Talking points: Texas and Africa

TALKING POINTS: TEXAS AND AFRICA

**Despite its much touted prosperity in the oil boom of the '70s, falling oil prices have today engulfed Texas in a severe economic crisis: 1987 unemployment reached 635,000, and one out of five Texans lived on below-poverty-line incomes <pp. 16-20; see also specific cities, pp. 20ff>.

**The oil "majors" -- the transnational oil companies that, along with associated banks, have extracted so much oil and profits from Texas and independent African countries -- reinvested little in those areas to develop a balanced integrated economy and provide jobs and rising incomes; but they have collaborated with the apartheid regime to invest in refineries in South Africa, violating UN and OPEC sanctions to import and refine crude oil for the South African military industrial complex which perpetuates minority rule and dominates and destabilizes the southern African region <for history, see pp. 3-5; for South Africa links, see pp. 9-10; for oil companies in the southwest region, see Notes on Issues....attached.)

**Texas' strategy of attracting high tech industries, linked to military production, aggravated Texas' lop-sided development geared to oil extraction. Located in urban centers, high tech industries pay a third of their employees top wages, but the two thirds who actually manufacture their products receive a bare minimum -- and companies like IBM contract those jobs out wherever wages are lowest, across the border in maquiladora plants or even further away in places like South Africa. <pp 6-7, 10-12; and, re specific cities, p. 20ff; for general characteristics of military and high tech, see Notes on Issues....attached.>

**A few military contractors, like General Dynamics, reap high profits, but their dependence on high tech means they employ relatively few workers, with an uncertain future geared to maintenance of a war-scare society. Military research dominates University activities, accentuating increased high tech which reduces employment, instead of focusing on new programs designed to provide jobs and rising incomes for the people of Texas <pp. 15-16>.

**Texas' 46 military bases provide low-paid service jobs in surrounding communities, but they hardly cover hidden costs, including tax losses on the 589,000 acres they cover, tax costs for roads, schools, etc., for servicemen's families, and pollution of nearby land and water resources<pp. 15>.

**Rising US expenditures on the military have cost Texas citizens in terms of rising debt, falling real living standards, and near-destruction of the social welfare safety-net built over the years since the Great Depression of the 1930s. At the same time, the militarist ideology has aggravated racism and anti-unionism. <pp. 17-18>.

**Redirection of the billions of dollars spent on the military could provide far more jobs and better incomes for Texans; and liberation and development in Africa could lay the basis for mutually beneficial trade that would raise the living standards of peoples on both sides of the Atlantic <pp. 18-20>.)

MILITARIZATION IN AFRICA AND THE US SOUTHWEST

INTRODUCTION:

> The growing US militarization of Africa affects the economic situation confronting the populations of the southwest United States in two respects: First, given the technological revolution that has shrunken the world's parameters, US military support for conservative governments seeks to open up the rich mineral and agricultural resources and vast low paid labor reserves of the African continent (three times the size of the United States with a population of over 500 illion) to US transnationals, putting the wages and working conditions of the US Southwest in competition with those of the oppressed workers of places like apartheid South Africa; and, second, the increased militarization of the US itself, including the Southwest, while enriching a few very large transnational corporations and counties, imposes both direct and hidden costs that undermine the living standards of the majority of people of the region.

I. BACKGROUND: To understand the consequences of US militarization in Africa in the U.S. southwest, it helps, first, to outline the historical circumstances that shaped the current dichotomous development of resources in Texas:

A. Texas emerged relatively recently as the Southwest's regional subcenter:

1. The Spanish colonial government operating from its headquarters located in Mexico, largely neglected Texas with its then-low population density and apparently limited resources.

2. In the 19th Century, 'Anglos' from the US South, obtained permission to settle, laying the foundation first for 'independence' from Mexico (which itself had just won indpendence from Spain), and then US stateship.

3. Many of the US southerners who settled in Texas brought slaves and the racist attitudes that led the new state to join the Confederates in the Civil War and, institutionalized, persisted into the 20th Century as the Texas political economy became more closely knit into that of the United States:

a. In 1860, in Dallas, a self-selected "Committee of Fifty-two" publicly lynched three slaves, jailed on suspicion of starting fires as a prelude to a slave up-rising (Dallas Peace Times, vol 3, No. 3).

b. The coming of the railroads, attracted by enormous land grants (accompanied in Texas as elsewhere in the nation by widespread corruption) integrated the state into the national economy;

c. Giant live stock ranches spread across the plains, only eventually reined in by fences (that provided an important market for the midwest's steel makers); sharecroppers (almost half the state's farm population by the turn of the 19th century) grew cotton on big plantations in the east; vast fruit farms, using migrant labor, often from Mexico (among US states, Texas became the third largest employer of migrant labor) spread up through the Rio Grande Valley;

4. Discovery of oil at the turn of the century coincided with the development of industry, particularly, the automobile, in a few decades transforming Texas into the nation's leading oil producing state, and simultaneously aggravating the dualistic development of the state's economy:

a. From the outset, oil drilling and production was capital-intensive, employing relatively few workers, but requiring increasing capital expenditures:

i. Legislation introduced by Governor Hogg protected the position of a few lucky 'independents' who became extremely wealthy

a) These used their wealth and influence to play an increasingly dominant role in Texas and, eventually, US national politics;

b) From the outset, the oil men explicitly excluded blacks and, with a few minor exceptions, other non-Anglos. The relationship to South Africa in popular ideology appeared explicitly:

