

DEL MONTE CORPORATION
ANNUAL SHAREHOLDERS' MEETING
September 26, 1978

Shareholder Proposal No. 2: South Africa

- I. Retiring Prime Minister Vorster announced that South Africa would ignore the five Western Powers Namibian Peace Proposal for U.N. supervised elections
- II. Arrest of all of Steve Biko's family
- III. Removal of African "squatters"--killing women and children
- IV. A. There is a war in South Africa
- IV. Del Monte left California in 1960 to establish its fruit and vegetable canning operation in South Africa for export to Europe. Also buys sardines from illegally-ruled Namibia.
- V. Del Monte is strategic to South Africa
Estimated: \$9 million assets
\$16 million sales
Pays taxes, earns foreign exchange, expands export markets.
- VI. A. Contracts with almost 300 white South African farmers
B. 1200-1500 seasonal migrant workers from Ciskei and Transkei
- VII. Utilizes migrant labor enforced by pass system to obtain cheap black labor--living in barracks environment, separated from family
- VIII. Lowest wages are in agriculture in South Africa--
Yet Del Monte management praises itself as a progressive employer.
Will they let shareholders judge for ourselves? No--
selective disclosures.

- A. 1977 resolution asking for nonproprietary information on wages and salaries at Del Monte subsidiary by race and job classification
 - 1. Refused
 - 2. Also refused to answer U.S. Senate Subcommittee request for the information

They said last year, "The employee information required would be difficult and expensive to compile, and some of the information is simply not available because such records are not maintained."

Yet, Michael Roudnev admitted the company had information.

- IX. Del Monte signed South African supported so-called "Sullivan Principles" to move toward a policy of equal pay for equal work.
 - A. U.S. corporations only employ 60,000 Africans and 1% of entire labor force
 - meaningless
 - Doesn't address fundamental system of apartheid.
 - B. Del Monte has not said it will recognize and bargain collectively with a black African labor organization.
- X. Couldn't even enforce "equal pay for equal work" policy if the company is serious about it--
- A. South African Official Secrets Act
 - B. Protection of Business Act (mention Mobil)
 - C. Company would be afraid of being taken over under the National Supplies Procurement Act

XI. Another common argument is Africans want U.S. corporations to stay.

Terrorism Act--Any African advocating withdrawal of American business can be put to death.

XII. Conclusion

A. No disclosure

B. South African-supported Sullivan Principles are a cruel joke, meaningless, and an insult to the intelligence of shareholders, and especially the black African majority.

Improving a few buildings and employee working conditions will not affect the situation in South Africa.

C. Del Monte supports the migratory labor policy and the pass system and benefits by slave labor.

D. The company refuses to recognize that, by financially supporting South African apartheid, it is sowing the seeds of revolution that will result in a racial bloodbath.

E. By not announcing "no further expansion," like several other corporations, it endangers our investment there and encourages continued racial oppression, and says to the South African government, "Apartheid and racism go hand in hand."

F. This company is threatening the whole free enterprise system in South Africa and Del Monte's present investment.

G. Support non-expansion.

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Questions & Answers

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I. This corporation is veiled in secrecy.

Examples:

- A. R.J. Reynolds tender offer
- B. Not release nonproprietary information at shareholder request
- C. Television, tapes and photos of shareholders

II. This corporation needs to improve its shareholder relations.

Examples:

- A. Last year, after I had submitted my resolution on disclosure management, Del Monte asked Bob Monagan, its paid lobbyist in Sacramento to "find out about me." He went to his daughter, who worked with a friend of mine in a legislative office, asking her to find out about me through my friend. Del Monte didn't contact me directly, nor did he (Monagan).
- B. Company didn't even acknowledge my letter and resolution last year. Ignored my offer to negotiate.
- C. Company tried to eliminate my resolution from the proxy soliciting materials on a technical legal question. SEC ruled against the company.
- D. Company announced at last year's meeting that they would send minutes of the meeting to all those shareholders who requested them, but refused to send them to me, while sending them to others: "tacky, tacky." (cheap shot)

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DEL MONTE CORPORATION

This is part of a national movement demanding social accountability on the part of U.S. transnational corporations. U.S. corporate and bank financial support for South Africa is a matter of growing concern in Congress, the California Legislature, state and local governments, private and public universities, churches, unions, community organizations, and institutional investors.

South Africa is ruled by a white minority dictatorship supported economically by over 500 subsidiaries of U.S. transnational corporations. Del Monte is one of those corporations, and is strategic to South Africa. Del Monte pays taxes to the government, earns foreign exchange for the South African government, and is recognized by the black African majority as expressing a vote of confidence in apartheid.

As a January 1978 U.S. Senate Subcommittee report found:

"...collectively, U.S. corporations operating in South Africa have made no significant impact on either relaxing apartheid or in establishing company policies which would offer a limited but nevertheless important model of multinational responsibility."

and

"...the net effect of American investments has been to strengthen the economic and military self-sufficiency of South Africa's apartheid regime, undermining the fundamental goals and objectives of U.S. foreign policy."

Del Monte Corporation last year refused and continues to refuse to release nonproprietary information to shareholders on Del Monte's

South African subsidiary. Del Monte admits it has this information, but, unlike other corporations which have reported, the company's management feels that the information, especially as it relates to African employee wages and salaries, may be "misinterpreted."

Del Monte utilizes migratory labor, and I believe, until the company proves otherwise, it pays sub-subsistent wages to its employees, like other South African agricultural employers.

Del Monte does not recognize an African union, nor has management indicated that they plan to negotiate and bargain collectively with an African union.

Del Monte moved its fruit and vegetable canning from California to South Africa in 1960 so that it could save money in exporting to Europe.

Del Monte Corporation is controlled by the South African Department of Agriculture-supervised Canning Fruit Control Board.

Under the South African National Supplies Procurement Act, the South African government, in declaring a national emergency, can require Del Monte to produce goods and services for national defense and for internal security.

In addition, Del Monte has endorsed the so-called Sullivan Principles, which establish guidelines for corporations in South Africa to support the policy and move toward "equal pay for equal work." Under the South African Official Secrets Act and the Protection of Business Act, these guidelines cannot be enforced nor implemented. When Mobil Oil and CALTEX were charged with violating federal law by importing oil into Rhodesia, the U.S. Treasury Department couldn't even obtain

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documents from U.S. subsidiaries operating there to substantiate or disprove the allegation. It is nothing more than another public relations gimmick to continue making money under slave labor conditions while trying to improve the company's public image.

Even if the "Principles" were enforced, U.S. corporations employ less than 1% of the entire South African labor force. It does not address the fundamental question of apartheid. It is too little--too late, and everyone, especially the African majority, has recognized it for what it is: a cruel and evil joke, allowing the company to bolster its image at home, while continuing "business as usual" in South Africa.

I'm presenting this resolution today in the belief that a further expansion of Del Monte investments in South Africa will strengthen and morally and financially support the apartheid regime at a time when it is under severe economic and political stress. The company should not expand its operations until the government commits itself to ending apartheid and taking meaningful steps toward the achievement of full political, legal, and social rights for the majority population.

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