

CHURCH PROXY RESOLUTIONS

January 1983

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INTRODUCTION

The Interfaith Center on Corporate Responsibility is a coalition of church investors concerned about corporate responsibility. Member agencies include representatives of 14 Protestant denominations and more than 180 Roman Catholic religious communities and dioceses who seek to have their social concerns reflected in the practices of corporations in which they hold stock. The ICCR exists to serve the common needs of member church agencies in their corporate responsibility programs.

The proxy resolution is one mechanism by which institutional and individual investors may submit proposals to corporations on issues that have a potential impact not only on their business but also on society as a whole. It is an important means for voicing social concerns about corporate activities. The proposals being submitted by church groups to corporations this year have been assembled here for the information of church and other investors who wish to study the issues or to prepare to vote on the resolutions. Church groups are submitting 118 resolutions to 85 companies as compared to 89 resolutions to 72 companies in 1982, 88 resolutions to 72 companies in 1981, 104 resolutions to 81 companies in 1980, 62 companies in 1979, and 47 in 1978. As summarized in the index, more than 100 church agencies are responsible for filing the various resolutions. This proxy packet includes the list of resolutions as of early 1983. It is possible that other investors will join in co-sponsoring some of these resolutions, thus expanding the list of filers.

As indicated in the index, there are a number of institutional investors who have joined the churches in filing these resolutions. Included, for instance, are the State of California Public Employee Retirement System and State Teachers Retirement System, the New World Foundation, and Union Theological Seminary. Further, included in appendices is information about resolutions filed independently by church investors who are *not* ICCR member organizations, but are church related. We have reprinted them here for your information.

It is important to note that many of these proposals are currently being negotiated with the companies and may be amended or withdrawn. Others may be excluded from company proxy statements by the Securities and Exchange Commission. While proposals are current as of early January 1983, their status may change, as may their wording. Others, which are not included, may also be submitted to companies whose meetings are scheduled in the latter half of the year. Because of such changes, *investors should check company proxy statements for final wording of resolutions.*

The ICCR office has available background information on most of the proposals submitted. A publications list is available on request and periodic updates on the status of resolutions will appear in ICCR's monthly newsletter, *The Corporate Examiner* (annual subscription price is \$25; a sample copy is free). Additional copies of this packet are also available from ICCR.

Please do not hesitate to contact ICCR for further information about church shareholder actions.

-Timothy H. Smith
Executive Director

AMERICAN HOME PRODUCTS

WHEREAS more than 135 major United States corporations, including IBM, Exxon, General Motors, Mobil, Ford, General Electric, Pfizer and Union Carbide have subscribed to the "Sullivan Principles";

The six Sullivan Principles set forth the minimum desegregation and fair employment standards for American corporations operating in South Africa. They provide for:

- * Nonsegregation of the races in all eating, comfort and work facilities;
- * Equal and fair employment practices for all employees (including non-discriminatory benefit plans);
- * Equal pay for all employees doing comparable work (including an equitable system of job classification);
- * Instituting training programs which will prepare substantial numbers of blacks for supervisory, administrative, clerical and technical jobs;
- * Increasing the number of blacks in management and supervisory positions;
- * Improving the quality of employees' lives outside the workplace in areas such as housing, transportation, schooling, recreation and health facilities;

American Home Products withdrew as a signatory to the Sullivan Principles. We believe this is an irresponsible action by one of America's most important companies.

RESOLVED that the shareholders request the Board to establish the following as corporate policy:

"That American Home Products shall sign and take steps to implement the Sullivan Principles. In the event that American Home Products South African subsidiary has not complied, by December 31, 1983, with each of the six Sullivan Principles, the corporation shall take whatever steps are necessary to terminate its South African operations.

SUPPORTING STATEMENT

The Sullivan Principles are seen by many institutional investors as a minimum requirement for companies doing business in South Africa. Leon Sullivan himself has urged a divestment campaign of stock in any company refusing to subscribe to the Principles. The State of Connecticut recently passed legislation requiring its pension fund to divest from such companies. Thus, American Home Products' stock will be on the "no buy" list of the State of Connecticut and numerous Churches, unions, foundations and universities. Many institutional investors have stated they will divest from companies which fail to sign or violate these principles.

We believe management's decision to withdraw from the Sullivan Principles was an unwise and irresponsible action which displays insensitivity to the massive racial injustice existent in South Africa today. If American Home Products is unwilling to sign and live up to these minimum Principles then they should take steps to leave the land of apartheid.

We urge American Home Products' Board and management to reverse its policy on this simple question.

We urge shareholders to vote YES on this simple but important question.

Resolution to BankAmerica

WHEREAS, BankAmerica management has persistently declined to establish a policy of no-more-loans to the white minority government of South Africa, even though racially discriminatory laws and regulations deny to 83% of the population all political rights as well as equal opportunity in employment, compensation, education and housing;

WHEREAS, Recent studies show the absence of fundamental change in South Africa and, according to the Investor Responsibility Research Center, the adoption of a strategy by the government "aimed not at ending apartheid, but in ensuring its continuation;"

WHEREAS, We believe foreign bank loans block internal pressure for peaceful change. A recent United Nations study concludes that international loans, such as IMF loans, have helped South Africa maintain its system of apartheid and have contributed to that country's military buildup;

WHEREAS, In 1982 BankAmerica had outstanding loans or credit lines available to the South African government and its agencies, including the Ministry of Finance, the South African Railways and Harbours, the Electricity Supply Commission, and the Industrial Development Corporation.

THEREFORE BE IT RESOLVED, that shareholders request the Board to provide all shareholders by September 1983, a report on the bank's involvement regarding South Africa, including the following but omitting information affecting the bank's competitive position and limiting costs of preparation to a reasonable amount:

- a) for the years 1970-1981, a report by category of all loans made to the South Africa government and to its state-owned corporations, describing intended use and date of maturity
- b) description by category of any South African loan requests which were declined during this period
- c) description of the criteria, process and policy base by which South African loan requests are decided
- d) management's evaluation of the concrete impact of the loans listed in a) on the struggle of the black majority for full social, economic and political equality.

SUPPORTING STATEMENT

BankAmerica's present policy allows a wide variety of loans to South Africa's government and its agencies. While BankAmerica states it will make no further loans to the government itself, it does not preclude extending loans to government agencies, thereby providing important foreign exchange for government use. This open door policy has created considerable controversy. For years stockholders have petitioned this bank to adopt a policy prohibiting loans which strengthen apartheid and white minority rule.

Numerous noted institutions, including the United Auto Workers, the State of Michigan, the cities of Davis and Berkeley, California, the National Council of Churches, the United Methodist Church, and the United Presbyterian Church have adopted policies to discontinue business with those banks which persist in making such loans.

We believe the report requested in this resolution could be written to protect confidential bank data while providing essential information to enable shareholders to evaluate the impact of our bank's lending to the Republic of South Africa.

CHEMICAL BANK

Whereas South Africa is condemned internationally for its policy of apartheid and white minority rule.

The South African government's racist policies have given the 17% white minority 87% of the land, 67% of the personal income and most of the capital wealth of the Republic.

We believe that foreign bank loans block internal pressure for peaceful change. A recent United Nations study concludes that international loans such as IMF loans, have helped South Africa maintain its system of apartheid and have contributed to that country's military build-up.

