



# American Committee On Africa

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

February 27, 1985

Dear Friend,

As of the end of February 1985, a record number of bills aimed at ending the investment of public funds in banks and corporations doing business in or with South Africa had been introduced in the legislatures of 28 states. These bills follow the successful passage of divestment legislation in five states, Connecticut, Maryland, Massachusetts, Michigan and Nebraska where laws prohibiting the investment of state funds in companies supporting apartheid are now being enforced. By the end of 1984, state and municipal actions across the U.S. had mandated the withdrawal of over \$1.3 billion in public funds from companies doing business in South Africa, and several hundred million dollars had already been divested. The intensifying pressure of the passage of these laws is having an impact where it matters most, that is in South Africa, home of apartheid.

The South African government, which used to pretend that the divestment movement did not exist, is now openly admitting its significance. Comments are no longer restricted to some anonymous spokesperson, but include both senior government Ministers and representatives of many of the so-called "private organizations" that promote South African policies in the United States and are in the forefront of the anti-divestment campaign. All of these speakers are being forced into greater honesty. One such organization is the South African Foundation based in Washington D.C. John Chettle, the Foundation director, who is registered as a "foreign agent" with the U.S. Justice Department, told the Johannesburg Financial Mail on February 1, 1985 that, "In one respect at least, the divestment forces have already won. They have prevented-dissuaded, discouraged, whatever you call it-billions of dollars of new U.S. investments in South Africa. They have discouraged new companies, new investors who were looking for foreign opportunities from coming to South Africa".

Just two years ago, Chettle was confidently predicting the impossibility of successful legislation because, he claimed, divestment violated the U.S. Constitution on three grounds, including the 14th Amendment which prohibits discrimination against individuals and companies.

The Reagan Administration, continuing its "constructive engagement" policy, has been actively hostile to the divestment campaign. Late last year, along with some U.S. corporations in South Africa, the State Department, through the U.S. Ambassador to South Africa, Herman Nickel, hired Professor Lawrence Schlemmer, a South African professor to conduct a poll among black workers about their attitude toward divestment. It is worth noting that Professor Schlemmer, the Reagan Administration and the companies were all on record as opposed to divestment before the first poll question was ever written or asked. Nevertheless, Professor Schlemmer interviewed about 500 black workers and concluded that 75% of them were opposed to divestment. It is surprising that one out of every four of the



people interviewed was willing to state their support for divestment, because the Internal Security Act of 1982 makes it a crime of "treason" punishable by up to 20 years in jail for anyone to advocate divestment. I asked Professor Schlemmer how he thought the people he interviewed could answer truthfully when there was a law effectively silencing them. He replied, "I never thought of that law".

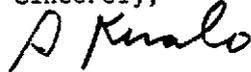
The Reagan Administration is sending the results of this poll to editorial writers and elected officials in the states and cities where divestment is pending. So watch out for it if you don't have a copy by now.

In strong contrast to Schlemmer's portrayal of black worker hostility to divestment, more than 100,000 members of the Federation of South African Trade Unions (FOSTATU), a major independent black trade union federation, last year endorsed a resolution supporting divestment, in spite of the fact that this advocacy is illegal. The Federation publicly stated its full support for "international pressure on South Africa to bring about social justice and a truly democratic society...the pressure for divestment has had a positive effect and should not therefore be lessened," said the Federation.

As we were going to print, we received information about several other states where bills are about to be introduced. We are enclosing a post-paid envelope you can use to mail us information or copies of bills which are not included in this document. We hope to publish an updated summary in the summer.

Please keep in touch, let us know who is lobbying against your local bills, and feel free to call on us for any help and information you may need.

Sincerely,



Dumisani Kumalo  
Projects Director

# **PUBLIC INVESTMENT AND SOUTH AFRICA**

Newsletter

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## **\*ALABAMA**

State Action: Rep. James Buskey is introducing in February 1985 a bill to divest all state pension funds from corporations operating in South Africa within three years and to ban deposit of pension funds in banks making loans to the South African government, any South African corporations or to U.S. corporations investing in South Africa.

City Action: Birmingham Mayor Richard Arrington's proposal to divest city funds from banks and corporations doing business with South Africa was blocked in the city council on a 4-4 tie vote on January 7 1985. Arrington is planning to ask the city's pension fund board to adopt a divestment policy.

## **\*ARIZONA**

State Action: Rep. Art Hamilton and Sen. Tony West are planning to reintroduce last year's unsuccessful bill to prohibit all public investment in corporations doing business in South Africa.

## **\*CALIFORNIA**

State Action: Assemblywoman Maxine Waters reintroduced her pension fund divestment bill which calls for divestiture of approximately \$750 million in state pension funds and prohibits deposit of state funds in banks making loans to the South African government in the 1985 session of the legislature.

City Action: Berkeley On April 17, 1979 the citizens of Berkeley passed a referendum mandating the divestment of all public funds except pension and other employee benefit funds from banks doing business in or with South Africa. Approximately \$4.5 million was involved.

City Action: Davis In 1980 the Davis City Council passed an investment policy which prohibits investment in any corporation which directly or indirectly discriminates on the basis of race religion, color, creed, national or ethnic origin, age, sex, sexual preference or physical disability. The guidelines to carry out this policy included making no further investment in banks doing business in South Africa.

City Action: Oakland In December 1984 the Oakland City Council voted to ban new investment of idle funds in financial institutions doing business with South Africa. Councilman Wilson Riles Jr. is continuing to press for a divestment ordinance, which is under consideration in the Council.

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City Action: San Francisco In November 1984 San Francisco voters adopted a non-binding referendum urging pension fund divestment. The pension fund trustees are considering adopting a divestment policy.

**\*COLORADO**

State Action: Sen. Regis Groff introduced a divestment bill in February 1985 with the support of the Colorado Coalition Against Apartheid.

**CONNECTICUT**

State Action In June 1982 the state legislature passed a law requiring divestment from corporations which fail to meet the following minimum requirements: no sales of strategic products or services to the South African government, military or police; recognition of the right of black workers to organize and strike; receiving a performance rating in the top two categories of the Sullivan Principles rating system. It is estimated that this law will result in the sale of \$70 million worth of securities. The Connecticut Anti-Apartheid Committee mobilized public support for the bill.

City Action: Hartford In 1980 Hartford passed an ordinance prohibiting the investment of city pension funds in corporations operating in South Africa which have not signed the Sullivan Principles.

City Action: New Haven Alderman Steven Mednick has introduced an ordinance calling for divestment from banks and corporations with loans or investments in South Africa within two years.

**\*DELAWARE**

State Action: Rep. Al Plant has introduced H.B. 20 on January 16, 1985 to prohibit the investment of state funds in banks making loans to South Africa or in any corporation operating in South Africa.