"Although several hundred Chinese lived in Beaumont <the home of the first 1901 gusher,'Spindletop,' -AS> operating laundries and restaurants, and there were Italian immigrant farmers in the area, the milking of Big Hill was dominated by white, native-born Americans. The black man, while he was there, was at the bottom. For a time blacks dug earthen tanks in which to store oil and lived in a section called South Africa. They did their work, ... and bothered no one. But some of the whites, emphasizing their intent with gun shots, drove the black men from the field. Producing black gold was deemed white men's work."[J.Presley, A Saga of Wealth - The Rise of the Texas Oilmen <New York: G.P. Putnam's Sons, 1978>]

b. Though initially the 'independents' reaped enormous sums, few had enough funds to finance development of the oil refining and marketing business and eventually most brought in outside capital from the big Eastern banks and financial institutions

i. Some of these, like First National City Bank (later to grow into Citicorp, the world's largest bank) and Chase Manhattan Bank, had grown through their links with the Rockefeller-Standard Oil nexus;

ii. Others, like Morgan, got their start with profits generated by the Civil War and the subsequent railroad and industrial boom);

iii. By the mid-20th Century, outside capital and the "oil majors" that owned the refineries and national market networks, controlled an estimated 90 percent of Texas oil business; nevertheless, the conflict between the 'independent' well-owners and the 'majors' continued to influence the shape of state and national oil regulatory legislation.

c. After World War II, the competitive US oil business milked the nation's reserves with little regard for future needs:

i. This provided cheap fuel, stimulating the growth of the automobile industry that came to dominate US industry, undermining public transport and forcing US citizens, especially in rural areas no matter how poor, to buy cars simply to go to work.

ii. The "majors" found new cheaper sources of oil abroad -- after World War II discovering Africa's vast resources; and, in the 1970s with OPEC's successful efforts to raise oil prices, reaped billions in profit.

5. The oil boom and oil's domination over Texas politics fostered neglect of much of the rest of the state, contributing to a pervasive dualism that today characterizes the economy: [The source of the data provided below, unless otherwise cited, is the U.S. Department of Commerce, State and Metropolitan Area Data Book, 1986; more detailed may be obtained for each county in Texas in the City and County Data Book, available in your public library.]

a. The state's productive structure, centered around oil, has grown into a lop-sided dependence on non-productive activities which require state and regional prosperity to persist, while the productive sectors have been declining:

i. In 1984, the highly capital-intensive oil business employed 269,000 workers, barely 3 percent of the non-farm labor force. They earned a high average annual pay, $30,698.

ii. Agriculture permanently employs about 250,000 people, less than 3 percent of the non-farm labor force:

a) As throughout the nation, the national farm crisis, caused by rising farming costs and low prices, has squeezed out family farms in Texas. Cotton cultivation, depressed from the competition of synthetics and overseas cultivation of cotton in areas like Africa where labor is far cheaper, became mechanized, pushing former sharecroppers into the cities; large fruit plantations along the Rio Grande employ migratory labor; livestock ranching, increasingly characterized by corporate farms, employs relatively few workers.

b) 300,000 to 400,000 migrant farm workers (including their families), 92% Hispanic, work on Texas farms, earning average gross income of $3,900 -- less than half of them getting minimum wage; most families lack hot water and toilets, with average infant mortality 125% of national average; their work is rated second most dangerous in US (Data supplied by Kate Ferguson, Dept of Agriculture, op. cit.)

c) Today, of a total population of over 16 million, a little more than 3 million -- roughly one in five people -- live in the rural areas, the home of many of Texas' 29 counties numbered among the nation's most depressed. (Data provided by Kate Fergusson, Department of Agriculture, P.O. Box 12847, Austin, Tx. 78711)

iii. Manufacturing employs somewhat over a million workers (two thirds in production), about 17 percent of the labor force (above the national average of 12%, but well below, eg, North Carolina, 27%, or South Carolina, 32%, where low wages had attracted more labor intensive industries).

a) Texas manufacturing centers around hi tech electrical machinery and equipment and the aerospace industry largely concentrated in urban centers. In 1983, wages were relatively high, averaging $21,584 , slightly above the national average and several thousand dollars above those of the Carolinas; but two thirds of high tech industry workers do unskilled, low paid jobs which can easily be contracted out by firms like IBM to employers with plants in lower paid areas like Mexico or further away to places like South Africa. (See, eg, Apartheid and the US Southeast, chapter 7 for the characteristics of high tech industry.)

b) In the post World War II period, the "maquiladora" industry program, also known as the twin-plant program, set up under special provisions of Mexican and American law, permitted duty-free imports of machinery, equipment and materials to be imported into Mexico for manufacturing in US plants for resale in the US where duty covered only the Mexican value added. Mexican wages at 45 cents per hour (after the peso devalued), attracted many large US firms to move unskilled productive jobs to Mexico. The number of maquiladora plants in Mexico tripled from 453 in 1975 to over 1,300 in 1987, increasing the number of jobs from 67,214 to over 300,000. From 1980 to 84, Texas lost almost 6 percent of its manufacturing jobs, somewhat more than the national average (4.3%) and more than triple the South's average (1.8%).

iv. In contrast, from 1980 to 84, the non-productive sectors grew rapidly at rates almost double the national average: services (+23.8%), wholesale and retail trade (+12.5%), and finances (+23.9%).

a) The growth of high wage, hi-tech industries in the cities, cross-the-border trade and financing activities, speculative real estate activities, and an expanding retirement community provided a seemingly endless boom.

b) By 1984, these sectors employed about 3,285,000, over half the labor force.

c) c) Instead of reinvesting to create a more balanced state economy, Republic Bank and, to a lesser extent, First City Bank Corp of Texas and Texas Bank had loaned Texas depositors' funds in places like South Africa (see below, p. 13).

v. With the collapse of world oil prices in 1984-5, the oil bubble burst, many banks and real estate speculators went bankrupt, a number of manufacturing industries moved across the border or further away to lower wage areas, and unemployment and growing poverty spread throughout the state.

a) Several rural Texas banks went broke. The state's largest bank, the Republic Bank of Houston, faced serious financial difficulties associated with the oil-real estate slump of the 1980s, but merged with Interfirst Bancorp to jump from 26th to 13th largest in the US.