Whereas Chemical Bank has adopted a policy prohibiting loans to the government of South Africa or its instrumentalities or agencies, or to corporations for their South African operations and presently only permits trade related loans of a non-strategic nature. Management has stated:

"Chemical Bank is strongly opposed to apartheid and consequently has a policy prohibiting any loan transactions with the government of South Africa." Chemical has not made any such loans since 1974. We commend the bank for its sensitivity to apartheid expressed in this statement.

This Chemical policy is also good business. It has attracted numerous investors and clients. We estimate that over \$100 million in accounts have been moved to Chemical in light of its South Africa policy.

In contrast, Citibank has faced numerous withdrawals of accounts and divestments because it continues lending to South Africa. For example, Harvard University divested \$51 million in securities and over 40 Church investors have pledged not to buy Citibank CD's or bonds.

In light of Chemical's sound judgement on South African loans we propose this commending resolution.

Resolved That the shareholders commend the Board of Directors and management of Chemical Bank for adopting this corporate policy on lending to the Republic of South Africa.

Supporting Statement

Recent studies of South Africa point to the absence of fundamental change since the 1976 Soweto riots and the adoption of a strategy by that government "aimed not at ending apartheid, but in ensuring its continuation." International loans and credits play an important role enabling South Africa's government to modernize the system of apartheid through increasing restrictiveness of the pass and influx control laws and through financing a major military build-up. These trends underscore the importance of Chemical Bank's policy to extend no further direct financing to the South African government or its agencies or to corporations for their operations there.

A number of banks and brokerage houses have joined Chemical in adopting South Africa policies prohibiting loans to or bond sales of the South African government and its agencies. These include Chase Manhattan, Irving Trust, Mellon Bank, First National Boston, Merrill Lynch and Shearson-American Express.

We believe these decisions are both financially prudent and socially responsible. Many analysts predict that South Africa faces a period of social upheaval and violent unrest because of the injustices generated by apartheid.

Chemical Bank has accepted a leadership role in an ethically and socially responsible policy on lending to South Africa. This deserves recognition and commendation.

CONTROL DATA

WHEREAS many investors are concerned about Control Data's role in South Africa, where the system of legalized racism called apartheid exists.

WHEREAS a Control Data computer is being used by the Fluor Corporation to help build a strategic oil-from-coal installation and a hotly contested application is before the U.S. government for the sale of a 170/780 to the state-controlled Council on Scientific and Industrial Research.

RESOLVED: the shareholders request the Board of Directors to prepare a report on South Africa to be available to shareholders within three months of the 1982 stockholders' meeting. Confidential client information shall be respected and the price of compiling the report shall be kept within reasonable limits as determined by the Board. Items to be covered in this report shall include the following:

- a) a listing and description of the functions of all Control Data computers sold or leased to agencies of the government of South Africa or to corporations for contracts with the government and those where applications for U.S. government approval are pending.
- b) a general description of the decision-making process used to review sales to the government and ways in which Control Data's policy of refusing to sell or lease computers which would be used to abridge human rights is applied
- c) a description of any decision refusing to lease or sell to a government agency or other organization because of this policy
- d) an explanation of how Control Data parts sold to the British computer company ICL were able to be included in equipment sold to the South African police and military despite the U.S. Commerce Department embargo against such sales
- e) management's assessment of how their investment in South Africa has been able to contribute to overall social change or full political, social and economic rights for the black majority.

Supporting Statement

We believe the report requested in this resolution is necessary. Control Data has shown leadership in the past, adopting a "human rights policy" to apply to computer sales overseas, refusing to sell a computer to a South African government agency and agreeing not to expand in South Africa under apartheid. Management has experimented with computer-based education techniques for the black majority population. However several sales raise serious questions about the care with which Control Data reviews all South African sales. One computer is used by Fluor Corporation in building a highly strategic installation which was bombed once and is under military surveillance. Another sales of parts to ICL wound up in products sold to the South African police and military. Another pending application for a large computer to a government-controlled organization is being scrutinized on national security and nuclear proliferation grounds. Some Pentagon officials fear this computer's highly developed scientific ability might boost South Africa's nuclear weapons program. Thus we believe management should give more careful scrutiny to and report on the strategic computers sold to South Africa to insure these sales do not bolster apartheid or white minority rule.

CROCKER BANK

(A similar resolution has been filed with Republic New York)

WHEREAS Crocker Bank has persistently declined to establish a policy of no-more-loans to the white minority government of South Africa, even though such loans undergird that regime and facilitate its repression of the black majority representing 82% of the population.

Midland Bank, Crocker's partner, has such a policy.

We believe foreign bank loans block international pressure for peaceful change. Business Week (October 20, 1980) finds the government's "racial reforms virtually non-existent." Meanwhile, the government requires "large foreign companies to organize corporate militias among white workers and to foot the bill for arms and communications gear to be kept on company premises."

Recently proposed legislation will reinforce and strengthen the government's pass-law regulations and indicated the apartheid system is becoming more repressive.

The South African government continues its campaign for foreign bank credit, concluding one loan for \$250 million in 1980.

RESOLVED That the shareholders request the Board to provide shareholders by September 1983, a report on the bank's involvement regarding South Africa, including the following but omitting information affecting the bank's competitive position and limiting costs of preparation to a reasonable amount:

- a. for the years 1976-1982, a report by category of all loans made to the South African government and to state-owned corporations, describing intended use and date of maturity and loans refused during this period.
- b. description of criteria, process and policy base by which South African loans are decided.
- c. management's evaluation of the concrete impact of loans listed in a. on the struggle of the black majority for full social, economic and political equality.
- d. how Midland Bank's policy prohibiting loans to the South African government and its agencies will affect Crocker's criteria and decision-making process in dealing with South African loan requests.

SUPPORTING STATEMENT

Crocker Bank's present policy allows a wide variety of loans to South Africa's government and its agencies. While Crocker states it won't make loans to support apartheid, its policy still allows loans to the government and its agencies, thereby providing important foreign exchange for government use. This open door policy has created considerable controversy. For years stockholders have petitioned this bank to adopt a policy prohibiting loans which strengthen apartheid and white minority rule.

In 1980, both California's retirement systems supported a resolution to end all loans to the South African government and its agencies. In addition a number of institutions have adopted policies requiring the severing of relations with banks that continue to make certain types of loans to South Africa. These include the United Auto Workers, the States of Michigan and Connecticut, the National Council of Churches, the United Presbyterian Church, United Methodist and American Baptist Churches, the cities of Davis and Berkeley California, numerous universities and trade unions. For example, Harvard University divested \$51 million in Citibank securities in protest against a recent loan. In addition, Citibank has lost numerous account totalling approximately \$100 million because of its South Africa policy.

We believe this report could be written to protect confidential bank data but provide essential information on the impact of our bank's lending to the Republic of South Africa.

WHEREAS

the South African system of racial discrimination called apartheid denies fundamental rights to the black majority population, whose demands for peaceful change are met with increasing government repression. These policies cause South Africa's growing international isolation.

Sales of the Krugerrand gold coin provide the racist regime with vitally needed foreign currency and positive publicity, supportive to apartheid's continuation. The South African government's recent \$1 billion in credit approval from the International Monetary Fund will assist their stagnating economy with immense amounts of capital needed by the military and police, the two prime agencies of apartheid enforcement.

The bleakest U.S. economy since the Depression is evidenced by the almost 11% of labor being unable to find work. Naturally the poor suffer most as programs are cut back; the elderly fear cuts in already meager social security benefits. Young, black and unskilled Americans face massive unemployment.

The U.S. minting of "American Eagle" bullion coins and J. Aron & Co.'s marketing of the "American Arts medallions" are attempts to curb the billions of dollars annually in American outflow for foreign gold coins like the Krugerrand. Proper advertising techniques may convince Americans to forsake the Krugerrand for American gold coins.

