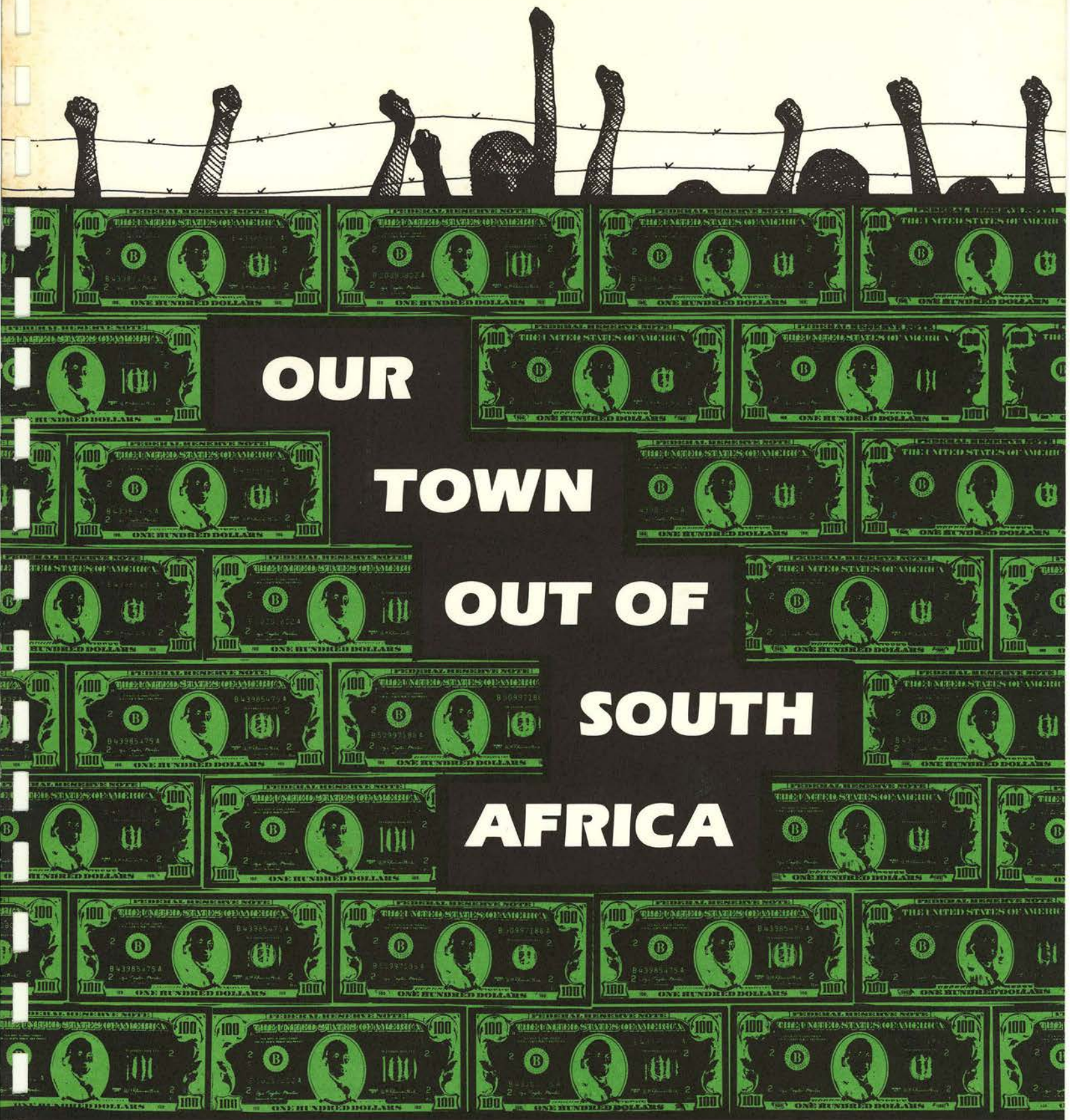

OUR TOWN OUT OF SOUTH AFRICA

A key to gaining community control over your city's public funds

OUR TOWN OUT OF SOUTH AFRICA

A Key to Gaining Community Control of Public Funds by $top Banking on Apartheid

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The premises from which we begin . . .

Additional Resources for **The Premises From Which We Begin . . .**

"California State Chartered Banks", California Legislature, Senate Select Committee on Investment Priorities and Objectives, August 1978. (Available from SBOA, $1.00)

"Southern Africa Literature List", Africa Fund, 198 Broadway, New York, NY 10038. (free)

"Southern Africa Media Center", California Newsreel (films & slideshows), 630 Natoma St., San Francisco, CA 94103. (free)

Torment to Triumph in Southern Africa, Louise Stack & Don Morton, Friendship Press, New York, NY 1976. ($2.75)

"U.S. Bank Loans to South Africa", CDE Handbook, Corporate Data Exchange, Inc., 198 Broadway, Room 706-7, New York, NY 10038, 1979. ($3.00)

Organizations:

American Committee on Africa, 198 Broadway, New York, NY 10038.

American Friends Service Committee, Southern Africa Program, Peace Education Division, 1501 Cherry St., Philadelphia, PA 19102.

Campaign to Oppose Bank Loans to South Africa, 1901 Que St., N.W., Washington, D.C. 20009.

TransAfrica, 1325 18th St., N.W., Washington, D.C. 20036.

Washington Office on Africa, 110 Maryland Ave., N.E., Washington, D.C. 20002 (primarily information on legislative actions).

Introduction

When black leaders within South Africa are asked how progressive Americans can help change conditions in South Africa, they consistently reply, "Change social relations within **your** country". This is a demand for self-determination by the black majority. The destiny of South Africa cannot be determined by external forces, either benevolent or antagonistic. However, apartheid's opponents explicitly recognize the tie between the needs of U.S. corporations and the U.S. government **and** the ability of four million whites to control the lives of 23 million blacks. This tie is cemented in oil, airplanes, arms and nearly $5 billion in investments and loans. It is up to progressive Americans to work at home to break this tie.

Approximately $3 billion of this financial support is in the form of bank loans. For over five years, a national campaign has been waged in the U.S. to pressure major lending institutions to cut off loans to South Africa. The campaign is based on an understanding of the economic role the U.S. plays in supporting apartheid and an understanding of the relationship between progressive peoples in the U.S. and in Africa. The objective is to make clear to the American public that apartheid is directly linked to the role of the U.S. in the world socio-economic order. Every major liberation force in southern Africa has supported and encouraged this effort.

The public often has little opportunity to influence major financial institutions. One effective tactic for gaining such influence is to demand public control of public monies used by financial institutions lending to South Africa. This tactic is both pragmatically effective and politically educational. It's effective because the public monies invested in these institutions are considerable **and** are subject to public control. It is educational because it directly links U.S. support of apartheid with the inability of our society to meet vital human needs in this country.