IN 1984 TEXAS WAGES AVERAGED SLIGHTLY ABOVE THE NATION'S:

	Employment (1984 in 000)	Wages (1983 annual average) Texas	US
Mining	269.9	$30,698	$28,808
Manufacturing	996.8	$21,584	$21,469
Wholesale trade)		$23,951	$21,507
Retail trade)	1,614.0	$10,990	$10,007
Finance, etc.	414.9	$20,039	$19,579
Services	1,257.5	$15,859	$15,351

Source: U.S. Department of Commerce, State and Metropolitan Area Data Book, 1986

II. THE CASE OF SOUTHERN AFRICA illustrates the reasons for and the impact of US militarization in Africa, with its implications for living standards in Texas:

A. The post World War II technological revolution facilitated the growth of US transnational corporate investment in Africa, first to gain access to rich mineral and agricultural resources, using the cheap labor reserves (even lower than those of Latin America because of the disruption caused by centuries of the slave trade, followed by a hundred years of outright colonial rule); and then to build manufacturing industries, especially in

South Africa where apartheid ensured continued low cost labor along with access to southern African raw materials, markets for manufactured goods, and high rates of profit.

(This background is detailed in Seidman, The Roots of Crisis in Southern Africa <Trenton, NJ: Africa World Press, 1985> and Seidman, Apartheid and the U.S. Southeast, forthcoming, esp. Chs. 3 and 4)

1. US mining and financial interests have long invested in southern African minerals, gradually shifting to sources there while reducing mining output and laying off US miners:

a. South Africa's leading mining finance house, the Anglo American Group, began operations at the outset of World War I with the help of Morgan financial interests; and has since expanded its ties in the US through a growing network of corporate interests, including Engelhard (which provided it with Democratic Party links); Newmont Mining (which today owns Peabody, a leading US coal mining company, in partnership with Bechtel, which contributed Shultz and Weinburger to Reagan's Cabinet); and American Metal Climax (AMAX) (see list of Anglo-American international affiliations in Innes, Anglo America and the Rise of Modern South Africa). In the 1970s, the Anglo American Group, operating through its offshore Bermuda base, MINORCO, became the second largest foreign investor in the United States, with controlling investments in a wide range of activities, beginning in mines and extending into finance, including the leading Wall Street firm, Phibro Salomon, with links to the Rockefeller Citicorp.

b. Starting after the first World War and continuing through the apartheid era into the present, in collaboration with US and British firms, the Anglo Group developed mines throughout South and southern Africa, including copper in Zambia, Namibia, Botswana, Zimbabwe and Zaire (where it also worked with Belgian interests); diamonds in Botswana, Namibia, Angola, and Tanzania; iron ore in Swaziland and, in cooperation with the then-Rhodesian government, Zimbabwe; platinum and gold in South Africa; and uranium in South Africa and Namibia (in cooperation with Rio Tinto Zinc). Union Carbide developed chrome and ferro chrome mines in Zimbabwe and South Africa. As the US companies shifted to southern and particularly South Africa for their sources of these minerals, they strengthened the basis of the argument that these provided "strategic" interests which US policy must protect.

i. Companies like AMAX and Newmont could close down the southwestern mines and import copper and other strategic minerals, including lead, platinum and vanadium (see Appendix I in Roots of Crisis) from their southern African mines where they paid workers a fraction of what they paid unionized US mine workers.

ii. In the late 1970s and '80s, world copper prices plummeted. The independent African copper producers -- Zambia, Zaire and Zimbabwe -- having adopted western advice to expand copper instead of redirecting their copper profits to more balanced integrated economic development, experienced growing foreign debts. The IMF imposed conditions forcing them to devalue their currencies, further lowering their workers' real wages to cut their copper prices, in a desparate effort to expand their copper sales.

2. The role of the US "oil majors" in African oil:

a. As African states won political independence and improved communications and shipping facilities reduced the costs of long-distance production in the post World War II era, US oil "majors" expanded their exploration and exploitation of African crude oil in Nigeria, Algeria, Libya, and Angola, shipping it to their refineries at home or elsewhere for sale throughout the world's markets.

i. Initially, the US oil companies shipped away the African states' low cost crude, paying little in taxes, and remitting most of their profits without regard for national development. With the advent of OPEC, the participating African states forced up world oil prices and captured a larger share of the resulting investable surpluses, but, through their control of the major refineries and marketing networks, the companies reaped even higher profits attaining the status of the world's largest companies with incomes exceeding that of several independent African countries.

ii. Some African countries sought to reinvest their oil profits in their national development, achieving some success in restructuring their economies to meet their peoples' needs.

iii. The non-oil producing countries, their modern export-orientedebckaves dependent on oil for fuel and lubrication, had to spend up to a third of their export earnings to buy oil, regardless of the price -- a significant factor in their mounting external debt.

iv. In southern Africa, Angola, upon attain liberation from the Portuguese in 1976, negotiated an agreement with Gulf Oil (now Chevron) to acquire shares in Gulf's Angolan affiliate, and half the profits. In return for its shares, Gulf would train local people, provide the necessary technology, and refine and sell the oil through its international marketing network.

a) Through Gulf, the US remained Angola's leading trading partner.