DDB, through subsidiaries, handles U.S. and West German Krugerrand advertising under agreement with South African Chamber of Mines' marketing arm Intergold. These ads enhance South Africa's reputation and may cause economic damage to the U.S. where the economy staggers and alternative gold coins are available.

RESOLVED

shareholders request the Board to re-evaluate DDB's role in Krugerrand advertising which affects our image and report to shareholders by September, 1983, the rationale for continuing or discontinuing Krugerrand ads in light of the new "American Eagle" and the revival of the "American Arts medallions" versus the Krugerrands' South African origin.

Supporting Statement

Latest U.S. budget estimates (assuming a solid recovery from the recession and modest reductions in unemployment and interest rates, all of which are debatable) forecast a 1983 fiscal year federal deficit of \$180 billion. The U.S. economy can ill afford any outflow of capital to South Africa when the money is desperately needed for investment in the United States in order to permit people once again to create and develop industry that may provide more jobs.

The City Councils of Chicago, Boston, Milwaukee, Atlanta, Detroit, Denver, Dayton, Duluth, Austin, San Antonio, Portland, Oregon and the Massachusetts House of Representatives have all urged their citizens not to purchase Krugerrands. Eleven TV stations--WCBS, WNBC, WABC New York; WBBM, WMAQ, WGN, WLS Chicago; WNAC, WBZ, WCVB Boston; and WKGW Portland have refused to accept advertising for South African Krugerrands. The Boston Globe also refused to accept Krugerrand advertising.

They deserve support for this stance. Many others may also refuse to participate in the sales of Krugerrands once they realize the availability of U.S. gold alternatives and how an overseas outflow of American assets hurts the American economy and, in turn, the American people, many of whom are harmed by America's economic plight.

DRESSER INDUSTRIES*

WHEREAS, on August 21, 1979, Dresser advised the Reverend Leon Sullivan that Dresser would not be willing to commit to the submission of progress reports or on-site monitoring in South Africa required of all signatooees to the "Sullivan Principles";

WHEREAS, more than 135 major United States Corporations, including IBM, Exxon, GM, Ford, Mobil and GE have subscribed to the "Sullivan Principles" which establish minimum desegregation and fair employment standards for American corporations operating in South Africa;

WHEREAS, these six principles provide for:

*Nonsegregation of the races in all eating, comfort and work facilities;

*Equal and fair employment practices for all employees (including nondiscriminatory benefit plans);

*Equal pay for all employees doing comparable work (including an equitable system of job classification);

*Instituting training programs which will prepare substantial numbers of blacks for supervisory, administrative, clerical and technical jobs;

*Increasing the number of blacks in management and supervisory positions;

*Improving the quality of employees' lives outside the work place in areas such as housing, transportation, schooling, recreation and health facilities;

WHEREAS, it is difficult, if not impossible, for shareholders to obtain information concerning Dresser's activities and effects upon the South African economy and the black community in South Africa, which information is essential to the Company's investors

RESOLVED, that the shareholders request the Board to provide to all shareholders by November 1982 a report on the business operations of Dresser in South Africa and on the Corporation's labor practices and policies as they affect the black population of South Africa, including the following, provided that information directly affecting the competitive position of the Corporation may be omitted and that funds expended in its preparation be limited to amounts determined reasonable by the Board:

(a) A detailed listing of wages and employees benefits by functional job description for all Dresser South African employees over the past five (5) years compared to the South African standards for a living wage such as the Poverty Datum Line and Minimum Level, and of training programs in effect, all of the above comparing African and White workers;

(b) A description of the trade unions, if any, for African employees and of any contracts or understandings with White trade unions which restrict opportunities for Africans;

(c) A description of South African laws and customs which directly affect the Corporation's African employment practices and its compliance with these laws and customs and a summary of actions taken to modify these laws and customs;

(d) A description of the Corporation's involvement in providing, promoting, or subsidizing, any and all health, educational, and social benefits for employees and their families, for both African and White employees;

(e) An evaluation of the overall social impact of the Corporation's presence in South Africa on the black majority of South Africa and their struggle for full political, social and economic equality.

SUPPORTING STATEMENT

In 1979 Dresser's South African assets were \$39,100,000.00 --- twice the 1977 level.

In its 1981 Proxy Statement, The Board of Directors stated that "from an economic and social viewpoint the black community in South Africa has benefited and is continuing to benefit from the presence of the Company's affiliate in South Africa." Since Dresser has refused to subscribe to the Sullivan Principles, which would provide public reports concerning the effects upon the black worker and population in South Africa, we believe that Dresser should provide to its shareholders an accounting of its activities which would document its claims and intention "to be a good corporate citizen."

*This is the text of the resolution filed with Dresser in 1982. A similar resolution will be filed in 1983.

DUN & BRADSTREET

(Similar resolutions have been filed with Allis-Chalmers, AMAX, American Home Products, Baxter-Travenol Labs, Eaton, Foster Wheeler, and International Flavors and Fragrances)

"Whereas, the Sullivan Principles represent a policy statement by American Corporations operating in South Africa to abide by certain minimum desegregation and fair employment standards;

Whereas, the Sullivan Principles, in harmony with similar codes of conduct in South Africa, have as their goal the equal treatment of workers of all races in South Africa including seeking advancement of Black, Colored and Asian employees so they can hold jobs at all levels within companies and find improvement of life and equal opportunity outside the work environment;

Whereas, the U. S. government's policy under the past administration, and presumably under the current administration, was to encourage South Africans to work for "a society in which there could be full rights, justice, and political participation for all of her people" through gradual change, not major confrontation;

Whereas, Dun & Bradstreet has not joined with the other 135-plus American companies by publicly attesting to such goals through signing the Sullivan Principles;

Whereas, Dun & Bradstreet is deemed to hold at least 50% equity in Dun & Bradstreet (Pty) Ltd. (Johannesburg) with, reportedly, 644 employees;

Whereas, all but approximately 8 majority-owned American companies with at least 500 employees have signed the Sullivan Principles and Dun & Bradstreet has not;

Therefore, Be It Resolved that the shareholders request the Board of Directors to agree to adopt or cause to be adopted the Sullivan Principles as corporate policy relative to Dun & Bradstreet (Pty) Ltd. (Johannesburg)."

SUPPORTING STATEMENT

Some institutional shareholders have sold their shares in companies operating in South Africa that have not signed the Sullivan Principles and several others have stated their intent to sell their shares in such companies.

At least 135 American companies operating in South Africa have already subscribed to the Sullivan Principles and formal periodic progress reports have been made relative to their abiding by certain minimum desegregation and fair employment standards.

The subscribing by American companies to the Sullivan Principles is a public statement by such American companies that their efforts will be geared towards respecting human dignity and human rights rather than quietly blending into the apartheid scenery.

We believe that Dun & Bradstreet, just as 135 other American companies have done, should stand and be counted as a signer of the Sullivan Principles.

SHAREHOLDER PROPOSAL FOR EATON

WHEREAS South Africa's apartheid system legalizes racial discrimination in all aspects of life, e.g., Africans cannot vote, cannot collectively bargain, must live in racially segregated areas, are paid grossly discriminatory wages, are assigned 13% of the land while 87% is reserved for whites who comprise only 18% of the population.

Increasing opposition to apartheid and black demands for full political, legal, and social rights has resulted in widespread killing, arrests and repression by the South African government.

