such financial decisions should be opened up to democratic debate. ■ Instead, trying to give the university a cost-free reputation for doing good, President Gardner pasted together a scheme whose crown rhinestone is an advisory committee to scrutinize the quality of "corporate citizenship" demonstrated by the companies in the university's portfolio. What criterion did they set forth for "good corporate citizenship"? High or middling rankings according to the famous Sullivan Principles, which refer solely to employment practices and company lobbying. (You can get top Sullivan ratings if you manufacture computers for the South African police, as long as blacks are treated equally on the assembly lines and in the bathrooms. Among all the Sullivan signatories, there are a total of only 22,000 black employees, only 4 percent of them managers; in 1984 Hewlett-Packard, which enjoys high Sullivan ratings, employed 13 blacks out of 300 workers.) ■ Despite discouragement, it's unlikely that the thousands of newly galvanized University of California students will sit still in the fall. Many undoubtedly agree with former student regent Fred Gaines,



Students in Berkeley gather to hear Bishop Desmond Tutu, May 1985.



Anti-Apartheid Act

who called the regents' decision "worse than doing nothing. It looks like we are doing something, when in fact we are not." Some activists are talking of legal actions against the regents. The city of Berkeley will encourage storekeepers to take South African goods off their shelves. West Coast activists are planning boycotts against South African pears imported by Del Monte, among other goods. ■ Do these actions do any more than salve consciences far from apartheid itself? South Africa thinks so. The Foreign Ministry has established a task force to fight divestment; the official radio shrieks daily against it. One function of universities is to dispense holy water. For now, the University of California has declared itself the regime's last white hope. — Todd Gilin

Todd Gilin teaches sociology at the University of California, Berkeley, and is active in Faculty for Full Divestment.

ON CAMPUS

"The South African government considers it a crime for anyone to advocate disinvestment, which must surely indicate how seriously they regard [it] as a pressure for peaceful change in our country."

—Bishop Desmond Tutu, June 1985

■ Last spring's wave of anti-apartheid student protests took the nation by surprise. The resurgence of student activism has won few clear-cut victories at this point. But the nascent movement has succeeded in making university divestiture a burning issue on campus. The primary question is whether the momentum of last spring can be maintained through the upcoming school year.

■ On October 11, the American Committee on Africa is sponsoring a National Anti-Apartheid Protest Day. According to student coordinator Andrea Williams, the protest will coincide with Political Prisoner Day in South Africa. ■ For more information about anti-apartheid activism on campus, contact the following national organizations: *United States Student Association*, 1 Dupont Circle, Suite 300, Washington, DC 20036, (202) 775-8943; *American Committee on Africa*, 198 Broadway, New York, NY 10038, (212) 962-1210; *TransAfrica*, 545 Eighth Street SE, Suite 200, Washington, DC 20003, (202) 547-2550. —Tim Goodman

Rich Browne / Picture Group

More on the council of churches

Dear Editor:

EMPIRE 13 FEB 84

I have read John Shaffer's ill-advised letter to you of Feb. 1 criticizing my Jan. 19 Empire article about World Council of Churches political extremism. I was grimly amused by his alleged concern for "the facts," in view of his strenuous attempt to obscure, distort and otherwise ignore them. Indeed, his response is a perfect example of the kind of rationalization and intimidation which has allowed the WCC mess to occur and to steadily creep on out of our control.

Shaffer is entirely correct in describing my treatment of the WCC as being negative. Whatever the WCC's good works have been, its pro-Soviet Bloc posture on specific international matters, its complete silence about Soviet Bloc atrocities and its substantial support for Marxist-oriented terrorist groups are intolerable. (22 Aug. '83 Time article, "The curious politics of ecumenism: To the World Council of Churches, the Soviets are allies.") The WCC itself is hardly irreplaceable. Who would give money to any international charity so misdirected, unless it had unquestionable "moral authorities" — like our Episcopalian, U.S.A. Lutheran, Methodist, Presbyterian churches to front for it? Must we betray our beliefs, our country, and even persecuted peoples, just so that some of our church leaders can indulge their delusions of international (religious) solidarity?

Shaffer's attempt to minimize our responsibility for the support going to Marxist-oriented terrorist groups (through the WCC's Programme to Combat Racism "special fund") is typically misleading. William P. Thompson is a prominent American church politician and WCC activist. In a 31 Oct. '83 U.S. News & World Report interview, even he grudgingly admits that some money from American churches is indeed going into this WCC "special fund." Even if each involved churchgoer's contribution to the WCC is "only pennies," all those pennies add up. We know that our denominations contribute very large sums of money to the WCC — from my own denomination this is well over a million dollars, annually — and that the WCC gives substantial amounts of money to terrorist groups. (22 Sep. '81 N.Y. Times.) We have only the WCC and its apologists to tell us how it juggles its accounts internally, and any "Christian" organization which can rationalize supporting terrorists is hardly trustworthy.

But it is far more important to look at this WCC money question ecumenically — in the intended spirit of the WCC — not compartmentally, as Shaffer would have us do. Just as our denominations are part of the WCC, so are we. Regardless of the original source of WCC "special fund" money, once it is received by the WCC it then becomes our money — every single penny (or ruble) of it — and we are as equally and terribly responsible for its misuse as is anyone else in the WCC. As the Oct. 7 Time "Guns for God" article states, by contributing to terrorist groups the WCC "lends moral respectability to terrorism" and, by our association with the WCC, so do we. This is the worst possible international situation our churches could be sending at this point in human

When the Salvation Army suspended its WCC membership in protest against the WCC's (and our) "humanitarian aid" grant to the Patriotic Front terrorists in Rhodesia/Zimbabwe a WCC official said, "We don't believe the money will be used to buy guns. The Patriotic Front are responsible people. We don't even try to have control over how the money is spent." (22 Aug. '78 N.Y. Times suppl.) Only a few weeks later, the "moderate" Patriotic Front leader Joshua Nkomo openly boasted of his terrorists' massacre of the people on the first of those two civilian airliners. (18 Sept. '78 Newsweek articles, "We shot it down" and "Please, don't kill us.") Shaffer's suggestion that the many murders of missionaries by these criminals could have just been a "frame" similarly ignores numerous media reports and is obscenely deceitful.

Shaffer's slimy insinuation that any criticism of WCC extremism may be motivated by "racism" is typical of the smearing and stereotyping tactics of intimidation used by a few WCC apologists. (Joe McCarthy would have approved.) This is also incredible hypocrisy, since the WCC itself (and our "anti-racist" activists) helped replace a merely discriminatory government in Rhodesia/Zimbabwe with a Marxist regime which has waged outright genocide against its own Matabeleland tribespeople. (21 Feb. '83 Newsweek, "Bury your dead and run.") Similarly, most of the two hundred people killed or mutilated by the WCC-supported African National Congress car bombing of last May in South Africa were Black bystanders. (24 May '83 Christian Science Monitor). Our impatient support of terrorism only produces even greater evil.

A person's record on racism or anything else must be judged by the effects of his words and activities — not merely by their intent, however sincere. The only credibility Shaffer has assassinated by his too eager suggestion of racism is his own.

Shortly before my Jan. 19 article was published, I heard some very inspiring talk about "mass evils" and how each one of us plays "no small part" in allowing — or opposing — them. I was reminded of how an elderly Black woman's weary and stubborn refusal to go on to the back of a bus became a national rallying point and how Martin Luther King — like Gandhi — nonviolently used our democratic and humanitarian values and institutions to confront ourselves with intolerable injustice and to compel fundamental change. (Such "dissidence" — and courage — is not tolerated in totalitarian states, of course.)

By overlooking and even contributing to profound evils with the unquestioning support of millions of (American) churchgoers, the WCC qualifies as a "mass evil." If we do not oppose its evil, then we become part of it. If we cannot stop the WCC's evil — as good people have apparently failed to do for over a decade — then we should get out of it entirely.

Respectfully,
Louis Coatney
9706 Trappers Lane
Juneau, 99801

EMPIRE 1 FEB 84

In defense of World Council of Churches

Editor's Note: A copy of the following letter to Louis Coatney was submitted as a letter to the editor. Mr. Coatney recently wrote a "My Turn" opinion piece criticizing the World Council of Churches.

Dear Editor:

While I am not prepared to do an in-depth analysis of your accusations against the World Council of Churches, I do wish to make a few comments.

While I have my own concerns about the interdenominational situation in the world, I wish that those who attack such agencies would stick to facts. Some repeat every negative thought, real or imagined, about the motives and actions of such agencies, perhaps due to their zealous hope of doing permanent damage to the enemy.

There are those who suggest that the butchering of missionaries in Zimbabwe was done in such a manner to fool the world community into thinking that an agency related to the World Council of Churches through the Programme to Combat Racism was responsible. It would not be the first time this has been done. I recall stories about white people dressing like Indians in the wild west in order to provide excuses for the slaughter of Indians. Evil persons do some evil things.

You imply in your article that the World Council of Churches has given a large amount (you use the word substantial) of your money to such groups. In my denomination we give less than \$05 per member per year for all interdenominational agencies and

projects. None of our money goes to the Programme to Combat Racism. It is a voluntary program. Most of its funds come from European churches. You are either misinformed about the source of funding or feel it is more damaging to your church to suggest that some of your local budget goes to this fund. It does not. Only pennies reach the agency for its good works.

I would encourage you to examine the motives behind those who do not wish to deal with the issue of racism in our world today.

It is obvious from your article that you are not interested in the good works of interdenominational agencies, but they are many. In fact, in the eyes of the Third World nations, even the Programme to Combat Racism may be seen as a good work.

Americans need to realize that the World Council of Churches is not in business to promote any particular political system or values. It is clear that Americans do not control the agency and I doubt if many would suggest that we should. It is clear that we could not if we tried. Withdrawal would communicate a message that many American Christians are not willing to send at this point in our human history.

Sincerely,
John J. Shaffer
1686 Patterson
Anchorage, 99504

5 Oct 70

Document 9: Statements of "National Liberation Movement" Leaders

The statements below bear direct witness of the international support network utilized by "national liberation movements." They proclaim the global linkages presented throughout this book from the perspective of the movements' leaders themselves. These statements constitute one more example of public proclamation of the cooperation among different terrorist and insurgent elements.

Source: Senate Hearings before the Subcommittee on Security and Terrorism of the Committee on the Judiciary, *The Role of the Soviet Union, Cuba, and East Germany in Fomenting Terrorism in Southern Africa*, 1982.

"Our revolutionary movement continues to discharge its tasks of solidarity with the Patriotic Front of Zimbabwe, SWAPO of Namibia, the Polisario Front of Western Sahara, [and] the Palestine Liberation Organization. . . .

ANC Secretary General Alfred Nzo, 1979
SECHABA (official organ of the ANC)
November 1979

"As natural ideological allies . . . the Socialist countries especially the Soviet Union, the German Democratic Republic, Romania, Poland, Cuba, People's Republic of China, Democratic People's Republic of Korea and the Democratic Republic of Vietnam which give us concrete material assistance, political, diplomatic and moral support."

SWAPO leader Sam Nujoma, 1976
Address to SWAPO Central Committee
Lusaka, Zambia 7 February 1976

8

Surrogate Warfare: The Threat Within

Terrorism in the United States has not resulted in high loss of human life when compared with other regions of the world. Until now property has been the principal target. Also, North American terrorism has been basically motivated by limited political action goals. However, it should not be concluded that because more deadly tactics have gone unused that they will not occur in the future. Terrorism in the United States has not been considered a serious threat. This is a mistake. Certain domestic terrorist groups have maintained a continuity that far surpasses their counterparts in Western Europe and elsewhere.

The membership of United States terrorist groups has tended to be composed primarily of white females who espouse an "anti-imperialist" ideology which identifies America as its primary enemy. This can be traced back to the Weather Underground Organization (WUO). The WUO claimed responsibility for nearly forty bombings between October of 1969 and September of 1976.¹ One of its leaders, Cathy Boudin, continued underground activities until her capture in the 1981 attempted Brinks robbery in Nyack, New York. Another Weatherperson, Linda Sue Evans, was recently arrested with Brinks fugitive Marilyn Jean Buck on 11 May 1985 in Dobbs Ferry, New York.² Evans was a member of the second Venceremos Brigade which traveled to Cuba in 1970.³ The Venceremos Brigade (VB) has been described in FBI reports as being of vital interest to Cuban intelligence (DGI). The VB provided the DGI with the opportunity to spot, access and recruit its members for intelligence collection in the United States. "A very limited number of VB members have been trained in guerrilla warfare techniques, including use of arms and explosives."⁴ The arrest of Buck and Evans led to the identification of a safehouse in Baltimore where a third female was arrested and evidence seized which purportedly links the three to a series of recent bombings in the

¹This chapter was prepared by Paul M. Joyal. He is a Washington-based expert in North American terrorism and a former federal law enforcement officer.

Do We Need South Africa?

Facts and fallacies about Washington's interests.