A good method of implementing this tactic is the municipal initiative. While housing conditions, health care, jobs and education decay, millions of dollars of municipal funds are used by financial institutions to invest in South Africa. The best way to ensure that public monies will be utilized in a fashion consistent with community needs is to democraticize the investment process of these funds. Many cities, counties and states have provisions for citizen-initiated ballot measures. The initiative method calls for a group of committed people willing to wage a campaign against apartheid and for people taking control of their own destinies. Gaining public control of public monies is one step toward using community resources to address community needs AND toward directly aiding the South African apartheid opposition.

OUR TOWN OUT OF SOUTH AFRICA is designed to help groups considering such an important undertaking. It offers the experience of some of us who worked on the first law in the U.S. requiring a major city to remove municipal funds from banks making loans to South Africa: the Berkeley Responsible Investment Ordinance passed April 17, 1979. We in turn were greatly aided by the previous successful effort in Davis, California to pass an advisory measure recommending the removal of municipal funds from such banks. It is our hope that this manual will help build momentum to pass similar legislation in cities throughout the nation.

Why Only South Africa?

Why did Berkeley only focus on South Africa when there are many other highly repressive regimes supported by U.S. bank loans? South Africa is currently the most obvious example of how U.S. bank loans support an oppressive government. Billions of dollars of public monies are annually invested in banks which make loans to South Africa. Thus, the investment of public monies in such banks presents a powerful argument for the public control of municipal investments. Once the public is convinced that its resources are misused when sent to aid South Africa, it becomes easier to discuss how their monies are used to support other abhorrent regimes.

What reasonable criteria can the public establish to determine which countries should be denied loans? South Africa again serves as a clear example. The demand for an end to U.S. loans to South Africa was initiated by the black majority in South Africa. This demand is supported by such influential indigeneous organizations as the South African Council of Churches, the African National Congress, the Pan African Congress, all organizations within the Black Consciousness Movement, the South African Congress of Trade Unions, and the Colored Labor Party. Municipal efforts within the U.S. to comply with the desires of the black majority are an act of international responsibility and not the result of value judgments made by isolated interest groups within the U.S. Economic sanctions or boycotts against another country are serious matters, and should only be launched when they are clearly supported by the majority working population of the country affected.

On a practical level, to pursue such economic sanctions at a municipal, or eventually state, level necessitates a well established history of organized popular support. Such groundwork for a campaign against bank loans to South Africa clearly exists thanks to the anti-apartheid efforts of a broad variety of individuals and organizations. This groundwork includes the establishment of a national campaign dedicated specifically to cutting off loans to South Africa, the Campaign to Oppose Bank Loans to South Africa.

Samples: $top Banking on Apartheid basic leaflet; Rebuttals to Arguments for Investing in South Africa; Quotes in Favor of Withdrawal; Background on South Africa and U.S. banks.

$TOP BANKING ON APARTHEID

HOW DO BANKS USE OUR MONEY? IS IT AVAILABLE FOR USE WITHIN OUR COMMUNITIES?

WHO CONTROLS WHERE IT IS SPENT?

WHO BENEFITS FROM OUR DEPOSITS, SAVINGS OR RETIREMENT AND HEALTH FUNDS?

CAN WE CONTROL THESE RESOURCES?

ARE BANKS ACCOUNTABLE TO THE COMMUNITIES WITHIN WHICH THEY OPERATE?

The answers to these questions are the main issues of the North American campaign to stop banks from making loans to South Africa and from neglecting our needs at home.

WHY FOCUS ON SOUTH AFRICA?

Today in South Africa a government elected by 4.3 million whites controls the lives of 26 million blacks. The policy of this government is to create ethnically separate living areas which are dependent upon and regulated by white interests. This policy is called "apartheid". To facilitate this policy and to insure the total economic, political and social dominance by white South Africans, the government has passed hundreds of laws, acts, and decrees. It has dramatically increased its military budget in order to conspicuously suppress the widespread dissent to "apartheid".

Though increased gold prices in 1980/81 (gold is South Africa's major export) have been primarily responsible for this rapid expansion in military spending, the viability of South Africa's war economy also heavily depends upon continued access to foreign finance. After the Soweto Uprisings in 1976, foreign banks stepped in to provide the critical underpinning to a then deteriorating economy; loans made then are now up for renewal. With the new loans recently made, foreign funding of "apartheid" has actually experienced a net increase over past levels. The continued availability of foreign finance frees the South African government to continue its policy of ever-increasing militarization while maintaining industrial growth.

To halt this foreign support of "apartheid", it's important that widespread popular pressure be exerted and maintained. South Africa's is only one of many repressive governments supported by the U.S., yet it provides one of the clearest examples of the domination of an entire nation by foreign and minority interests. As such, the racist white regime has received world-wide condemnation. The majority of its population joins with many others throughout the world who are actively struggling to obtain justice and their human rights. In South Africa's case, almost every major black organization since the 1950's has called for an end to foreign investment until "apartheid" is dismantled. While this broad context is emphasized in our educational work, we feel that by successfully pressuring banks to stop their loans to South Africa, we can set precedents for future campaigns as well as support other like-minded actions.

ARE BANKS NEGLECTING DOMESTIC NEEDS?

Banks are closely interlinked through stock ownership of each other, by inter-locking directorates, and from debt-holdings between themselves. The larger ones control the major voting rights in the largest U.S. corporations. Their primary earnings come from large corporations and institutional investors. A substantial portion of the total earnings of the 12 largest U.S. banks comes from earnings on loans made outside the United States.

Such facts make it clearer why the majority of banks are reluctant to invest in inner city neighborhoods or to make substantive efforts to create jobs for the people who must live in them. At the same time, most have failed to promote effective affirmative action for their employees or to support their right to unionize. Which makes it even more important to support those banks (generally the smaller ones) which have demonstrated a commitment to be socially accountable to the communities within which they operate.

NATIONAL CAMPAIGN

Banks granting loans to South Africa have been targeted for a withdrawal campaign by religious, labor, civic and community organizations throughout the U.S. and Canada. The goal is to end loans to South Africa and to get banks to make public an explicit commitment that they will NOT make such loans in the future. The strategy is to persuade organizations, families and individuals to withdraw their money and place it in more socially accountable financial institutions responsive to the needs of our communities.

Withdrawals are being made in a variety of ways: accounts are being closed; pension, health and savings funds are being reinvested; stock of corporations in South Africa is being sold; and bonds floated by South Africa are being refused. Hundreds of millions of dollars have been committed to be withdrawn from banks and divested from corporations doing business in South Africa. Some of these funds belong to the following national organizations (locals are too numerous to list):

COMMUNITY: American Committee on Africa, NAACP, Oxfam (Canada), Pan African Students Organization, PUSH, Transafrica, Washington Office on Africa, YWCA (Western Region), and Women's International League for Peace and Freedom.