Prime Minister Botha has committed his government to maintain white political control and deny political rights to South African blacks. In addition, South Africa has invoked war powers legislation stating that any company can be forced to provide goods to the government for military purposes.

Recent studies of South Africa point to the absence of fundamental change since the 1976 Soweto riots and to the adoption of a strategy by the South African government "aimed not at ending apartheid, but in ensuring its continuation."

Cutler-Hammer, Inc., formerly a signatory of the Sullivan Principles of fair employment in South Africa, ceased to exist after its purchase by Eaton.

We believe that United States business investments in South Africa, including Eaton's, strengthen and morally support the apartheid system at a time when that system is under severe stress.

RESOLVED that shareholders request the Directors to establish the following policy:

Eaton and any of its subsidiaries or affiliates shall make no further investment nor expand operations in South Africa until the government commits itself to ending apartheid and takes meaningful steps toward the achievement of full political, legal and social rights for the majority population.

SUPPORTING STATEMENT

In South Africa, Eaton currently sells transmissions, axles and brake components for medium and heavy trucks. Eaton reserves the option of expanding its facilities there.

Other United States companies are committed to a policy of no expansion in South Africa. General Motors states its expansion is predicated upon "resolution of the country's pressing social problems." Ford indicates it will not expand under the present system of segregation. Following a crackdown on black newspapers and anti-apartheid advocates, Control Data announced a moratorium on further investment (other than to assist black education). Other firms prohibiting expansion of their investment include Johnson & Johnson, Kodak, Kimberly-Clark, and Gulf & Western.

More than 140 United States corporations have adopted the Sullivan Principles of fair employment but Eaton has not done so. Adoption includes not only an intention to comply with these principles but also reporting to Sullivan and subsequent evaluation of their implementation. Leon Sullivan has asked institutional investors to divest from any corporation that is not a signatory. For example, the State of Connecticut has such a policy. We question whether Eaton should stay in South Africa if it does not sign the Sullivan Principles.

In 1981 this resolution received 8% of the vote.

First Chicago Corporation

Whereas the system of social discrimination known as apartheid in South Africa denies fundamental rights to the black majority population, whose efforts for peaceful social change are being met with increasing governmental repression. These racist policies are resulting in South Africa's growing international isolation.

Whereas international sales of the Krugerrand gold coin provide the racist regime with vitally needed foreign currency and positive publicity, supportive to apartheid's continuation. Krugerrand sales grew from 2.9 million in 1976 to 6 million in 1978. In 1980-81 they provided 28% of the South African budget, compared to 17% in 1979-1980. This enabled South Africa to increase greatly its spending on military and police systems.

Whereas First Chicago is the largest distributor of Krugerrands in the midwest, having sold 93,000 Krugerrands in 1980.

Whereas major institutions in Chicago, including all major TV stations, brokerage houses and retail outlets, have opposed Krugerrand sales by discontinuing their wholesaling, retailing or promotion of the coin. The Chicago City Council together with councils of many other cities have asked citizens not to buy Krugerrands.

Whereas alternative coins to the Krugerrand are readily available.

Resolved that shareholders request the Board to issue a report to shareholders by September, 1983 (proprietary information excluded and cost to be reasonable) including:

1. Amount of Krugerrands sold by First Chicago in 1982.
2. Statement of First's rationale for continuing Krugerrand sales.
3. Description of the business relation between First and South African Chamber of Mines.
4. Assessment of how Krugerrand sales affect the black majority population of South Africa and First's public image in the United States.

Statement of Security Holder

We believe the Krugerrand is a symbol of apartheid, a system of legalized racism. The coin is named after Paul Kruger, a white South African politician, who said, "The black man had to be taught that he came second and that he belongs to the inferior class that must obey."

South African black miners of the gold for Krugerrands work in appalling and dangerous conditions. Black workers live in bachelor barracks away from their families. They are paid discriminatory wages compared to white mineworkers, averaging less than the South African official poverty line. Fatal accidents in the mines are common.

Half the approximately 4.9 million Krugerrands sold worldwide in 1979 were marketed in the United States. First's share has been high. We believe it is immoral for our Corporation to be profiting from South Africa's racial exploitation and believe it can sufficiently fulfill its obligation to customers by providing other coins.

We believe First's sales of Krugerrands make the Corporation a partner in apartheid. This report will help shareholders to understand First's involvement in South Africa and assist them to develop their position regarding First's policy on Krugerrands.

GENERAL ELECTRIC IN SOUTH AFRICA

Whereas Robert MacNamara, former head of the World Bank, while in South Africa said, "If South Africa fails to deal justly and effectively with its racial problem, that failure will not only result in immense damage to its own society it will impose heavy economic, military and political penalties on other Western societies as well."

South Africa's racist system of apartheid shows no sign of breaking down. Pending South African legislation, the Orderly Movement and Settlement of Black Persons Act, plans for a new approach to control population movement, imposing heavy penalties on employers who hire those not allowed to live in "white areas" where employment is available.

In 1970 the Bantu Homelands Citizenship Act was promulgated requiring every black person to be a citizen of a "homeland". It is irrelevant if the person has no connection with the area set up as their bantustan. In theory, two-thirds of all South Africans are foreigners in their own country. This Bantustan system has been condemned internationally. The United Nations General Assembly has called for no diplomatic, economic or social recognition of the Bantustan system. There has been virtually no foreign investment in these Bantustans to date.

Nevertheless, GE management recently studied at length the possibility of its subsidiary, Utah International starting a huge new (\$140million) mining operation in a Bantustan. Finally management decided not to make this new investment. However, the very fact that such a highly sensitive investment was considered makes us question GE's sensitivity to the oppressive apartheid system.

Resolved The shareholders request the Board of Directors to adopt the following policy: "General Electric and its subsidiaries shall make no further investment nor expand operations in South Africa, including its Bantustans, until the government commits itself to ending apartheid and takes meaningful steps toward the achievement of full political, legal and social rights for the majority of the population."

SUPPORTING STATEMENT

The report "South Africa: Time Running Out" commissioned by the Rockefeller Foundation strongly recommends that U.S. corporations "commit themselves to a policy of non-expansion...implemented on a voluntary basis," stipulating that "the creation of job opportunities for blacks should not by itself justify an exception to the ban".

A number of U.S. companies including GM, Kodak, Johnson & Johnson, Control Data have decided not to expand investments in South Africa. General Motors links any expansion decision to a "resolution of the country's pressing social problems."

We believe a decision to invest huge new amounts of money in South Africa is a signal of confidence in a future led by an oppressive minority government. Because of South Africa's inherent long-term instability it may also be a poor business judgement.

Business International, for example, has predicted continued violence and instability in South Africa while apartheid continues.

Many major banks including Chemical, Chase Manhattan, Continental Illinois, Mellon Bank have adopted policies prohibiting loans to the South African government and its agencies citing economic and social reasons.