City Action: Wilmington passed an ordinance sponsored by Councilman Penrose Hollins on July 18, 1982 which provided for the sale of securities of companies doing business in South Africa from the city's pension funds within 180 days. Approximately \$400,000 in corporate bonds were affected.

**\*FLORIDA**

State Action: Senators Carrie Meek, Jack Gordon and Arnett Girardeau have petitioned the State Board of Administration which controls pension funds to adopt a divestment policy. A hearing on their petition was held on February 1 1985. Speaker Pro Tem Steve Pajcik has introduced a bill in the House based on the divestment resolution passed by New York City Employees Retirement System which would provide staged divestment over five years except from corporations judged to be aiding the struggle against apartheid. This bill will also ban deposit of pension funds in banks making loans to the South African government. The bill was introduced February 16 with hearings to be scheduled for March 1985.

**\*GEORGIA**

State Action: Rep. Tyrone Brooks and Sen. Julian Bond will reintroduce

last year's divestment bill requiring divestment of pension funds from corporations investing in South Africa in the 1985 session of the legislature.

City Action: Atlanta In 1982 the Atlanta City Council passed a resolution requesting the removal of all city pension funds from banks making loans to the South African government or to state corporations and from corporations doing business in South Africa.

**\*ILLINOIS**

State Action: Rep. Carol Mosley Braun will introduce a bill requiring divestment of state pension funds and prohibiting state deposits in financial institutions which make loans for the purpose of investing in South Africa. In 1984 a similar bill was voted out of Committee but died on the House Floor. Rep. Mosley Braun is working with the Coalition for Illinois Divestment which has built broad public support for divestment.

**\*INDIANA**

State Action: Rep. William Crawford has introduced H.B. 1576 in the 1985 legislative session to prohibit the deposit of state funds in banks making loans to the South African government or its agencies and the investment of state pension funds in corporations which employ more than 50 people, earn more than \$500,000 a year, or invest more than \$2,000,000 in South Africa or Namibia.

City Action: Gary On August 17, 1984 Mayor Richard Hatcher signed a City Council resolution condemning U.S. investment in South Africa.

**\*IOWA**

State Action: Senator Thomas Mann introduced S.F. 110 on January 28, 1985 which calls for divestment from banks making loans to South Africa and corporations doing business in South Africa over a three year period. The Iowa Divestment Coalition is building support for the bill.

**\*KANSAS**

State Action: Rep. Norman Justice will introduce a bill to make the divestment resolution passed in April 1984 binding.

**LOUISIANA**

City Action: New Orleans A resolution has been introduced this year in the New Orleans City Council urging the mayor to appoint a committee to study divestment and report by March 21.

**\*MAINE**

State Action: Rep. Harlan Baker introduced H.P. 368 in February 1985 calling for divestment of all state pension funds within three years. Hearings have been scheduled for March.

**\*MARYLAND**

State Action: On May 29, 1984 Governor Harry Hughes signed into law H.B. 1267 introduced by Delegate Howard Rawlings, which prohibits the deposit of state funds in any bank making loans to the South African government or government corporations. This year, Sen. Clarence

Mitchell III introduced S.B. 44 in January modeled on the Massachusetts bill. It calls for divestment of state pension funds from all corporations operating in South Africa within three years. Delegate Howard Rawlings is planning to introduce an educational fund divestment bill, and also bills to prohibit buying or selling Krugerrands in Maryland, ban state purchases of South African goods, and cut off state aid to any local program which purchases South African products. The Maryland Committee Against Apartheid is building public support for divestment legislation.

#### MASSACHUSETTS

State Action: On January 4, 1983 the Massachusetts legislature overrode a veto by former Governor Edward King and voted to withdraw all state pension funds from corporations doing business in South Africa. The bill was sponsored by Senator Jack Backman and Representative Mel King. Mass Divest organized support for the bill from labor, religious, civil rights and community organizations which was key to its passage.

City Action: Amherst In October 1984 Amherst Town Council voted to divest town funds from corporations doing business in South Africa or producing nuclear weapons.

City Action: Boston On January 7th, 1985 Governor Michael Dukakis signed legislation which permits the divestment bill passed in Boston in July 1984 to take effect. The Boston ordinance prohibits investment of public funds in any bank with outstanding loans to South Africa or Namibia or any corporation doing business in South Africa.

City Action: Cambridge In February 1980 the Cambridge Retirement Board announced that it would make no new investments in corporations which do business in South Africa.

#### \*MICHIGAN

State Action: In December 1982 the state legislature passed a law requiring public educational institutions to sell all investments in corporations operating in South Africa. This followed a 1980 law prohibiting the deposit of state funds in banks making loans to South Africa. Rep. Perry Bullard and Rep. Virgil Smith sponsored both bills. This spring Rep. Smith and Rep. Bullard will introduce bills to divest public employee pension funds and legislative pension funds from corporations doing business in South Africa within five years. The Michigan Coalition on Southern Africa is mobilizing public support for the successful legislation.

City Action: Detroit In November 1984, the Detroit City Council unanimously passed a resolution proposed by Councilwoman Barbara-Rose Collins supporting divestment of pension funds and general municipal funds and instructing the Law Department to draw up a binding ordinance.

City Action: East Lansing On August 3, 1977 the city council passed a resolution authorizing selective purchasing favoring corporations which do not have investments, licenses, or operations in South Africa. A statement to this effect, signed by the mayor, is attached

to all invoices and bids.

City Action: Grand Rapids The City Commission passed an amendment to the city investment policy on October 26, 1982 prohibiting the deposit of idle funds in banks making loans to the South African government or to corporations doing business in South Africa.

**\*MINNESOTA**

State Action: On January 15, 1985 Rep. Randy Staten introduced H.F. 122 to divest the state pension fund from corporations investing in South Africa and banks making loans to the South African government or national corporations. The bill would also give preference in state purchasing to corporations which do not invest in South Africa. Senator Allan Spear will be introducing the bill in the Senate.

**\*MONTANA**

State Action: Sen. Dorothy Eck is working with the Montana Peace Legislative Council to frame a divestment bill requiring that all pension funds be divested from corporations investing in South Africa within three years.

**NEBRASKA**

State Action: On April 9, 1984 the Nebraska legislature passed a divestment bill sponsored by Senator Ernest Chambers. The bill calls for divestment of pension funds from corporations that do not meet "the highest rating of the Sullivan Principles." It will take effect as of January 1, 1987. In 1980 Nebraska passed a divestment resolution sponsored by Senator Chambers.

**\*NEVADA**

State Action: Sen. Joe Neal introduced S.B. 58 mandating divestment of state pension funds in January 1985. It passed in Committee and is awaiting a vote in the Senate.