LABOR: AFL-CIO, Amalgamated Meat Cutters and Butcher Workers of North America, Canadian Union of Public Employees, Distributive Workers of America, the Furriers Joint Council of New York, International Longshoremen's and Warehousemen's Union, National Union of Hospital and Health Care Employees, Office and Professional Employees Union, Service Employees International Union, United Auto Workers, United Electrical Workers, United Steel Workers, and United Radio, Electrical and Machine Workers.

RELIGIOUS: American Friends Service Committee, Clergy and Laity Concerned, National Council of Churches, Episcopal Church, Lutherans (LCA and AELC), Reformed Church of America, United Church of Christ, United Methodist, United Presbyterian, and World Council of Churches.

CIVIC: Berkeley, Davis, Cotati (CA), Cambridge, Hartford (CN), Philadelphia, Pullman (WA), Toronto, Connecticut, Nebraska, Massachusetts, and Michigan have adopted policies of not investing Pension Funds and/or 'temporarily-idle tax monies' in banks doing business in South Africa.

STUDENT: While the divestiture movement encompassing over 100 universities and colleges is primarily concerned with private corporate stock, banking relationships have received increased interest—especially by those student governments which have control over student funds. The student governments of the California college and university system have all withdrawn their funds. Harvard, Eastern Michigan University, Williams College, Mt. Holyoke College, Ohio University, and Colby College are a sample of those that have totally divested.

These withdrawals are being solicited by a number of coalitions spreading throughout the U.S. and Canada: in each of Canada's Provinces, New York City, Rochestor, Boston, Cambridge, Philadelphia, Milwaukee, Chicago, North Carolina, Seattle, Detroit, Texas and California. This pressure has already led to several banks adopting explicit policies of no more loans to South Africa. The First Pennsylvania Bank, Maryland National, City Bank of Detroit, Central National of Chicago, Bank of California and California First are among them. Many others have adopted implicit policies.

CALIFORNIA CAMPAIGN

Stop Banking on Apartheid is the California-based participant in this nation-wide campaign to end bank loans to South Africa. While Bank of America is by far the largest lender to South Africa, *SBOA* recognizes the role played by 7 other California banks in support of "apartheid": Bank of the West, Crocker, First Interstate, Security Pacific, Sumitomo, Union, and Wells Fargo. Their local discrimination is also researched and publicized: redlining activities, deficient 'affirmative action' practices, denial of their employees' right to unionize, and their use of public and private pension funds to support corporations operating in South Africa. *SBOA* is recommending banking institutions which have a good record of serving the needs of the communities within which they operate.

Stop Banking on Apartheid is using a variety of methods in the campaign: educational tools (slide/tape show, informational packets, and various pamphlets and leaflets), radio shows, written articles, workshops, press conferences, and publicity materials. Associated groups are working throughout the State.

What is most important in this effort is gaining individuals and organizations as active supporters. We hope YOU *will join in whatever capacity you can offer!*

For more information, write us at 464 19th St., Oakland, CA 94612, or call (415) 763-4998, 1-5 Mon., Wed., and Fri.

Labor donated 7/82

SOUTH AFRICA PERSPECTIVES

LAND

AREA: 472,359 sq. miles (larger than Germany, France, Italy and Portugal combined) — **Yearbook '77**

LAND RESERVATION: 87 percent of the total land is reserved for Whites; 13 percent for Africans. Indians and Coloureds are required to live in designated sections in White areas. — **Yearbook '77**

GOVERNMENT

Only whites have the vote. The government operates on a parliamentary system. The country is an independent Republic, having left the British Commonwealth in 1961.

EDUCATION

Attendance and Costs: School attendance is compulsory and free for white children 7-16. It is not compulsory for African children, who must pay fees and other costs which average $50 a year. — **NYT 7/15/76**

PERCENTAGE OF SCHOOL-AGE CHILDREN ACTUALLY IN SCHOOL:
Age 7-14 — white, 100 percent, African 75 percent
Age 13-18 (secondary school) — white, 66.3 percent; African, 4 percent — **NYT 7/15/76**

GOVERNMENT PER PUPIL EXPENDITURES ON EDUCATION, 1975: White — $517.50; African — $46. — **FM 6/25/76**

STUDENTS RECEIVING BA'S JUNE 74-MAY 75: White — 9,038; African — 548. — **Survey '76**

CONTROL AND REPRESSION

THE LAW: The Terrorism Act allows for indefinite incommunicado detention of any person suspected of being a "terrorist" or withholding information. The Internal Security Act allows preventative detention of any person considered to be engaging in activities which could endanger the security of the state. Persons detained under the Terrorism act cannot have access to lawyers, family or friends. The Internal Security Act permits the banning of any person or publication engaged in activities "calculated to endanger public order." A banned person must stay in a certain area and may not attend meetings, speak publicly, publish anything, or meet with other banned people or with any "gathering" of two or more people. Banning orders are virtually unchallengable in a court of law. The ill-named Abolition of Passes and Co-ordination of Documents Act requires Africans to carry passbooks, issued either by white South Africans or bantustan authorities, which include work and living permits. Failure to produce a passbook on demand is grounds for arrest and imprisonment. The Bantu Urban Areas Act requires blacks to live in segregated ghettos in towns.

AFRICAN INCOME VS. POVERTY LEVEL: The Household Subsistence Level is estimated to be the amount needed to provide basic necessities for an African family of six. It makes no provision for taxes, medical care, education or savings.
— In April, 1977, the HSL for an urban African family was calculated at $150 a month. At that time, average African pay in the retail trade was $94.30; in manufacturing $162.15. — **FM 5/2/77**
— In 1975, with the poverty line set at $127.65, a study showed that 63.5 percent of African households had monthly incomes of less than $92. — **FM 11/19/76**

SOWETO

A survey of 186 homes in Soweto, selected by random sampling methods, was carried out in late 1975 by the University of Witwatersrand's Department of Pediatrics. Among the findings:
61 percent of families have incomes below the poverty level.
Among children 10-12, 45 percent have malnutrition.
Average household size is five or more people; the average household has 2.5 beds.
87 percent of homes use candles for light. Only 5 percent have electricity or gas.
Only one-quarter of adults have gone beyond elementary school. — **SA Medical Journal 4/9/77**

SOUTH AFRICA PERSPECTIVES

IMPORTANT DATES

8th C. — First known African settlement.
1652 — First Europeans arrive.
1886 — Discovery of gold.
1906 — Bambatha's Rebellion; uprisings in South Africa and Namibia mark a high point of early African resistance to white rule.
1910 — Union formed and constitution adopted.
1912 — African National Congress founded to fight for African rights. Later organizations include the Pan Africanist Congress and the Unity Movement of South Africa.
1919 — South Africa granted mandate over Namibia by League of Nations.
1948 — National Party comes to power; apartheid is pursued as official policy.
1960 — Sharpeville Massacre, 69 Africans are killed as police fire on a peaceful demonstration called to protest pass laws.
1976 — African student uprisings spread from Soweto throughout the country; close to 1,000 people are killed.