We believe a decision not to make new investments or expand in South Africa under apartheid is both financially prudent

SHAREHOLDER PROPOSAL FOR INGERSOLL-RAND CORPORATION

- Whereas more than 135 major United States based corporations, including IBM, Exxon, Ford, General Motors, Mobil, General Electric, Armco Steel, Phelps Dodge, and Union Carbide have subscribed to the Sullivan Principles;
- Whereas the six Sullivan Principles set forth the minimum desegregation and fair employment standards for American corporations operating in South Africa;
- Whereas many institutional investors have stated that they will sell all their stock in companies which fail to subscribe to or violate the Sullivan Principles;
- Whereas a Rockefeller Foundation "Study Commission on U.S. Policy Toward Southern Africa" strongly recommends that U.S. corporations "commit themselves to a policy of non-expansion...implemented on a voluntary basis;"
- Whereas numerous U.S. corporations including General Motors, Eastman Kodak, and Johnson & Johnson have adopted policies of non-expansion under the present social conditions in South Africa;
- Therefore be it resolved that shareholders request the Board of Directors to establish the following as policy of this corporation:
- 1) That Ingersoll-Rand sign the Sullivan Principles, fully implement them in their South African operations, and participate in the annual reporting process on progress; and
 - 2) That Ingersoll-Rand not expand its present business nor seek new business in South Africa until steps are taken by the South African Government to bring full political, economic, and social rights to black South Africans.

Supporting Statement

In South Africa the 70% black majority is controlled and oppressed by a white minority which comprises 18% of the population. South Africa's apartheid system legalizes racial discrimination in all aspects of life and deprives the black population of their most basic human rights, e.g. Africans cannot vote, do not have full collective bargaining rights, must live in racially segregated areas, are paid grossly discriminatory wages, are assigned 13% of the land while 87% of the land is reserved for the white population.

Ingersoll-Rand has adopted a set of Principles which parallel the Sullivan Principles. The company states it is seeking to be in compliance with its own Principles. Such practice is commendable, yet it does not provide for the independent reporting of progress which is done for all companies signing the Sullivan Principles. It is therefore difficult for shareholders to obtain information easily and on a regular basis about the conditions in the workplace in South Africa. Further American investment in South Africa in any form tends implicitly to bolster the system of apartheid. American corporations operating there can easily establish policies of not expanding present business and not seeking new business until full political, social, and economic rights are afforded to all South Africans without respect to race or color.

MOTOROLA

Whereas In South Africa the black majority is controlled and oppressed by a white minority which comprises 18 percent of the population;

South Africa's apartheid system legalizes racial discrimination in all realms of life and deprives the black population of their most basic human rights - e.g. Africans cannot vote, do not have full collective bargaining rights, must live in racially segregated areas, are paid grossly discriminatory wages, are assigned 13% of the land while the remaining 87% is reserved for the white population;

Since June 1976, the killing of people (many of them school children), mass arrests, and widespread repression has been the response of the South African government to nation-wide demonstrations for democratic rights and an end to apartheid;

Because of the South African government's apartheid system, many banks, including Chase Manhattan, First National (Boston), Irving Trust, Chemical, Continental Illinois, and Mellon have adopted policies of not making loans to the South African government or its agencies;

Prior to the U.S. government's 1978 total ban on all sales by American companies to the South African military, Motorola has sold products (\$1,500,000 in 1977) to the South African government, including \$500,000 of two-way radios to the police and military of South Africa, and had advertised its products in the South African military journal "Paratus"; and

If the U.S. government eases its ban on sales to the South African military, Motorola might again consider selling products to those military forces;

Resolved that the shareholders request the Board to establish the following as corporate policy:

"Neither Motorola, nor any affiliate controlled by Motorola, shall make any further sales to the police or military units of the government of South Africa until the government of South Africa abolishes the system of apartheid."

SUPPORTING STATEMENT

Despite the fact that the South African police and military forces are the instruments by which the South African government enforces its racist system of apartheid, Motorola has in the past, sold items to the South African military and police forces which would directly assist those forces in enforcing apartheid. In addition, Motorola attempted to promote vigorously such sales, as by advertising in South African military journals. In light of this history, we believe it appropriate to request Motorola to agree not to make sales to the South African police or military, even when and if such sales become permitted under American law.

In an analogous situation, many American banks, including Chase Manhattan, First National Bank of Boston, Irving Trust, Chemical, Continental Illinois and Mellon have adopted policies of not making any loans to the government of South Africa or any of its agencies so long as the present apartheid policy of that government remains in force. We believe that even more direct assistance would be given to the apartheid system if Motorola were to resume selling equipment to the South African police or military.

We ask you to join us in requesting Motorola not to cooperate with apartheid.

NORTH CAROLINA NATIONAL BANK

Whereas NCNB makes loans to South Africa and has two employees in Johannesburg;

The American Baptist Churches, USA, and many other American churches are deeply concerned about the system of apartheid, which denies basic human rights to 20 million black people in South Africa, rights like voting or forming political parties or freedom to travel or live anywhere;

We believe loans to South Africa bolster apartheid and white minority rule and that U.S. banks have an ethical obligation to review carefully the ways in which their funds may be misused to further racism. Many U.S. banks - including Chase Manhattan, Chemical, First National Boston, Mellon Bank, Irving Trust - have adopted formal policies prohibiting loans to the South African government and its agencies. Brokerage houses like Merrill Lynch, Shearson-American Express, and Sears (Dean Witter Reynolds), have said they will not sell South African bonds. Other banks like Manufacturers Hanover, J.P. Morgan and Wells Fargo have established a review process to see if any of their loans may support apartheid.

NCNB's policy regarding South Africa does not preclude loans to that government. In addition, NCNB participated in a \$100 million loan in 1982 to South African Breweries. NCNB has also been involved in trade-related loans for items like Cessna aircraft. We are unaware at present of any criteria used to evaluate whether particular NCNB loans will be used to support apartheid.

Resolved The shareholders request the Board of Directors to (a) adopt a policy prohibiting loans to the South African government and its agencies unless that government takes steps to provide full political, social and economic rights to the black population (b) disclose to shareholders the criteria used to determine whether a loan is beneficial to the black majority or serves to support apartheid.

SUPPORTING STATEMENT

NCNB has signed the Sullivan Principles, a set of guidelines for fairness in the workplace in South Africa, authored by Dr. Leon Sullivan, an American Baptist minister on the Board of General Motors. Since NCNB has only two employees in South Africa, their support of these principles may be symbolic, but indicates sensitivity by management to the South African racial situation. However, Dr. Sullivan has gone beyond the principles in addressing the role of U.S. banks. He has called on banks to adopt policies prohibiting loans to South Africa's government and its agencies, and has called for the withdrawal of accounts and divestments of securities in banks which refuse to make such pledges. NCNB's policy falls short of Sullivan's position. Many institutional investors favor campaigns of account withdrawal from banks in this category. They include the United Auto Workers, the pension funds of Connecticut and Michigan, and the United Presbyterian Church. Harvard University divested of \$51 million in Citibank securities because of continued loans to South Africa. NCNB has a reputation for creativity in lending within North Carolina and a strong commitment to equal employment opportunity. We believe the bank should show similar sensitivity in its South Africa operations.

Perkin-Elmer

Whereas in South Africa apartheid systematically denies human rights to over 20 million blacks.

Whereas in South Africa Africans cannot vote, must live in racially segregated areas, and are paid grossly discriminatory wages.

Whereas U.S. corporations dominate many sectors of the South African economy vital to its health and growth, including the supply of computers and high technology. Computer technology is essential to the South African government, including the military and police systems.

Whereas Perkin-Elmer set up a small, wholly-owned sales and service subsidiary in South Africa to handle the sales and servicing of the company's scientific instrument which employs eight whites and one black.

Whereas the Sullivan principles represent a policy by over 110 American corporations operating in South Africa to abide by certain minimum desegregation and fair employment standards and Perkin Elmer has refused to sign these principles. Leon Sullivan has urged divestment of stock in those companies that have not signed the Sullivan Principles.

Whereas we believe that Perkin-Elmer's presence in South Africa, through the products it sells and taxes paid to that government, act to support apartheid and minority rule.