**\*NEW JERSEY**

State Action: Assemblyman Willie Brown's bills mandating pension fund divestment and reinvestment of the proceeds in New Jersey to the extent practicable (H.B. 1309 H.B. 1308) are before the Assembly Revenue/Finance Committee.

City Action: Atlantic City In April 1983 Atlantic City passed an ordinance providing for divestment within two years from banks with loans to South Africa or corporations with operations in South Africa.

City Action: Newark On August 8, 1984 Newark adopted an ordinance mandating divestment from banks and corporations with loans or investments in South Africa or Namibia within two years. The ordinance also bans city purchases from corporations which operate in South Africa.

City Action: Rahway In June 1984 Rahway passed an ordinance prohibiting the deposit of city funds in banks with loans to the South

African government, its national corporations or to any corporation investing in South Africa.

**\*NEW YORK**

State Action: Deputy Speaker Arthur Eve and Assemblyman Herman D. Farrell have introduced A.B. 250 calling for divestment of state pension funds over three years and no deposit of state pension funds in banks making loans to the South African government or its national corporations. The bill also mandates divestment from corporations supplying strategic materials or services to South Africa. Senator Leon Bogues has introduced a companion bill S.B. 1242 in the Senate.

City Action: New York City As a result of negotiations between the City Administration and District Council 37 AFSCME Intro. 900 was introduced at the request the Mayor with the support of the City Council President and the Council leadership on February 7, 1985. It will prohibit the deposit of city funds in banks which make loans to the South African government or advertise or promote Krugerrands. It will also ban city purchases of South African goods and severely restrict purchases from corporations which sell to the South African military, police, prisons, or the Ministry of Cooperation and Development. The negotiations resulted from strong labor and community support for Intro. 619 introduced by Councilmember Ruth Messinger which would have banned purchases not only of South African goods but of goods manufactured by U.S. corporations which invest in South Africa. In August 1984 the trustees of the New York City Employees Retirement System voted to divest over five years from all corporations operating in South Africa except those judged to be actively aiding the struggle against apartheid. It is estimated that \$665,000,000 will be affected.

County Action: Rockland County has voted to ban the deposit of county funds in Barclays Bank because of its operations in South Africa and its support of British rule in Northern Ireland.

**\*OHIO**

State Action: Sen. William Bowen has introduced S.B. 57 in the 1985 session of the legislature modeled on the bill which the Senator sponsored in 1984 and which failed on December 19. The bill won a 16-14 majority but it needed 17 votes to pass. It would have required divestment of state pension funds by January 1, 1986 and prohibited the deposit of pension funds in banks with loans to the South African government, any South African corporations, or U.S. corporations with investments in South Africa.

City Action: Cleveland On March 12, 1984 the county of Cuyahoga which includes Cleveland passed a unanimous binding resolution sponsored by Commissioner Timothy Hagan calling on the County Investment Advisory Board not to invest public funds in banks dealing with the government of South Africa.

**\*OREGON**

State Action: Rep. James Hill and Rep. Margaret Carter are in the process of drafting divestment legislation with the help of Portlanders Organized for a Free South Africa. The bill will be

introduced in the 1985 legislative session.

**\*PENNSYLVANIA**

State Action: Sen. Freeman Hankins introduced S.B. 956 on January 23 calling for no new investment of state funds in corporations investing in South Africa. He is planning to follow this later with other South Africa related bills. In the House Rep. David Richardson and Speaker Leroy Irvis introduced bill No. 6 the same day to divest the state educational fund. A similar bill, H.B. 1400 passed the House in 1984 but failed to come up for a vote in the Senate. Pennsylvania Divest is building community support for divestment.

City Action: Philadelphia On June 4, 1982 the Philadelphia City Council unanimously passed a divestment ordinance providing for the withdrawal of city pension funds within two years from any corporation investing in South Africa or any bank making loans to the government of South Africa or Namibia. The bill has already resulted in the divestment of \$100 million in securities from the city pension fund. Councilman Cohen has introduced bill No. 251 calling for a ban on purchases from corporations doing business in South Africa or Namibia.

City Action: Pittsburgh The Pittsburgh Pension Board voted to adopt a divestment policy on January 17. At present 13 companies in the \$15 million pension fund invest in South Africa. Implementation will be worked out with the pension fund managers.

**\*RHODE ISLAND**

State Action: Rep. Raymond Fogarty and Senator David Carlin have introduced bills for divestment of state pension funds in the 1985 legislative session. RIDivest is mobilizing support.

**\*TEXAS**

State Action: Rep. Al Edwards has introduced H.B. 47 calling for a prohibition on new investment of state educational funds in corporations doing business in South Africa.

City Action: Dallas The Mayor of Dallas has appointed a panel to study city divestment and make a report on whether it is desirable or feasible.

**\*VERMONT**

State Action: Rep. Mique Glitman introduced H.B. 210 on February 5, 1985 calling for divestment of all state funds from banks and corporations with loans or investments in South Africa or Namibia. The bill has been referred to the Governmental Operations Committee which held hearings in late February. Rep. Glitman is working closely with the Vermont Coalition on Southern Africa.

**VIRGINIA**

City Action: Charlottesville In December 1984 Charlottesville adopted an ordinance requiring divestment of city pension funds from corporations with operations in South Africa which have not signed or adhered to the Sullivan Principles. The ordinance is expected to result in the divestment of between \$700,000 and \$1 million from the

city's \$9.3 million pension fund.

**\*WASHINGTON**

State Action: Senator George Fleming has introduced S.B. 3227 in the 1985 session of the legislature providing for divestment of all state pension funds within three years. It also prohibits depositing pension funds in banks which make loans to the South African government or national corporations. All divested funds are to be reinvested in Washington to the extent that this is fiscally prudent.

City Action: Seattle Seattle City Council passed a resolution in December 1984 directing the City Investment Committee headed by the Mayor to prepare legislation to remove all public funds from banks which do business with South Africa. The Seattle Coalition Against Apartheid and the American Friends Service Committee are working on both the city and state legislation.

**\*WASHINGTON D.C.**

City Action: On October 4, 1983 the Washington D.C. City Council unanimously passed a divestment ordinance introduced by Councilman John Ray providing for no deposit of D.C. pension funds from banks with loans to the South African government, its national corporations or to U.S. corporations for investment in South Africa and divestment from corporations with investments in South Africa. The divestment is to take place over a two year period. This ordinance, like all actions of the D.C. city council was subject to Congressional review. A resolution to overturn the divestment bill was defeated in the House District of Columbia Committee on bipartisan 10-2 vote. Councilman Ray introduced a selective purchasing bill at the end of February 1985.

**\*WISCONSIN**

State Action: Rep. Marcia Coggs along with 36 co-sponsors has introduced AB 54 calling for full divestment of state pension funds over a three year period. A companion bill in the Senate has 17 co-sponsors. The bill would affect approximately 2 1/2 billion of a \$8 billion pension fund. The Madison Area Committee on Southern Africa is organizing support for the bill.