US-SOUTH AFRICA ECONOMIC TIES

US COMPANIES DOING BUSINESS IN SOUTH AFRICA: 480 (January, 1975) **U. of Indiana study**

US INVESTMENT IN SOUTH AFRICA
— TOTAL: $1.67 billion (1976) — **US Commerce Dept.**
(Prior to South Africa's current recession, US return on investment in the Republic was 17-20 percent, vs. 10-11 percent elsewhere outside the US. — BF)
— TOP AREAS OF INVESTMENT, 1975 (in order of magnitude): Petroleum; mining and smelting; trade, machinery; chemicals and allied products. — **US Commerce Dept.**
— MAJOR INVESTORS BY SIZE OF INVESTMENT : petroleum — Mobil ($1/3 billion), Caltex (more than $225 million); transportation — GM ($150 million), Ford (more than $100 million), Chrysler ($45 million — SA unit merged with SA-owned company in 1976); mining and chemicals — Union Carbide (over $100 million), Kennecott ($130 million), Phelps-Dodge (over $100 million); communications — General Electric (more than $125 million), ITT ($50-$70 million — through minority position in SA-owned company since 1977), IBM ($8.4 million).

Figures are estimates based on available resources including company documents — **ICCR**
— MAJOR INVESTORS BY SIZE OF WORKFORCE: GM (5,800); Ford (5,000); Mobil (3,300); Coca-Cola (3,000). **US consulate, SA, May 1976**

LOANS BY US BANKS TO SOUTH AFRICA
—TOTAL LOANS OUTSTANDING: $3 billion (mid-1977 estimate) — **Committee to Oppose Bank Loans to South Africa**
— MAJOR US LENDERS: Citibank, Manufacturers Hanover Trust, Chase Manhattan, Morgan Guaranty, Bank of America, First National Bank of Boston, First National Bank of Chicago, Continental Illinois, Kidder-Peabody & Co. Inc.

$TOP BANKING ON APARTHEID

DON'T PUT YOUR MONEY INTO THESE BANKS

DON'T PUT YOUR MONEY INTO THESE BANKS because they make loans to South Africa: Crocker, Security Pacific, United California, Wells Fargo, French Bank, Sumitomo, Union and chartered Bank of London, Bank of America.

ALTERNATIVE PLACES TO PUT YOUR MONEY

Bay Area: Central, First Enterprise, Hibernia, Mechanics, Security National, Western Women's Bank
Los Angeles: American City, Community, Surety National, Valley National, Women's Bank
Sacramento: Cache Creek, Farmers & Merchant, First National Bank of Dixon, Placer National, Rivercity

$TOP BANKING ON APARTHEID is part of a nationwide campaign to end U.S. bank loans to South Africa. For more information write us at 2160 Lake Street, San Francisco, CA 94121 or call (415) 752-7766.

REBUTTALS TO ARGUMENTS FOR INVESTING IN SOUTH AFRICA

WHY SHOULD I BE CONCERNED?

WHY SHOULD CORPORATIONS WITHDRAW FROM SOUTH AFRICA?

WHY SHOULD BANKS STOP LENDING MONEY TO SOUTH AFRICA?

ARGUMENT There are too many problems in the United States to solve. Those outside this country must solve their own problems.

RESPONSE So many times when we observe institutionalized racism and discrimination in companies at home, these same companies are the ones allowing and practicing oppression abroad. Because of the vast amounts of profits obtained from cheap labor in South Africa, banks and other U.S. firms derive even greater profits from their investments. These profits provide stability to the companies and allow them to be less responsive to the advancement and rights of citizens at home.

ARGUMENT U.S. corporate withdrawal would result in the loss of jobs to African workers and a reduction in their standard of living.

RESPONSE These short-term disadvantages of withdrawal affect the few (U.S. corporations only employ 100,000 workers, many of these white). They must be weighed against the long-term suffering which results from the political and economic discrimination under Apartheid. The loans which have been made have generally gone to government sectors which mainly serve the needs of the white population. Such loans do not go to social development programs in black communities. In fact, the cash flow creates more wealth and power in white hands, thus contributing to the growing income gap between blacks and whites.

ARGUMENT U.S. corporate withdrawal would eliminate the opportunity of U.S. corporations to be a progressive and reforming force in South Africa.

RESPONSE It is impossible for any significant reforms to occur within the present laws of South Africa. Suggested reforms (for example the "Six Principles" adopted by some U.S. corporations operating in South Africa) are insignificant because they fail to include the right of black South Africans to organize or otherwise participate in political activity. Without such rights, blacks will remain in their present state of powerlessness. Furthermore, fundamental change has been shown to be impossible through the hard-line stance of the Nationalist Party's leaders, including current Prime Minister Pieter W. Botha.

ARGUMENT Banks are politically neutral and are simply involved in business transactions when they lend money to South Africa.

RESPONSE It is a simplistic smokescreen to pretend that loans to the South African government and its parastatals are simply business and not politics. Certainly the Apartheid government understands the political implications and the bridges of friendship that such loans build. In effect, these loans are being used to strengthen the military and defense capabilities of the government; to build up strategic economic sectors such as steel, uranium and energy; to provide relief for balance of payment deficits; to widen the income gap between blacks and whites; and to legitimize the white supremacist government.

ARGUMENT If U.S. corporations withdraw from South Africa, other foreign corporations will simply expand.

RESPONSE This argument attempts to evade responsibility. U.S. corporations are responsible for their own actions, not for those of other foreign investors. U.S. corporate withdrawal would be a critical economic, political, and psychological setback for the South African government and its Apartheid system.

Labor donated

QUOTATIONS IN FAVOR OF WITHDRAWAL

STEVEN BIKO, Black Consciousness Movement leader, December 1976

Heavy investments in the South African economy, bilateral trade with South Africa, cultural exchanges in the fields of sport and music and of late joint political ventures like the Vorster-Kissinger exercise are amongst the sins of which America is accused. All these activities relate to whites and their interests and serve to entrench the position of the minority regime. . . Given the clear analysis of our problems, the choice is very simple for America. . . The interests of black and white politically have been made diametrically opposed to each other. America's choice is narrowed down to either entrenching the existing minority white regime or alternatively assisting, in a very definite way, the attainment of the aspirations of millions of the black population as well as those of whites of good will. We are looking forward to a non-racial, just and egalitarian society in which color, creed and race shall form no point of reference.