We have not seen changes in South Africa leading to the dismantling of apartheid and therefore believe the time has come for companies supplying strategic goods to disengage.

RESOLVED: The shareholders request the Directors to establish the following policy: Perkin-Elmer shall terminate its South African operations and make no new contracts in South Africa, unless the government commits itself to ending apartheid and grants full political, legal, and social rights to the majority population.

Supporting Statement

Perkin-Elmer should disengage from South Africa. We believe its continued business operation has limited beneficial effects for the oppressed majority, particularly because Perkin-Elmer has not signed the Sullivan Principles. Bishop Desmond Tutu, General Secretary of the South African Council of Churches, has stated, "Economic pressure in my opinion is a weapon that should be applied since it involves far less loss of human life than armed conflict and since it can have an impact on those who are in power and who are very sensitive about their economic interests."

Because its South African presence is so small, Perkin-Elmer could easily withdraw. Repression of the black majority in South Africa continues to grow. The total number of prisoners who died in police custody rose to 308 in 1979. Forced removal of Africans from white areas to Bantustans continues. A fourth "independent" black homeland, Ciskei, was recently created, with a population of 665,000 of whom 150,000 have been deported from white areas and stripped of their South African citizenship. Perkin-Elmer must withdraw to ensure that its computer technology does not contribute to maintaining an increasingly brutal apartheid regime.

REPUBLIC NEW YORK KRUGERRAND RESOLUTION

WHEREAS The South African System of racial discrimination called apartheid denies fundamental rights to the Black majority population, whose demands for peaceful change are met with increasing government repression. These policies cause South Africa's growing international isolation.

Sales of the Krugerrand gold coin provide the racist regime with vitally needed foreign currency and positive publicity, supportive to apartheid's continuation. The South African government's recent \$1 billion in credit approval from the International Monetary Fund will assist their stagnating economy with immense amounts of capital needed by the military and police, the two prime agencies of apartheid enforcement.

The bleakest U.S. economy since the Depression evidenced by almost 11% of labor unable to find work. Naturally the poor suffer most as programs are cut back; the elderly fear already meager social security benefits. Young, Black and unskilled Americans face massive unemployment.

The minting of "American Eagle" bullion coins by the U.S. Treasury is an attempt to curb the annual billions of dollars in American outflow for foreign gold coins like the Krugerrand. J. Aron & Co. will try to market the "American Arts Medallions", currently in storage after an earlier attempt failed, using a new approach also attempting to stem the outflow.

Republic National, as a bank marketing Krugerrands, co-operates with the South African Chamber of Mines. These sales enhance South Africa's reputation while damaging the U.S. economy at a time when our country is staggering economically and when alternative gold coins are available.

RESOLVED The shareholders request the Board of Directors re-evaluate Republic's role in Krugerrand sales and report to shareholders by September, 1983, their rationale for continuing or discontinuing this role in light of the new "American Eagle" and the revival of the "American Arts Medallions" versus the Krugerrand's South African origin.

SUPPORTING STATEMENT

Latest U.S. budget estimates (assuming a solid recovery from the recession and modest reductions in unemployment and interest rates, all of which are debatable) forecast a 1983 fiscal year federal deficit of \$180 billion. The U.S. economy can ill afford any outflow of capital to South Africa when the money is desperately needed for investment in the United States in order to permit people once again to create and develop industry that may provide more jobs.

The City Councils of Chicago, Boston, Milwaukee, Atlanta, Detroit, Denver, Dayton, Duluth, Austin, San Antonio, Portland, Oregon and the Massachusetts House of Representatives have all urged their citizens not to purchase Krugerrands. Eleven TV stations-- WCBS, WNBC, WABC New York; WBBM, WMAQ, WGN, WLS Chicago; WNAC, WBZ, WCVB Boston; and WKGW Portland have refused to accept advertising for South African Krugerrands. The Boston Globe also refused to accept Krugerrand advertising.

They deserve support for this stance. Many others may also refuse to participate in the sale of Krugerrands once they realize the availability of U.S. gold alternatives and how an overseas outflow of American assets hurts the American economy and, in turn, the American people, many of whom are hurt by America's economic plight.

RESOLUTION TO SEARS, ROEBUCK, AND COMPANY

(Similar resolutions have been filed with First National Boston and Shearson/American Express)

- WHEREAS, South Africa is condemned internationally for its policy of apartheid and white minority rule;
- WHEREAS, The South African government's racist policies have given the 17% white minority 87% of the land, 67% of the personal income and most of the capital wealth of the Republic;
- WHEREAS, We believe that foreign bank loans block internal pressure for peaceful change;
- WHEREAS, Dean Witter Reynolds, a major international bond underwriting firm, handled bond transactions for the South African government prior to its acquisition by Sears, Roebuck and Company;
- WHEREAS, The management of Sears announced a new policy at its May 17, 1982, annual meeting whereby the company and its subsidiaries would "decline to enter into financial dealings with the government of the Republic of South Africa" and would no longer handle the South African gold coin, the Krugerrand because Sears cannot "condone or support racial discrimination in any form including the apartheid system required by the government of South Africa;"

THEREFORE BE IT RESOLVED, that the shareholders commend management and the Board of Directors of Sears, Roebuck, and Company for adopting a socially responsible corporate policy on lending to the Republic of South Africa.

SUPPORTING STATEMENT

Recent studies of South Africa point to the absence of fundamental change since the 1976 Soweto riots and to the adoption of a strategy by the South African government "aimed not at ending apartheid, but in ensuring its continuation." International loans and credits have played an important role in enabling the South African government to modernize the system of apartheid through increasing the efficacy and restrictiveness of the pass and influx control laws. A recent United Nations study concludes that international loans, such as IMF loans, have helped South Africa maintain its system of apartheid and have contributed to that country's military buildup. These trends underscore the importance of Sears, Roebuck, and Company formulating a policy to extend no further direct financing to the South African government or its agencies.

We believe that corporate responsibility involves the conduct of business so that it is ethically correct, socially supportive, and economically useful, as well as financially profitable. Sears, Roebuck, and Company has accepted a leadership role in the development of an ethically and socially responsible policy on lending to South Africa which deserves recognition and commendation.

SOUTHERN COMPANY

Whereas South Africa has been internationally condemned for its unique form of government-backed racism and white-minority rule known as apartheid, and shows no willingness to moderate its cruel racial laws. This situation could worsen as proposed legislation called the Orderly Movement and Settlement of Black Persons Bill would force "unauthorized" blacks to leave urban areas between 10 PM and 5 AM and further tighten police control over movement of blacks. A mother wouldn't be allowed an overnight visit by an "unauthorized" son/daughter without facing six months imprisonment or a \$500 fine. Rampant discrimination in coal mining forces blacks to accept pitiful wages, live in bachelor barracks and be separated from family for months at a time. Each ton of South African coal carries the cost of enormous human suffering.

Ironically, Southern Company purchases South African coal at a time when there's an abundant U.S. coal supply and our country faces its worst economic crisis since the Depression. The U.S. economy, burdened by almost 11% unemployment, can ill afford an outflow of capital to South Africa while money is needed for job-creating investments.

Poor Americans are suffering the most during this crisis, yet our company sends money to South Africa which benefits the white elite. This outflow of American assets aids a racist regime and hurts our economy and, in turn, injures Americans, many of whom are desperate because of our current economic plight.

Resolved The shareholders request the Board to establish a Southern System Companies policy prohibiting any future purchase of coal from South Africa until the apartheid system of racist laws has been revoked and full political, social and economic rights provided to the black majority population.