**VIRGIN ISLANDS**

Territorial Action: In October 1984 the Virgin Islands Territorial Senate passed a bill calling for divestment of the \$35 million territorial pension fund within two years.

\*Denotes a state with current (1985) activity.

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February 1985.

**A**merican  
**C**ommittee  
**O**n  
**A**frica

# **SOUTH AFRICA:**

## **Questions and Answers On Divestment**

There is a growing debate about whether US investments in South Africa help or hinder efforts to abolish the system of white minority rule known as apartheid. Corporations have claimed that investment provides job opportunities and helps promote positive change. Opponents of investment contend that US involvement provides capital and technology needed by the white minority to maintain its absolute domination over the black majority.

A movement for divestment of funds from corporations that invest in South Africa is growing throughout the United States. It involves leaders of civil rights organizations, labor unions, churches, universities, community groups, and state and municipal legislators. They argue that ending South Africa-related investments will make new funds available for mortgages, home improvements, and community development. The following questions and answers on divestment have been prepared to help deal with the issues that are being raised by this debate.

### **1. Why focus on South Africa?**

"Attention is focused on South Africa not because it has quantitatively less freedom, less justice or less democratic government than a hundred other countries one could name," according to Sydney Kentridge, a prominent South African lawyer. "Those goods do exist in South Africa but they are strictly rationed on the sole basis of color — not of citizenship or birth or merit, but color alone."

While South Africa does not hold the monopoly on racism, this is legalized racism at its most brutal. Color determines every facet of human life and death in South Africa.

- ▶ The African population is 22.7 million. The white population is only 4.7 million. Whites vote; Africans are not permitted to vote. Comprising over 72 percent of the population, Africans may live permanently on only 13 percent of the total land area.
- ▶ The average monthly wage in 1982 was \$1136 for whites, and \$250 for Africans. For every \$1.00 that a white employee earns, an African earns 22¢.
- ▶ In 1981-82 the government spent \$1199 on education for every white child, and \$145 for every African child.
- ▶ In 1980, of every 1,000 white children born, 13 died in infancy. In some rural areas, 240 out of every 1,000 African children born die in infancy.

### **2. Isn't economic involvement in South Africa a foreign policy issue that should be handled by the federal government?**

In an important opinion of May 1984, the Attorney General of Maryland, one of the 29 states to have considered the enactment

of divestment legislation, stated that there is no conflict between divestment legislation and the US Constitution, federal law and federal foreign affairs powers.

A separate opinion prepared for the prestigious Lawyers' Committee for Civil Rights Under Law in August 1984 agreed. "State divestiture legislation violates no statute, treaty or executive agreement of the United States, and so transgresses none of the grounds upon which state action has traditionally been deemed violative of national foreign policy."

Beyond the legal question, many state and city officials have been adamant that divestment not be relegated to the realm of "foreign affairs." New York City Mayor Ed Koch endorsed the July 1984 report on "City Policy With Respect to South Africa" which stated that: "The issue is the relationship between the City's finances and an unjust system. We believe that there is no legal or constitutional requirement that the City support apartheid in any way. It is simply not accurate to say that South Africa's governmentally supported policy of massive and sustained discrimination is none of our concern."

### **3. Why is corporate withdrawal necessary?**

"The net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's apartheid regime." (Report of the Senate Subcommittee on Africa, January, 1978.)

Total US financial involvement in South Africa, including direct investment, bank loans and shareholdings, totals some \$14 billion. There has been a tripling of direct US investment to over \$2.6

billion since 1970. In March 1984, US banks had \$4.6 billion in outstanding loans to South Africa.

General Motors and Ford manufacture cars and trucks used by the police and military. Secret General Motors contingency plans prepared in 1977 indicate that the company would cooperate with the South African government "in the event of civil unrest" and that "vehicles may be taken over for Civil Defense purposes."

Fluor Corporation of California, on contract with SASOL, the South African Coal, Oil, and Gas Corporation, provided \$4.2 billion worth of coal-to-oil conversion plants to help South Africa achieve energy self-sufficiency and withstand an oil embargo. Major US oil companies like Exxon, Mobil, Texaco, and Standard Oil of California are supplying oil to South Africa in violation of the OPEC embargo.

Control Data Corporation sold equipment to the South African police in violation of US Commerce Department regulations. Other firms such as IBM have supplied computers to the government for streamlining South Africa's racist population controls.

#### **4. What effect does US investment and lending have on South African blacks?**

US corporations and the US government put forward the argument that US investment is a positive force for change in South Africa. Exxon spokesperson, Philip Wetz, said in August 1984: "We feel we can do more good by staying in South Africa." If US investment were an agent for change, then this should have been proved over the past 25 years. In fact, their presence and increasing involvement have not prevented the growth of the highly repressive apparatus of the apartheid state.

► An African is arrested for a pass offense every 2.5 minutes. This is a crime that no white can ever commit. Pass laws govern all movement of Africans in and out of the urban areas.

► A computer system has been installed in one bantustan that classifies black workers as "trouble makers," "good boys," "trade unionists," etc., and monitors the migration of workers into the urban areas.

► According to Amnesty International "torture is extensively inflicted on political detainees, and . . . the Government sanctions its use." Over 65 detainees are known to have died while being held in solitary confinement, without charge, trial, without access to family or lawyers. In 1977 police killed Steve Biko, Black Consciousness leader, while in detention. In 1982, trade union leader Neil Aggett died while in detention.

► Over 4,500 people have been convicted since 1961 under the Suppression of Communism Act (1950), the Unlawful Organization Act (1960), the Public Safety Act (1933), the Terrorism Act (1967), and the General Law Amendment Act (1962). Recently the Internal Security Act (1982) supplanted some of these acts and entrenched repressive measures. It allows for detentions without charge or trial and the outlawing of any organization or publication.

► In the 1984 protests sparked by fraudulent elections under the new constitution, over 160 anti-apartheid demonstrators were killed between September and mid-November. In one African township, unarmed residents found themselves sealed off by 7,000 troops and armed police who proceeded to conduct house to house searches and arrest residents.

The apartheid regime uses funds from corporate taxes and inputs of foreign equipment such as computers, cameras, and police trucks to keep track of pass offenses and political detentions, and to keep the repressive machinery of the South African state running smoothly. US companies help fill the gap between what the South Africans can themselves provide, and what they need.