OLIVER TAMBO, acting President-General of the African National Congress, South Africa

The African National Congress has long called for the ending of all foreign capital investment in South Africa. . . South Africa is an attractive center for profitable foreign investment, precisely because migrant labor in abundance is organized and made easily available to business by the regime as a conscious act of policy. . .

PAN AFRICANIST CONGRESS OF AZANIA (South Africa) Mission to the United Nations

The Pan Africanist Congress of Azania abhores and denounces the continued investments of multinational corporations in South Africa. Their continued presence nurtures the Apartheid racist regime and the super profits derived thereof are dripping with the blood of the children of Soweto, Guguletu and Mannenburg, etc. We therefore call upon the American public to denounce these business concerns. . .

AMBASSADOR LESLIE O. HARRIMAN, Chairman, United Nations Special Committee Against Apartheid, November 1977

When I hear it said that economic sanctions would hurt the oppressed black people of South Africa, I say that Steve and the other martyrs and all the political prisoners in racist prisons in South Africa could have chosen comfort if they were prepared to tolerate humiliation. . . The black students and workers in South Africa knew when they launched the national uprising after the Soweto massacre that their struggle, that their destruction of symbols of oppression, would lead not only to racist violence, but also to unemployment and hunger. They have chosen the painful sacrifices of the present to build the future. . . We should consider what we can do to show them our solidarity, instead of finding specious excuses to continue "business as usual" with South Africa, on the pretence of sparing the blacks of material suffering.

SUBCOMMITTEE ON AFRICAN AFFAIRS, Report to the Senate Committee on Foreign Relations, January 1978

American corporations operating in South Africa have done almost nothing to resist that nation's racial apartheid policy and have acted contrary to American foreign policy. . .The net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's Apartheid regime. . .The $2.2 billion of American credit outstanding in 1976 is roughly equivalent to the amount of foreign exchange required to cover South Africa's defense and oil import costs for the same year. . . It's suggested that the United States discourage foreign investment in South Africa and deny tax credits to firms that support Apartheid.

CHARLES B. RANGEL, U.S. House of Representatives, D. New York, Morgan Guaranty Trust Company Annual Meeting 1977

It is my personal conviction, and I believe that I speak with the support of the Congressional Black Caucus, that continued U.S. loans to the South African Government are an affront to Black Americans and all others in the United States who wish to see Apartheid ended. The most recent loan, directly into the South African treasury, is particularly abhorrent because the government is totally free to use these funds to defend white minority rule. After the events starting in Soweto in June 1976 and continuing to the present day, there can be no doubt in anyone's mind that the Vorster government needs these loans to maintain and strengthen its control over the majority of its people. I call upon the management of Morgan Guaranty to stop immediately all loans to the apartheid regime. . .

GEORGE SHEPPARD, Professor at the University of Denver, author of a forthcoming book on South Africa

Bank loans are unquestionably the most effection economic sanction employed by the Western world in the South African situation. They are doubly, if not triply, effective today because of the deteriorating balance of payments situation and external investment problems. The anti-bank loan campaign is one of the most effective forces against the South African government by non-governmental organizations.

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(415) 752-7766

BACKGROUND ON SOUTH AFRICA AND U.S. BANKS

MANY PEOPLE DO NOT REALIZE HOW TERRIBLE APARTHEID IS FOR THE MAJORITY OF SOUTH AFRICANS WHO ARE BLACK'

APARTHEID It is the South African legal term for "separate development of the races." The South African white minority government has declared that Blacks are NOT the citizens of South Africa, but rather citizens of reservations called "Homelands". Homelands represent only 13% of South African land, and the land is the least resource-rich and most industrially undeveloped in South Africa.

VOTING Blacks cannot vote in white South Africa. They vote in state-controlled Homeland and municipal elections, but actually very few even bother to vote there since Blacks view non-voting as demonstrating against apartheid. This monopoly of political power by whites is, of course, the mainstay of apartheid. Black political power is unthinkable to the South African government. Voting rights for Blacks would lead to the immediate elimination of the apartheid laws.

SPEECH Prior to the Soweto 'uprisings' (which spread throughout the country in 1976), South Africa allowed a moderately critical press. In suppressing the uprisings, police closed critical newspapers and detained writers and editors. Some are still in detention, some have chosen exile rather than prison, and some have been released for surveillance.

TRAVEL Blacks must carry identification passbooks everywhere in white South Africa. They are subject to inspection by police anywhere and at any time. They must be renewed every two weeks. It is estimated that over 2,000 Blacks a day are arrested for passbook violations. As for international passports, they are virtually non-existent for Blacks, unless a particular person has an acceptable international sponsor (such as churches, educational institutions, American companies, etc.).

EDUCATION Black parents must pay the entire cost of educating their children since Black education is neither free nor compulsory. White education is both free and compulsory. Black students resent their inferior education with its separate curriculum because they want the opportunity for better jobs than their parents had. This resentment exploded in Soweto Township in 1976 when demonstrating students were attacked and killed by Special Riot Police.

JOBS The unemployment rate of Blacks in the 'homelands' (more like reservations) is staggering. Programs there by the South African government would be referred to as 'foreign aid'. In the townships, Blacks are found doing the jobs that whites least want. The best jobs are legally classified as 'jobs reserved for whites-only'. Restrooms, cafeterias, and lockerrooms are strictly segregated. Since South African law does not require equal pay for equal work, Blacks are always paid much less (the gap between black and white wages is still growing). 80% of the Blacks in Johannesburg, Durban and Pietermaritzburg (major cities) struggle to pay for essentials like food, rent and clothing. 30% of the 2.3 million Blacks unemployed have no cash income of any sort.

HOUSING Apartheid law required Blacks to live in the 'homeland', except when they obtain work and travel permits to get into white South Africa. 'Homeland' housing is very primitive. It is largely inhabited by women, children, and the elderly. Many of the men go to live 'temporarily' in factory barracks in white industrial and mining centers.

About half of the Black population has been allowed to settle in all-Black townships which lie 20-30 miles outside the white cities. Blacks spend hours each day in long, wasteful commuting to jobs in the cities. A large portion of their wages is spent on transportation. There is a strict curfew against them staying overnight in white cities.

Housing and land in the townships cannot be owned by Blacks. Only long-term rentals are available. Supporting facilities such as roads, lights, water, sewage, and recreational space are deliberately maintained in poor condition by the South African government. The government does not want to encourage migration from the 'homelands' to the townships. The government wants township Blacks to live under conditions of high stress so as to slow down political organizing amongst the inhabitants.