As the sanctions debate has heated up, some conservatives have argued that vital strategic interests are at risk in South Africa. But are they? A guide to some strategic facts and fallacies:

1. *The West could lose South Africa's vital mineral supplies.* According to a recent Commerce Department study, South Africa supplies about two-thirds of the platinum, half of the chromium and a third of the manganese consumed by American industry. The only comparable source, the study says, is the Soviet Union. That makes the situation sound ominous. But this spring the Congress-

likely to give up those revenues easily. Recent history has also shown that Marxist regimes aren't getting the development resources they need from the Soviet Union, and they are turning increasingly to the West. Since it took power in 1975 the Marxist-Leninist government in Angola has continued to allow Gulf Oil to operate in its country. President Robert Mugabe's government in Zimbabwe has also kept up Western trade, and recently Mozambique has shown a greater willingness to do business with the West.

2. *The Soviets could gain a foothold on the Cape of Good Hope.* At present, 90 percent of Western Europe's oil imports, and a small fraction of America's, pass around South Africa. However, if Moscow wanted to disrupt Western oil supplies it could do so far more efficiently by attacking tankers in the Persian Gulf from its bases in Ethiopia, South Yemen and Socotra Island in the Indian Ocean. Pentagon officials also believe the Soviet Navy lacks the capacity to project power at such a distance without leaving itself vulnerable elsewhere. Even if a Marxist government were to take over in South Africa, nationalist pride would probably keep it from inviting the Soviets in. In Angola and Mozambique, leaders have allowed occasional visits by Soviet air and naval forces, but neither has permitted Moscow to set up permanent bases.

3. *Western interests throughout the region are at risk.* There is more merit to this argument, but not because a leftist takeover would spread communism across southern Africa. (Most of the other countries in the area already have Marxist governments.) The more proximate danger is that a prolonged civil war will inflict heavy damage on industries the West relies on. That is one reason for Washington to move away from Assistant Secretary of State Chester Crocker's ideas of constructive engagement. Howard Wolpe, the chairman of the House Subcommittee on Africa, maintains that American interests in Black Africa will suffer most if Washington is perceived as supporting the white government. By taking a clear stand in favor of justice for South Africa's blacks, he argues, the United States could win itself a stronger position across the continent.

MARK WHITAKER with KIM WILLENSON and JOHN WALCOTT in Washington

tive—more flexible but legally and symbolically less potent. Democratic Rep. Stephen Solarz of New York City accused Reagan of trying to "defang the sanctions." He called active engagement "a grudging acknowledgment that it is now too late to avoid doing something," and he charged that the White House wanted to do "as little as possible" to head off a defeat in Congress.

A senior administration official insisted that Reagan had not changed his goal or his strategy. The goal, he said, is to promote peaceful progress toward democracy, to block the expansion of Soviet influence in the region and to encourage peace between South Africa and its black neighbor states. The strategy now is *active* engagement, which seems to be a little tougher and a lot more public than its *constructive* predecessor. This week U.S. Ambassador Herman Nickel, who was called home last June as a sign of displeasure with Pretoria, will return to his post. He will carry a letter from Reagan to Botha expressing the American president's "strong view," as a top adviser puts it, that the South African government must move quickly toward negotiations with black leaders and other measures to redress black grievances.

Botha may have used up all of his credit with the administration. In Vienna last month, the South Africans briefed national-security adviser Robert McFarlane on extensive reforms that their president was expected to announce a week later. Then Botha's speech came up more or less empty. "They've jerked him around," complained one of Reagan's confidants. "Those Afrikaners are a conniving bunch of bastards, and they've taken advantage of his general good feelings for that country."

As recently as last week, however, some members of Reagan's inner circle still thought South Africa didn't count for much in American politics. "There's lopsided support for sanctions out there," admitted one adviser, "but the intensity of the issue isn't lethal. It's not happening in Selma or Little Rock, so what we're seeing is arm-chair social consciousness." Republicans in the Senate, among others, were more on the ball, perhaps because many of them are up for re-election in 1986. "Last year was the first time we've ever attracted younger voters in any sizable numbers," said a GOP staffer. New Republican senators, he added, "came in here arguing that it was important to speak out on South Africa not just because it was right but because it is going to be a galvanizing issue on college campuses this year and next." Already, in fact, the issue has spread to corporate boardrooms, state legislatures and the haunts of ordinary citizens. In growing numbers, Americans want answers and action.

RUSSELL WATSON with JOHN WALCOTT, THOMAS M. DeFRANK and KIM WILLENSON in Washington and RAY WILKINSON and PETER YOUNGHUSBAND in South Africa



SHEPARD SHERBELL—PICTURE GROUP

Crocker: A policy in trouble

sional Office of Technology Assessment published a report pointing out that the United States has suffered at least four major disruptions of mineral supplies in the past 25 years. Each time it made up for the shortfall by relying on government mineral stockpiles, conservation, recycling and artificial substitutes. Most experts believe the same thing could be done if South Africa's minerals are lost. "We can go to other sources," says one U.S. official. "There isn't one that can't be gotten somewhere else."

There may also be little reason to worry about a cutoff, even if a leftist black government comes to power in South Africa. Mineral exports account for much of the country's foreign exchange, and no South African government is

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running, because here comes the fat pig." The police advanced across the playing fields and cleared the campus.

But as each act of defiance was put down, another seemed to flare up. The National Union of Mineworkers, the country's most powerful black union, called a strike for early this week at seven gold and coal mines. The immediate cause of the walkout was economic; owners of these seven mines refused to match pay raises offered at 20 others, so 62,000 miners were called out. But in South Africa any mine strike is a political event. This time, the NUM warned that if the owners tried to break the strike by firing workers, it would call out all 270,000 of its members and sympathizers nationwide.

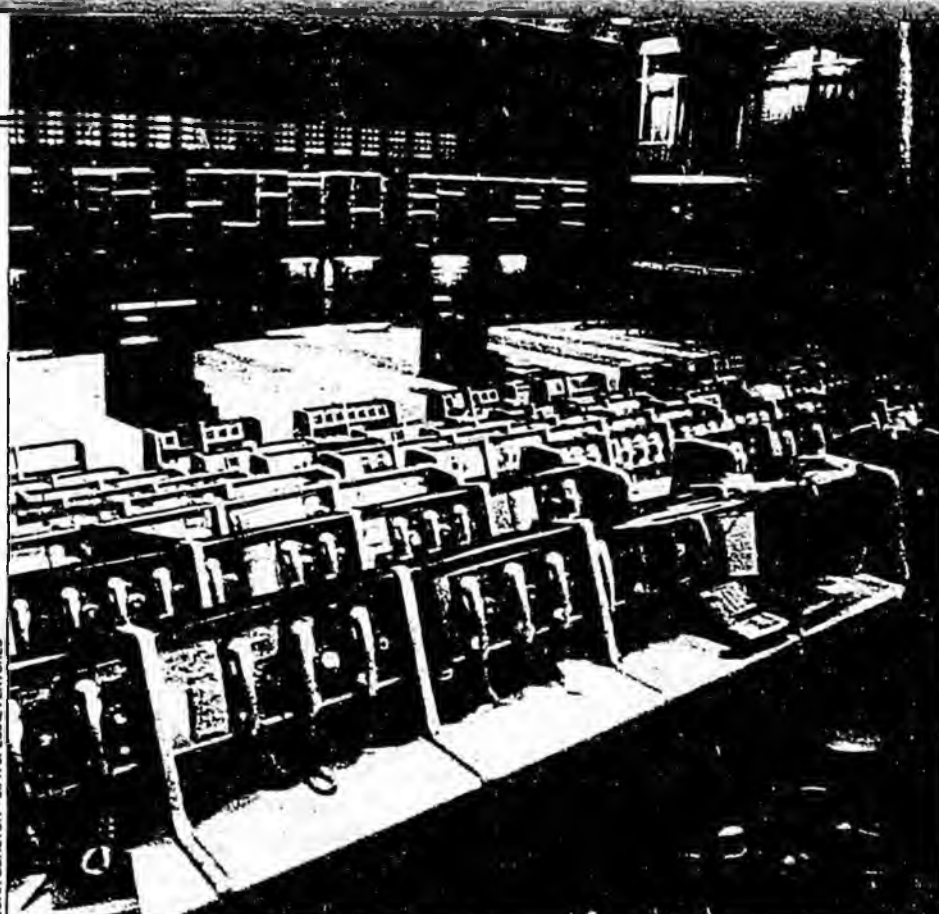
While the white regime tried to crack down on its opponents, other voices called for conciliation. Four major business organizations, representing most of commerce and industry, urged the government to lift the state of emergency it imposed in July and to negotiate with black leaders, including Mandela. "There is now no earthly way in which the government will restore . . . order on its own terms," warned Frederik van Zyl Slabbert, leader of the opposition Progressive Federal Party. He proposed a national convention on South Africa's political problems, an idea that was quickly endorsed by Chief Gatsha Buthelezi, the moderate leader of 6 million Zulus.

Not Enough: The Reagan administration says that negotiations leading to the end of apartheid are its top priority, and it has urged that Mandela's African National Congress be included. But despite Reagan's upbeat remarks about reform, Chester Crocker, the assistant secretary of state for African affairs and the architect of Washington's "constructive engagement" policy, acknowledged that "the changes we have seen to date are not adequate." What to do about that was an issue that split the conservative movement.

The sanctions bill that awaited final action in the Senate was far too weak to bring Pretoria to its knees—but too strong for some advocates of constructive engagement. Some advisers urged Reagan to follow his instincts and veto the measure. CIA Director William Casey argued that Pretoria's intelligence on Black Africa was invaluable and might be lost if Washington offended Botha. One senior White House aide said that a veto was a "foregone conclusion" and that a congressional override was inevitable. The White House believed, however, that most Americans weren't particularly concerned about South Africa. "It's going to matter on some college campuses and obviously in the black community, but not much beyond that," predicted Republican political consultant Roger Stone.

But other Republicans were pushing in the opposite direction. A group in the House known as the Conservative Opportu-

JOHN GURSTON—SIPA/SPECIAL FEATURES



The empty Johannesburg stock exchange: A plan for strict new financial controls

Apartheid Doesn't Pay

A fiscal crisis sparks growing pressures for reform.

President P. W. Botha's state of emergency has shattered confidence in South Africa's finances. Some American banks like Chase Manhattan—worried about future political stability—have announced that they will no longer roll over short-term loans to the South African government or private borrowers. Foreign investors are losing heart, stock prices of some South African companies have slipped precipitously, and the South African rand—worth about a dollar in 1981—has plummeted to 35 cents as hundreds of millions in flight capital have poured out of the country.

Last week Finance Minister Barend du Plessis was forced to take action, suspending trading in the stock and currency markets for six days. Pretoria imposed a four-month freeze on most foreign-loan repayments. Officials set to work drafting a package of emergency financial controls to shore up the rand. Likely measures included new limits on currency leaving the country, a full-scale devaluation of the rand and possibly even a two-tiered exchange rate designed to spur new foreign investment. Meanwhile, reserve-bank chief Gerhard de Kock flew to Britain and the United States to consult with the Bank of England governor Robin Leigh-Pemberton, U.S. State Department officials and Federal Reserve

Board chairman Paul Volcker. His aim: to arrange loan rollovers or special new credits to avert a massive South African default.

The deepening crisis promised to further undermine the South African economy, already imperiled by declining foreign investment, high unemployment and a threatened strike by workers at many of the nation's crucial gold and coal mines. More important, it placed undeniable pressure for social reform on a government that had long viewed the nation's economic and financial strength as a shield against the need for change. Last week the nation's

The Falling Rand Vs. the Dollar
Monthly averages



*Week ending Aug. 23.

largest business and industrial groups handed Botha an ultimatum: lift the state of emergency—and begin negotiations with black leaders to abolish apartheid. "Our survival depends on making the necessary structural changes to uphold the political, social and economic values pursued by our major trading partners," the groups said in a statement. It also vowed to work toward policies that would create new jobs and to take other steps benefiting blacks. A. y economic measures that the authorities may introduce, added Gavin Rely, chairman of the giant mining conglomerate Anglo American, "will have no more than a short- to medium-term effect unless they are also accompanied by a new political dispensation."

Reserve-bank head de Kock seemed certain to meet with similar demands for change in response to his request for emergency financial credits to help meet debt payments. With its current account in a healthy surplus, South Africa has so far had no trouble meeting payments on its \$17 billion in loans from banks—even though its debt-service costs have effectively tripled as a result of the plunge in the rand. Now, with American banks taking a hard line on repayment of \$3.5 billion in short-term loans—and the possibility that British and other European institutions holding South African loans could decide to follow suit—the country is squeezed for cash. "Suddenly South Africa"—traditionally conscientious in managing its external finances—"finds itself in a South American situation," observed one top Dutch banker.

Emergency Assistance: De Kock says South Africa has enough foreign-exchange reserves to pay off only about 400 million rand—or about \$150 million—each month. As a result, the banks may have little choice but to allow South Africa to pay off the debt according to its own schedule. "The prevailing view in Johannesburg is that the banks have no option of letting South Africa default," says one international financial expert. "It would set a terrible precedent to let a relatively rich country like them off the hook, when all the other poorer, less-developed countries are sweating to pay much larger debts."