### **5. What do South African blacks say about foreign investment?**

"Those who invest in South Africa," said Bishop Desmond Tutu, winner of the 1984 Nobel Peace Prize and head of the South African Council of Churches, "should not think they are doing us a favor; they are here for what they get out of our cheap and abundant labor and they should know that they are buttressing one of the most vicious systems." (1984)

There is of course a variety of opinion on this subject within the black community of South Africa. Those who advocate increased foreign investment are most often members of the tiny black middle class or are employed by a branch of the government such as the civil service of one of the bantustans. They are people who have become dependent on the system and fear the cost of fundamental change.

According to the Internal Security Act (1982), any person in South Africa or outside who supports divestment commits the crime of "subversion" ("terrorism" under the predecessor law), for which the penalty is up to 20 years in prison. In spite of the danger, leaders of the trade union movement, the South African churches, and black political organizations continue to call for divestment.

FOSATU, the largest federation of black trade unions, declared in its 1984 International Policy Statement: "It is FOSATU's considered view that the pressure for disinvestment has had a positive effect and should therefore not be lessened. FOSATU is definitely opposed to foreign investment that accepts the condition of oppression maintained by this regime." This position was thoroughly debated at all levels before being adopted by the National Executive.

The South African liberation movements have consistently called for divestment. As long ago as 1959, Nobel Peace Laureate Albert Luthuli, then president of the African National Congress (ANC), urged the international community to impose economic sanctions on South Africa. He argued that: "The economic boycott of South Africa will entail undoubted hardship for Africans. We do not doubt that. But if it is a method which shortens the day of bloodshed, the suffering to us will be a price we are willing to pay."

Stating it strongly, Steve Biko, shortly before his death, said, "The argument is often made that the loss of foreign investment would hurt blacks the most. It would undoubtedly hurt blacks in the short run, because many of them would stand to lose their jobs. But it should be understood in Europe and North America that foreign investment supports the present economic system of injustice . . . We blacks are perfectly willing to suffer the consequences! We are quite accustomed to suffering."

### **6. What is the most effective way to achieve corporate withdrawal?**

Many hundreds of millions of dollars worth of investments and bank deposits have already been affected by the divestment campaign.

Since the State of Connecticut passed its South African divestment law in September 1982, securities in twenty-five corporations who were found not to be in compliance with the State's South African divestment law, have been sold. Philadelphia's action involved the divestment of over \$65 million, and Massachusetts, \$90 million. Since July 1984 the City of Boston and New York City's largest pension fund have begun a divestment process which will move nearly \$700 million in stocks and bank deposits from companies involved in South Africa.

By late 1984 divestment legislation had been passed by five states and 20 cities. Legislators have been joined in divestment action by trade unionists, investment experts, students and



**Over 160 killed, over 1,000 detained as anti-apartheid protests swept South Africa in 1984.**

church activists to end American complicity with the apartheid regime.

In 1977, this campaign was already having an effect. The Polaroid Company, after 29 years of involvement in South Africa, pulled out. It did so only after it had nominally attempted to improve working conditions. Polaroid took the step in direct response to public disclosure of surreptitious sales of Polaroid products to the South African government and military by the South African distributor. However, this move followed a vigorous campaign mounted against the company by Polaroid workers and anti-apartheid groups, pressuring them to withdraw.

Few corporations are likely to withdraw from South Africa until there are economic reasons to do so. Institutional investors and pension funds hold a key to this withdrawal, because of their economic power. Many state and city governments, trade unions and churches are acting in concert to use this economic power and exert pressure, and it is being felt. The corporations are fighting back. The US Chamber of Commerce in South Africa, along with a group of major South African companies, placed a 10-page supplement in the October 1984 *Fortune* magazine, acknowledging the "gathering momentum" for divestment. It is this pressure that can ultimately lead to corporate disengagement.

## **7. What would be the effect of disengagement by US corporations and banks?**

"Each trade agreement, each bank loan, each new investment is another brick in the wall of our continued existence," stated former South African Prime Minister John Vorster.

US investment provides "the bricks" for certain key sectors of the economy. US firms control 75 percent of the computer market, 23 percent of the automotive market, almost 40 percent of the petroleum producers market, and a sizable share of the electronics market.

Disengagement would be more than a major psychological blow to the confidence of the ruling minority government. The effect of the cut-off of advanced US technology would be enormous.

In August 1984, South Africa's leading financial journal, *The Financial Mail*, commented in a long review of the divestment campaign that "the arguments for foreign disinvestment from South Africa are intensifying — particularly in the US. Though there is no cause for real panic, it would be unwise to disregard the psychological impact of the moves and the effect they could have on the economy." A cable sent in October 1978 by the US Embassy in Pretoria to the State Department confirmed that "a grave problem would be the supply of spares for existing high tech-

nology equipment. SAG [the South African government] has built up a reserve of stocks of more than one year which will act as a cushion, but there is no possibility all replacement parts for imported goods which keep the economy going ('even office elevators') can be locally produced."

The US Embassy message went on to point out that lack of access to foreign technology could cripple South Africa, and that large corporations are intent on countering any sanctions measures. "Multinationals, including US subsidiaries, are determined to undercut any sanctions action and have already made plans to camouflage their operation through subterfuges arranged with affiliates in other countries."

## **8. Is South Africa the place for prudent investment?**

According to the managing director of Goodyear Tire and Rubber Company's South African subsidiary, "Foreign companies are going to be the target. That is where dissident blacks will focus. We are right in the tinder box."

The appeal of high profits and fast growth on investment is offset in South Africa by the failure of the government to institute desperately needed labor reforms. Black unemployment and underemployment are estimated at 25 percent creating what the London *Economist* has called "a time bomb of discontent and revolution-fodder."

These factors have already pegged South Africa as an economic risk. BERI SA, which specializes in risk analysis for international corporations, has warned that "operational and socio-political problems will become more acute throughout the 1980's. Therefore, no long term commitments to South Africa are recommended." It sees a decline in the Operational Risks index to "high risk" within five years, while the Political Risk index will deteriorate to the "prohibitive risk" category in the +5 years forecast.

The conditions in South Africa together with pressure from legislators, anti-apartheid groups, churches, universities and other institutional investors in the US make up what has been labeled "the hassle factor." All these factors are making US corporations wary. As Ian Leach, general manager of Caterpillar Africa warned in 1980, "We are secure here for five years. Up to ten years it is a matter of caution. After that it is anybody's guess."

## **9. Are the Sullivan principles an alternative to withdrawal?**

When Ford Motor Company, the largest US employer of black workers in South Africa, asked its workers what they thought of the Sullivan principles, they responded with a hard-hitting four-page document. The Sullivan principles are a "toothless package" and a "piece-meal reform that allows this cruel system of apartheid to survive," the document stated. "... The Code does not demand apartheid to be abolished, but merely to modernize and ensure its perpetuation."