U.S. BANK LOANS

According to the Congressional Subcommittee on African Affairs, U.S. banks had loaned $2.3 billion to South Africa in 1977. A more recent study by the Control Data Exchange documents $3 billion in laons. This represents one-third of all South Africa's foreign credit, and (interestingly enough) is equivalent to South Africa's defense and oil import costs. Most of these loans go directly to state-owned industries, and strengthen the economic and military self-sufficiency of South Africa's apartheid regime. This amount is more than double the investments made by corporations with operations in South Africa.

U.S. banks (including Bank of America) take the position that this bank credit for South Africa is not credit for apartheid! **This is not true.** Some U.S. banks lend directly to the South African government and the government-owned corporations. These loans directly feed into the internal security system which enforces apartheid. A major part of U.S. bank loans represents trading credit so that South Africa can buy from the U.S. For example, South Africa buys 40% of its crude oil from U.S. companies, and uses U.S. bank credit to finance the purchase.

Trade credits support apartheid because such credits help South Africa's policy of 'strategic investments'. Bank loans directly aid South Africa to establish its own self-sufficiency so that economic sanctions will have little effect. Bank loans enable South Africa to obtain, from the U.S., oil, cars, trucks, planes, computers and many other technologically important, and militarily important, products.

BANK OF AMERICA

Bank of America was chosen for protest because it has over $200 million in loans to South Africa—10% of the amount South Africa has raised in the U.S. They continue to defend their policy of indiscriminate lending to the South African government and its state-owned industries, and to local South African banks who can use this money as they please. South Africa itself has admitted that they desperately need this money in order to continue apartheid.

The Bank of America is the largest private bank in the world. Our success will mean a major impact on other banks, and most importantly on South Africa itself. We also open the Bank to criticism for its discrimination against women, minorities and unionists, as well as its support of nuclear power.

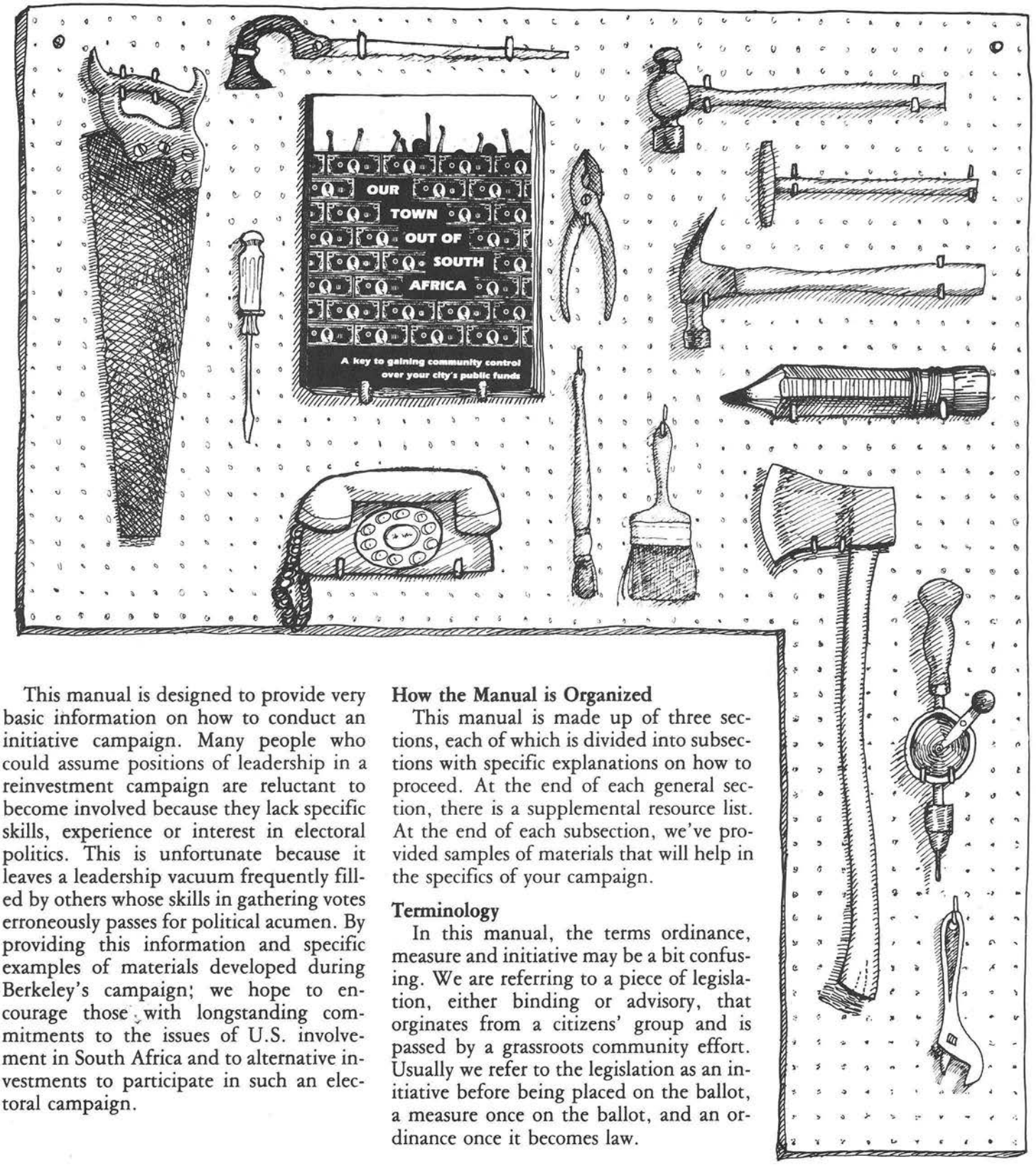
For example, Bank of America denies that it is redlining. Do the facts suggest otherwise? Although Oakland's Flatlands contain approximately 75% of the city's population and 80% of the total housing BofA made only 36.5% of its 1976 mortgage loans to the Flatlands. The predominately white middle and upper income residents in the Oakland hills received almost 7 times as many loans per person than in the Flatlands, where 93% of Oakland's black population lives. In Los Angeles in 1977, BofA made only 10 mortgage loans to the area of West Adams (13% of its county average). BofA has 14 branches in or near West Adams, a predominately black neighborhood. Yet BofA's per capita lending here was $1.83, compared to $26.66 for the County and $128.18 in Pacific Palisades (predominately white). (SBOA has questionnaires which will help you determine BofA's record in your community.)

STOP BANKING ON APARTHEID

SBOA is a coalition of California individuals and organizations which is part of a North American campaign to stop bank loans to South Africa. Its objective is to better inform the public about South Africa and U.S. banks. It encourages people and organizations to switch to banks which do not loan to South Africa and which do not discriminate in lending to communities in the U.S.