The other main option is emergency assistance to South Africa to help it place its financial affairs in order. The Federal Reserve, the Bank of England or the Swiss-based Bank for International Settlements could agree to extend South Africa a credit line against deposits of gold reserves or to swap dollars for rand. Alternatively, the International Monetary Fund, of which South Africa is a member, could ante up emergency loans. Last week de Kock did meet Volcker privately in New York. But his scheduled meetings in Washington

with Volcker and with Frank Wisner, deputy assistant secretary of state for African affairs, were postponed until this week—after South Africa was slated to announce new financial controls. As it was, the official cold shoulder may be far more persuasive than any economic sanctions Congress is likely to enact. Denied credit, South Africa would be condemned to a perpetual siege economy.

Emergency aid, in short, seems unlikely unless South Africa makes at least a gesture toward easing the restrictions of apartheid. It is unclear whether South Africa will go along with that kind of a deal—but given the various pressures on its economy and finances, it may have to, sooner or later. About 13 of the 284 American corporations with South African subsidiaries have pulled out, and others have trimmed back operations—helping to reduce direct U.S. investment from an estimated \$2.8 billion in early 1984 to \$2.3 billion today. Companies insist they are pulling out not for political reasons but for economic ones: amid the continuing recession, "business has been terrible," says Ford Slater, a spokesman for General Electric, which, he says, derives "less than one-quarter of 1 percent" of its \$27.9 billion in sales from South Africa.

Stemming the Tide: Continued selling by investors of the stocks of U.S. companies doing business in South Africa may even accelerate the disinvestment trend. Since last January, for example, a long list of U.S. states and municipalities—ranging from Iowa and Colorado to Pittsburgh, Boston and Baltimore—have decided to divest holdings of companies with South African operations. And last week a panel of trustees of New York's Columbia University recommended that the university dump \$39 million worth of stocks of companies doing business in South Africa—a move that prolonged demonstrations by groups of students over the past year had so far failed to achieve.

Re-establishing political stability is now crucial to stemming the tide of disinvestment. While stringent exchange controls on South Africans leaving the country have cut down somewhat on capital flight,



South Africa's Debt to Foreign Commercial Banks
in billions of dollars

the new, tighter controls should curb further flight and halt the slide of the rand. Independent of far-reaching political reforms, however, such actions could only postpone the day of economic reckoning; the controls will almost certainly lead to lower investment, slower growth, rising unemployment and even greater political unrest. Moreover, "the loss of direct access to international markets, finance and technological transfer will lead inexorably to a decline in international competitiveness," the business groups warned last week. "The critical problems facing South Africa . . . cannot be resolved by retreating into economic isolationism."

In a country where most whites have experienced unrest in the black townships mainly through television and newspapers, South Africa's financial difficulties may bring home the disastrous implications of the current strife. "Underlying everything is the feeling that it's too late," said one South African expatriate in Britain. "The rand has crashed to the floor. There is a feeling that we have turned the corner . . . that we are at the beginning of the last chapter." Even so, there are only the slimmest of hopes that South Africa will close the book on apartheid anytime soon.

SUSAN DENTZER with RAY WILKINSON and PETER YOUNGHUSBAND in Cape Town, DONNA FOOTE in London, RICH THOMAS in Washington and ANN HUGHEY and MADLYN RESENER in New York



Will Economic Woes Turn Tide In South Africa?

Problems are piling up on all sides. But biting hardest is a shortage of money to pay the nation's overseas debts.

JOHANNESBURG

With no early end in sight to South Africa's racial turmoil, it is becoming increasingly clear that economic woes, not rioting by blacks, could be the spur that compels the white government to ease its rigid policy of apartheid.

The battered economy, according to experts here, is the Achilles' heel of a nation that, ironically, prides itself on its self-sufficiency and ability to withstand pressure from the outside.

President P. W. Botha now appears under siege from all sides.

Foreign investors, worried over black unrest, are pulling their capital out of the country. The rand, the national currency, has slumped to record lows.

Faced with the necessity of repaying about 12 billion dollars in foreign debt over the next year, the government in early September imposed exchange controls and declared a four-month freeze on principal payments on the borrowings. Additionally, Gerhard de Kock, head of South Africa's central bank, met a cool reception when he visited Western Europe and the U.S. to discuss rescheduling of loans.

On the home front, Botha must deal with increasing disenchantment by white business executives, a spreading black boycott of white businesses and, despite the collapse of a strike by black employees of gold and coal mines on September 3, a rising militancy in black labor unions.

Reflecting anxiety over Botha's inability to protect the rand, South Africans are starting to call the nation's currency the "Botharand." On a par with the U.S. dollar in March, 1982, the rand fell to an all-time low of 34.8 cents in late August, rose briefly, then dropped again to below 40 cents.

There is agreement here that apartheid—separation of

the races—is at the root of the financial crisis. But it is feared that Botha is unwilling to lift the state of emergency he imposed on July 21 and unable to end the turmoil that has taken close to 675 lives over the past year. In an escalation of violence in early September, black and mixed-race youths attacked white neighborhoods for the first time, throwing firebombs at homes near Cape Town and East London.

Clear indication of concern within the business community was a statement by Gavin Relly, chairman of the Anglo-American Corporation, urging Botha to "enter into genuine negotiations with representatives of all groups in South Africa for a new political system of genuine power sharing."

A similar statement by four groups representing South Africa's commercial and industrial interests asked the President to initiate "credible negotiations with all accepted black leaders," including Nelson Mandela, the imprisoned founder of the now banned African National Congress.

Business executives and banks have been supportive of Pretoria's decision to freeze debt payments. But they insist that the moratorium be used to repair the economic damage and to tackle underlying political problems.

Coupled with that support, however,

is worry that South Africa's freeze on payments may have long-term effects. Says Harry Schwarz, a businessman and spokesman on finance for the opposition Progressive Federal Party:

"This statutory moratorium on repayment will never be forgotten in world financial circles. To establish confidence and get new loans to help economic growth and fight unemployment will be extremely difficult."

Negative pressures. Economic analysts note that South Africa's need for loans to help avert a possible black rebellion will give foreign bankers and governments greater leverage in demanding political reform.

Pressure from local industrialists and foreign investors already is converging with the heat from South Africa's black trade unions and black consumers.

Black unions have burgeoned since they were formally authorized by the government in 1979, and they have become a major power in South Africa's economic and political picture.

The National Union of Mineworkers (NUM) suffered a strategic defeat when threatened mass dismissals of strikers forced it to call off a walkout at mines of three big companies.

Yet suspension of the strike in no way detracts from the long-term growth of trade unions or from major wage and benefits concessions the NUM won from three other mining firms.

Linked to black trade unions is the spreading black boycott of white-owned stores in a bid to force business to press the government to lift the state of emergency.

The boycott has spread from Cape Province to industrial areas around Johannesburg, and white owners of shops are becoming concerned. Indicative of the seriousness with which whites are taking the boycott was a call by the Port Elizabeth Chamber of Commerce for an end to all racial discrimination and for granting of a common citizenship to all South Africans.

Botha, aware of opposition from hard-line whites, so far has refused to order any substantive easing of apartheid. But with pressure building from white industrialists and discontented blacks at home and from financial leaders overseas, analysts here say that the day may be approaching when he will be forced to give blacks a greater voice in determining their futures. □



Stock exchanges are busy as foreigners dump their holdings.



UDF protest: A shared cause, but no formal ties with the mainstream nationalists

What the ANC Wants

Despite obstacles, opposition strength keeps growing.

They are in every black township in South Africa, shadowy men melting into the dusty surroundings, conducting secret meetings in the back rooms of tin shacks and hovering on the fringes of the spreading violence. Because it is banned, the African National Congress (ANC) can deploy only a few thousand operatives inside the country at any time. But hundreds of thousands—and probably millions—of blacks support the ANC's cause. And many talk about its jailed leader, Nelson Mandela, as the man they would like to see as the first leader of a black South Africa. "To one degree or another, actively or otherwise, everyone supports them," says a community worker in the township of Guguletu. "If you are a black, you must be against apartheid, and therefore for the ANC."

So far, Pretoria has refused to deal with the ANC. It banned the organization in 1960, imprisoned many of its leaders and forced the rest into exile. It is still illegal for South Africans to belong to the ANC or to quote its leaders in print. But everyone from moderate blacks like Bishop Desmond Tutu to Reagan administration officials now concedes that Pretoria will have to free Mandela and negotiate with the ANC if it hopes to reach any meaningful settlement with the blacks. South African businessmen have begun to accept that reality, too. Sometime in the coming weeks, according to business

sources in Johannesburg, Gavin Relly, chairman of the Anglo American mining conglomerate; Hugh Murray, a leading publisher, and several other industry heads plan to go to Lusaka, Zambia, to talk with ANC leader Oliver Tambo (box).

ANC officials admit they have no chance of winning a military victory over the white regime. While Pretoria spends \$3 billion a year on its 83,400-man armed forces, the ANC commands only a small arsenal of light infantry weapons, rocket launchers, Kalashnikovs, mortars and explosives. (The ANC gets many of these arms from the Soviet Union, but it also buys them with funds from Nigeria, other black African states and additional supporters. All told, it receives more than \$30 million a year, including large sums from Norway and Sweden that are earmarked for nonmilitary programs such as the ANC's schools for orphans and refugees and its student scholarship programs.) The ANC has a fighting force of only about 8,000, made up largely of students who fled South Africa after the 1976 Soweto riots. In the past two years it has also lost vital staging areas as Mozambique and Swaziland, under strong economic and military pressure from South Africa, have signed accords with Pretoria. In those agreements, both countries agreed to stop direct support for the ANC, forcing it to fall back on smaller, more remote

'We Will Expect a Blood Bath'

A warning from exile.

Oliver Tambo, a soft-spoken, black South African lawyer, became president of the African National Congress (ANC) after Nelson Mandela was jailed in 1962. Last week he spoke to NEWSWEEK's Tony Clifton in a quiet, northern garden suburb in Lusaka, Zambia. Excerpts:

CLIFTON: How important is the current crisis in South Africa to the ANC?

TAMBO: It represents a heightened level of resistance to the apartheid system such as we have never had before. It is a great leap forward toward our goal of ending apartheid and replacing it with a new South Africa.

Q. Have you been surprised by the intensity of the demonstrations?

A. Yes and no. I have been surprised that they have endured so long, in spite of everything the regime has done to stamp out the protest. On the other hand I'm not surprised, because what is happening now follows naturally from what went before. The jailings, the tortures, the Sharpeville and Soweto killings have given people no choice but to escalate the struggle even further.

Q. Many of the present demonstrators are very young, even schoolchildren. Can you control what they do?

A. At this distance we cannot control events on an hour-to-hour or day-to-day basis. But we have called on the people in general to make the country ungovernable and apartheid unworkable, and what is happening is a response to that call. . . . We can't tell our children that what they are doing is very dangerous. They are sustained by a hatred of the system.

Q. Will the Botha government give in to economic and political pressure, or will it fight to the end in a last bloody showdown?

A. I have never thought a blood bath was not inevitable. I fear that it is not only coming but already here. We will fight, and we will expect a blood bath. We will make sacrifices, but then again the West knew it had to make many sacrifices when it fought to break the Nazi regime. This regime will be broken, as was Hitler's.

Q. Even South Africa's white businessmen are demanding changes in apartheid. Yet your Freedom Charter (ANC constitution) states that "the mineral wealth... the banks and monopoly industry shall be transferred to the ownership of the people." What will be left for these businessmen?

A. South Africa is basically very wealthy, but that wealth is owned by very few people—three major companies, Barlow Rand, Anglo American and Sanlam, control perhaps three-quarters of the wealth. The blacks have virtually nothing, but most whites are excluded as well. The distribution of wealth is quite inequitable, and these monopolies will go. But below that level, there will be plenty of room for private enterprise.

Q. In your conference in Zambia in June there were decisions to extend the armed struggle into white areas, and last month you said that in the battles to come, "many white people will lose their lives." Does this mean you will be aiming at white-civilian as opposed to police or military targets?

A. We're not going to kill schoolchildren; that's their morality; they shoot children who throw stones. In the past, when planning attacks on police and military installations, we have taken into consideration whether civilians would die. From now on, whether civilians are likely to die will not be a consideration. We have held off in the past, but it has done nothing to save our people's lives.

Q. You have a military wing which has carried out successful sabotage attacks, but is the struggle a military one or largely a political and economic one?

A. Both sides are indispensable. The armed struggle is an extension of the political one. Our military aim is to damage the economy and to make people feel insecure. The South African Army may seem invincible, yet everyone has seen that it has been almost helpless over the last year. It has failed to end the struggle.

Q. Where do you get your weapons?

A. We get them from the socialist countries, principally the Soviet Union, from the Organization of African States and from individual African countries. The West does not give us any, but we would take them if they did. We would like to get

Western weapons as a gesture of support from the West.

Q. Your Western critics would say that you are getting into debt with the Russians to such an extent that they will lay claim to your minerals and bases if you finally win.

A. You can't be ungrateful to those who help you against your enemies. We are grateful to the Soviet Union, as we are to countries like Sweden and Holland, but gratitude will not define whom we will trade with in the future. Our minerals will be ours alone, and we will sell to the best buyers. But we will not forget those who

helped us at the hour of our greatest need. As for those who are against us now, you could hardly expect us to give them preferential treatment.