b) A member of the nine-state association of independent southern African countries (the Southern African Development Coordination Conference, SADCC) that sought to cooperate to attain development and reduce dependence on South Africa, Angola agreed, once it established its own refinery capacity and developed the essential infrastructure, to provide lower-cost oil products to its fellow SADCC members

b. The 'majors' made their biggest oil refinery investments on the entire African continent, not in the independent states, but in South Africa. There they made a key contribution to building up the racist minority's military-industrial capacity to oppress the African majority at home and destabilize the entire southern African region.

i. Ironically, South Africa has no oil deposits of its own; but it depends on the oil 'majors' -- Caltex (Standard Oil of California and Texaco), Mobil, and Shell-BP -- to bring in oil for their refineries. This they did, under a heavy curtain of government secrecy, despite the OPEC and UN attempts to impose an effective boycott. (Mobil earlier helped to evade the UN boycott against the then-Rhodesian government which had unilaterally declared independence (UDI) to prevent establishment of majority rule in what, after 15 years of guerilla war, became Zimbabwe.)

ii. Shell-BP collaborated with the South African government-owned Sentrachem to build a petrochemicals industry, essential for inputs to industry and its growing military buildup.

iii. The US engineering firm, Fluor, constructed a giant oil-from-coal facility for the minority government's SASOL, designed to reduce its dependence on imported oil (its capacity remains secret, but estimates range from 10% to 30% of South Africa's oil needs.

(For details re Fluor and Shell-BP's anti-union activities in South Africa and the US Southeast, see Apartheid and the US Southeast, Ch. 6)

3. Manufacturing:

a. All the independent African states sought to attract investment in industries to increase productive employment opportunities and raise living standards; but three fourths of all U.S. manufacturing investment on the entire continent went into the military-industrial manufacturing business of apartheid South Africa. Essentially, US firms began to extend the maquiladora concept to South Africa where, until the 1980s, the regime pursued policies that ensured them rates of profit averaging 25 percent.

b. As anti-apartheid divestment pressures mounted, leading to the Congressional passage of US sanctions (over Reagan's veto) US firms sold their South African plants and other assets, contracting with locally-based firms (which they "sold" to the local managers or to the Anglo American Group) to sell them the machinery, equipment and materials, if necessary helping to finance it. They sought thus to continue to take advantage of:

(For details re firms and their role in southern Africa, see Apartheid and the US Southeast, Ch. 4)

i. Cheap labor disciplined under apartheid conditions for labor intensive manufacturing processes like those of auto firms like GM, Ford and Chrysler <the latter two sold out to the Anglo American Group>; or textiles <In the 1980s, for example, Sears Roebuck could buy textiles from Taiwanese firms hiring workers in the bantustans for $7 a week, compared eg to North Carolina workers -- the lowest paid in the US -- who received $7 an hour; while North Carolina lost 43 textile jobs a day, Sears could sell "Taiwanese-made" goods despite the unenforced US sanctions.>

ii. Access to South and southern African crude materials, produced by low paid labor in mines and on corporate and settler farms throughout the region and shipped in via trading networks dominated by the Anglo American Group.

iii. Access to markets, including:

*The wealthy white 20% of the South African population who could afford luxury durable goods;

*Advanced electrical, automotive, and even nuclear-related technologies for the regime's military, expanding as it sought to perpetuate its oppressive rule at home and destabilize the region <sales through local South African-owned firms enabled the US manufacturers to evade the letter of the US sanctions law>; GE, General Motors, Westinghouse, IT&T contributed these kinds of goods;

*Improved technologies to enable the minority to develop industry, mining, agriculture and the military while reducing "dependence" on black labor -- a major factor contributing to growing unemployment in South Africa; firms like IBM, Burroughs, Honeywell helped make white South Africa one of the most -- if not the most -- highly computerized populations in the world, while black unemployment soared to an estimated 30 to 40 percent of the populations as almost half the black population was forced to struggle for survival on the destitute bantustans, the least fertile, least well watered 13 percent of the nation's land.

*The neighboring countries whose externally oriented economies remained dependent on imported machinery, equipment, and luxuries for the elites, now produced in South Africa -- as long as South Africa by exerting its economic, political and military power to coerce them to buy from it.

c. The Reagan administration's unwillingness to enforce the 1986 Congressional sanctions facilitated South Africa's continued purchase of advanced technologies and exports (through ill-concealed channels) of items like steel, coal, uranium in European and even US markets.

4. US banks gave leadership in financing South Africa's military industrial buildup:

a. After the liberation of Mozambique and Angola in the mid-1970s, and the Soweto uprising of 1976 in South Africa, US transnationals invested less money directly in South African mines and factories; instead they relied on their control of technology, finance, and marketing, to continue profiting from low cost South African labor and resources.

b. The largest US banks, led by Citcorp -- with its close links to US oil majors -- mobilized US and European savings to lend to South Africa:

i. South Africa needed funds to finance its continued imports of sophisticated technologies, military equipment (in violation of the UN sanctions - signed by the US government), and oil;

ii. Citicorp alone loaned almost twice as much as the next largest US lender.

iii. In 1984, Texas banks that had loaned money in

South Africa included RepublicBank Corp (Houston), $101.9 million; First city Bancorp of Texas; and Texas Commerce Bancshares, Inc. By 1988, although maintaining American businesses provided a "role model" in South Africa, the RepublicBank had declared "until substantial improvements are made ...benefitting all its people regardless of race" it would make no new loans to the South African private or public sectors or sell Krugerrands (It did not mention trade finance - see below).

c. The 1986 US Congessional sanctions (passed over Reagan's veto) prohibited further direct loans to South Africa, but did not prohibit trade finance

i. In 1987, Citicorp sold its South African assets to the Anglo American Group, which combined them with Barclays Banks to set up the First National Bank of South Africa - with about 40% of South Africa's bank assets.

ii. U.S bankers, including Citicorp, continued to finance the sale of goods by and to South Africa, with little monitoring by the Reagan administration as to whether these violated sanctions.

iii.Led by Citicorp, US and European bankers agreed to reschedule South Africa's private foreign debt -- about $14 billion -- essentially rolling it over to give the apartheid regime time to overcome the economic crisis brought about by growing pressure by the black population for majority rule.

