

**Churches to U.S. Companies:  
"Add Your Voices and Economic Pressure  
to the Campaign to End Apartheid"**

*ICCR Executive Director Timothy Smith spoke on behalf of religious investors at the May 2, 1989 stockholder meeting of BRISTOL-MYERS. Sponsored by religious investors and the New York State Common Retirement Fund, the shareholder resolution called on the company to cut all economic ties to South Africa, to consult with workers and unions in doing so and to relocate in South Africa's neighboring frontline states. Prior to the meeting, representatives of the proponents and BRISTOL-MYERS management had met to discuss the issues.*

**Prophecy: Bristol-Myers Will Withdraw  
from South Africa**

At earlier stockholder meetings we have outlined the social and moral case for Bristol-Myers to leave South Africa.

Let me dare to start this year with a stark prediction. I believe that within 6-18 months, Bristol-Myers will have sold its South Africa operations and withdrawn from this troubled land.

You will not do so because you have been swayed by our moral arguments or because you became discouraged with the excellent work you do with employees and community outreach in South Africa.

You will withdraw because of a sobering new assessment on the viability of doing business there.

**Reduced Profitability**

Mobil announced its complete withdrawal from South Africa including all indirect ties. In doing so Mobil's Chief Executive Officer cited new U.S. tax regulations which raised the effective tax rates on South Africa profits to 72 percent, the highest tax rate in the world. He said this makes South Africa business much less profitable.

He also noted the real possibility that legislation before the Congress extending the Anti-Apartheid Act of 1986 might be enacted in this Congress. If this happens U.S. companies will have only 180 days to disinvest, a limited window of opportunity, for sure.

The other sobering factor Mobil and Bristol-Myers face is that South Africa's economy is far from healthy—the profit picture there is hardly enticing. The risk assessment of the country's political future is bleak, unless there is a major restructuring of the society and power sharing for all races.

**Pressure from the Antiapartheid Movement**

Pressures in the U.S. are also building. Whether you are Mobil, Bristol-Myers, Texaco or 3M, you watch as the divestment movement expands. Already cities and states, pension funds, universities, foundations, churches and

unions with over \$250 billion invested in the market are under mandate to sell Bristol-Myers stock. From the States of California and New Jersey to cities of Philadelphia, Washington, D.C. and Wilmington, Bristol-Myers is barred from portfolios.

Perhaps even more sobering for the Bristol-Myers bottom line are the more than fifty cities and states which have passed "selective purchasing laws" and are refusing to buy goods and services from companies in South Africa. Does Bristol-Myers want to jeopardize important hospital contracts in the U.S. to preserve business in a land brimming with racism thousands of miles away?

**South Africans Call For Sanctions**

This month Washington, D.C. is hosting four major South African leaders who will visit the top decision makers of the Bush Administration. Archbishop Tutu and his colleagues will describe the grim reality in the homeland and their discouragement that the South African government, even with new white leadership emerging, remains committed to white supremacy and refuses to share power. They will call on the U.S. to enact strong comprehensive sanctions against South Africa. Their appeal is aimed not only at the decisionmakers in government, but also to the decisionmakers sitting here today leading Bristol-Myers. They are not impressed, as we are not, with your quotes in the proxy statement from Chief Buthelezi, who is widely discredited in South Africa.

**Too Little, Too Late**

They would be impressed as we are, with the extraordinary efforts Bristol-Myers is taking with its employees and the community. But they would plead that these efforts are too little, too late. I urge you to follow Rev. Leon Sullivan's call to abandon the Sullivan Principles and join in the creative exodus from South Africa by adding your voice and economic power to the pressure on the South African government.

**Time to Completely Sever Ties**

Our resolution is precise. It asks for a complete severing of ties with South Africa, a decision which we urge be taken in consultation with workers and unions. At first this was Mobil's mistake, they refused [but later held] dialogue with their union. Contrary to press reports, that union explicitly supports sanctions and corporate withdrawal but demands consultation as the company withdraws. This is an error Bristol-Myers should not make in its decision.

We believe this resolution is in the best financial and business interest of Bristol-Myers as well as the most socially responsible course of action for our company.