



American Committee On Africa

198 Broadway, New York, N.Y. 10038 / (212) 962-1210 / Cable AMCOMMAF

May 1984

Dear Friend,

The campaign to end investment of public funds in banks and corporations dealing with South Africa was met by a very determined opposition this past year. First of all, the US companies that are supporting apartheid, are trying to take advantage of this being an election year by travelling around the country testifying and lobbying against divestment, most of the time accompanied by South African government officials. In fact, in some states, including Maryland, Nebraska and Nevada, state legislators were invited to visit South Africa at the apartheid regime's expense with the understanding that they would come back and join the fight against divestment. But, despite all such efforts, 19 states, the District of Columbia, a major county and some cities debated legislation, with several approving it.

The campaign won an exciting victory when Washington DC unanimously passed a bill requiring the divestment of pension funds and thereby, for the first time, forcing the US Congress to take a vote on divestment legislation. Because of its special status and lack of home rule, Washington's bill was referred to Congress. And, judging by the influence that the South African regime had with some conservative members of Congress, we expected trouble ahead. We were right. Congressman Phillip Crane, a long-time supporter of apartheid, tried to block the DC divestment bill by introducing a resolution containing the usual propaganda arguments used by the apartheid regime in its fight against divestment. City Councilmember John Ray, who had introduced the DC bill, made sure that when Congress held hearings, the people who supported divestment came to testify. The House District Committee also heard several witnesses, including "financial experts" who claimed that "million dollar losses" would be incurred if the divestment bill was passed. On February 14, in a bipartisan 10-2 vote, the House District of Columbia Committee voted to defeat Crane's resolution, thereby supporting the divestment bill. Months of hard work by local activists who had formed a broad coalition called DC Divest had paid off with a significant victory.

In Nebraska, the apartheid regime spent a reported \$10,000 to fly five key legislators to South Africa. This was after Senator Ernest Chambers had introduced a divestment bill on state pension funds and the Nebraska Retirement System Committee had voted 4-2 in favor of it. Despite every other effort by the apartheid regime and the corporations, the Nebraska legislature finally passed a divestment bill, but with an amendment that pension funds be removed from companies that did not comply with the "Sullivan Principles." Like everyone else, supporting divestment, Senator Chambers was opposed to the "Principles" being used as a criteria for divestment, but this was all he could get for now. He is determined to continue the fight until all Nebraska funds stop subsidizing apartheid. Incidentally, it was a divestment resolution introduced by Senator Chambers in 1980 that launched divestment efforts around the country.

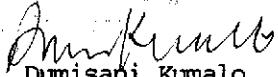
The Nevada legislature did not meet this year, but that did not stop the apartheid regime from spending thousands of dollars to pay for two key state senators to visit South Africa. Meanwhile, Senator Joe Neal, who had a divestment bill pending in the legislature, was personally visited by a member of the South African Consulate office from Beverly Hills who told him how things had allegedly "changed" in South Africa.

Important votes are pending in Illinois, New York, and Michigan this spring. In Illinois, a divestment bill supported by the Speaker of the Assembly and a broad coalition of churches, unions and community organizations, is awaiting a vote after the US companies and the South African government representative launched an intensive campaign against it.

For the first time in New York, trade unions, churches and a wide spectrum of community organizations have rallied behind a bill introduced by Assemblyman Herman D. Farrell Jr.

With the South Africans and the corporations spending millions to combat our campaign we are in for a tough fight from here on in. But the experience in DC shows that with organization, determination, and persistence, we can win.

Sincerely,


Dumisani Kumalo
Projects Director

PUBLIC INVESTMENT AND SOUTH AFRICA

NEWSLETTER

Number 5

May 1984

ALABAMA

State Action: On February 7, 1984, Representative James Buskey reintroduced a bill modeled on the successful Massachusetts legislation requiring divestment of state pension funds from banks and corporations investing in South Africa. There have been hearings in the House Ways and Means Committee, but a vote has not yet been taken.

ARIZONA

State Action: Representative Art Hamilton and Senator Tony West introduced legislation which has been attached to HB 2020 which prohibits the investment of public funds in enterprises headquartered in or who have the majority of their interests based in South Africa. This includes a prohibition on the purchase of precious metals from South Africa. The bill is awaiting action by the Senate.

CALIFORNIA

State Action: Assemblywoman Maxine Waters reintroduced Assembly bill 808 which stipulates that after January 1, 1989, no state funds shall remain invested in any corporation or any bank doing business in South Africa.