B. Increasingly backed by military intervention, the Reagan Administration's Constructive Engagement Policy in southern Africa aimed to sustain the conditions in which US "interests" could thus expand:

1. It incorporates a two-stranded policy: (for details, see Seidman, Roots of Crisis in Southern Africa, especially chs. 5 and 6.):

a. It seeks to encourage the South African regime to compromise with its domestic opponents to implement 'reforms' to eliminate the most blatent racist features while maintaining the profitable economic status quo;

b. It aims to slow down change in the neighboring countries to give the South African regime time to achieve this goal, while retaining its dominant position throughout the region.

2. In implementing this policy, the Reagan administration (for

details, see Apartheid and the US Southeast, Ch. 4):

a. Refuses to effectively implement even the 1986 Congressional compromise sanctions against South Africa -- passed over the President's veto -- or even the UN embargo on military-related equipment (signed by the US); thus US firms may, under the flimsiest pretexts, assist South Africa to evade those national and international laws;

b. Thwarts negotiations for Namibian independence by insisting on linking them with the withdrawal of Cuban troops from Angola;

c. Provides open support for the South African supported anti-government contra force, UNITA, in Angola, some of it through South Africa in violation of the UN embargo;

d. Built up a military airforce base in Zaire as a second channel of aid for UNITA;

e. Provides military assistance for the Kingdom of Morocco, (much of which it uses in its war against the Saharan Peoples Republic), while Morocco provides headquarters for UNITA.

2. The South African-US supported UNITA focusses on targets that aim to disrupt Angola's development and the landlocked independent southern African states' efforts to reduce their historically-shaped dependence on South Africa:

a. Seeking to deligitimize and destabilize the Angolan government, UNITA attacks peasant food production and development projects,

b. To thwart the efforts of Angola's SADCC neighbors to use them to import and export goods outside of South Africa, UNITA destroys Angolan transport networks, especially the Benguela Railroad,

III. Increasingly backed by US military involvement in Africa, the US transnational corporations shift of productive activities from the US to that South Africa has direct implications for development in the US southwest:

A. The US domestic military buildup, necessary to sustain this kind of military intervention designed to 'open up' Africa, has direct and hidden costs for Texas: Military spending tends to be concentrated among a few firms and in a few areas, thus aggravating the lop-sided pattern of state development which enriches a few and impoverishes growing numbers citizens:

1. Texas has 46 military bases:

a. These cover some 589,220 acres of land (on which they pay little or no taxes to the local governments) in a few areas:

*Fort Hood, with 208,291 acres tops the list;
*Fort Bliss, with 67,909 acres, comes second;
*Other large installations include Camp Bullis (27,880 acres), Red River Army Depot (19,081 acres), Lone Star Army Ammo Plant (15,546 acres) and at least a dozen air force bases.

b. Aside from the military personnel living there, who come from all over the nation, the bases primarily provide relatively low paid service jobs for Texas citizens living in the immediate neighborhood.

c. Hidden costs include the loss of tax dollars, since the land is usually exempt from most or all tax payments; environmental degradation, as weapons use and production often impact negatively on the surrounding neighborhood; and tax expenditures for schools, roads, additional health facilities and police protection for military personnel.

(For illustrations of these costs from the US southeast, see Apartheid and the US Southeast, Ch. 10)

2. Texas military contractors:

a. In 1984, Texas received $8.75 billion in military contracts, placing it third in the nation behind California and New York. In 1986, firms operating in Texas received $10.1 billion worth of military contracts. The biggest military contractors included, as might be expected, national high tech firms and several oil majors:

*The biggest contractor was General Dynamics Corp with a third of the total.

*Bell Boeing and Bell Helicopter Textron, together, held ten percent.

*LTV Aerospace and Development Co, Texas Instruments Inc., Electrospace Systems, and Northern Telecom Inc., between them, held roughly ten percent more.

*Oil companies with contracts exceeding $100 million each included Shell Oil ($330 m); Mobil Oil ($226 m); and Navaho Refining ($161 m); Amoco Corp ($112 m). Both Shell and Mobil play a major role in South African oil refining business.

b. See Seidman, Apartheid and the U.S. Southeast, Chapter 10, for examples of the potential consequences of military contracts in contributing to increased capital intensive production, reducing employment, adding toxic wastes that pollute the environment, and aggravating anti-union policies.

B. ~~It~~ Militarization contributes to undermining US wages and working conditions, contributing to rising unemployment in the higher paid productive sectors, pushing workers into lower paid services and trade sectors, causing declining real incomes for the lower income sectors of the population; this trend will become more evident as devaluation of the US currency reduces the global purchasing power of the wages US workers earn. eg, Texas:

1. High rates of unemployment:

a. Military production, which is highly capital intensive (ie spends more dollars per job created) does not provide as much employment as civilian production. In 1981-1985, Texas ranked first in the nation in net jobs lost as a result of military production: - 288,040. Of these, women lost -59,800, and blacks lost -19,000 (excluding military personnel -- for blacks, as one South Carolina black ex-officer told the Peace Tour, the choice is often the army or jail) (Employment Research Associates,474 Hollister Bldg, Lansing, MI 48933.).

b. In late 1987, unemployment in Texas exceeded the national average (7.9% compared to 5.6%), and in several Texas counties was roughly double the national rate:
*Beaumont-Port Arthur (11.1%);
*Brownsville-Harlingen(14.5%);
*Corpus-Christie (10.4%);
*El Paso (10.6%);
*Galvaston-Texas City (10%);
*Laredo (14.4%);
*McAllenburg-Edinburg-Mission (18.3%) [Bureau of Business Research, Texas Business Reveiw (Austin: University of Texas) Feb. 1988.

