

SOUTH AFRICA

Among the most thrilling victory of the churches 19-year old corporate responsibility movement is the release of Nelson Mandela after more than twenty-five years in South African prisons for his opposition to apartheid. Similarly inspiring was the birth of independent Namibia, illegally occupied for decades by South African troops.

Through ICCR, communities of faith are working to end financial and economic support for South Africa until apartheid is abolished and South Africa is a united, nonracial, nonsexist democracy. Acting in solidarity with religious leaders in South Africa, ICCR members believe total economic sanctions and complete corporate withdrawal are the last tools in the hands of the world community to encourage peaceful change in South Africa. Their targets are the corporations and banks, which bolster the apartheid economy and government and prolong the life of this vicious system of institutionalized racism.

Mr. Mandela, himself, cited his release as proof of the effectiveness of economic pressures, a conclusion echoed by political and economic observers worldwide. Over the past twenty years, the churches helped raise the cost of apartheid beyond the means of South Africa's white minority by pressing for an end to business with South Africa and restricting South Africa's access to lucrative foreign markets and capital. Since 1985, the country has suffered a net capital outflow of \$12 billion, lost hundreds of millions of dollars in foreign trade and seen 40 percent of foreign-owned companies withdraw their assets.

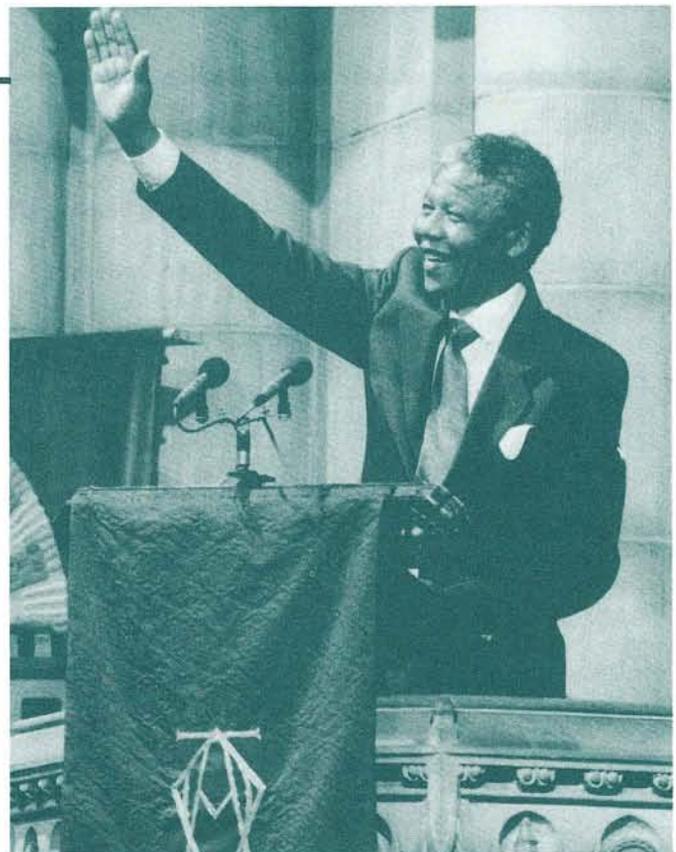
During his triumphant June 1990 U.S. and European tour, Mr. Mandela asked opponents of apartheid, including the churches, to "Keep the pressure on South Africa and intensify the struggle on all fronts" until apartheid is ended. In the coming year, faith communities and antiapartheid pension funds will challenge virtually all U.S. corporations and banks to halt remaining business with South Africa until apartheid ends. They will strengthen ties to antiapartheid churches and organizations in South Africa and consult with Namibia's leading political party, the Southwest Africa People's Organization, about its plans for new foreign investment in independent Namibia.

"Partners In Apartheid" Campaign

Last year ICCR's "Partners In Apartheid" campaign again focused intensive church action on Royal Dutch Shell, Chevron, Texaco, IBM, Control Data, and Unisys because they provide strategic products and services to South Africa's economy, police and military.

In 1989, ICCR's South Africa Issue Group dropped Mobil Corporation from the focus list and added American Cyanamid. Mobil sold its South African assets in May 1989, but sales of the company's products under the company's name and logo will continue and ICCR members will continue to press Mobil to cut all its business ties to South Africa.

Next year, previously, the churches will pressure apartheid's U.S. strategic business partners. ICCR members will sponsor shareholder resolutions; lead boycotts; write letters and postcards to companies; demonstrate at corporate headquarters, facilities and shareholder meetings; support divestment and selective purchasing legislation through testimony in Congress and state and local legislatures and



Nelson Mandela waves to antiapartheid religious leaders at New York City's Riverside Church, June 1990. photo: Rick Reinhard, 1990.

engaging in dialogue with corporations. The churches will urge stronger international sanctions through testimony at the United Nations and other international organizations.

Tailoring their campaigns specifically to each of seven companies, the churches will again demand companies completely withdraw from South Africa in consultation with company employees and unions (Shell, Chevron, Texaco and American Cyanamid); end non-equity ties such as license and franchise agreements (IBM, Control Data and Unisys); and invest in the Frontline States—South Africa's neighboring countries.

IBM—Still the Biggest Computer of Apartheid

ICCR members will continue to work with IBM employees in support of a shareholder resolution and campaign for IBM to stop all sales and services to South Africa. Though IBM sold its equity holdings in South Africa, it remains South Africa's largest computer company, selling products and through ISM, a successor company, created by IBM to continue its business there. Last year churches, local antiapartheid and labor groups demonstrated outside IBM's shareholder meeting in Arizona. Inside the meeting, a shareholder resolution, sponsored by ICCR members and IBM employees, received 17.2 percent, the highest vote ever achieved by a social issue shareholder resolution at IBM.

