

## SOUTH AFRICA

Through ICCR, communities of faith are working to end financial and economic support for apartheid South Africa. This year international economic pressures weakened the South African economy and encouraged South Africa to halt its costly war in Angola and illegal occupation of Namibia. ICCR members helped by pressing to sever both direct and indirect corporate ties especially those of banks and strategic oil and computer companies.

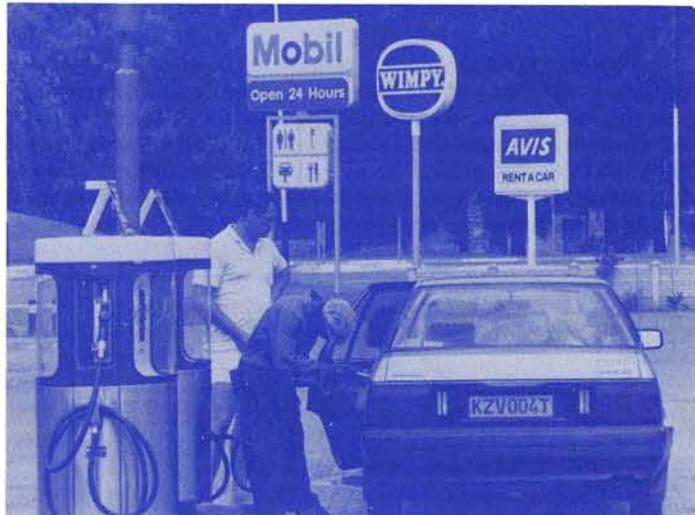
### Mobil Withdraws from South Africa

In a spectacular victory for the antiapartheid movement, Mobil Corporation, the largest U.S. investor in South Africa and one of the most vocal opponents of corporate withdrawal, sold its southern Africa operations. Mobil said it withdrew last spring because it can no longer deduct South African tax payments from its U.S. tax bill. Mobil has been a focal point for the antiapartheid movement, including shareholder resolutions, letter and postcard protests, demonstrations and civil disobedience, because it provided strategic oil products to the South African economy, government, police and military. Mobil is one of seven targets in ICCR's "Partners In Apartheid" campaign.

### Support Grows for Corporate Withdrawal

This year religious investors and giant pension funds sponsored shareholder resolutions calling for complete corporate withdrawal from South Africa and severing all South African business ties. Resolutions received uniformly high votes, even when companies already had sold their equity investments but continue other ties. Five resolutions received over 20 percent. Next year ICCR members and conscientious pension funds will sponsor resolutions asking corporations to cut all business ties with South Africa. They also want corporations to consult with their unions before disinvesting.

Several U.S. corporations besides Mobil sold their South African operations last year: Sterling Drug, Hewlett-Packard, NCR, Control Data and Goodyear. With few exceptions, companies like IBM, which retain indirect ties with South Africa, will again be protest targets.



Buying Gasoline in South Africa

### Demanding Authentic Withdrawal from South Africa

A large percentage of the more than 180 companies, which have disinvested, continue sales of their products in South Africa through licensing, franchise and trade agreements. Others, like Mobil, gave rights for ongoing use of their names and products as part of disinvestment agreements. For the third year a resolution, calling on IBM to end sales and services to South Africa, received the highest vote ever for a social issue at IBM, 14.5 percent. Sponsors include religious investors and more than sixty IBM employees. At UNISYS the resolution received 23 percent. In the coming year, the antiapartheid movement will repeat this demand in shareholder resolutions and public protests.

### Oil and Computer Company "Partners In Apartheid"

Last year the "Partners In Apartheid" campaign focused on corporations key to South Africa's petroleum and high technology industries: Mobil, Chevron, Texaco, Royal Dutch/Shell, IBM, Control Data, and Unisys. In early 1989, ICCR profiled the computer companies in "Hardware, Software and Ingenuity for Apartheid: U.S. Computer Companies in South Africa," by Richard Leonard (in the *Corporate Examiner*, Volume XVIII: No. 1, 1989).

The international boycott of Royal Dutch/Shell grew relentlessly as more religious and secular organizations joined the boycott. Religious organizations, unions, political leaders and celebrities declared their cities, schools and churches "Shell-Free Zones," and demonstrated at Shell facilities. The American Baptist Ministers and Missionaries Benefit Board and the New York City Comptroller's office continue seeking shareholder support for an extraordinary shareholder meeting of Royal Dutch/Shell to vote on withdrawal from South Africa. ICCR will intensify campaigns directed at Shell and other strategic companies.

### Financial Sanctions at a Crossroad

The second Interim Agreement for repayment of South Africa's outstanding short-term foreign debt expires in 1990. ICCR members are pressing U.S. banks on the Technical Committee, set to lead upcoming negotiations for a new agreement, to refuse to reschedule the debt and to demand maximum repayment of the debt in the shortest period of time. In 1989 religious investors sponsored resolutions to three U.S. banks on the Committee.