2. With the shifting structure of Texas economy, unionization has steadily declined as a percentage of the labor force from 16% in 1975 to 12.5% in 1982. [L. Troy and N. Sheflin, Union Source Book (West Orange, NJ: Industrial Relations Data Information Services, 1985.)]

3. Although in 1984, Texans' statewide per capita income ($12,572) averaged only slightly below the national average ($12,789), the poverty population was growing:

i. While Sherman County is among the nation's 25 most prosperous counties, a Harvard University study of Hunger showed 29 Texas counties as among the nation's most depressed.

ii. In 1979, 14.7% of all Texans lived below the poverty-level, compared to a national average of 12.4%. Even then, the total number of impoverished Texans, 2,047,000 people, exceeded the total number of impoverished citizens living in North and South Carolina and Louisiana, combined.

iii. From 1980 to 1986, the numbers of Texans living in poverty rose by almost 50%, one in five of the entire population. Four million Texans need emergency food; 800,000 Texans go hungry at some point each month.

iv. By 1985, 23% of rural Texas households were at or below the poverty level; 28% had incomes only slightly above poverty level. Ironically, their incomes were too low to buy gas to travel to jobs in urban areas, even to travel to locations with social services (42 of the nation's 90 counties without WIC programs -- food/nutrition programs -- were in Texas) (Kate Ferguson, op. cit). Rio Grande Valley poverty rates average about 30% but reach 50% in some areas. A fourth of the poor rural families are headed by women. Only 9% receive public assistance.

v. In urban areas, high rates of poverty especially characterized places with high percentages of blacks or Hispanics, eg:

*Hays in the Austin area (30% Hispanic, 2.7% black);
*Brownsville-Harlingen (77% Hispanic)
*Kaufman in the Dallas area (18% black, 4.2% Hispanic)
*Harrison in the Longview-Marshall area(31% black, 1.3% Hispanic)
*El Paso (62% Hispanic, 3.7% black)
*Bexar in the San Antonio area (46% Hispanic, 7% black).

vi. With low per capita incomes, the more impoverished counties could not finance as adequate schools as the more well-to-do counties, espite state subsidies from oil revenues, contributing to low educational achievement and a relatively high school drop out rate.

C. To cut taxes and pay for the growing military budget (which despite Reagan's promises have created a federal deficit equal to the entire growth in the nation's national product since 1980), the federal government has reduced domestic spending for basic human needs, further aggravating the negative effects of the changing international division of labor implemented by US transnational corporations:

1. Texas never pursued the federal social program dollar with the same vigor with which it chased after the military buck. In 1980, it ranked last among 50 states in federal aid per person ($279 compared to $396 nation-wide) in part because of the constitutional ceiling on state welfare spending which limits the amount of required matching funds it can put up. Hence cuts in federal spending did not appear as great in Texas as elsewhere because it started at a lower base. For example:

a. 1980 public welfare alotments averaged $105 per family, about half the national average and fifth from the lowest in the nation.

b. Aid to Dependent Children (AFDC) in Texas is restricted to single parent families, while other states offer aid to two parent families where the wage earner is unemployed.

i. In 1980, at $109 per family, Texas AFDC payments were a third the national average, and third from the lowest in the nation. [R. Croxdale, Texas, in Waging Peace (Southern Exposure)].

ii. In 1986, Texas ranked 47th in terms of AFDC benefits; Texas families receiving both AFDC and Food Stamp aid reached only 52.6% of poverty level (Physicians Taskl Force, 1987); only 61.3% of those eligible received AFDC benefits (Texas Department of Human Services).

IV. A peaceful alternative to the present policy of militarization and intervention in support of the status quo to further "open Africa up" to US transnational corporate involvement could provide far greater benefits to both the peoples of Africa and the United States:

A. The billions spent in building up US military capacity to police the world could be re-directed to providing productive employment opportunities, job training, better incomes, and an improved social security safety net for US citizens, including those living in the Southwest.

1. Texas families, overall, lost an estimated $720/family in 1983 in terms of taxes for themilitary compared to military dollars spent in Texas; this impact affected different counties differently (measured in net loss or gain per family):

Congressional District	Net +/- per family	Congressional District	Net +/- per family

#1	-$310	#15	-$1,820
#2	-$2,830	#16	+$1,030
#3	-$1,030	#17	-$1,200
#4	-$1,250	#18	-$2,310
#5	-$490	#19	-$2,680
#6	-$2,810	#20	+$3,070
#7	-$5,140	#21	+$510
#8	-$3,130	#22	-$3,570
#9	-$1,870	#23	+$1,880
#10	-$690	#24	+$180
#11	+$2,920	#25	-$3,360
#12	+$6,710	#26	+$3,960
#13	-$1,840	#27	-$820
#14	-$2,500		

Source: Dr. James R. Anderson, Bankrupting America - The Tax burden and Expenditures of the Pentagon by Congressional District, <Lansing, MI: Employment Research Associates, 1984>

2. Between 1981 and 1985, Texans lost 288,040 jobs because military expenditures produce, on average, far less jobs than dollars spent for peaceful pursuits.

3. Other trade offs: what Texas gives up for military spending:

*1 A-6# Intruder Aircraft, costing $9 million, could provide jobs for 100,000 youths.