Shell Oils the Engines of Apartheid

The international boycott of Royal Dutch/Shell, South Africa's largest foreign investor, grows relentlessly as more religious and secular organizations join the boycott. Numerous religious organizations, unions, political leaders and celebrities have declared their cities, schools and churches "Shell-Free Zones," and demonstrated at Shell facilities. The American

Baptist Ministers and Missionaries Benefit Board continued seeking shareholder support for an extraordinary shareholder meeting of Royal Dutch/Shell to vote on withdrawal from South Africa. Next year ICCR will intensify its Shell campaign and support sanctions legislation which prohibits business with Shell so long as it does business in South Africa.

Bold New Coalition Targets American Cyanamid

In 1989 ICCR named American Cyanamid to its Partners in Apartheid list and launched a major campaign to pressure the company to withdraw from South Africa. The company has substantial operations and sales in South Africa, supplying chemicals to South African government-owned companies and other customers including the gold and uranium industries. During the fall of 1989, it fired all 200 workers in one plant during a dispute over the choice of a pension plan. In a major breakthrough, environmental organizations entered the antiapartheid campaign, condemning Cyanamid for regularly shipping toxic wastes to South Africa. The British plant, which processes the waste for Cyanamid, leaked mercury waste into Mgweni River, contaminating the major water source of the Kwazulu homeland and much of the Natal region.

In April 1990 peaceful antiapartheid demonstrators were violently confronted by police during a demonstration outside American Cyanamid's corporate headquarters in New Jersey. Days later, local antiapartheid activists, trade unionists, environmentalists and church people demonstrated outside American Cyanamid's annual shareholder meeting in Portland, Maine. Inside, religious and labor leaders from the U.S. and South Africa, environmentalists and antiapartheid activists spoke eloquently in support of a church-sponsored shareholder resolution calling on Cyanamid to sever all South Africa ties. Support for the resolution rose to 15.7 percent.

Next year faith communities will work to broaden support for the American Cyanamid campaign, intensify action and profile the company in *The Corporate Examiner*.



Banks Pressed to Cut South Africa Ties

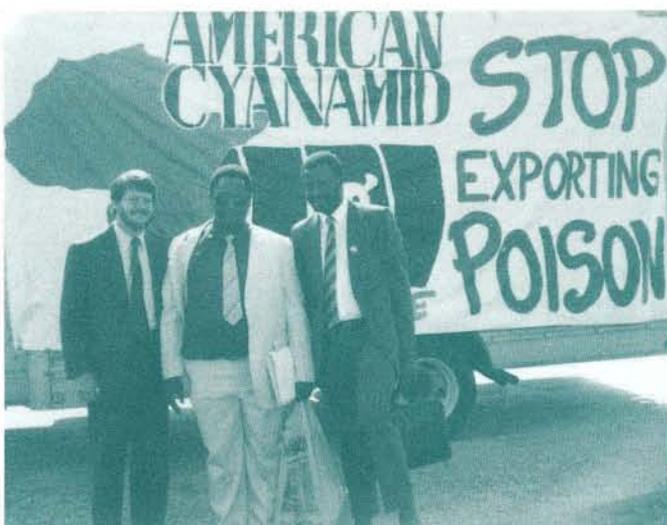
Though it is illegal for them to lend directly to South Africa, U.S. banks still extend a financial lifeline to apartheid. This year ICCR's bank campaign expanded dramatically when the churches filed shareholder resolutions, challenging South Africa's largest U.S. creditor banks to discontinue trade loans for South Africa, refrain from extending the maturities of outstanding short-term debt to long-term, ten year loans and to sever correspondent banking ties with South African entities.

Six banks—American Express, BankAmerica, Republic New York, Security Pacific, Bank of New York and Continental Illinois—committed to the position and the resolutions were withdrawn. Two other banks—Chemical and Bankers Trust—modified their South Africa policies. Resolutions to Citicorp, Manufacturers Hanover, Chase Manhattan and J.P. Morgan received among the highest shareholder votes ever achieved by antiapartheid resolutions.

Through demonstrations, protest postcards and account closings, New York City religious, labor, student and antiapartheid groups squeezed Manufacturers Hanover to change its South African banking policies. New York City's antiapartheid Mayor David Dinkens withdrew his personal accounts from Manufacturers Hanover protesting its South African business. In *The Corporate Examiner*, ICCR will profile Manufacturers Hanover, its record of investment in the U.S. and in South Africa.

With the special assistance of John Lind of CANICCOR, ICCR members have worked with German, Swiss, French and British churches and antiapartheid groups to discourage European bank loans and financial ties to South Africa. In addition, faith communities provided information on the South Africa connections of foreign banks which operate in the U.S., testifying before Congress, writing letters and joining public campaigns to urge these banks to sever South Africa ties.

Next year ICCR will again press U.S. and European banks to sever ties to South Africa through shareholder resolutions, letter writing and bank customer campaigns, letter and postcard protests and demonstrations in cooperation with U.S. and European antiapartheid allies. They will survey religious and pension fund money managers to discover if they do business with banks involved in South Africa and urge them to break those ties. ICCR will support Congressional legislation to tighten financial sanctions.



Rev. J. Andy Smith III, American Baptist Churches; Muzi Buthelezi, chief steward for Chemical Workers Industrial Union at American Cyanamid in South Africa; and Jan Mahlangu, Chemical Workers Industrial Union South Africa, addressed American Cyanamid shareholders at the Company annual meeting in Portland, Maine, April 1990. photo: Katzin.