The Sullivan principles are a voluntary code of conduct for US firms operating in South Africa. Drafted in 1976, they call for non-segregation in the work place and fair employment practices. Institutions which have been called on to divest began using the principles to judge companies' performance, with signing of the principles taken as an indication of sufficiently good intentions as to eliminate any reason for action.

In 1984, 122 of the 350 US companies operating in South Africa were signatories of the six principles. US corporations employ 66,000 workers, fewer than one percent of all working people in South Africa. Thus, even if the principles were practiced they would affect an insignificant number of workers.

More important, the Sullivan principles make no demand for

change in the fundamental structure of apartheid, no demand for black political rights. Stated Emma Mashinini, Secretary of the Commercial Catering and Allied Workers Union of South Africa: "This Manifesto is just good cosmetics for the outside world. To us trade unionists, we see no difference between American and South African companies."

Appreciating the fact that the Sullivan principles provide the companies with an opportunity to deflect criticism, many firms were quick to jump on the bandwagon. One subsidiary of a US firm explained that it held off signing for some time — until it realized that "the principles were being used to pacify critics in the States."

## 10. What are the financial implications of divestment?

"We here in Massachusetts are proud to have been the first state in the nation to vote to sell from our public pension fund portfolio all those investments in firms doing business in South Africa . . . It has been our experience that divestiture makes not only a strong moral statement against apartheid but divestiture has proven to have had no significant impact on our pension earnings . . . Timely and careful divestiture can result in net increases in pension earnings." (Letter from Michael S. Dukakis, Governor of Massachusetts, August 1983.)

This experience of the State of Massachusetts has been repeated by other states and cities divesting from companies that are involved in South Africa. For instance, the Director of the Board of Pensions and Retirement for the City of Philadelphia stated in 1984 that: "We . . . consistently achieved or bettered our assumed actuarial investment return rate of 9 percent in our transactions divesting our portfolio of fixed income securities of firms doing business in South Africa."

The University of Wisconsin Trust Fund found that "divestment of South Africa-related stocks has not hampered or limited our ability to find suitable sources of investment." Michigan State University found in June 1980, within months of passing divestment resolutions, their portfolio had earned an additional \$1 million.

Joan Bavaria, President of Franklin Research Company, has pointed out that fears that divestment will prove costly are groundless: "Rather, [studies] have shown that over time South Africa-free companies have outperformed the restricted stocks with a minimal amount of added risk." This has been borne out by studies conducted by Chemical Bank, the US Trust Co., and Trinity Investment Management Corporation.

Hence, Robert J. Schwartz, Vice President of Shearson/American Express and an expert on socially responsible investment, stressed in 1984: "A decision about divestment should not be cluttered by arguments in regard to investment performance, but be based upon the political, moral issues and as to whether the decision makers believe that divestment will have an effect on ending the system of apartheid."

In September 1984, the Connecticut State Treasurer, Henry Parker, reported that "Connecticut has been able to earn money by selling the holding of socially irresponsible companies. Corporate America must take a strong stand against racism wherever it exists and our divestment law is an important incentive for them to do just that. What is more, we have shown that it is profitable to be socially responsible."

## 11. Who is joining the divestment campaign?

The list of states considering some divestment action grows steadily. By mid-1984 the number had reached 29, of which Con-

necticut, Massachusetts, Maryland, Michigan and Nebraska have passed divestiture legislation. The campaign continues to gain ground. In 1984 the Executive Council of the National Conference of Mayors passed a resolution calling for cities to divest their pension funds. New York City is considering selective purchasing legislation to make it illegal to purchase any products that originate in South Africa and to give preferential treatment to purchases from US companies which do not invest in South Africa. Numerous other cities are poised for positive action.

The campaigns in the states and cities are supported by a wide coalition of groups including significant trade unions. Unions that have taken a position against economic involvement in South Africa include the Amalgamated Clothing and Textile Workers Union, United Auto Workers, American Federation of State, County and Municipal Employees, United Steel Workers of America, National Education Association, United Electrical Workers, International Longshoreman and Warehouseman's Union, District 1199 RWDSU, District 65 UAW, and Fur, Leather and Machine Workers Union UFCWIU.

Said UAW Vice-president Don Ephlin, "We cannot tolerate public monies being invested in a country which practices institutionalized racism through its laws."

Churches which have voted to end their banking or corporate links to South Africa include the National Council of Churches, the American Lutheran Church, Disciples of Christ, the United Methodist Board of Global Ministries, the Reformed Church in America and the American Friends Service Committee.

At least 40 universities have taken either full or partial divestment action. Those that have passed resolutions to sell all shares in corporations doing business in South Africa include the City University of New York, Antioch and Hampshire Colleges, Ohio University, Michigan State, Indiana Central and the Universities of Massachusetts, Oregon and Wisconsin.

## 12. What kinds of alternative responsible investment exist?

"There is a mounting consensus that pension fund investments cannot protect retirees' benefits unless they protect employees' jobs and economic interests as well . . . Investments . . . that create jobs, build houses, and return a fair yield could be a model for government pension systems." (Edmund G. Brown, Jr., Governor of California.)

Many of the investors concerned not to support apartheid have not chosen to re-direct their funds to achieving particular social goals. But some have seen the need to use reinvestment as such an opportunity.

Examples of such investment include the Kansas Public Employees' Retirement System program called "Kansas Funds for Kansas Jobs." In the program, the retirement system buys the guaranteed portion of SBA loans. By making capital available for small businesses the economy is improved and jobs are created. Other investments available include affordable housing, health care and human services, and alternative energy resource conservation. The interest in public pension fund investment is growing rapidly and new alternatives to investment in South Africa are multiplying.

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*Stephanie Urdang, Research Director*

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# We must get out of South Africa

## Point of View

Clifton R. Wharton Jr., is former President of Michigan State University and is now Chancellor of the State University of New York and chairman of the Rockefeller Foundation.

Many thoughtful Americans, deeply sympathetic to the oppressed black majority in South Africa, have believed or wanted to believe that U.S. business interests in that nation could blunt the cruelty of systematic apartheid. For some years, and with much uneasiness, I took the same position.

Now I believe it is time for U.S. corporations to get out — all the way out, and as fast as they possibly can.

As an American black, I have always found the whole concept of apartheid abhorrent. One of the most degrading and dehumanizing practices ever institutionalized in a supposedly civilized country, it rivals in many respects the genocidal programs of Adolf Hitler. Pervasive, crushing, unspeakable — apartheid has never been and can never be anything more than a mortal affront to freedom and human dignity, not just in South Africa but everywhere.

But what could we in America do to confront the society? What actions would best serve black South Africans, or in any case do them least harm? As an academic, I had to believe that brutality would eventually give way under the overwhelming moral weight of humane education. As an American citizen, I hoped that the weight of U.S. foreign policy would come round more squarely behind world opinion, convincing even an obdurate Pretoria to abandon its fanaticism.