Q. Do you think the South African government will release Nelson Mandela?

A. I believe they will have to, but I don't know when. We have to put enough pressure on the regime for them to see that it is in their interest to release him. I think Britain and America could be very important in achieving his release, but they won't use their leverage, perhaps because they think it is not in their interest.

Q. Is there still time to negotiate a gradual transition to majority rule?

A. I think we would be less than natural to demand anything less than to be free now. Nobody wants to endure pain for a moment longer than they have to. There is no question of a gradual transition to majority rule; to make it gradual would be to make the crime continue. The only negotiations we would see would be about the mechanisms for an immediate change to majority rule.

Q. When will that come? In months, years, decades?

A. This will be just a guess. It certainly won't be decades, and I'm not even sure it will be one decade. We will aim for less than a decade.

Q. Do you think the American government believes that change is at hand?

A. I think the administration finds it very difficult to accept that constructive engagement has failed. We believe the American people are far ahead of their government in understanding what is going on, and we hope the administration will take heed of the democratic will of the American people and break their alliance with this racist regime.

Q. Do you support sanctions against South Africa? Your critics say blacks will be the first to be hurt.

A. If our people are prepared to die and go to jail to end apartheid, do you really think they will worry that sanctions, which they know hurt the regime, will cause them a little more hunger and lose some of them the miserable jobs they are now allowed to have?



Mandela's daughter, Zinzi: A call for freedom



Tambo: Vows of militancy, hints of conciliation

DOMINA BINDER—SIPA; SPECIAL FEATURES

training camps in Angola and Tanzania.

Instead of direct warfare, the ANC has adopted a strategy of small, hit-and-run attacks, designed to provoke government repression that will radicalize blacks and shake white resolve. Trained ANC saboteurs are believed responsible for 44 bombing incidents in 1984 and twice that many so far this year—mostly against strategic targets such as fuel depots and police stations. At a general conference in Zambia in June, ANC leaders also addressed the possibility of hitting "soft targets"; they rejected direct attacks on civilians, but admitted that some civilians might be killed as sabotage is moved closer to white areas. More than anything, the ANC has relied on mobilizing its supporters to boycott the white economy and render black townships "ungovernable." Although much of the recent unrest has been spontaneous, a good deal of it can be traced to those appeals.

Despite its undeniable influence, several questions remain about the ANC's claims to leadership of the black struggle. The group has strong ties to the United Democratic Front (UDF), a loose alliance of 600 nationalist groups formed in 1983 and led by the Rev. Allan Boesak, who is also the president of the World Alliance of Reformed Churches. Pretoria has charged that the UDF is an ANC "front." Both groups deny the allegation, saying that they simply share a common goal of abolishing apartheid and winning majority rule. But the affiliations in fact run deeper than that. Many black nationalists who belonged to the ANC before it was banned have joined the UDF. The UDF has adopted the ANC's 1955 Freedom Charter and embraced Mandela as its patron. It is also believed that if Mandela were released, Boesak and other UDF leaders and supporters would defer to him.

Support for the ANC is far from universal, however. One small but unpredictable rival is the Azanian People's Organization (AZAPO), a "black consciousness" group that rejects any suggestion of a multiracial government. A more significant opponent is Inkatha, a 1 million-member organization headed by Chief Gatsha Buthelezi, leader of the Kwa-Zulu homeland and head of the country's 6 million Zulus. Buthelezi has called for Mandela's release but made it clear that he would not accept Mandela's lead-

ership unless he was democratically elected. Many blacks dismiss Buthelezi as a "stooge" because he has participated in the homeland system, but he has a powerful base. It also remains to be seen what would happen inside the ANC if it were legalized again. Many sources predict a future power struggle between older leaders like Tambo and more radical members of the "Soweto generation." They also point out that many blacks support the ANC because of Mandela and that without him the battle for black leadership could be thrown wide open.

In its search for international support, the ANC has had to answer charges that it is a communist-led, terrorist organization. Its leaders respond to the criticism of their violence by arguing that the government's violence drove them to it. They note that the ANC was founded in 1912 as a nonviolent civil-rights organization and turned to armed struggle only in the '60s after decades of frustration and oppression. To the charges of Soviet influence, Mandela and Tambo have said that they personally are not communists, but that they have accepted arms and money from the Soviet Union and from South Africa's small Communist Party because they needed help from wherever they could get it. The ANC does include committed Marxists, however, such as military strategist Joe Slovo, a white former lawyer from Johannesburg. And ANC leaders concede they would owe debts to Moscow if they ever came to power, although they insist they would be non-aligned and open to maintaining ties with the West.

In contemplating that prospect, ANC leaders also offer conciliatory signals toward the whites. Tambo and Slovo talk about redistributing wealth, mostly by breaking up large conglomerates, but say that they would still allow small businesses and private landholdings. They also say whites would be welcome to stay under majority rule—a principle laid in the Freedom Charter, which says, "South Africa belongs to all who live in it, black and white." Whether the ANC would hold to those promises is still an open question. But it is not about to go away—and by refusing to deal with it, the government only risks prolonged bloodshed and a harsher accounting if the ANC ever does come out on top.

MARK WHITAKER with RAY WILKINSON in Cape Town and TONY CLIFTON in Lusaka



Tutu: A moderate voice



Buthelezi: A tough rival



President Botha at an agricultural show.

The Divided

Violence and new economic

South Africa's whites have always prized their unity almost as much as their sense of superiority. In centuries past, unity provided strength in wars of conquest against the country's black natives. On the more recent battlegrounds of Sharpeville, Soweto and Uitenhage, it offered reassurance when the real problem was not black rage but international condemnation. But suddenly the white tribe of South Africa seems badly at odds with itself. Faced with ever-increasing violence and a deteriorating economy, white business leaders have turned against the government, and liberals in Parliament have joined forces with moderate blacks. On the other side, right-wing South Africans have grown more militant, threatening a backlash on the right. "What we have now is a polarization where both the left and the right are growing stronger," says Prof. Lawrence Schlemmer. "This is a great impediment to finding a solution."

White cohesion shattered with the revolt of the business community. For years South African business leaders have urged the government of President Pieter W. Botha to announce meaningful political reforms. During the 1976 Soweto riots the economic toll was manageable. This time violence has jolted an economy that was already suffering through the worst recession in decades. Last month Pretoria quietly told business leaders their demands would be met: at the upcoming National Party congress Botha

benefit of you directly, and this is in keeping with what I understand is a tradition. I have asked the Superintendent to grant an amnesty. I knew I should have saved that for the last, but seriously, I wanted to close with some other remarks.

Almost two years ago, in the sunset of his life, a West Point graduate, Douglas MacArthur, returned to this place to address the cadet corps. No one who ever heard him that

day can ever forget his call to duty, honor, country. Nor his declaration that so long as there was breath in his body he would hear the words, "The Corps, the Corps, the Corps."

Do your duty. Keep untarnished your honor, and you of the corps will preserve this country for yourselves, for all of us, for your children, and for your children's children. God bless you and keep you.

U.S. Dependency On Foreign Sources For Critical Material

THE MILITARY INDUSTRIAL BASE

By BARRY GOLDWATER, U.S. Senator from Arizona

Delivered as the Eighteenth Sight Lecture to the Wings Club, New York, New York, April 22, 1980

I AM honored to present the Eighteenth Sight Lecture to the Wings Club. I'm told that I should review with "hindsight, insight and foresight" some aspect of aviation. I have chosen to write on a subject that affects military aviation, but involves all of our defense industry. Indeed, it affects the security of our nation. That is the state of our industry and raw materials in relation to defense.

I am deeply troubled about the alarming deterioration of our defense industrial base, and by our dependence on uncertain foreign sources for critical raw materials that are vital to our defense industry and the top industry of the U.S.

Our defense plants and equipment are aged, and thousands of defense-related companies have gone out of business in the past decade. Why? Mostly because of haphazard government procurement policies, unreasonable government regulation and taxation, and shortages of skilled labor.

The Reagan Administration has taken initial steps to correct some of these problems. But, there is much work to do, and the American people must be made aware of the necessity for action.

Too few Americans are aware of the dangers facing this nation as a result of our shortage of critical materials, and our overwhelming dependence on unfriendly or unstable foreign sources for strategic minerals vital to our defense industry.

In my judgment, the present situation of the United States in the area of critical materials is a truly national disgrace. Many of our own government's policies — and lack of policies — have contributed heavily to our predicament.

How bad it is?

Well, OPEC controls 52 percent of the world's oil supply. With that, it has changed the nature of international economic relations.

But we are much more dependent on southern Africa for critical raw materials for defense. One hundred percent of the titanium we used last year was imported, 100 percent of the columbium we used was imported, 98 percent of the manganese, 96 percent of the tantalum, 90 percent of the cobalt, and 90 percent of the chromium. Without these there cannot be an aircraft industry.

There is a very real danger that the countries of southern Africa will form an OPEC-style mineral cartel to manipulate price and supply of vital minerals. They control most of the world's supply of many essential materials. Much of the remaining supplies come from Siberia.

So we have the unstable and unfriendly governments of southern Africa on one hand, and the Soviet Union on the other. And make no mistake the Soviets are doing everything in their power to further manipulate the market.

Meanwhile, here in the United States we are more than 50 percent dependent on foreign sources for 23 of the 40 critical materials most essential to our \$2.3 trillion economy. In 1980 alone, we imported more than \$29 billion worth of non-fuel minerals.

Our stockpile of critical materials has deteriorated shamefully in both quantity and quality. It is incapable of meeting the requirements of our defense industrial base.

The Soviets have worked feverishly with Cuba over the past decade to impose its will on southern Africa. They have strong influence in Angola, Madagascar, Mozambique and, to the north, Ethiopia.

I can't state too strongly the importance of avoiding the spread of Soviet influence in Africa.

If the Soviet Union were to gain control of the nations of southern Africa, it could effectively cut off our supplies of essential minerals and metals. This would devastate our defense industry and, ultimately, our armed forces. Soviet hegemony in southern Africa is more of a threat to our national security than even in the Persian Gulf.

Until recently, our government has ignored pleas to open up the mineral rich public lands in this country to exploration and mining. It has crippled the mining industry with overzealous government regulation and with a tax system that actually discourages capital investment in the mining industry.

Predicamently, the shortage of critical materials in western industrial nations, has resulted in enormous price increases. Zaire is the world's largest supplier of cobalt. When its Shaba Province was invaded by rebels two years ago, Zaire cut production sharply. The price of cobalt rose from \$7.22 a pound in May 1978 to \$25 a pound in February 1979, an increase of 246 percent in less than one year. In the past two

years, the price of platinum has risen 691 percent and that of cobalt has risen 450 percent.

In the United States, we are sitting on what many have estimated to be vast sources of essential minerals and metals or land owned by the federal government. Interior Secretary James Watt has expressed his intention to open public lands to exploration and mining of critical materials. I suppose his statement is long overdue. The U.S. government owns 750 million acres of land on which there are significant deposits of copper, gold, iron, lead, molybdenum, silver, titanium, tungsten, uranium and many other vital minerals.

The Defense Industrial Panel of the House Armed Services Committee noted in a report last December that mining uses fewer than 6 million acres of land in the United States compared to 1.5 billion acres used for farming, 24 million acres for highways and 6.5 million acres for airports and railroads.

The House Mines and Mining Subcommittee said recently that "over the past 10 years the United States has made grave, fundamental errors in administering the public lands with respect to minerals. . . . I put it more bluntly, the neglect, shortsightedness, misguided policies, and missed opportunities by the United States government regarding critical materials represents a national disgrace.

The biggest hindrance to the domestic mining industry is government regulation. According to General Alton D. Slay, there are now

"30 different laws administered by 20 different federal agencies which directly or indirectly affect the domestic non-fuel minerals industry."

The crippling of the domestic mining industry is just one more example of how unrestrained regulation, however well intentioned, can in the long run hurt more than it helps.

Between the years 1973 and 1977, the mining industry in the United States suffered a negative growth rate of minus 6.1 percent, worse than any other major U.S. industry. We must revitalize this industry if we are to ease the crisis of critical materials in the '80s. This goes beyond partisan politics. It is a matter of national survival and security.

We must also make a similar commitment to our tax policies. I endorse the recommendations contained in the final report of the House Mines and Mining Subcommittee last year. The main points are:

—Percentage depletion allowances and expensing of exploration and development costs should be continued.

—The investment tax credit should be extended to include all buildings used in mining and manufacturing and should be made refundable (or at least fully creditable against a company's entire tax liability.)

—Realistic, flexible capital cost recovery allowances for plant and equipment investments should be adopted in lieu of present depreciation allowances.

—The costs of environmental and similar government-mandated requirements should be written off over any period selected by the taxpayer.

—Tax-exempt municipal bond financing should be available for non-productive pollution control abatement equipment and for other government-mandated expenditures.

Another problem area is our *stockpile* of critical materials. President Reagan ordered the purchase of 5.2 million pounds of cobalt for the stockpile two weeks ago.

He also called for \$1.1 billion to be spent on the stockpile. That's just the beginning of what we need.

Sadly, it has taken a long time to recognize the need to keep the stockpile adequate in quantity and quality. Supplies are far below what they should be, and they are not of high quality.