Labor donated

How to Use This Manual



This manual is designed to provide very basic information on how to conduct an initiative campaign. Many people who could assume positions of leadership in a reinvestment campaign are reluctant to become involved because they lack specific skills, experience or interest in electoral politics. This is unfortunate because it leaves a leadership vacuum frequently filled by others whose skills in gathering votes erroneously passes for political acumen. By providing this information and specific examples of materials developed during Berkeley's campaign; we hope to encourage those with longstanding commitments to the issues of U.S. involvement in South Africa and to alternative investments to participate in such an electoral campaign.

How the Manual is Organized

This manual is made up of three sections, each of which is divided into subsections with specific explanations on how to proceed. At the end of each general section, there is a supplemental resource list. At the end of each subsection, we've provided samples of materials that will help in the specifics of your campaign.

Terminology

In this manual, the terms ordinance, measure and initiative may be a bit confusing. We are referring to a piece of legislation, either binding or advisory, that orginates from a citizens' group and is passed by a grassroots community effort. Usually we refer to the legislation as an initiative before being placed on the ballot, a measure once on the ballot, and an ordinance once it becomes law.

It can happen here

Additional Resources for **It Can Happen Here**

"Charter or General Law City?", League of California Cities, 1106 O St., Sacramento, CA 95814.

"How to Read a Financial Report", J.A. Tracy, J. Wiley and Sons, New York, NY, 1980.

Raising Hell: A Citizen's Guide to the Fine Art of Investigation, Dan Noyes, Center for Investigative Reporting, 1419 Broadway, Room 600, Oakland, CA 94612.

Research for Action, A Guidebook to Public Records Investigation for Community Activists, Don Villarejo, California Institute for Rural Studies, P.O. Box 530, Davis, CA 95616, 1980.

"Disclosure and Neighborhood Reinvestment: A Citizen's Guide", National Center for Urban Ethnic Affairs, 1521 16th St., N.W., Washington, D.C. 20036. ($1.50)

"The Home Mortgage Loan Practices of the Five Largest Retail Banks in New York City", COBLSA-NY Chapter, 4R 313 W. 78th St., New York, NY 10024.

"Redlining Revealed: Where to Bank to Save Your Neighborhood", R. Finney, G. Jackson and Sheridan Sonne, The Center for New Corporate Priorities, 1516 Westwood Blvd., Suite 202, Los Angeles, CA 90024, 1977. ($3.95)

"Report on Redlining in 8 Major Cities", National People's Action, 1115 W. Washington Blvd., Chicago, IL 60607.

Alternative Investment Packet, Stop Banking on Apartheid, 464 19th St., Oakland, CA 94612, 1982. ($3.00)

"A Proposal: South Africa—Divestiture and Reinvestment in Sacramento Housing", John Harrington and Grantland Johnson, August 1979. (Available from SBOA, $.75)

City of Davis Study on Reinvestment of Municipal Funds, City Council, Davis, CA 95616, 1980.

Divesting from South Africa: A Prudent Approach for Pension Funds, L. Litvak, J. Estrella, and K. McTique, Community Economics, Inc. (co-published with the Conference on Alternative State and Local Policies), 1904 Franklin, Oakland, CA 94612, October 1981. ($5.95)

Investing in Minnesota: A Proposal to Use State Money's for Maximum Benefit, Thomas J. Triplett, The Minnesota Project, 1980.*

Investing in Ourselves: Strategies for Massachusetts, A Report to the Task Force on Public Pension Investments of the Massachusetts Social and Economic Opportunity Council, Low Income Planning Aid, 2 Park Square, Boston, MA, June 1979.*

"New Directions in Pension Investment Policy", State Planning Issues, Vol. 3, 1979, Council of State Planning Agencies and the National Governors Association, Hall of the States, 444 North Capitol, Washington, D.C. 20001.

Pension Funds and Economic Renewal, Lawrence Litvak, Council of State Planning Agencies, November 1981. (Available from Community Economics, Inc., $14.95)

Pension Funds and Ethical Investments, A Study of Investment Practices and Opportunities—State of California Retirement Systems, Council on Economic Priorities, 84 Fifth Ave., New York, NY 10011, 1980.

Public Investment Practices of the City and County of San Diego, Chris Walker, prepared for the San Diego City/County Reinvestment Task Force, July 1978.*

"Redirecting Public Funds: A Strategy for the City of Berkeley", Citizens Committee on Responsible Investments, Department of Finance, Berkeley, CA 94704, 1980.

"Revitalizing New York City's Economy: The Role of Public Pension Funds", Ruth Messinger for the Municipal Research Institute, 5 Beekman St., New York, NY, 1980.*

Social Investments and the Law: The Case for Alternative Investments, Michael Leibig, 1980.*

"Strategic Investment: The Case for Increasing Total Yield on Wisconsin's Pension Fund, A Summary", Tamsin Taylor and Richard Parker, Strategic Investment Advisors, 1320 Campus Drive, Berkeley, CA 94709, 1979.*

Organizations:

Community Economics, Inc., 1904 Franklin, Oakland, CA 94612. (Develops tailored investment strategies.)

*Conference on Alternative State and Local Policies, 200 Florida Ave., N.W., Washington, D.C. 20009. (Distributes these publications for $5.95 each.)

The Data Center, 464 19th Street, Oakland, CA 94612. (Has public access research files plus a customized Search Service.)

National Training and Information Center, 121 W. Superior St., Chicago, IL 60610. (Has a series of How-To's for neighborhood development and organization.)

Investor organizations are listed in this section.

Assessing Whether To Do An Initiative

The Berkeley Responsible Investment Ordinance was written by community groups and qualified for the ballot through a citizens' petition. Before you decide to undertake a similar campaign, you will need to consider several important factors.

How broad is your base?

Remember that your efforts to withdraw city funds from banks lending to SA are part of a nation-wide campaign. If you grossly overestimate your strength and fail, the setback will be felt by the entire movement. Questions to help you assess the feasibility of passing an initiative include:

1) Is there support from interest groups besides those represented in your core group? A few phone calls to representatives of various groups may prove invaluable.

2) Is there sufficient political solidarity between these groups and individuals to run a mutual campaign?