Last winter, religious investors discovered Citicorp, a U.S. bank on the Committee, had converted all its short term South African loans to ten year exit loans. The ten-year exit loans require no repayment of principal for the first five years and offer a slightly higher interest rate. Now religious leaders are also pressing South Africa's creditors to refrain from converting debt into ten year exit loans, arguing that conversion of short-term debt to long-term debt violates the spirit of the 1986 Antiapartheid Act. South Africa offered the ten year exit loans to ease its overall repayment problems for 1990. Its foreign debt outside the interim agreement requires large payments in 1990 and 1991.

With the assistance of CANICCOR, a San Francisco-based church corporate responsibility organization, ICCR members began an international campaign along with churches and antiapartheid organizations in the other four countries with Technical Committee banks (England, France, West Germany and Switzerland). John Lind, executive director of CANICCOR, wrote an analysis of the issue, "A Crucial Point for Financial Sanctions on South Africa," (*Corporate Examiner* brief, Volume XVIII: No. 2, 1989). U.S. religious groups, the British Council of Churches, the Protestant Church Federations of Germany and France and the Swiss Dialogue Committee (a joint committee of the Swiss Protestant Federation

and the Swiss Bishops Conference) are pressing antiapartheid demands on their Technical Committee banks. U.S. religious investors will sponsor shareholder resolutions on the negotiations and support hearings in the U.S. House and Senate.

#### **Building Networks for Legislation and Action**

ICCR members supported comprehensive, mandatory sanctions on the national level and divestment and selective purchasing measures in Baltimore, Boston, New York City and Philadelphia, the State of Massachusetts and the U.S. House and Senate. Legislative support will continue next year.

ICCR will again work with local religious, labor and community groups in powerful antiapartheid protests at company headquarters, facilities and shareholder meetings. ICCR members will build on the new alliances forged with Jewish community organizations and historic black churches. ICCR will work closely with the United Mineworkers of America and the Oil, Chemical and Atomic Workers, the Communications Workers and a network of IBM employees, both as individuals and members of the National Black Workers Alliance of IBM Employees. ICCR members will again work with the World Council of Churches. Last year ICCR joined the WCC's "Pentecost to Soweto" campaign and testified before its Eminent Persons Delegation. ICCR will again work with church organizations in Great Britain, Germany, France and Switzerland.

ICCR strengthened ties with South African partners in the antiapartheid movement, including the South African Council of Churches, Archbishop Desmond Tutu, Rev. Alan Boesak, the Chemical Workers' Industrial Union, United Democratic Front, African National Congress and the Southwest Africa People's Organization.

#### **ICCR Honors Frontline States of Southern Africa**

Five hundred ICCR members and guests from the antiapartheid, labor and diplomatic communities joined ICCR at a November 1988 gala reception at the United Nations to honor the "frontline states" of southern Africa. ICCR cited their "promotion of just and cooperative relations within the region of southern Africa" and their resistance to apartheid South Africa's efforts to destabilize its independent neighbor nations. The event was a celebration of ICCR's eighteen years in the antiapartheid struggle. ICCR also honored the South African Council of Churches, African National Congress and the Southwest Africa Peoples Organization.



#### **PHARMACEUTICALS & HEALTH**

ICCR's Pharmaceuticals and Health Issue Group encourages socially responsible marketing practices and safe, therapeutically effective medicines to meet health needs at reasonable cost particularly, in developing nations. The group works to assure availability of safe and consistent information on drug and tobacco products and to eliminate subtherapeutic levels of antibiotics in animal feed. The Group supports the U.S. Surgeon General's goal of a smoke free society by the year 2000 and monitors biotechnology.

Last year shareholder resolutions at Church's Fried Chicken, RJR Nabisco and Philip Morris were blocked by technical problems or corporate takeovers. Next year the issue group will produce educational materials on antibiotics in animal feed and on tobacco use and health, engage in further shareholder action and work with health groups sharing these concerns.

The issue group will continue on the Pharmaceuticals Dialogue Group, a colloquy of churches, consumer/health advocacy groups and officials of pharmaceutical companies. Religious representatives will encourage availability of consistent drug information in developing countries and study the high costs of drugs for AIDS treatment. The churches will follow up last year's discussions of biotechnology issues, focusing on gene implants in humans and the use of genetically altered bacteria on crops.

#### **EQUALITY USA & INTERNATIONAL**

The churches believe all people are created in the image and likeness of God with the right to develop their potential in dignified and humane employment. Since 1974 churches have challenged more than one hundred companies on their human resources policies in the U.S. and abroad.

#### **Promoting Equality in the U.S.A.**

Last year church investors supported affirmative action at more than twenty U.S. corporations in media/communications, banking, finance and retail. In the face of diminished federal government support, ICCR members used dialogue, letters and shareholder resolutions to encourage U.S. corporations to be more inclusive of women and racial minorities in their workforces at all levels.

In the coming year churches will write letters, engage corporations in dialogue, sponsor resolutions and conduct research to promote equal pay for work of equal value regardless of the geographic location of employees. The issue group will develop new issues such as the AIDS crisis, benefits for working parents, nondiscrimination based on sexual orientation, marital status or health. ICCR will again work with groups like the Urban League, NAACP, National Committee on Pay Equity and 9 to 5.