We are below the established goals in 37 of the 62 materials managed by the Federal Emergency Management Administration.

The inventory contains 48 percent of the cobalt, 35 percent of the platinum, 33 percent of the titanium. Estimates of the dollar value of the shortages range from \$7 billion, or 39 percent of \$17 billion, or 61 percent.

In the budget proposals for fiscal year 1981, the Carter Administration originally called for \$1.75 billion to be spent on the stockpile. The administration later cut that figure to \$140 million. The House cut it to \$190 million. My colleagues in the Senate cut it to \$50 million. At expenditures equal to \$50 million a year, it has been estimated that it would take 120 years to bring the stockpile up to national goals. The government must make a strong commitment over the next 15 to 20 years — and stick to it — to build the stockpile up to acceptable levels. Again, this is not a matter of partisan politics; it is a matter of national survival.

Critical raw materials aren't the only shortage we face. Our industrial base can no longer produce what we need when we need it.

During World War II, American industrial production was a major factor in winning the war. We produced, among other things, 110,000 aircraft, 88,000 tanks, 10 battleships, 353 destroyers, 211 submarines, 27 aircraft carriers, 411,944 artillery tubes and howitzers, 12.5 million rifles and carbines, and some 900,000 trucks and motorized weapons carriers. During a single month, March of 1944, the U.S. built 9117 military aircraft.

The war was undoubtedly a triumph for our industrial capacity. It gave Americans the feeling that, given sufficient incentive, the United States could gear up to meet or outpace any military and industrial challenge. This attitude still prevails among many Americans.

Since Vietnam, however, our defense industrial base has deteriorated at an alarming rate. This has coincided with a general slowdown in productivity growth and capital investment in the general economy. That slowdown, coupled with unprecedented inflation, has toppled the United States from the greatest industrial nation in the world to something quite less than that.

We simply don't have the capability any longer to surge military production the way we did during World War II. Much of the blame for this decline must be placed upon the government itself.

There are three main reasons for the decline of the defense industrial base: reduction in the growth of productivity and capital investment in industry accompanied by severe increases in costs; reduction in the number of manufacturers for essential materials; and reduction in the supply of skilled labor.

Japan's productivity rate has increased 10 percent in the past six years while that of the U.S. has risen less than 2 percent. The average U.S. plant is 20 years old, the average Japanese plant is 10 years old. The Japanese portion of the U.S. market for semiconductors — used extensively in

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defense production and a low commercial sector pro-
— 1970-71, 10 percent in 1971, 10 to 12 percent in
1972. Japan surpasses the U.S. in the steel and
chemical production industries. In fact, 1972 was the
gross national product of the United States. Japan also
surpassed U.S. investment in 1972 — \$44 billion, up \$14
billion.

The defense industry has been hit even harder than
general industry by this economic decline. Prices and lead
times in most defense items have increased dramatically in
recent years. For example, from 1970 to 1974, the price for
defense steel of aluminum forgings increased from 10 to
20 times.

Harry J. Gray testified recently that

...if there were a national emergency today, I am sure
that our Nation could manufacture its industrial
base in time to make an appreciable difference in
sustaining our effort. It might take as much as 2
years before we would see any real increase in produc-
tion of raw materials. And that is an intolerable sit-
uation.

The defense industry has to contend with all the problems
facing all U.S. industry — high interest rates, low capital
formation, aging physical plant, and competition from im-
ports on certain items. But it also has problems created by
its industry that are driving many companies out of
business. Among these problems in recent years:

—Interest on working capital is not considered an
allowable cost in defense contracts — not a big problem
when interest rates hovered around 5 percent but one hell of
a problem when they are close to 20.

—Contracts have to be negotiated annually, removing the
contractor's incentive to make long-term capital invest-
ments. They can't plan for facilities or materials for
long-term construction of aircraft, weapons or parts,
because the chances are good that the government will pull
the rug out from under them at any time.

—Besides the environmental, safety, energy, employment
and other government regulations, with which the rest of
American industry must contend, defense contractors have
to comply with government-mandated accounting
procedures and with whatever wage restraints or other
socially desirable regulations are in vogue at the moment.

—Major disincentives for capital investment are built
into our tax laws, particularly our system of depreciation
allowances. It is estimated that the Japanese can write off in
10 to 15 years what it takes American companies 15 years to
depreciate.

Equally important are the smaller subcontractors and
supply parts and materials to the prime contractors. They
are even harder hit. They do not have the big companies' ability
to handle the flow of useless paperwork required by
government; they find it harder to handle the reduced profit
caused by unrealistic financial requirements. They can't
qualify the losses that accompany shifts in defense produc-
tion requirements, and it is tougher for them to generate the
necessary capital in a declining economy.

As a result, many subcontractors are simply going up —
adding going out of business entirely or switching to or de-
veloping materials for commercial production. It used to be
easy and to bid on defense contracts. It just isn't so
anymore.

The other major problem is retaining the people in
defense who are the backbone of what we call the defense
capability — the trained and experienced technicians and skilled
workers.

Despite the biggest cutbacks in training and research in
most of the defense-related fields, the government continues to
spend more money each year on:

—to train more additional graduates

—to train more capable in advanced mathematics —
20,000 engineers a year, far more than we need.

—Japan, with half the population, produces more
mechanical engineers each year than we do — and 10 per-
cent more electrical engineers.

—In Japan, 20 percent of all bachelors degrees and 40
percent of all masters degrees are in engineering. In the
U.S., only 5 percent of each category are engineering
degrees.

—In U.S. universities, foreign students make up 4 per-
cent of the total enrollment in engineering at the masters
level and 47 percent at the doctorate level.

—Last year, 45 percent of the doctorate degrees awarded
in engineering in this country went to foreign-born.

As a result, competition for skilled labor and trained
technicians is driving salaries up, which escalates prices even
further.

The companies can't get the skilled workers they need
and they can't afford the machines needed to replace these
workers.

In summary, ladies and gentlemen, the state of our in-
dustrial and raw materials in relation to defense should be
frightening. There have been few times in our Nation's history
when we were so vulnerable to foreign demands for
supplies as we are now. The present situation demands im-
mediate action by the White House, the Department of
Defense and the Congress to unchain this country's great in-
dustrial machine and to help, rather than hinder, the
recovery of our defense industrial base.

A tragic tragedy has devastated our defense capability —
declining industrial capacity, shortage of raw materials,
and shortage of human resources. But I can be comforted
around. In spite of the events of the past decade, I am
strongly that there is no challenge to the American people's
potential.

But justice is unavoidable. A total defense commit-
ment is necessary. The Reagan Administration has to begin
now. The President has made a start that he should
round U.S. defense to once again make our land the
strongest nation on Earth. Strong leadership will be needed
to truly rebuild American strength, and that leadership must
be accompanied by a strong public opinion that keeps the
defiant about the importance of national defense.

Reagan and Secretary of State Haig have done their
best to give the Soviets that their impendence in Africa and
South America will not be tolerated. My point made over
years repeating it is absolutely essential that we prevent the
spread of Soviet dominance in Africa. In the Balkans and
Central and southern Africa, we will need the minerals and
supplies of raw materials, and the quality of materials, which
are produced in the USSR.

The Reagan Administration is also committed to getting
the word of the last part of the industrial revolution — the
development of artificial materials of steel. The President
has called for spending \$1 billion in research and develop-

vulnerable and has entered the marketplace of a big supply of jobs. But all these steps have served only to whet my appetite for more reforms. There are, after all, only the first small steps — a long journey back from the road to oblivion.

We must help President Reagan and his administration build momentum for this journey. We must be there to pick them up when they stumble, as they are bound to do. We must keep their mandate clearly focused when they detour away from it, as they might now, and then, and most important, we must marshal public opinion behind them. We must make clear to the American people that the very survival of this proud and mighty nation is at stake, nothing less.

To ensure that survival, we need a comprehensive set of reforms, including all or most of the following 10 points:

1. A permanent, consistent policy on relations with South Africa and the other mineral-rich countries of southern Africa.

2. Opening up much of the 750 million acres of public lands, particularly in the West and Midwest, to exploration and mining of critical minerals and metals. This should be accompanied by reform of environmental and safety regulations that now stifle mining companies, including the Clean Air Act, Federal Water Pollution Control Act, Wilderness Act, Federal Land Policy and Management Act, and the Surface Mining Control and Reclamation Act.

3. A commitment to build up our stockpile of critical materials over the next 15 to 20 years to at least the levels recommended last year by the Federal Emergency Management Administration.

4. Focusing responsibility for developing and implementing a national non-fuel minerals policy. One of the most appalling aspects of our present situation is that no one person or agency has been accountable for the blunders in the past.

5. Revision of our tax laws to restore incentives for capital investment and reduce the overall burden on industry. It is essential as a matter of national security to

restore healthy economic environments for the defense and mining industries. The first step should be to save restrictions on depreciation allowances for building and equipment.

6. Eliminate the required paperwork that is strangling industry in bureaucratic red tape.

7. Changing the complex cost accounting procedures now governing all defense contracts.

8. Flexibility in defense procurement procedures, particularly regarding multi-year contracts.

9. Funding educational and training programs to provide more engineers, technicians and skilled craftsmen for the defense industry. This should include programs run by the Department of Defense or the Department of Labor to finance training programs for specific jobs needed in the defense industry, as well as incentives to colleges and universities to increase the number of engineers and technicians coming into the job market.

10. Encouraging the expansion of the defense industry base through direct loans, loan guarantees and other incentives. In short, to make it worthwhile again to bid on defense contracts.

This list could go on and on but the important point to make at this stage is that *some* progress must be made quickly to keep the United States in its rightful status as the strongest nation on Earth, both militarily and economically.

There is no more important function for government than the national defense, don't forget that. In fact, except for the preservation of domestic law and order and certain other limited functions, it can be argued that there is *no* other legitimate function for government. Over the past three decades, policymakers have lost sight of this fact in their relentless quest for utopian social programs.

This is not Utopia, it never has been, it never will be. But this, as President Reagan says, is the last best hope on Earth. If we do not turn around the frightening trends in defense over the last decade, that hope may soon begin to fade.

New Hope For Energy Solutions

DOMESTIC PRODUCTION OF OIL

By J. HUGH LIEDTKE, Chairman and Chief Executive Officer, Pennco Oil Company

Delivered at the Annual Meeting of Shareholders, Houston, Texas, April 29, 1981

TODAY I want to discuss the nation's energy situation in terms of progress and problems. This annual meeting may well be a milestone. For the first time in years, I greet you in a state of what might be termed, if not cautious optimism, then at least optimistic caution, as far as the national energy picture is concerned.

For more than a decade at these gatherings, I have pointed out that certain minerals essential to our nation's industrial base are in increasingly short supply. Year after year I have warned of the nation's failure to develop policies to deal with these shortages — its failure to develop any consistent energy policy at all.

And, as many of you know, I have not been exactly secretive about the burdensome and misguided attempts to regulate our industry by bureaucrats unqualified by either education or experience to do so.

None of these situations has vanished. The problems are still with us, but for the first time, there are signs of real progress in getting many of them under control. This morning I want to speak with you about both the problems and the progress, so that we have some sort of scorecard, a balance sheet to help assess where we are and where we're going in the energy realm.

To begin with the problem areas, there is, first of all, a critical shortage of both personnel and equipment throughout most sectors of the industry. At least in part, the problem is rooted in the cheap energy days of the 1950s and the 1960s. In those days, domestic oil prices were held to very low levels by importing and increasingly relying upon foreign crude in the misguided belief that it would remain both available and cheap. When oil sold for \$2 a barrel, there was little economic incentive to drill, and consequently,

bars for 23 years. Mandela said no.

Ever since Mandela's arrest in 1962 on charges of attempted sabotage and treason, his former deputy, Oliver Tambo, now 68, has run the A.N.C. from exile, currently in Lusaka, the capital of Zambia. The A.N.C. has received support from the Soviet Union, as well as some Western nations, and is increasingly cooperating with the also banned South African Communist Party. The alliance has made it convenient for the Pretoria government to describe the township unrest as Communist inspired. Over the years, the A.N.C. has trained guerrilla fighters at camps in various black African countries and staged a number of border attacks and acts of sabotage. Its present strength is estimated to be about 7,000 armed men, but it suffered a severe setback last year when South Africa and Mozambique signed a nonaggression pact, forcing the A.N.C. to abandon its guerrilla camps in southern Mozambique. More recently, the South African army staged a lightning raid on what it claimed was an A.N.C. installation in Botswana, killing twelve people.

Tambo's response was that such military setbacks would merely force the A.N.C. to place greater emphasis on sabotage. In the future, he said, the guerrillas would strike not only at military and economic targets but civilian ones as well. The A.N.C. has since demonstrated that it is capable of doing that, though in most cases the victims have been black. What remains in doubt is whether the A.N.C. at present has anywhere near the power it would need to make a serious dent in the country's finely honed security apparatus.

Since blacks are not allowed to vote, nobody knows for certain how popular the A.N.C. is among them, but it is generally assumed that the organization enjoys considerable strength with young activists in the Johannesburg and Eastern Cape townships. Four years ago, a poll by the English-language Johannesburg *Star* indicated that 40% of blacks in the major cities would vote for the A.N.C. and 76% considered Mandela the most popular political leader. A survey last March by *City Press*, a black newspaper in Johannesburg, also put Mandela on top.