And as a corporate director, I hoped that enlightened, nondiscriminating U.S.-style management at American plants in South Africa would provide economic opportunities for some blacks, while setting a progressive example for the country as a whole.



Clifton Wharton

A majority of U.S. firms had adopted the so-called Sullivan principles, mandating equal treatment, pay and opportunity for their non-white South African employees. Numerous black leaders there as well as in the United States offered their reluctant endorsement, while continuing to denounce and oppose any settlement or cease-fire with apartheid itself.

But if this position was ever tenable, it is no longer.

U.S. firms and corporations should withdraw all personnel and investments from South Africa, and as rapidly as they can. In commerce and foreign policy alike, we must treat South African government as the pariah it long ago chose to become.

What has altered my view? A slow but inexorable tilt in the balance of outrage, as the damning evidence continued to mount.

In 1981, The Rockefeller Foundation supported a commission chaired by Franklin Thomas, president of The Ford Foundation. The group's exhaustive and objective study of South African apartheid led to a report titled "Time Running Out." It spelled out in detail the scores of elaborate, ingenious and malevolent mechanisms by which a small white minority separates peoples, creates phantom "homelands," and administers the legalized enslavement of 22 million blacks.

More recently I took part in a day-long meeting convened by Thomas to determine what changes, if any, have occurred since publication of his report. True, it is clear that U.S. corporations have had some positive impact on the lives of the 66,000 South African blacks that Sullivan principle firms employ. But for the millions not lucky enough to work for U.S. firms, conditions are worse than ever.

Far from any generalized liberalization having resulted from the presence of American companies,

the great majority of black South Africans have seen their economic well-being and human rights actually eroded during the last three years.

An April, 1984, conference in Johannesburg heard some 300 papers resulting from the Carnegie Foundation study of poverty in South Africa. In the aggregate, they documented a significant increase in the impoverishment of most blacks, despite improvements in the living standards of a few.

A study by Charles Simkins of Capetown University, for example, found that the number of homeland people living below a "minimum living level" standard increased from 4.9 million to 8.9 million between 1960 and 1980.

In recent weeks, media accounts of South Africa's newly imposed

"constitution" confirm that, despite the propaganda fanfare, few significant avenues of genuine participation in governance have been opened to citizens of Indian or "colored" heritage. Blacks, making up 73 percent of the population, have been bound even more tightly with the barbed wire of apartheid — with the inevitable result of more bloodshed.

Instead of a small step toward democracy, South Africa's constitution is clearly just another device to ensure the continued absolute power of the white minority.

What will happen if U.S. firms withdraw entirely from commercial activity in South Africa?

Some have argued that their presence has until now had a moderating influence on behalf of evolutionary reform, while abrupt withdrawal is criticized as likely to touch off a revolutionary explosion in the country.

Yet the reality is that the progressive effect of the Sullivan code firms has benefited at most the 66,000 black South Africans they directly employ. Millions upon millions of others are immeasurably worse off today than a few years ago. There is where the revolutionary time-bomb ticks — there, within the abysmal failure of the government to bring about meaningful change for the vast majority. Beside that single fact, the presence or withdrawal of U.S. corporate investments is incidental.

Realism suggests that the drama of corporate withdrawal may not, in itself, have a proportionately forceful effect on apartheid. Non-U.S. firms may well move in to take up the slack, even in the face of world censure. But that does not mean that getting U.S. corporations out of South Africa would be self-defeating, or a pyrrhic victory.

Corporate conscience is an elusive idea in this country, but it exists and cries out to be heeded. When the eventual explosion comes in South Africa, it is our conscience, no less that of world opinion, that will call us to account. If our firms are still there, how will we explain and justify our tacit collusion with evil?

In the meantime, a U.S. commercial disengagement would certainly cause economic hardships for South Africa. It would further indict Pretoria in the eyes of the world, and it would place greater stigma on any nations and companies moving in to replace the departed Americans.

What about the few black South Africans who have made tangible gains through employment by U.S. firms? Tragically, they will suffer. Undoubtedly their self-interest had something to do with the results of a recent survey, which reported that 75 percent of black employees of American firms oppose U.S. disinvestment and withdrawal as a protest to apartheid. But the more compelling explanation is that it is, in South Africa, a criminal offense to call for disinvestment by foreign individuals and corporations. Whatever black workers really think about the presence of U.S. corporations, they have good reason for keeping up a facade of approval.

Ringier declarations of principle are easy enough for the observer, comfortable — and safe — half a world away. But the abuses have shown themselves so abominable

and so impervious to change as to require a decisive, even a draconian, response.

U.S. companies are in a position to deliver it.

For that matter, even a total U.S. corporate withdrawal is unlikely to be enough of an American response.

As I wrote in *Newsday* six years ago, I believe that national foreign policy is the strongest and most effective weapon in our arsenal against apartheid. The United States should have a unilateral policy of total economic sanctions against Pretoria, and we should cooperate with the United Nations to encourage complete economic, social and cultural isolation.

Unhappily, the present administration's policy of "constructive engagement" with South Africa is not only a delusion and a sham, it actively undercuts the cause of the black majority and those other groups who are also systematically oppressed there.

There is no better way, and no other way, to reassert our national integrity than to act decisively, and to act now. For U.S. corporations in South Africa, time has run out.

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Point of View is a forum of public opinion. If you have expertise and opinions about a matter of public interest and would like to write an essay, contact Robert Stuart, Editorial Page Editor.



TO OPENLY support disinvestment is a crime in South Africa. It carries heavy penalties.

This alone is a clear indication of the alarm with which the Government views the growing campaign to withdraw foreign capital from South Africa.

It is a campaign that seems set to grow in the months and years ahead and will undoubtedly continue to cause divisions not only among South Africans, but also in those countries where the battles against investment are being fought.

The argument of those in favour of disinvestment is that the withdrawal of foreign capital will force the Government to speed up political reform.

The additional hardship that the consequent loss of jobs might cause blacks would be short-term and relieve their perceived oppression far quicker than is happening at present.

Those against disinvestment claim either that the Government is more likely to proceed with political reform in good economic times and when it is not under severe international pressure, or that it is grossly unfair to advocate a strategy that will lead to even greater suffering for blacks.

While there have been no large scale disinvestments to date, the pressures on foreign companies — particularly those in the United States — to pull out of South Africa are mounting.

From a relatively innocuous start 10 years ago by anti-apartheid lobbyists, the campaign in the United States today enjoys widespread support.

In a recent position paper for SA Forum, Professor Carl Nöfke, director of the Institute for American Studies at the Rand Afrikaans University, wrote that more than 350 American companies had more than R5 500-million invested in South Africa and more than 6 000 other United States companies did business with South Africa.