*1 F-14 Jet Fighter, costing $15,6 million, could build 500 lowcost 2 bedroom homes.

*1 C-5A Cargo plane, costing $60 million, could feed 12,000 families of 4 for a year.

*The Cruise Missile Program, costing $11 billion, could finance restoration of the national annual rate of investment in public works up to the 1965 level.

Source: Gilda Haas, Plant Closures - Myths, Realities and Responses <Boston: South End Press, 1985>

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*One B-1 bomber could feed 452,000 pre-schoolers for a school year.

*The cost of one Tomahawk cruise missile system could provide a one year remedial reading program for 1,317,500 school age children.

*Three MX missiles cost enough to provide total adequate nutrition to every poor pregnant women in America for a year.

Source: Physicians for Social Responsibility, Taurant County, Newsletter.

B. An end to support for repressive governments like those in South Africa, Zaire and Morocco, coupled with support for the full liberation and development of Southern Africa (and, for that matter, Africa) could open new opportunities for beneficial trade based on expanded purchases of US machinery and equipment to meet African development needs in the context of mutually beneficial trade.

1. The liberation of South Africa would accelerate development in South Africa by:

a. Releasing resources now spent on military (about $8 billion in SA, 25-50% of budgets of neighbors) for development projects;

b. Establishment of a minimum wage floor for southern Africans would augment the regional market for expanded output, stimulating increased investments and output.

c. SADCC nations, together with a liberated South Africa, could plan balanced agricultural and industrial growth, reaching levels of development comparable to more industrialized nations in a half century.

2. Development of southern Africa along these lines would open up possibilities of mutually beneficial trade that stimulate creation of jobs and rising incomes on both sides of the Atlantic:

a. The US currently sells 8-10 times as many goods to the developed nations of the world as it does to southern Africa;

b. A developing southern Africa -- a land area the size of continental US with about 100 million inhabitants -- would provide a rapidly growing market for the machinery and equipment which US workers manufacture. for every sector,

C. In this election year, given its strong peace movement (see Dallas for Dallas Peace Center, below), committed anti-apartheid activists (see Houston) and supporters for peace and democracy in Central America, Texas might provide the venue for a southwest movement for peace and development, here and in third world regions like Africa, bringing together these kinds of groups from around the region.

V. Some facts relating to major Texas towns through which Peace tour will pass: (Note: When you arrive in the town, however, ask the local organizers to fill you in; hopefully they have begun to gather more information along these lines)

A. AUSTIN:

1. 1984 population=645,442, 10% Black, 18% Hispanic; 30% born out of state, but only 4.2% foreign born; in 1979, 14% received below- poverty level incomes (much higher percent, 22%, in Hays, 30% Hispanic).

2. A Black community leader, Ms. Dorothy Tucker, says Austin has its own apartheid system, with Blacks and Mexican Americans living in a residentially separated community.

3. Has attracted high tech industries and research contracts:

a. Home of University of Texas whose chancellor, Hans Mark, was formerly Secretary of Air Force and held Reagan-appointment as deputy director of NASA.

b. Presence of University allegedly helped to attract Sematech in a nation-wide competition, expected to provide 800 new jobs; Austin spent millions of dollars to attract high tech industries.

c. Earlier, Austin attracted Microelectronics and Computer Technology Corporation (MCC), a consortium including Control Data, Honeywell*, Lockheed, Martin Marietta*, United Technologies*, Motorola*, National Semiconductor, RCA, Rockwell and Sperry* Univac (*=known to have assets in South Africa in 1984)

d, IBM operates in Austin.

B. DALLAS-FORT WORTH:

1. 1984 Population, 3,348,030, 14.3% Black, 8.5% Hispanic; 35% born outside of state (only 4.2% foreign-born); 9.9% below poverty-level in 1979, but poverty level is much higher, 14.6%, in Kaufman, (18.9% Black) and 12.6% in Ellis (12% Black, 10% Hispanic -- although 44% of workers are in manufacturing, more than two times the state average); most Blacks live on on the flood plains, south of the Trinity River, and a higher proportion of municipal landfills (including toxic substances) are located in their neighborhood.

2. Dallas-Fort Worth area receives about 40% of the military contracts in Texas; about 10% of population works in military-related industries (excluding airforce base personnel and military researchers);

a. 1984: Largest military contractors included:
*General Dynamics, 34e largest in nation, 1st in Dallas-Fort Worth - employs 18,000;
*Texas Instruments - employs 7,800;
*Bell Helicopter, subsidiary of Textron;
*Collins Defense Communications, division of Rockwell International, nation's 2nd largest contractor;

b. Local economist, Lloyd Dumas, in book, The Overburdened Economy, points out Dallas could do better:

"Dallas-Fort Worth is a national goldmine -- we have tremendous talent here. With this talent we could make a major contribution towards making the American economy work again. We just need the political will to divert scientisits and engineers awy from the military to the creation of better civilian commercial goods and services.

"We can have a strong military with much lower levels of spending -- without bankrupting our economy. With such a change in direction, we face a bright future; without it, the future holds an accelerating decline in our personal standard of living, the deterioration of our national economy and still further reductions in our national security.

"The choice is ours."
Article in Dallas Peace Times, Vol. 1, No. 7

3. Dallas has a Peace Center (3100 Martin Luther King Blvd, Dallas, TX 75215; 214-421-4082), with a part-time director, which publishes Peace Times which brings facts about peaceful alternatives to Dallas-Fort Worth citizens.

C. EL PASO:

1. 1984 population=526,425 (62% Mexican American, 4% Black).

2. A major gateway to Mexico's 'maquiladora' industries (see above), El Paso serves as transport and financial channel for their output.