The A.N.C. is anathema to the South African government, partly for its Soviet support and the socialist rhetoric of its manifesto, partly because it is a national movement that attempts to override tribal divisions, precisely the opposite of the course taken by the regime. As for the three-year-old U.D.F., officials have accused it of being a stalking-horse for the A.N.C. It is a safe guess that the authorities will be seeking evidence to support this view during the emergency and particularly during the forthcoming treason trials of more than a score of U.D.F. leaders arrested over the past year.

Only in one black area, the Zulu political base of Chief Buthelezi, does the A.N.C. face solid opposition. Buthelezi,

A Voice for Compromise

Although he is a staunch opponent of apartheid, Zulu Chief Gatsha Buthelezi has few friends among black anti-apartheid activists in South Africa. The African National Congress, which espouses socialism, accuses him of being a capitalist. The United Democratic Front calls him arrogant and intransigent. The Azanian People's Organization, a militant group that excludes whites, denounces him as an enemy. He has been called a "traitor," a "sellout" and a "puppet."

Yet both black and white foes of apartheid know that without Buthelezi's consent a solution to South Africa's political problems is virtually inconceivable. Buthelezi, 56, is the political leader of the country's largest ethnic group, the 6 million Zulus, a proud people whose ancestors warred at length with the British in the 19th century. He thus represents a quarter of South Africa's black population and a force that outnumbers the white population by more than 1 million.

As chief minister of KwaZulu, the impoverished, mountainous territory that the Pretoria government set aside for Zulus in Natal province in 1973, he rules the largest of the ten "homelands." Finally, as leader of Inkatha, Buthelezi heads



Chief Gatsha Buthelezi

South Africa's largest political association, with a dues-paying membership of 1 million. He is pragmatic, articulate and dynamic. When Buthelezi speaks, both blacks and whites listen, yet what he has to say sometimes pleases neither audience.

To many blacks, Buthelezi's message, one of compromise and negotiation, is not militant enough. Since he assumed the leadership of the Zulus in 1957, he has remained committed to nonviolence.

"We do not seek cheap popularity by posturing in favor of the armed struggle when we know we do not have even the tools to carry it out," he said recently. "We have not said that we blacks may not be forced one day to take up arms. The point is that there are just no arms to take up at present." Buthelezi rejects foreign economic sanctions and has spoken out forcefully against divestiture, arguing that the costs of such strategies would be borne primarily by blacks. Instead, he seeks foreign investment for KwaZulu.

Critics charge that by taking an active role in the white-imposed KwaZulu homeland, Buthelezi lends legitimacy to the structure of apartheid. The chief argues that to negotiate change he must work within the system. Still, he is adamant in his demand that all South Africans must have their share of political power. As a first step toward that end he promoted a plan in 1982 for KwaZulu and Natal to be governed by a joint executive body composed of equal numbers of whites, blacks, Indians and coloreds. Pretoria rejected the proposal. "We are prepared to shelve a unitary one-person, one-vote system, although obviously it always has been and remains our ideal," Buthelezi says. "We are concerned about making a start where a start can be made. Politics, after all, is the art of the possible." Buthelezi, however, firmly rejects State President P.W. Botha's calls for a system under which each ethnic group would be responsible for its "own affairs." Such an arrangement, Buthelezi counters, would result in a division, not a sharing, of power.

Despite his acceptance of the need for compromise, Buthelezi is by no means Pretoria's pawn. He has threatened force if necessary to resist the white government's efforts to grant KwaZulu "independence," a move that would deprive the Zulus of their South African citizenship as well as of a nationwide political role. In 1981 he refused a government offer to build an administration building for KwaZulu in Ulundi, the capital, fearing that acceptance would indent him to Pretoria. Instead, the homeland saved \$18 million from tax revenues and constructed a building adorned with murals and carved wooden doors that is widely viewed as one of the most elegant structures in South Africa.

More recently, Buthelezi canceled an invitation to Botha to visit KwaZulu after the President reiterated that he would not endorse Buthelezi's proposal for a federation. Botha reportedly was miffed, but Buthelezi seemed undaunted. "The forces demanding the politics of negotiation are mounting," he says. "Sooner or later the politics of negotiation will become a reality."

How to End the Racial Turmoil in South Africa

What's the solution to the country's bloody violence? *U.S. News & World Report's* Jeannye Thornton talked to two major figures who see things from different perspectives—Gatsha Buthelezi, leader of 7 million Zulus, and the Rev. Beyers Naude, general secretary of the South African Council of Churches.

Q Chief Buthelezi, is the crisis in South Africa growing worse?

A No, I don't think the trouble is spreading. A state of emergency has been declared in only 36 out of more than 200 districts. But if you look at the television, you would think that the whole country is burning.

Q But blacks aren't letting up in the drive for equality, are they?

A The unrest in South Africa has been presented here as a liberation struggle. It is true, of course, that it has a lot to do with apartheid and what apartheid does to black people. But at the same time, I don't see how blacks killing other blacks can be called liberation. The violence, in fact, is not caused just by political factors only. The situation has been worsened by the downturn in the economy of the country, and the people are in dire straits economically. Necessaries of life are costing much more than in the past. The prices of commodities such as bread have gone up, and thousands of people have lost their jobs.

If you look at some of the cities of our country, you'll see squatters—people who haven't got anything except pieces of cardboard and metal over their heads—who have clustered around the cities in the hope that they might get jobs to get money to buy something to eat. There are something like 1.4 million of them around Durban alone.

Q What would it take to stop the violence?

A I think the violence would be stopped, or perhaps it would subside a bit, if the state of emergency was lifted. Secondly, if some of the political prisoners like Mr. Mandela are released. And if President Botha declares an intent about power sharing by all people of South Africa.

Q Will apartheid end soon?

A Even in the government itself, they're not very proud of

apartheid any more. I definitely see an end of it. The recent by-elections, in which the President lost only one of four seats, shows that whites are not challenging his program of reform. Mr. Botha could move more boldly, and I think it's tragic that this man, who could get South Africa out of this quagmire, lacks the courage to do so.

Q What kind of government do most blacks want?

A I have said myself to both black and white in South Africa that they should compromise, because if they don't look for compromise solutions, then I'm afraid black and white will destroy each

other in that country. In one area—Kwazulu Natal—a commission I appointed came out with a recommendation of one government for all races on the basis of one man, one vote. But that would be diluted with the right of a minority group to veto legislation they think is detrimental to their interests.

Q Will you be part of any change that occurs in South Africa?

A That's for sure. No one can hope to get rid of me. I won't disappear. And I don't think anyone can hope that a solution can be found without my participation in it. □



"Both black and white in South Africa should compromise."

Q Reverend Naude, is there any realistic hope for a basic policy change by the government of South Africa?

A I wish I could say "Yes," because I prayed and hoped with all my heart that would be the case. But in looking objectively at the situation, I simply cannot see it.

The government can only go in its reforms as far as its own white electorate will allow it to go. And that white electorate will not allow P. W. Botha to take any steps they believe will jeopardize their dominance of political and economic power. The black community of South Africa rightly demands a full sharing in political rights and in the economic wealth of the country. So you have these two immutable forces, the one against the other.

Q What is the very least the blacks would accept?

A One is that the political prisoners have to be released so they could participate in the future decision-making process. Secondly, the security forces have got to be withdrawn from the townships so that peace can return to the community. Thirdly, the whole system of pass laws should be abolished. And, fourthly, the government should make a clear statement of intent about the future political position of the black community.

Q Are Communists involved in the anti-apartheid movement?

A The African National Congress is in alliance with the South African Communist Party. But to say there is a massive Communist conspiracy against South Africa is simply, to my mind, talking nonsense.

Many blacks are pro-Communist because in South Africa in the past number of years every person who was active in his opposition against apartheid—white, colored, African and Indian—was accused by the government of being either a Communist or a Communist fellow-traveler. Blacks have drawn the logical conclusion: "If every person who identifies himself with us in our struggle for liberation is termed a Communist, then Communism must be a very good thing."

Q Is the policy of pressuring American firms to cut down investments in South Africa accomplishing anything?

A We in the South African Council of Churches have called for no further investment in South Africa until apartheid ends. I believe that is a very meaningful, peaceful, nonviolent step to force the government to change its policies much more rapidly than they're doing at present.

Q So you would like even more pressure from outside—

A Oh, yes. And I say this not only for the sake of the blacks. I am an Afrikaner. My people are the people in power. I'm saying it for their sakes, because they are either so afraid or they're so blind that they don't realize not only what they're doing to others but they do not realize what they are doing to themselves. □



Disinvestment "is a very meaningful, peaceful, nonviolent step."

STATE OF ALASKA
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May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

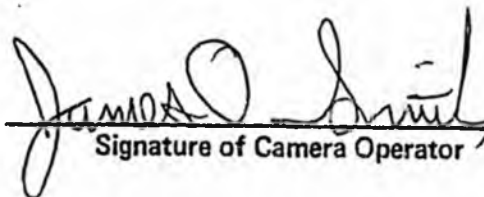
House State Affairs Committee 2/19/1986, 3:00pm

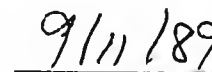


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Signature of Camera Operator


Date

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STATE OF ALASKA
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JUNEAU, ALASKA 99811
907-465-3800

May, 1986

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Jeanie Henry

House State Affairs Committee, 2/28/1986, 3:00 pm

POSITION PAPER
House Bill #449

House Bill 449 would restore the length of time a Longevity Bonus recipient may be absent from the state to 180 days. During the last session of the legislature the allowable absence limit was reduced to 90 days.

No payments are made to bonus recipients who are absent from the state for over 30 days. Under the present law, if the recipient is absent for a continuous period that exceeds 90 days, the recipient will not qualify for resumption of bonus payments upon return, but must remain in the state continuously for a period of 12 months before payments may be reinstated. The 12 month waiting period may be revoked if the Commissioner of Administration determines the absences exceeded the acceptable 90-day limit due to reasons beyond the recipient's control.

For more than 12 years, since the inception of the program in January 1973, bonus recipients have been permitted to leave the state for up to 180 days without jeopardizing entitlement to payment when they returned. Approximately one-fifth of all persons who left the state each year chose to remain absent for the full period allowed.

Since May 1984, when the bonus became available to all persons over 65 with one year of Alaska residence immediately preceding application, its only purpose is to provide a financial incentive for qualified persons to remain in the state. The 1985 legislature determined that to permit bonus recipients to be absent half of the time was not in keeping with the purpose, and reduced the absence limit to 90 days (which became effective June 8, 1985).

It was assumed that a savings would result because certain persons would prefer to forego the bonus rather than to change their pattern of living elsewhere for half of each year.

The 90-day provision has not been in place long enough to test the assumption. Bonus recipients leave the state in large numbers from October through January. The program will not know until at least June 1986 with any degree of accuracy how many persons will remain absent beyond the 90-day limit.

Last Fall the program began to receive communications from persons whose health was hampered by Alaska winter conditions and relieved by a warm climate, and were concerned that they would not qualify for the bonus upon return if they remained absent for more than the now allowable 90 days. It was explained to them that the legislators had no intention of harming anyone who is chronically ill and that if proof was provided when they returned that they exceeded the 90-day absence limit for reasons beyond their control (such as hospitalization, or, as part of a medical treatment, advised by a physician not to travel), they will not be disqualified upon return, but would qualify for reinstatement of their payments immediately.

Until the absence limit was reduced to 90 days, the program had no knowledge of the variety of physical ailments which apparently plague many recipients.

Formerly, if their absence did not exceed the 180 day limit, no questions were asked regarding the reason for the absence, and their payments were reinstated when they returned. Very few persons exceeded 180 days of absence.

It appears that there will be a much larger number of persons for whom it will be necessary to prove absence over 90 days was beyond their control, and it will be necessary for the program to evaluate the severity of the cause of the extended absence and to judge whether or not it justified the absence over 90 days. More often the persons making the determination will not be equipped to do so.

Many persons will submit a simple statement from a physician attesting to the fact that the recipient's health is improved in a warmer climate during the wintertime, which is certainly true, but is it sufficient proof to revoke a disqualification? What physician will deny that an elderly person feels better in a sunny, warm climate?

Many recipients have contacted the program to express their agreement with the change, but on the whole the persons who have expressed an opinion are those who disagree. Those who are displeased with the change believe it to be unduly restrictive, and state they were stunned to learn that the allowable absence period was cut in half and became law without any opportunity for them to voice their opinion.

It appears the objective of the 90-day absence period (to prevent bonus recipients from residing outside of Alaska half of each year) could be accomplished by reducing the absence limit to 150 or even 120 days. Within that period persons with severe physical problems could leave without having to explain the nature of their problems to the bonus staff and would still be physically present in the state the majority of the time.