SUPPORTING STATEMENT

The South African government interprets large or strategic business ventures with the Republic as a sign of acceptance of the racial situation there. As church investors in Southern Company we wish to send a different message- that business as usual with apartheid is no longer acceptable. In fact numerous U.S. banks and finance houses, including Chemical Bank, Chase Manhattan, Irving Trust, Merrill Lynch, have policies prohibiting loans to the South African government and its agencies because of apartheid. We ask Southern Company to take a comparable stand by prohibiting new contracts for South African coal.

We believe this is consistent with the position taken by many U.S. organizations including the NAACP, the AFL-CIO, the United Mineworkers, and many Churches, universities and public pension funds. In South Africa the head of the Council of Churches, Bishop Desmond Tutu, criticized the South African coal sales overseas. At the United Nations in a general appeal he stated, "for God's sake, for the sake of world peace...take action...exert pressure on South Africa - political pressure, diplomatic pressure and above all economic pressure - that will persuade the South African authorities to come to the conference table before it is too late."

SPERRY

Whereas many investors are concerned about Sperry's role in South Africa, particularly because computer technology is essential to the maintenance by the South African military and police systems of an oppressive, racist government.

Whereas a Sperry Univac 1100 series computer has been sold to the Atlas Aircraft Corporation, a manufacturer of military aircraft and a subsidiary of the South Africa Armaments Development and Manufacturing Corporation (ARMSCOR), in which the government plays a controlling interest. The basic task of Armacor is manufacture or procurement of armaments for the requirements of the Defence Force. Armacor is under the authority of the Minister of Defence.

Whereas as a condition for granting this license export the Commerce Department has stipulated that the Sperry Univac not be used for the development of any military capability and that there be on site inspection by Sperry and U.S. Embassy representatives.

RESOLVED: The shareholders request the Board of Directors to prepare a report on their South African operations to be available to shareholders within three months of the 1982 stockholders' meeting. Preparation costs shall be kept within reasonable amounts and confidential information may be omitted. Items to be covered in this report shall include the following:

- a) a listing and description of the functions of all Sperry computers sold or leased to agencies of the government of South Africa or to corporations with government contracts.
- b) an explanation of how Sperry intends to ensure that the Sperry Univac not be used for military capability development by the apartheid regime.
- c) a description of the on site inspection process at Atlas headquarters.
- d) management's assessment of how their investment in South Africa effects the cause of advancement of the political, social and economic rights of the oppressed majority.

Supporting Statement

We believe management should carefully review past decisions to sell computers to agencies of the government of South Africa or to corporations for contracts with the government. U.S. computers play an integral role in the attempt by the minority government to crush resistance to its oppressive regime. In recent months repression in South Africa has heightened. In January 1981 a South African commando unit raided Maputo, Mozambique, attacking houses of South African political refugees. In August South Africa attacked Angola in order to safeguard the South African occupation of Namibia. Since November 1981 17 South African trade union, student, and clerical leaders have been detained and a fourth "independent" black homeland, Ciskei, has been created, with a population of 665,000, of whom 150,000 have been deported from South Africa proper and stripped of their South African citizenship. Despite initial State Department opposition the sale of the Sperry Univac was approved provided certain conditions were met to ensure that the computer not be used for development of any military capability. We believe management should carefully outline the procedures by which it will ensure that its computers do not bolster the apartheid regime in South Africa.

Standard Oil of California

(A similar resolution has been filed with Texaco)

WHEREAS

Standard Oil of California, through Caltex, is a major investor in South Africa with investments of over \$300 million. In South Africa the system of white minority rule called apartheid dominates the lives of the majority black population.

The South African Government has refused to negotiate in response to the growing black movement for democratic rights. Instead they have used widespread repression to quell dissent and maintain power.

The oil industry plays an extremely strategic role in South Africa today. U.S. oil companies operate huge refineries, purchase oil on the international spot market for those refineries and sell petroleum products to that government.

As a seller to the Government Caltex has no policy specifically prohibiting sales to the South African police and military. In fact under South Africa's Official Secrets Act Caltex has been unable to confirm or disclose the amount sold to the police and military.

However the strategic significance of oil is emphasized by the fact that oil seems to be a "munition of war" under South African law. This point was made in legal advice which Mobil received from its South African attorneys stating

"As oil is absolutely vital to enable the army to move the navy to sail and the air force to fly, it is likely that a South African court would hold that it falls within the definition of munitions of war."

We believe there is a need for clear company policy in this area.

THEREFORE

the shareholders request the Directors to establish the following as corporate policy:

The corporation and its subsidiaries shall not sell any products or provide any services to the South African police and military and shall monitor all bulk sales and large-scale service operations to insure that the South African police or military are not the end-destination of purchases made by intermediaries.

Supporting Statement

In February 1978 the U.S. Department of Commerce issued regulations prohibiting sales by American corporations to the South African military or police of goods containing parts manufactured in the United States or developed by U.S. technology. These regulations were issued "to further U.S. foreign policy regarding the preservation of human rights." We believe the U.S. oil industry should attempt to follow the spirit as well as the letter of these regulations. In our opinion any sales to the military or police by Caltex South Africa undermines the intent of the law.

Sales of this sort offer both material and moral assistance for the ongoing violence and oppression directed against the black population. Caltex has stated that it desires to be a force for change and progress in South Africa. However as long as Caltex policy allows sales to the repressive police and military we must question whether they are a force for progress or the apartheid status quo.

As a result we have proposed the adoption of this policy to insure that bulk sales and services for the police and military are prohibited.

We urge your support of this resolution.

WELLS FARGO

(Similar resolutions have been filed with Citibank, Phibro, and Morgan)

WHEREAS South Africa is condemned internationally for its policy of apartheid which denies to 83% of the population all political rights as well as equal opportunity in employment, education and housing.

The South African government's racist policies have given the 17% white minority 87% of the land, 67% of the personal income, and most of the capital wealth of the republic;

Numerous institutional investors, including the United Auto Workers, the States of Michigan and Connecticut, the cities of Davis and Berkeley, California, the National Council of Churches, the United Methodist Church and United Presbyterian Church have adopted policies to discontinue business with banks persisting in making such loans. For example, Harvard University divested of \$51 million in Citibank securities in protest against a recent loan.

Many international banks, including Chemical Bank, Bankers Trust, Midland Bank, Irving Trust, Chase Manhattan, Mellon Bank, and First National Boston have, for social and financial reasons adopted policies similar to that requested in this resolution.

Support for this resolution has grown rapidly among Wells Fargo's own shareholders, receiving over 10% of the vote last year.

Wells Fargo's practice is very close to the policy requested and would not necessitate any change in the bank's present position;

RESOLVED The shareholders request the Board of Directors to establish the following corporate policy:

"Neither the corporation nor its affiliates or subsidiaries shall make any new loans or renew any old loans to the government of the Republic of South Africa or to any of its agencies or instrumentalities unless or until the system of racist laws and regulations has been revoked and meaningful steps have been taken in the direction of majority rule, including full political economic, and social rights for the black population."

SUPPORTING STATEMENT

Loans to the South African government have not helped the black majority. To the contrary, as South Africa is becoming increasingly isolated on the international scene, these loans indicate to the white majority that it has friends it can count on in the U.S. These loans help to maintain and strengthen the minority in its ruthless suppression of the black majority.