A public hearing in the Assembly Finance and Insurance Committee was held on January 10, 1984. The bill was defeated by a vote of 5 to 8. Assemblywoman Waters will introduce the bill again next year.

City Action: Santa Cruz: On November 8, 1983, Mayor John Laird of the City of Santa Cruz signed an ordinance which prohibits the investment of public funds in banks doing business in or with South Africa. The divested funds will be reinvested to create jobs, housing, and other services for local residents.

May 1984, Newsletter Number 5, p.2

FLORIDA

State Action: Speaker Pro Tem Steve Pajcic introduced a bill in December 1983 calling for state funds, including pensions, to be divested over a three-year period from banks and corporations operating in South Africa. The bill passed the Retirement Personnel Collective Bargaining Committee and is awaiting action by the House Appropriations Committee.

GEORGIA

State Action: Representatives Tyrone Brooks, Betty J. Clark and J.C. Daugherty introduced House bill 1202 on January 18, 1984. The bill prohibits public retirement systems funds from being invested in banks operating in or dealing with South Africa.

Senators Julian Bond, Horace E. Tate and David Scott introduced Senate bill 543 on February 9, 1984. The bill states that no state funds shall be invested or deposited in any financial institution which has outstanding loans to South Africa. Both bills are awaiting action.

ILLINOIS

State Action: On April 4, 1984, more than 200 representatives of trade unions, churches and community organizations visited Springfield to lobby on behalf of a divestment bill introduced by Representative Carol Moseley Braun and co-sponsored by the House Speaker, Representative Michael Madigan. Bill 569 prohibits the investment of state funds in banks making loans to South Africa. The bill has passed out of committee and is now before the House for final passage, but voting has been postponed. South African government officials and U.S. corporations have lobbied strongly against the bill.

INDIANA

State Action: Representative William Crawford reintroduced a bill to remove corporations investing in South Africa or Namibia from the list of approved investments for state and local funds. The bill was not heard this year. Representative Crawford is organizing a stronger coalition for the 1985 legislative session with church, union and civil rights organizations.

May 1984, Newsletter Number 5, p.3

IOWA

State Action: On April 20th, the Iowa legislature passed an Appropriations Bill with an amendment requiring that the Iowa Public Employee Retirement System Investment Board make no future investment of state pension funds in banks and companies dealing with South Africa. The amendment further requires the Investment Board to vote their stock at shareholders meetings against investing in apartheid. The amendment was introduced by Senator Charles Bruner, Chairman of the State Investment Board. The bill is awaiting the governor's signature. This success follows initiatives taken by Senator Thomas Mann and Representative Michael Connolly which were narrowly defeated in Committee.

KANSAS

State Action: Representative Norman Justice reintroduced House bill 2880 on February 22, 1984. There have been hearings in the House Committee on Pensions, Investments and Benefits but there was no action taken.

MARYLAND

State Action: Senator Clarence M. Mitchell III, president of the National Black Caucus of State Legislators introduced a divestment bill on March 14. As amended, the bill would prohibit future investments in South Africa and it was passed in the Senate. At the same time, Delegates Howard P. Rawlings and Wendell Phillips had introduced a similar bill in the Assembly. On April 9, the last day of the session, the Assembly voted the bill down. It is expected to be reintroduced next year.

MICHIGAN

State Action: House bill 4516, sponsored by Representatives Perry Bullard and Virgil C. Smith, Jr. and modeled on the comprehensive Massachusetts legislation, is held up in the Retirement Fund Committee. Representative Smith is working out an agreement with the treasurer which will get the bill out of committee and bring it before the legislature.

MINNESOTA

State Action: Senator Allan Spear and Representative Randy Staten reintroduced divestment legislation in both the Senate and the House. The bills prohibit future investments of funds by the State Board of Investment

May 1984, Newsletter Number 5, p.4

in corporations and banks that do business in South Africa and Namibia. There were hearings in the House and Senate on March 12, 1984. Corporations bussed in retirees to protest the bill. A vote was postponed until later in the session.

NEBRASKA

State Action: On April 9, the Nebraska legislature passed a divestment bill by a vote of 29-19 that will take effect as of January 1, 1987. The bill calls for the divestment of pension funds from corporations that do not meet the "highest rating of the Sullivan Principles." In 1980, Nebraska passed a divestment resolution introduced by Senator Ernest Chambers. Since then, Senator Chambers has been working to make the resolution binding.