3. In 1979, before the oil bubble burst, however, 21% (more than one out of five persons) of El Paso's inhabitants received less than poverty level incomes -- evidence that 'maquiladoranization' -- whether across the border or across the ocean -- denies prosperity for a large portion of the population.

D. HOUSTON-GALVESTON-BRAZORIA

1. The largest city in Texas, the fourth largest in the nation, Houston's 1984 population=3,164,177. About a 28% are Black, giving it the largest black population in any southern US city. 15% of the population is Mexican American. (38% of the population is from out of state, 7% is foreign born.)

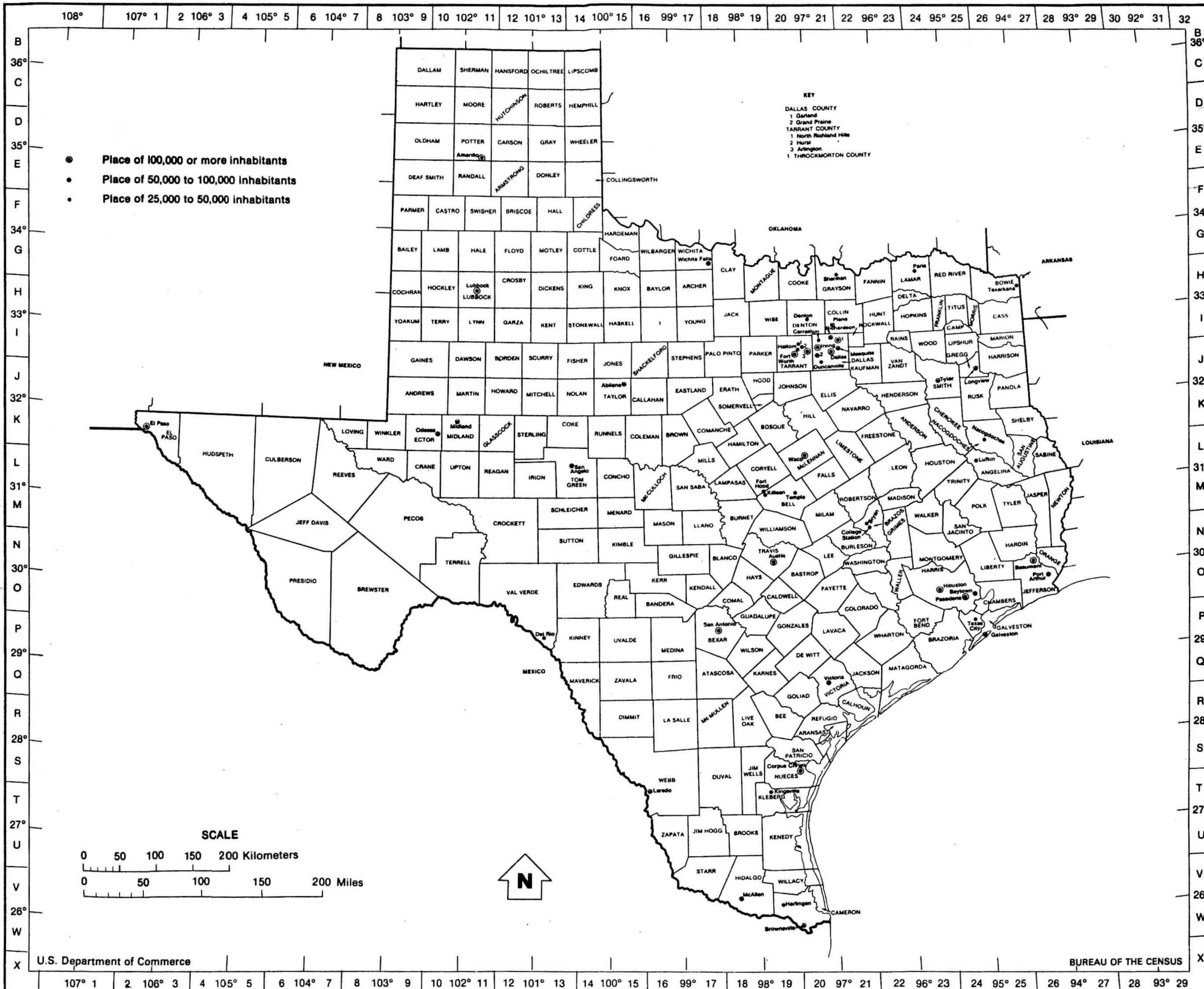
2. Growing poverty: The oil industry collapse hit Houston hard. At the same time, its citizens experience a major net loss per family in military spending. In 1979, 10% of Houstonians received below-poverty-line incomes, but this percentage has risen since then.

3. Racism: Houston does not have zoning, but unofficially, until 1980, the city seemed to have zoned the black neighborhoods for waste disposal. Six of the city's eight garbage incinerators and 80% the city-owned landfills -- used for disposal of solid waste, including toxic substances -- were located in black neighborhoods. Black residents brought suit and finally successfully pressured the city to end this practice, part of a growing black support of environmental preservation.

4. Nevertheless, the Houston anti-apartheid movement has succeeded in getting the Houston city council to pass a strong anti-apartheid resolution (Might it also officially welcome the Africa Peace Tour?)

F. SAN ANTONIO: 1984 population=1,188,544 (44% Mexican American, 7% Black); 30% born out of state, 7% foreign born; in 1979 (even before the oil boom collapsed), 18% (almost one out of five inhabitants) received below-poverty-line incomes.

G. WACO: 1984 Population=182,115 (15% Black, 9% Hispanic); 20% from out of state, but only 2% foreign born; 17.2% below poverty level, though 24% of labor force is in manufacturing, compared to 18% in the state;



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COUNTY BUSINESS PATTERNS—TEXAS