The longer a recipient is absent from the state, the greater the savings. One bonus payment is forfeited for each 30-day period of absence over 30 days. Under the present 90 day limit, a person who is absent from 31 to 60 days forfeits one payment and during an absence from 61 to 90 days two payments are forfeited. If the law allowed absence up to 180 days, during an absence from 91 to 120 days, three payments will be forfeited; during an absence from 121 to 150 days, four payments forfeited, and from 151 to 180 days, five payments forfeited. The requirement that a person return within 90 days costs the state the payments which would have been forfeited by the recipient if the absence limit had been longer.

This bill will affect approximately eight percent of the persons receiving the Longevity Bonus. There are 15,318 recipients presently on the rolls. In the past 12 months, 2,082 persons have left the state for more than 30 days. Based upon past experience, of the persons who leave, 1,248 will be absent from 90 to 180 days.

Joyce Munson
Joyce Munson
Director of Pioneers' Benefits

1-23-61
Date

Eleanor Andrews
Commissioner Eleanor Andrews
Department of Administration

1-23-61
Date

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB 449
 Title : Relating to absences from the state for purposes of disqualification for a longevity bonus
 Sponsor : Larson
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Administration
 BRU : Longevity Bonus Program

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : Attach a separate page if necessary

Prepared by : Joyce Munson, Director
 Division : Pioneers' Benefits

Phone : 465-4400
 Date : 1/22/86

Approved by Commissioner : Eleanor Andrews
 Agency : Department of Administration

Date : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For House Bill 449

Prepared by Division of Pioneers' Benefits
Department of Administration
January 22, 1986

SUBJECT OF PROPOSED BILL:

Disqualification for a longevity bonus because of absences from the state.

SUMMARY/EXPLANATION OF INTENT:

This bill would change the period from 90 to 180 days that a recipient of the longevity bonus may be gone from Alaska and not be disqualified from receiving bonuses for the next 12 calendar months after returning to the state.

ASSUMPTIONS:

The actual number of persons who will be affected is not known. It can be assumed that there is a relationship between the number of persons who are suspended and later reinstated and the proposed change in the law. However, experience under the present law is not sufficient to use in making projections which are meaningful or reliable.

Therefore, the fiscal impact is shown as zero.

LONGEVITY BONUS PROGRAM
ABSENCES FROM THE STATE

	FOUR MONTHS	SIX MONTHS	TOTAL RECIPIENTS
FY84	926	28	10,679
FY85	720	24	15,135*
FY86			15,548

APPROXIMATELY 200 COMPLAINTS HAVE BEEN RECEIVED BY THE
LONGEVITY BONUS ADMINISTRATORS SINCE THE 90 DAY ELIGIBILITY
REQUIREMENT WAS ESTABLISHED.

* ONE YEAR RESIDENCY REQUIREMENT ESTABLISHED

Bills set longer bonus absence

Until last spring, the laws governing the Longevity Bonus program stated that a bonus recipient would be disqualified from the program if he or she was absent from the state for a continuous period exceeding 180 days.

When the new bonus law (CCSSB 56) went into effect July 1, that allowable period of absence from the state was reduced from 180 to 90 days.

"Lots of folks have decided it wasn't a good change because it works a hardship on some and it means a loss of eligibility from the program for an entire year," said Rep. Mike M. Miller

(D-Juneau), sponsor of HB 468.

In the wake of complaints from a number of seniors, both Miller and Rep. Ron Larson (D-Palmer) have introduced bills to remove the restrictive 90-day limit on allowable absences.

Miller's bill would increase the allowable limit to 120 days.

Larson's bill, HB 449, is less restrictive; it would restore the original 180 days of allowable absence to the bonus program.

According to Marian Schafer, administrator for the bonus program, it is difficult to tell yet whether the current law's 90-day restrictions worked hardships on Alaska's seniors.

Not all seniors are pleased with the proposed changes to liberalize the allowable absences. One man who asked that his name not be used said most bonus recipients "would be happy" with the current law's 90-day restrictions.

"Most of us do not go out to Hawaii. Or, if we go, we don't stay for more than a few weeks," he noted. "It's not fair to the state or to other seniors to subsidize those who spend much of their time and much of their money in another state during the winter."

Both bonus bills are now undergoing scrutiny by the House State Affairs committee.

Senior Voice, February 1986

OPINION

LETTERS

Bonus legislation 'overboard'

I noted with interest your "Two Bits" comments in the December issue of *Senior Voice* and hasten to get in my bit.

It has come to my attention

that many older persons are very disturbed with the legislation that passed during the last session as pertains to travel away from the State in the requirements for the Longevity Bonus. The intent of that legislation, apparently, was to make sure that those who do travel didn't spend an excessive part of each year away from the State.

Most of us felt that the previous six months in one stretch could be branded as excessive, but, on the other hand, to drop it in half to 90 days seems to be going overboard in the other direction. After all, when older people are away over the 30-

day period they are not drawing the bonus anyway; so they are not taking away from the fund.

The basic reason that most older persons leave the State is because of the winter weather, and the deathly fear of falling and breaking hips or other bones on the ice and snow. In this light, I would suggest that 120 days would, in most cases, answer the needs of a majority of these people.

I would urge that all interested older persons join my plea and contact your legislators soon to make your wishes known.

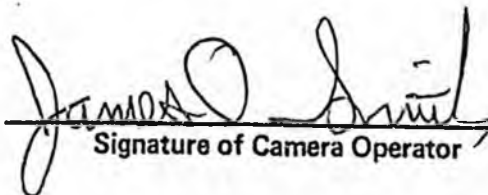
Dean Williams
Juneau



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STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SSHB 475
 Title : Martin Luther King, Jr.
 Legal Holiday

 Sponsor : Clocks in
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Administration
 BRU : Finance

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	25.0	3.0	3.0	3.0	3.0
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	25.0	3.0	3.0	3.0	3.0

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	25.0	3.0	3.0	3.0	3.0
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	25.0	3.0	3.0	3.0	3.0

POSITIONS :

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : Attach a separate page if necessary

See attached.

Prepared by : KES Kenneth E. Bischoff Phone : 465-2240
 Division : Finance Date : _____

Approved by Commissioner : Eleanor Andrews Date : 2/17/86
 Agency : Department of Administration

Distribution (by Agency preparing fiscal note) :

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- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ATTACHMENT

Continuation of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SSHB475

SUBJECT OF PROPOSED BILL:

SSHB475 amends AS 44.12, modifying the days recognized by the State as legal holidays.

ANALYSIS:

Automated statewide Leave and Payroll systems must recognize State Holidays in order to maintain accurate leave records and pay employees correctly.

If in the process of implementing new and changed paid holidays for the different groups of state employees, we are required to provide for different sets of holidays depending on employee group (Bargaining Unit), then there will be a one-time cost for modifying the central leave and payroll computer systems. There would also be an on-going increase in manual effort required to ensure that employee pay is correctly calculated.

Any differences we currently have are built into numerous computer programs and any change or expansion of these differences will require computer system changes.

The following additional operating costs will be experienced if different holiday sets will result:

One time cost to update computer systems:

Estimated Analyst/Programmer hours = \$400

Cost = Annual Programmer Cost of \$60.0 X (400 hours/1100 effective hours per year) = \$21,800

Additional on-going operating cost:

\$3,000 per year.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 22, 1986

SUBJECT: Effect of establishing legal holiday by SSHB
475 on mandatory day for convening legislature

TO: Representative Don Clocksin

FROM: Theresa L. Bannister *tlb*
Legislative Counsel

You have asked whether the establishment by SSHB 475 of a legal state holiday on the third Monday of January would conflict with the requirement of AS 24.05.090 that the legislature convene on the third Monday of the January following a gubernatorial election. My opinion is that it would not.

There is no statutory requirement that a legislative employee be given a legal holiday from work, although the term "legal holiday" by its very nature suggests that conclusion. AS 44.12.025 suggests that a legal holiday is to be observed by state officers and employees in general because it mandates that a holiday falling on a Saturday results in the Saturday and the preceding Friday being legal holidays for the officer and employee. However, the nature of the legislative session and the statutes governing legislators and legislative employees suggest that a reasonable basis exists for treating legislators and legislative employees differently in this regard from other state employees. The legislative session is of limited duration and the days are calculated on a calendar-day basis, not on the normal work-week basis. AS 24.05.090. To do its work the legislature sometimes finds it necessary to meet and to hold committee hearings in the evenings and on weekends; every day of the session is subject to use for the work of the session. Legislators receive per diem allowances during the session. Art II, Sec. 7, Constitution of the State of Alaska. In addition, AS 39.25.110 exempts legislators and legislative employees from the State Personnel Act. Although AS 24.10.060 directs that the leave and retirement

Representative Don Clocksin

Page 2

January 22, 1986

of permanent legislative employees are to be handled similarly to that of employees under the State Personnel Act, AS 24.10.060 directs that the classification and wage plans of permanent and temporary legislative employees are to be adapted to the special needs of the legislature. Finally, and very significantly, temporary session employees are on call every day of the session and are compensated for each day of the session. AS 24.10.200. While legal holidays may be applicable to state work and state employees in general, it appears that the legislative session is not subject to these holidays, and that legislative employees form an excepted class that is not automatically entitled to the holidays listed in AS 44.12.010 during the legislative session. It is my opinion, therefore, that the establishment of a legal holiday on the third Monday in January would not conflict with the requirement that the session convene every fourth year on the same day.

TLB:mkr

M2:063

ADN Jan 16 '86

the back page

Alaska unions want King's birthday off

United Press International

Two unions representing about 2,000 Alaska state workers want the day off for Martin Luther King's birthday or else they want to get holiday pay, but state officials have said no to both requests.

"They have an obligation to give people the day off or pay them double time and a half holiday pay," Public Employees Local 71 business manager Al Baffone said Wednesday after filing a formal grievance against the state Tuesday.

Some 1,800 mostly blue collar workers represented by Local 71 and about 200 members of the Confidential Employees Association, mostly state personnel workers, asked for the state holiday for King's birthday.

This year marks the first federal holiday celebrating the birthday of the slain Nobel Peace Prize winner and civil rights leader, but the Monday holiday is a normal work day for Alaska state employees.

Both unions have contracts that say any day proclaimed a holiday by the president or the governor must be treated as a holiday for these union members. But union and state officials interpret the contract language differently.

"The president may have announced it," said Bill Gibbons, state director of the Division of Labor Relations, "but that was more a public relations gesture. We see it as a federal holiday created by Congress."

Not so, Baffone said, insisting that the president proclaimed it, making it fit his union's contract as a holiday.

"It's final as far as we're concerned," Gibbons said.

Baffone said if his plumbers, electricians and others don't get the day off, he'll take the dispute to arbitration and then to court if necessary.

The Alaska Public Employees Association, the biggest state employee union, has a contract declaring holidays designated by the governor, not the president.

*
* DELIVER TO: TCJNU *
*
* ORIGINAL *
* SENT: 02/12/86 TIME. 16:27 *
* FROM: LIKOD *
* SUBJECT: KODIAK FINAL STATS *
* PRINT DATE: 02/12/86 TIME: 16:27 *
*

*** FINAL T/C STATS ***

DATE: _____ FEBRUARY 12, 1986 _____
SITE: _____ KODIAK L.I.O. _____
SPONSOR: _____ HOUSE STATE AFFAIRS _____
SUBJECT: _____ HB 475: MARTIN LUTHER KING DAY _____
LOCAL MODERATOR: _____ LORNA STEELMAN _____

"KODIAK HAD NO PARTICIPANTS"
DID NOT DIAL IN

 *
 * DELIVER TO: TCJNU
 *
 *
 * ORIGINAL
 * SENT: 02/12/86 TIME: 16:16
 * FROM: HARRY MANDREGAN
 * SUBJECT: FINAL STATS T/C 02/12/86
 * PRINT DATE: 02/12/86 TIME: 16:17
 *

*** FINAL T/C STATS ***

DATE: __FEBRUARY 12TH, 1986_____
 SITE: __ANCHORAGE, ALASKA_____
 SPONSOR: __HOUSE STATE AFFAIRS_____
 SUBJECT: __SSHB 475- LEGAL HOLIDAYS_____
 LOCAL MODERATOR: __HARRY MANDREGAN_____

TESTIFY:

NAME/REPRESENTING	ADDRESS	PHONE
1. HUGH FLEISCHER	1401 WEST 11TH 99501	274-BIKE
2. DOCTOR ALONZO PATTERSON	3727 WILLIAM ST.	276-6673
3. MARY RATCLIFF	811 NELCHINA ANCHORAGE 99501	277-3733
4. DOUG ELLIOTT	1107 WEST 7TH ANCHORAGE 99501	277-8561
5. LYDIA S. SELKRIGG	5811 RADCLIFF	333-8260
6. WILLIE RATCLIFF	811 NELCHINA ANCHORAGE 99501	277-3733
7. CLARENCE BULLOCK (7 YEARS OLD)	4440 ABBOTT RD.	346-1283
8. BEATRICE BULLOCK (5 YEARS OLD)	4440 ABBOTT RD.	346-1283

OBSERVE:	NAME/REPRESENTING	ADDRESS	PHONE
1.	ROXANNE BULLOCK	4440 ABBOTT RD. (WITH 4 CHILDREN)	346-1283
2.	JOHN BAKER (HOUSE MAJORITY OFFICE)		274-4031
3.	DAVID MCCARTNEY (KENI)	1777 FOREST PARK DRIVE ANCHORAGE, ALASKA 99517	278-3035