Other estimates, which included loans and gold shares, placed total United States investment in South Africa as high as R25 900-million while US bank loans to the private and public sectors in South Africa were estimated at R11 000-million.

He wrote that so far five United States legislatures had approved laws restricting investment in South Africa and at least 40 others were expected to deal with more than 60 disinvestment bills next year.

Some large American cities, including New York, Washington DC and Boston, have disinvestment ordinances and the Mayor of Boston, Mr Raymond Flynn, has urged the country's 100 largest cities to withdraw investments in companies doing business with South Africa.

Moves supporting investment restrictions to a greater or lesser degree have also been made by 41 United States universities, Prof Nöfke said.

At Federal level, the campaign to restrict financial dealings with South Africa has been fought bitterly in Congress and is expected to continue next year.

Although the disinvestment campaign in Britain and South Africa's other major European trading partners is not as strong or well organised as in America, it is being extended in those countries and observers believe it will gain momentum.

# Political reform is the answer to disinvestment

The growing disinvestment campaign against companies operating in South Africa has probably become the most serious foreign threat facing the Government. In the United States in recent weeks the campaign reached unprecedented heights, with even some of the country's conservative politicians supporting the call

## CHRIS FREIMOND, Political Correspondent

A leading South African businessman, Mr Tony Bloom, head of the Premier Group, said in an interview that he was "extremely concerned" by the disinvestment lobby and believed its strength was being under-estimated.

He believed it was stronger now than it had ever been and said it might be only a matter of time before the inconvenience factor of pressures on companies with investments in South Africa outweighed their desire to remain in the country.

In South Africa itself disinvestment is an emotional issue. The extent of its support is unclear.

A recent survey by Professor Lawrence Schlemmer, director of the Centre for Applied Social Sciences at the University of

Natal, indicated that 75% of black industrial workers polled were opposed to disinvestment.

But a number of black leaders and anti-apartheid organisations support investment restrictions of some sort and believe the majority of their followers agree with them. Due to legal restrictions it is not possible to quote many of their views.

However, it is widely accepted that the Bishop-designate of Johannesburg, Bishop Desmond Tutu, favours foreign economic pressure to force political change in South Africa.

Economic pressures are also supported by United Democratic Front leaders and its hundreds of affiliate organisations.

An international policy statement earli-

er this year by the Federation of South African Trade Unions, said that Fosatu, as a trade union organisation concerned with the jobs and livelihood of its members, had to give careful consideration to the question of disinvestment.

It was its considered view that the pressure for disinvestment had had a positive effect and should therefore not be lessened.

Fosatu's statement said: "Fosatu is definitely opposed to foreign investment that accepts the conditions of oppression maintained by this regime".

The trend among many South African leaders and organisations seems to be towards conditional foreign investment, possibly along the lines of a "carrot and stick" policy with foreign companies.

Governments would put increased pressure on the South African authorities to introduce political change, and threatening to withdraw investments or approve disinvestment laws if it does not.

Whether the disinvestment campaign is capable of widespread success remains largely unknown.

Apart from their defence for remaining in South Africa on the moral grounds that they are assisting in the social and financial upliftment of blacks, most foreign businessmen have too much to lose by pulling out.

South Africa is also a valuable trading partner to many countries. Disinvestment and trade sanctions could cause economic hardships and unemployment in those countries.

Prof Nöfke wrote that a recent survey by the Institute for European Economic Studies in London, in conjunction with two research groups in France and West Germany, concluded that most Western nations would be economically and strategically weakened by concerted disinvestment in South Africa.

In an interview published in the latest edition of Leadership SA, the new chairman of Dunlop in London, South African born Sir Michael Edwardes, said he believed any "disengagement" from South Africa by freindly nations "has got to be a bad thing" for all the parties involved.

"Disengagement isolates and the last thing you want in the world today is isolation — you want communication.

"The only way to communicate is to have a vehicle and to have a cause to communicate.

"So, I believe disengagement by British and American companies from the scene plays into the hands of extremists and is unconstructive and unhelpful."

The problems are complex, but the solution is probably not nearly as difficult as many would believe.

Mr Bloom summed it up in two words when asked how he thought the disinvestment campaign could be countered.

"Political reform," he said.



# American Committee On Africa

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## Resources Available

\_\_\_\_\_ SOUTH AFRICA: QUESTIONS AND ANSWERS ON DIVESTMENT by  
Stephanie Urdang, ACOA 1984, 4pp. 30¢ each. Over twenty, 15¢  
each.

\_\_\_\_\_ BLACK WORKERS UNDER SIEGE: REPRESSION AGAINST TRADE UNIONS  
IN SOUTH AFRICA by Sandy Boyer, AF 1984, 8pp. A new report  
on the torture, imprisonment, and even death which faces  
black workers when they try to organize unions. With a  
preface by Victor Gotbaum, Executive Director of District  
Council 37 AFSCME. 60¢ each. Over twenty, 30¢ each.

\_\_\_\_\_ SOUTH AFRICA FACT SHEET, AF 1984, 4pp. Facts and figures on  
population, removals, wages, repressive legislation, SA-US  
economic ties and more. 30¢ each. Over twenty, 15¢ each.

\_\_\_\_\_ THE ILLUSION OF REFORM, THE REALITY OF EXISTENCE by Jennifer  
Davis, AF 1985, 6pp. Reprinted from Christianity & Crisis.  
Black resistance to apartheid is gathering force, while the  
racist government's mythical reforms and real repression  
intensifies opposition. 35¢ each. Over twenty, 20¢ each.

\_\_\_\_\_ MAKE IT IN MASSACHUSETTS--NOT SOUTH AFRICA: HOW WE WON  
DIVESTMENT LEGISLATION by Mass Divest, ACOA 1983 (updated  
1984), 4pp. 30¢ each. Over twenty, 15¢ each.

\_\_\_\_\_ ECONOMIC DISENGAGEMENT AND SOUTH AFRICA: THE EFFECTIVENESS  
AND FEASIBILITY OF IMPLEMENTING SANCTIONS AND DIVESTMENT by  
Jennifer Davis, James Cason and Gail Hovey, reprinted from  
Law and Policy in International Business Vol. 15, No. 2,  
1983, 30pp. An analysis of South Africa and the feasibility  
and effectiveness of sanctions and divestment. \$2.00.

\_\_\_\_\_ FINANCIAL CONSEQUENCES OF DIVESTMENT FROM SOUTH AFRICA,  
prepared by Jennifer Davis, Executive Director, American  
Committee on Africa, November 1983. \$5.00

\_\_\_\_\_ AMERICAN FIRMS, SUBSIDIARIES & AFFILIATES OPERATING IN THE  
REPUBLIC OF SOUTH AFRICA, American Consulate General-  
Johannesburg 1982 \$5.00.

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