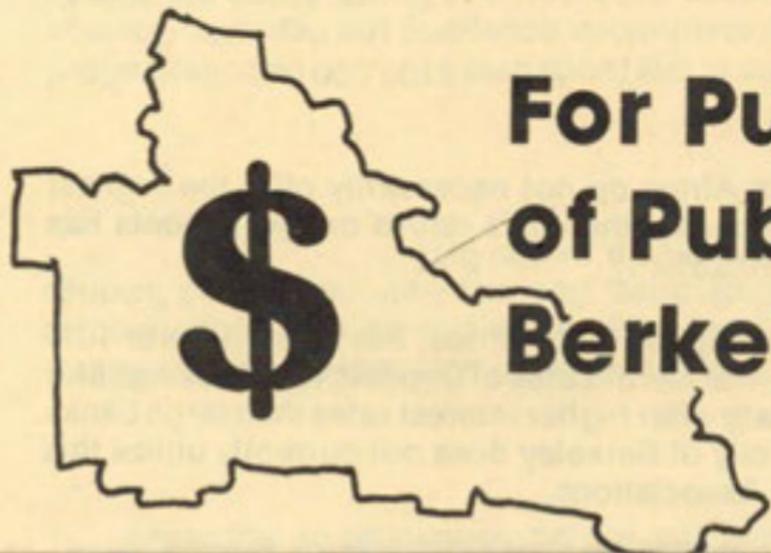


**BERKELEY OUT OF SOUTH AFRICA**

**VOTE YES ON A & B**

**For Freedom in South Africa**



**For Public Control  
of Public Money in  
Berkeley**



## Why Should the Berkeley Public be concerned about investments in South Africa?

The problems of citizens in Berkeley are directly linked to those of the black majority in South Africa. One concrete tie is that citizens here have no participation in decisions concerning the investment of their public money.

With Measures A and B, the Berkeley public can be assured that municipal funds are invested under socially and economically rational guidelines to meet the needs of our community. Our money should not be used to support apartheid in South Africa when it could be serving urgent local needs.

## What is Apartheid?

Apartheid, a system of legalized racial segregation, is the basis of the South African economic and social structure. The lives of black people are totally controlled by the white minority government. The following are a few examples:

- Blacks, 84% of the population, are assigned to Bantustans (reservations). These Bantustans comprise 13% of the most arid and infertile land in South Africa (87% of the land is reserved for whites). Since it is virtually impossible to earn a living there, blacks must enter the "white" areas to seek employment.
- "Influx control" laws force workers to leave their families behind. Yet these families remain dependent on the poor wages of the working members of the family.
- Blacks must carry a passbook, a detailed record of residence and employment.
- They lack basic trade union rights, such as the right to strike.
- Any resistance to these measures is met with military repression of the most brutal and terroristic nature.

## How does the U.S. help South Africa maintain Apartheid?

More than 350 U.S. corporations provide crucial support in energy production, transportation, computers and mining. These corporations furnish the capital, technological know-how and managerial expertise that have been central to South Africa's economic growth. For example, they supply the technology to administer the passbook and prison systems, and are required by law to provide the government with strategic products in times of emergency.

South Africa has long relied on U.S. banks for the funds necessary to support apartheid, particularly when the economy has been threatened by civil unrest. Since the Soweto Uprisings in 1976, U.S. loans more than doubled. They now stand at \$3 billion, almost one-third of all loans claimed against that country.

According to the U.S. Senate Foreign Affairs Subcommittee, "the net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's apartheid regime."

## But don't U.S. Investments work to liberalize the racist system?

U.S. loans and investments **have not** had the effect of liberalizing apartheid. South Africa's unprecedented economic growth, fueled by foreign loans and investments, has been accompanied by increasing repression and exploitation of blacks.

For example, white/black wage gaps have widened, Pass Laws were tightened and extended to African women, and a record number of discriminatory laws were passed between 1961 and 1971. Thus U.S. business executives have aided in building apartheid; it is legally impossible for them to resist the South African government in order to institute reform.

It is important to respond to what the majority of South Africans want. Almost every black organization has called for an end to foreign investment until there is majority rule. Prominent whites who oppose apartheid are also calling for an economic boycott in order to bring about the demise of apartheid.

**Is divestment just a symbolic gesture or will it have a concrete impact on ending apartheid?**

Measures A and B will be both a symbolic protest against institutional racism and a concrete political-economic blow against that system of human degradation. These measures are part of an international movement to withdraw both public and private monies from banks that make loans to South Africa.

The eyes of the South African government will be on Berkeley this April 17. They see a clear threat in the growing links of increased international condemnation of apartheid and the withdrawal of investments from their country. Furthermore, people across the nation will be inspired by Berkeley's lead. Plans are already underway to put similar initiatives on the ballot in 12 California cities.

**Divestment may help end apartheid, but will it cost the city money?**

Large banks loaning to South Africa do not necessarily offer the highest interest rates. In using these banks, the city's return on investments has ranged between 6.05% and 10.25%.

Central Bank, a bank not loaning to South Africa, has offered up to 10% interest on the city's deposits. For Certificates of Deposit, local Savings and Loan Associations can generally offer higher interest rates than large banks loaning to South Africa. The city of Berkeley does not currently utilize this service at Savings and Loan Associations.

With these measures, city revenues will be maintained or increased.

**But don't all banks have indirect financial ties with South Africa?**

With Measure B's definition of indirect loans, alternative financial institutions for the deposit of Berkeley City funds can be easily identified to include Central Bank, First Enterprise, Security National, and all Savings and Loan Associations. (This is only a partial list.)

**Are these measures compatible with State law requirements?**

State law requires that deposits of city funds over \$100,000 be collateralized (insured) by 110% at financial institutions accepting the deposits. Savings and Loan Associations and banks not loaning to South Africa are able to offer this 110% collateral.

A second requirement is that the city realize the highest interest rates on its deposits. Interest rates on city deposits have ranged from 6% to 10%. The city can realize the same or higher interest rates by depositing its funds in financial institutions not loaning to South Africa.

Under Measures A and B, a nine-member citizens committee will develop a responsible investment policy which will maintain or improve the liquidity, safety, and rates of return for our public funds.

**How will these Measures improve our community?**

These measures will increase our control over the use of our public money. By passing these measures, Berkeley citizens will be assured that their public money will be invested in ways that will most benefit the local community.

By transferring our funds from large, multinational financial institutions to smaller, local institutions, we can bring our money back to our own community, rather than have it support apartheid. We can witness improvements in housing, small business development, health-care services, and job availability.

**PUBLIC MONEY FOR BERKELEY**

**NOT FOR APARTHEID**

**VOTE YES  
ON A & B  
APRIL 17**

**YES ON A & B**