TESTIFIED: __8_____
 OBSERVED: __5_____
 TOTAL: __13_____
 TIME START: __3:07 PM_____
 TIME END: __3:56 PM_____

 * DELIVER TO: TCJNU *
 * ORIGINAL *
 * SENT: 02/12/86 TIME: 17:45 *
 * FROM: JUNE GALLEY *
 * SUBJECT: T/C FINAL STATS WRANGELL *
 * PRINT DATE: 02/12/86 TIME: 17:45 *

*** FINAL T/C STATS ***

DATE: FEBRUARY 12, 1986 _____
 SITE: WRANGELL _____
 SPONSOR: HOUSE STATE AFFAIRS _____
 SUBJECT: HB 475--MARTIN L. KING DAY 1/15 _____
 LOCAL MODERATOR: MABEL FENNIMORE _____

TESTIFIED:
 NAME/REPRESENTING ADDRESS PHONE

1. SUSAN STEVENS, BOX 92, WRANGELL, AK. 99929. (874-3903)

OBSERVED:
 NAME/REPRESENTING ADDRESS PHONE

TESTIFIED: ___1___ TIME START: ___3:00PM___
 OBSERVED: ___0___ TIME END: ___4:00PM___
 TOTAL: ___1___

 *
 * DELIVER TO: TCJNU
 *
 *
 * ORIGINAL
 * SENT: 02/12/86 TIME: 17:42
 * FROM: JUNE GALLEY
 * SUBJECT: T/C FINAL STATS KETCHIKAN
 * PRINT DATE: 02/12/86 TIME: 17:42
 *

*** FINAL T/C STATS ***

DATE: FEBRUARY 12, 1986_____
 SITE: KETCHIKAN_____
 SPONSOR: HOUSE SENATE AFFAIRS_____
 SUBJECT: HB 475--MARTIN L. KING DAY 1/15_____
 LOCAL MODERATOR: JUNE GALLEY_____

TESTIFIED:

NAME/REPRESENTING	ADDRESS	PHONE
-------------------	---------	-------

OBSERVED:

NAME/REPRESENTING	ADDRESS	PHONE
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NOTE: NO PARTICIPANTS--DID NOT DIAL IN

TESTIFIED: ___0_____
 OBSERVED: ___0_____
 TOTAL: ___0_____

TIME START: ___3:00PM___
 TIME END: _____?

*
* DELIVER TO: TCJNU *
*
* ORIGINAL *
* SENT: 02/12/86 TIME: 14:55 *
* FROM: LIOBET *
* SUBJECT: FINAL STATS *
* PRINT DATE: 02/12/86 TIME: 14:56 *
*

FINAL STATS

T/C: HSA
SUBJECT: HB 475 MARTIN LUTHER KING DAY
DATE: 2-12-86
SITE: BETHEL

IN BETHEL NO PARTICIPANTS

*
* DELIVER TO: TCJNU *
*
* ORIGINAL *
* SENT: 02/12/86 TIME: 15:46 *
* FROM: LIODLG *
* SUBJECT: FINAL STATS *
* PRINT DATE: 02/12/86 TIME: 15:47 *
*

DATE: FEBRUARY 12, 1986-WEDNESDAY
SITE: DILLINGHAM, ANNA MAY
SPONSOR\SUBJECT: HOUSE STATE AFFAIRS-HB475: AN ACT RELATING TO
LEGAL HOLIDAYS

TVC STARTED 3:00 P.M.
DILLINGHAM WENT OFF LINE AT 3:40 P.M.
NO ONE ARRIVED TO TESTIFY OR OBSERVE

EOM

1. [faint text]

2. [faint text]

3.

4. [faint text]

5. [faint text]

6. [faint text]

7. [faint text]

8. [faint text]

9. [faint text]

10. [faint text]

11. [faint text]

✓ 12. [faint text] ✓ 13. [faint text]

14. [faint text]

Faint header text at the top of the page, possibly containing a title or reference number.

Main body of faint, illegible text, likely the primary content of the document.

Section header or sub-section title, possibly starting with "B" or "C".

Text with handwritten annotations: a horizontal line, a vertical line with an arrow pointing down, and a signature.

Section of text, possibly a list or a set of instructions, located in the lower middle part of the page.

Section of text, possibly a list or a set of instructions, located in the lower middle part of the page.

Handwritten word or initials on the left margin, possibly "John".

Section of text, possibly a list or a set of instructions, located in the lower middle part of the page.

Section of text, possibly a list or a set of instructions, located in the lower middle part of the page.

Text at the bottom of the page, possibly a footer or a reference.

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

January 22, 1986

SUBJECT: Title correction for SSHB 475

TO: Representative Katie Hurley
Chairperson
State Affairs Committee

FROM: Theresa L. Bannister ✓
Legislative Counsel

An oversight during the drafting of SSHB 475 resulted in a title for SSHB 475 that does not accurately reflect the contents of the bill. The title of the bill needs to be corrected. A more appropriate title for the bill would be the following: "An Act relating to legal holidays". If you wish me to make this change, please so advise.

TLB:csh
c5/019

cc: Representative Don Clocksin

2/1/86

STATE OF ALASKA
THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 998
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 24, 1986

SUBJECT: Sectional analysis of SSHB 475
TO: Representative Don Clocksin
FROM: Theresa L. Bannister *TLB*
Legislative Counsel

The following is the sectional analysis that you requested for SSHB 475.

Section 1 makes the third Monday of January Martin Luther King Day and a legal holiday. The section also combines two present legal holidays, Lincoln's Birthday and Washington's Birthday, into a single legal holiday, Presidents' Day, which is to be observed on the third Monday in February.

Section 2 repeals the statute that presently establishes January 15 of each year as a special day of recognition for Martin Luther King.

TLB:mkr
M2:075

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SSHB No. 475
 Title : An Act making January 15, Martin Luther King Day, a legal holiday
 Sponsor : Rep. Don Clocksin
 Requestor : Rep. Don Clocksin
 Date of Request : 1/16/86

FISCAL DETAIL

Agency Affected : Legislative Affairs
 BRU : Legislative Council, Senate, Leadership, House Leadership, Budget & Audit, Ombudsman
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

There is no fiscal impact for the Legislative Branch with SSHB 475 in that it does not increase the number of State holidays. SSHB 475 replaces Lincoln's Birthday with Martin Luther King Day.

Prepared by : Pamela A. Stoops, Manager *Pamela A. Stoops* Phone : (907)465-3850
 Division : Administrative Services Date : 1/20/86
 Approved by Executive Director : Warren W. Endicott *Warren W. Endicott* Date : 1/20/86
 Agency : Legislative Affairs Agency

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 01/20/86

REQUEST
Bill/Resolution No.: SSH 4
Title: Martin Luther King, Jr
Legal Holiday

FISCAL DETAIL
Agency Affected: All agencies
BRU: _____

Sponsor: Clocks in
Requestor: _____
Date of Request: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	423.6	423.6	423.6	423.6	423.6
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	423.6	423.6	423.6	423.6	423.6
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	423.6	423.6	423.6	423.6	423.6
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	423.6	423.6	423.6	423.6	423.6

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Bruce Cummings Phone: 465-4404
 Division: Labor Relations Date: 1/31/86
 Approved by Commissioner: Eleanor Andrews Date: 2/3/86
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SSHB 475

SUBJECT OF PROPOSED BILL:

SSHB 475 amends AS 44.12, modifying the days recognized by the State as legal holidays.

Specifically, it:

1. Combines the existing holiday for Lincoln's Birthday (February 12) with the existing holiday for Washington's Birthday (third Monday in February) into a single holiday known as President's Day, to be observed on the third Monday in February.
2. Establishes a holiday on the third Monday in January, to be known as Martin Luther King Day.

It concurrently repeals the existing January 15, Martin Luther King Day as a day of honor provided for in AS 44.12.045.

SUMMARY/EXPLANATION OF INTENT:

Provided that the same, or equivalent, holiday modifications proposed by this bill can be implemented for all State employees prior to January 20, 1987, the bill creates no additional costs for the State. However, because holidays for most State employees are provided for by collective bargaining agreements rather than statute, this note assumes that labor contracts will continue to provide for holidays other than those designated in AS 44.12. The annual costs projected in this note assume that:

1. Excepting institutions and emergency operations, State agencies and facilities will be closed on January 20; most employees will not work, but will be paid.
2. \$423.6K is necessary to pay overtime and benefits for Executive Branch essential personnel who work on January 20; no adjustment for inflation has been computed for succeeding fiscal years.
3. No cost savings will result from eliminating February 12 as a statutory holiday, since under labor contracts this is now a "floating" holiday for most employees on which State offices and operations remain open.
4. Labor organizations will not voluntarily forfeit an existing contractual holiday following the statutory establishment of a new holiday on January 20.

5. Closure of offices on January 20 would reduce employee productivity approximately .4% (one work day: 238 annual workdays = .4%); productivity loss would equal approximately \$2.4 million for the Executive Branch.

The preceding set of assumptions represent the maximum projected costs resulting from enactment of this legislation. By changing Assumption No. 4, costs may be reduced as follows:

- 4(a). Labor organizations will voluntarily agree to forfeit one existing fixed-date (i.e., Alaska Day, Seward's Day, etc.) contractual holiday.

Result = 0 cost, and no productivity loss.

- 4(b). Labor organizations will voluntarily agree to forfeit one existing "floating" contractual holiday.

Result - \$423.6K, but no productivity loss.

No attempt has been made to calculate costs to any other businesses or organizations which would not transact business with the State on January 20.

STATE OF ALASKA THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 99801
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 22, 1986

SUBJECT: Effect of establishing legal holiday by SSHB
475 on mandatory day for convening legislature

TO: Representative Don Clocksin

FROM: Theresa L. Bannister *TLB*
Legislative Counsel

You have asked whether the establishment by SSHB 475 of a legal state holiday on the third Monday of January would conflict with the requirement of AS 24.05.090 that the legislature convene on the third Monday of the January following a gubernatorial election. My opinion is that it would not.

There is no statutory requirement that a legislative employee be given a legal holiday from work, although the term "legal holiday" by its very nature suggests that conclusion. AS 44.12.025 suggests that a legal holiday is to be observed by state officers and employees in general because it mandates that a holiday falling on a Saturday results in the Saturday and the preceding Friday being legal holidays for the officer and employee. However, the nature of the legislative session and the statutes governing legislators and legislative employees suggest that a reasonable basis exists for treating legislators and legislative employees differently in this regard from other state employees. The legislative session is of limited duration and the day is calculated on a calendar-day basis, not on the normal work-week basis. AS 24.05.090. To do its work the legislature sometimes finds it necessary to meet and to hold committee hearings in the evenings and on weekends; every day of the session is subject to use for the work of the session. Legislators receive per diem allowances during the session. Art II, Sec. 7, Constitution of the State of Alaska. In addition, AS 39.25.110 exempts legislators and legislative employees from the State Personnel Act. Although AS 24.10.060 directs that the leave and retirement

Representative Don Clocksin

Page 2

January 22, 1986

of permanent legislative employees are to be handled similarly to that of employees under the State Personnel Act, AS 24.10.060 directs that the classification and wage plans of permanent and temporary legislative employees are to be adapted to the special needs of the legislature. Finally, and very significantly, temporary session employees are on call every day of the session and are compensated for each day of the session. AS 24.10.200. While legal holidays may be applicable to state work and state employees in general, it appears that the legislative session is not subject to these holidays, and that legislative employees form an excepted class that is not automatically entitled to the holidays listed in AS 44.12.010 during the legislative session. It is my opinion, therefore, that the establishment of a legal holiday on the third Monday in January would not conflict with the requirement that the session convene every fourth year on the same day.

TLB:mkr

M2:063

ADN Jan 16 '86

the back page

Alaska unions want King's birthday off

United Press International

Two unions representing about 2,000 Alaska state workers want the day off for Martin Luther King's birthday or else they want to get holiday pay, but state officials have said no to both requests.

"They have an obligation to give people the day off or pay them double time and a half holiday pay," Public Employees Local 71 business manager Al Baffone said Wednesday after filing a formal grievance against the state Tuesday.

Some 1,800 mostly blue collar workers represented by Local 71 and about 200 members of the Confidential Employees Association, mostly state personnel workers, asked for the state holiday for King's birthday.

This year marks the first federal holiday celebrating the birthday of the slain Nobel Peace Prize winner and civil rights leader, but the Monday holiday is a normal work day for Alaska state employees.

Both unions have contracts that say any day proclaimed a holiday by the president or the governor must be treated as a holiday for these union members. But union and state officials interpret the contract language differently.

"The president may have announced it," said Bill Gibbons, state director of the Division of Labor Relations, "but that was more a public relations gesture. We see it as a federal holiday created by Congress."

Not so, Baffone said, insisting that the president proclaimed it, making it fit his union's contract as a holiday.

"It's final as far as we're concerned," Gibbons said.

Baffone said if his plumbers, electricians and others don't get the day off, he'll take the dispute to arbitration and then to court if necessary.

The Alaska Public Employees Association, the biggest state employee union, has a contract declaring holidays designated by the governor, not the president.