NEW JERSEY

State Action: Assemblyman Willie B. Brown introduced Assembly bill 1309 on February 23, 1984. The bill requires divestment of state pension funds from companies doing business in South Africa. The bill is pending in the Assembly State Government Committee, and is co-sponsored by the House Speaker Alan J. Karcher.

In other action, Senator Wynona M. Lipman reintroduced Senate Joint Resolution #16 on January 23, 1984. The resolution calls upon the government of South Africa to rescind its apartheid policy. The Resolution is pending in the Senate State Government Committee.

NEW YORK

State Action: On January 13 and 17, the Assembly Banking Committee held hearings in New York City and Albany on divestment bills introduced by Assemblyman Herman D. Farrell, Jr., who is chairman of the committee. The bills call for an end to the investment of public funds in banks and corporations dealing with South Africa and are still pending before the New York Assembly. Since the hearings, meetings attended by representatives of trade unions, churches and community organizations were held in Syracuse and New York City to formulate strategies to support these bills. The New York State Council of Churches has voted to support divestment legislation and to work for its passage. The legislature is expected to start considering these bills after the Easter recess.

City Action: New York City: Council Member Ruth Messinger has introduced a

May 1984, Newsletter Number 5, p.5

bill in the City Council which would prohibit the city from accepting bids from companies having operations in South Africa and prevent the city from purchasing any South African product. The bill known as "Intro. 619" is co-sponsored by City Council President Carol Bellamy and 10 other Council members. Hearings will be held.

In a separate action, several trustees of the New York City pension system are discussing a strategy for divesting the pension fund system from corporations and banks operating in South Africa. The fund has over \$8 billion in assets.

OHIO

State Action: Senator William Bowen, chairman of the Senate Finance Committee introduced divestment legislation. The bill passed out of committee and is awaiting a hearing on the Senate floor.

City Action: Cleveland: On March 12, the county of Cuyahoga which includes the city of Cleveland passed a unanimous binding resolution sponsored by Commissioner Timothy Hagan calling on the County Investment Advisory Board not to invest its taxpayers funds in banks dealing with the Government of South Africa.

PENNSYLVANIA

State Action: Senator Freeman Hankins and Speaker of the House, Leroy Irvis have introduced bills in their respective houses to divest pension funds from banks and corporations dealing with South Africa. Both bills are still pending.

RHODE ISLAND

State Action: Senator David Carlin introduced new divestment legislation which was referred to the Senate Corporation Committee on February 29, 1984. On March 23, 1984, the Senate voted to transfer the bill to the Senate Finance Committee. No action has yet been taken.

WISCONSIN

State Action: Bill 834 introduced by Assemblywoman Marcia Coggs, prohibits public funds from being invested by the State Investment Board in corporations doing business in or with South Africa. It was heard on February 21, 1984 by the Committee on Government Operations. The bill is still pending.

May-1984, Newsletter Number 5, p.6

WASHINGTON, D.C.

For the first time, the U.S. Congress had the opportunity to debate divestment legislation when a divestment bill passed unanimously by the D.C. City Council, came before the House District Committee for approval. As expected, Congressman Phillip Crane, a long-time supporter of South Africa, introduced a resolution to block the D.C. bill. Hearings were held on Crane's resolution and witnesses, including a financial "expert" who claimed that D.C. would "lose millions" by divesting, were called to testify. However, the House District Committee voted on February 14 by an overwhelming and bipartisan margin of 10-2 for the D.C. pension funds to be divested.

Prepared by: Nicholas Gouede

*

New Publications Available:

The South Africa Fact Sheet summarizes in four pages of facts and graphs the inequalities of life under the racist apartheid system and key facts about US economic involvement. \$.30 each, \$.15 over twenty.

Southern Africa Film Guide is a compendium of recent films available with brief narratives and listings of distributors and prices. \$1.00

Economic Disengagement and South Africa: The Effectiveness and Feasibility of Implementing Sanctions and Divestment is a thorough review of the arguments in a 34 page article for a prestigious law journal published by Georgetown University, "Law and Policy in International Business." Written by ACOA Executive Director Jennifer Davis, Research Director Gail Hovey and consultant James Cason. \$2.00

These may be ordered by photocopying this sheet and returning with payment to The Africa Fund, 198 Broadway, New York, NY 10038, (212) 962-1210.

I enclose \$ _____ for the above publications. Please include 15% for postage.

Name _____
Address _____
City _____ State _____ Zip _____