Dr. Leon Sullivan, the sponsor of the Sullivan Six Principles stated his policy on loans to South Africa in October 1979: "Until apartheid has been ended, and there is clear, tangible evidence and demonstration thereof, no U.S. bank shall make any further loans to the South African government or its agencies, and will give consideration only to specific, privately-sponsored projects or programs developed in cooperation with blacks and non-whites which contribute to their social and economic advancement and equality, and which do not support apartheid."

We believe that our bank should join other banks that have decided that South Africa is no longer a good risk financially or morally, and should adopt a policy prohibiting all loans to the South African government, its agencies and instrumentalities.

WESTINGHOUSE ELECTRIC

Whereas In South Africa the black majority is rigorously controlled and oppressed by a white minority which comprises 16% of the population;

South Africa's apartheid system legalizes racial discrimination in all aspects of life and deprives the black population of most basic human rights, e.g. Africans cannot vote and must live in racially segregated areas, are paid grossly discriminatory wages, and are assigned 13% of the land while 87% of the land is reserved for the white population;

Black opposition to apartheid and demands for full political, legal and social rights has risen dramatically within the last years. The government's response has been widespread killing rather than a desire to negotiate. The government has declared its intention to maintain political control and deny political rights to South African blacks;

Westinghouse Electric corporation is presently involved in two major projects for the South African government: 1) Westinghouse and a South African firm, Sasol Ltd., are building a 1200 ton-a-day coal gasification system in Secunda, South Africa; 2) Westinghouse is working with South Africa's Electricity Supply Commission (ESCOM) in the construction of facilities for building steam-turbine electric generator sets for ESCOM;

As investors, we believe that U.S. business investments and strategic technical contracts in South Africa, including Westinghouse's contract, provide significant economic support, international credibility and moral legitimacy to South Africa's government.

Resolved The shareholders request the Board of Directors to establish the following corporate policy:

Westinghouse Electric Corporation and any of its subsidiaries or affiliates shall discontinue current and refuse to make future investments in or contracts with the Republic of South Africa until the South African government has committed itself to ending the legalized racism called apartheid and has taken meaningful steps toward the achievement of full political, legal and social rights for the majority population.

SUPPORTING STATEMENT

We believe that both of the above listed projects are extremely important strategically to South Africa and should be opposed.

The white supremacist South African government has no natural sources of petroleum and thus is highly dependant upon imported oil to satisfy their energy needs. In order to be less vulnerable to outside pressures from countries opposing apartheid, they've embarked on a coal-to-oil process and a turbine-building program.

Westinghouse has become an invaluable partner of the South African government in its attempt to ensure adequate energy supplies. This is a matter of survival for apartheid as the South African Defense Force would grind to a halt if supplies were impaired.

Thus we believe that Westinghouse should refuse to enter into any future contracts with the South African government and cease all current contracts. The position of no-contract-with-the-government is followed by a number of major banks which have adopted policies prohibiting or limiting bank loans to or bond issues of the South African government and its instrumentalities; these include Chemical, Irving Trust, Merrill Lynch, Mellon Bank, Chase Manhattan, First National Boston, and Shearson-American Express, among others. Westinghouse should follow suit.

Shareholder Proposal Concerning Business Operations in South Africa

I. END SALES TO POLICY AND MILITARY

Whereas a primary function of the police and military forces of South Africa is to impose and maintain the racial-political-economic system of apartheid on the 86% of the population which is not white; and

Whereas these police and military forces have, in recent years, become increasingly repressive within South Africa and in illegally occupied Namibia; and

Whereas Xerox management, having repeatedly expressed its "fundamental abhorrence of the apartheid policies of South Africa, "should now translate that abhorrence into business decisions in order to prevent its products from being used to contribute to the enforcing of apartheid; therefore be it

Resolved that shareholders request the Board of Directors to make it a matter of worldwide policy that neither Xerox Corporation nor any of its subsidiaries or affiliates anywhere in the world will make any further sales to the police or military units of the government of South Africa; and be it further

Resolved that shareholders request the Board of Directors to maintain said policy until the South African government rescinds those laws and regulations which officially deny full political, social, and economic rights to the non-European majority of the South African population on the sole basis of race or color, and which provide for the systematic exploitation of the majority by retaining control of the police and military as a monopoly of the white minority.

Supporting Statement

Ending sales to South Africa's police and military has broad support. Leon Sullivan, author of the Sullivan Principles on workplace reforms, has specifically requested an end to such sales. The United Nations General Assembly has called for an embargo on sales to police and military. The State of Connecticut has passed legislation requiring divestment of pension securities from companies selling to South Africa's police and military; if Xerox continues its present policy, our headquarters state thus will not be able to invest in our stock. Numerous foundation, church, union, and university investors are also supporting this position.

In 1982 more than 10% of the vote approved this call to end all Xerox support to South African government agencies which enable one political party, chosen by less than 1,000,000 white votes, to dominate and exploit 24,000,000 non-whites. This resolution requests an unambiguous company policy of no sales whatever to these oppressive forces, even if items involved are currently beyond the reach of U.S. law. What shareholder wishes to profit from such sales (estimated at under 3% of our South African business)? Saying we abhor apartheid, let us give substance to that saying by cutting our supply-line to the forces of oppression.

Shareholder Proposal Concerning Business Operations in South Africa

II. NO EXPANSION

Whereas the Rockefeller Foundation Study Commission, of which the Xerox chairman was a member, strongly recommends in its report, "South Africa: Time Running Out," that U.S. corporations "commit themselves to a policy of non-expansion... implemented on a voluntary basis"; and

Whereas this report explicitly stipulates that "the creation of job opportunities for blacks should not by itself justify an exception to the ban"; and

Whereas Xerox has since 1981 expanded beyond its traditional product lines in South Africa (copiers and duplicators) into personal computers and electronic typewriters; and

Whereas the introduction of Xerox' 8010 automated Work Station which, like its telecopiers, can be used effectively to strengthen the South African security network's control of the subjugated majority of the population, thus overtly aiding and abetting apartheid domination; therefore be it

Resolved that shareholders request the Board of Directors to make it the worldwide policy of Xerox Corporation, its subsidiaries and affiliates, that there shall be no expansion of the present scope of its business in South Africa, either through new investments from outside or through reinvestment of South African earnings, beyond the amounts required to maintain the company's market-share and/or to implement its commitments as a Sullivan Principles signatory to equal employment opportunity through training and affirmative action; and be it further

Resolved that shareholders request the Board of Directors to maintain said policy until the South African government rescinds those laws and regulations which officially deny full political, social, and economic rights to the black majority of the South African population on the sole basis of race or color.

Supporting Statement

The Study Commission recommendation explicitly states, "U.S. corporations should stay in South Africa but limit their expansion." Management cannot reasonably continue to endorse the Commission's moderate findings and yet declare that Xerox policy is to "move aggressively to enlarge (its) business in South Africa."

In 1982 a resolution asking no expansion and no sales to police and military received over 10% of the vote, more than 6,200,000 shares. That resolution was cosponsored, as is this one, by two pension funds of the State of California, owners of 1,250,000 shares. We believe this request for a no-expansion policy is both financially prudent and ethically sound. Other U.S. companies have adopted similar policies. General Motors states, "Resolution of the country's pressing social problems" is necessary before it will expand. Other corporations--including Johnson & Johnson, Kodak, Gulf & Western, Kimberly-Clark--have no-expansion positions.

These reservations about expanding business in South Africa are well-founded. Many analysts predict ongoing social unrest and expanding violence in this repressive society. Robert McNamara, former World Bank head, recently said, "Unless South Africa's racial policies are fundamentally redesigned, they will eventually lead to a catastrophic racial conflict."