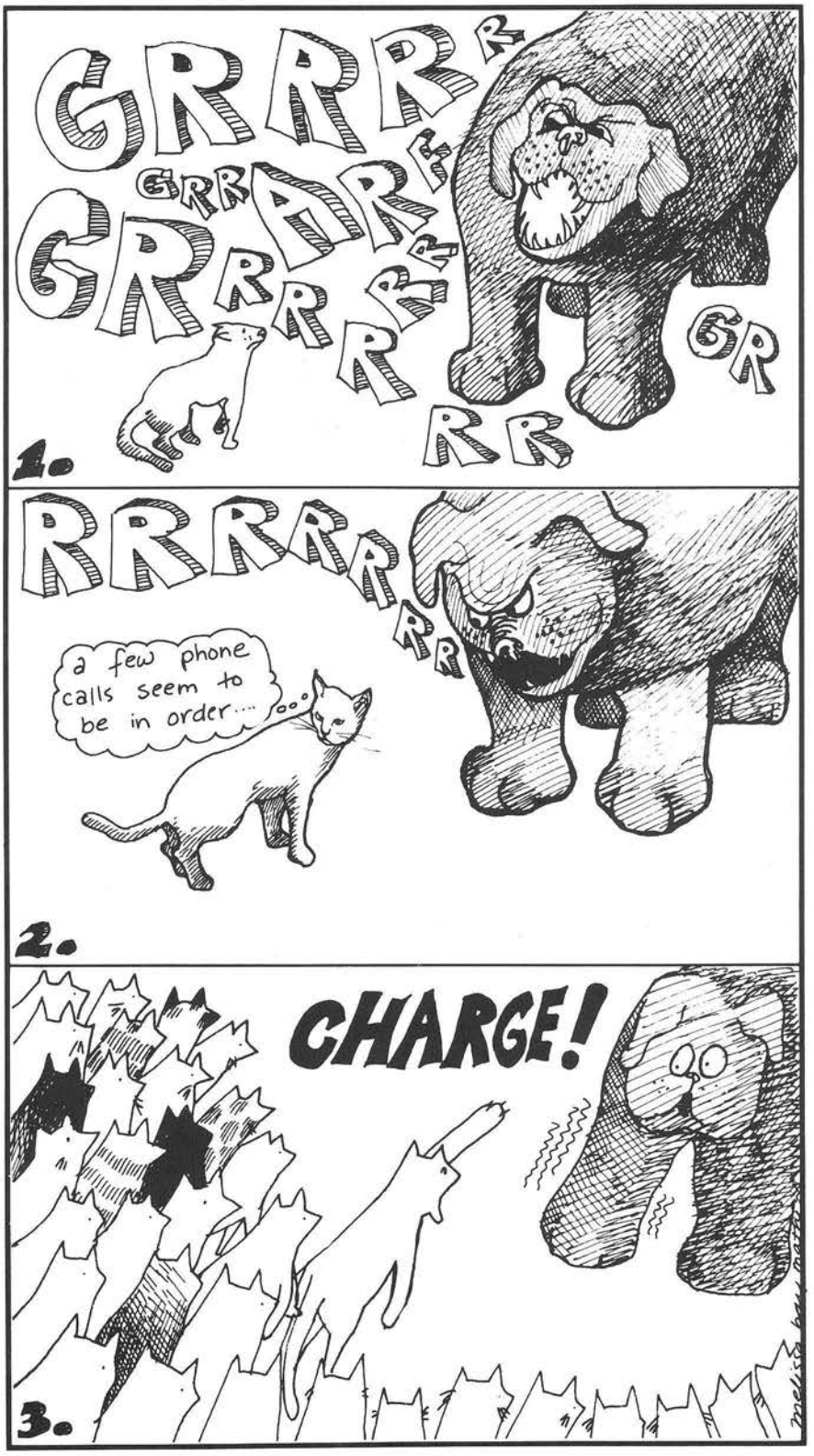
3) How strong is the opposition you'll face?

Don't rush: if you do not feel confident the initiative has a good chance of passing, it may be better to postpone a ballot measure until good solid groundwork has been laid in the community.

How is your city incorporated?

In California, as in many other states, there are only two classes of cities: chartered or general law. A general law city is governed, as the name implies, by the general laws of the state. Each state's general laws will designate whether municipal ordinances may be placed on a city ballot by a citizens' petition.

California general law provides for municipal advisory measures, or "sense of the people votes", to be placed on the city ballot by citizens' petitions. The City of Davis passed such an advisory measure concerning city investments in banks which lend to South Africa in June 1978. California chartered cities, in addition, may permit binding legislation to be placed on the municipal ballot through a



citizens' petition. If you live in a chartered city, your city clerk should know if your city's charter permits such a petition process. Because Berkeley's city charter did, Berkeley's Responsible Investment Ordinance became law when passed by the voters.

Note that most of the more populated cities in California are chartered cities. We have included the 1970 list of chartered cities. If you still don't know whether your city is chartered or general law, call the city attorney, city clerk, or write the League of California Cities (1106 "O" Street, Sacramento 95814, (916) 444-5790).

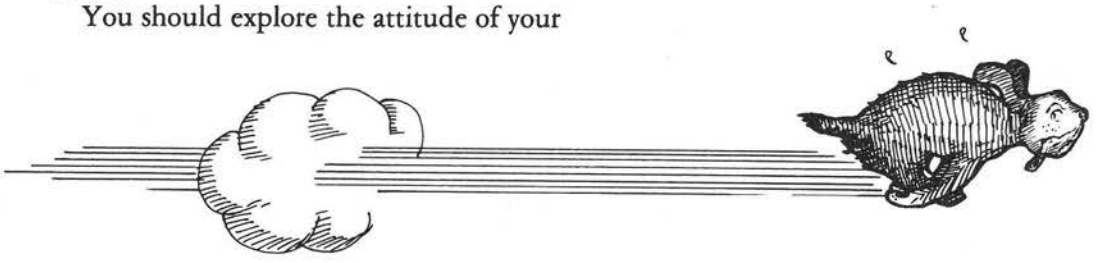
The important distinction between chartered and general law will help you decide whether or not it is worth pursuing an initiative campaign. If your city council is antagonistic toward your initiative and you live in a general law city, you may find yourself involved in a mere token campaign. On the other hand, you may decide that the campaign is worth the effort merely for its educational value. If you live in a chartered city which permits binding, citizen-proposed ordinances and face an antagonistic city government, you may be encouraged to know that the city government will be required by law to follow the dictates of your ordinance.

Is it necessary to put your measure on the ballot?

You should explore the attitude of your city government toward the intent of your measure. Investing public monies within the community has become an increasingly poplular issue among both liberals and conservatives. It may be that city officials and elected representatives can be persuaded to enact binding legislation on their own via city council resolution or mayoral decree.

HOWEVER, there are serious drawbacks to this method. If the city council passes a resolution, implementation depends upon their resolve. Without a strong mandate from the people, many well-intentioned resolutions are easily shoved under the table. Also, it is much easier to rescind at a later date a city council resolution than to repeal an existing law. The opportunity for large scale education is denied since there is litle public involvement in the decision. The spread effects which can be gained from an electoral campaign are also lost. A strong public stance against apartheid strengthens other southern Africa support work. And the clear demonstration of the feasibility of reinvestment reinforces those pressuring for similar actions within their unions, religious organizations, colleges or community groups.

Sample: California charter cities



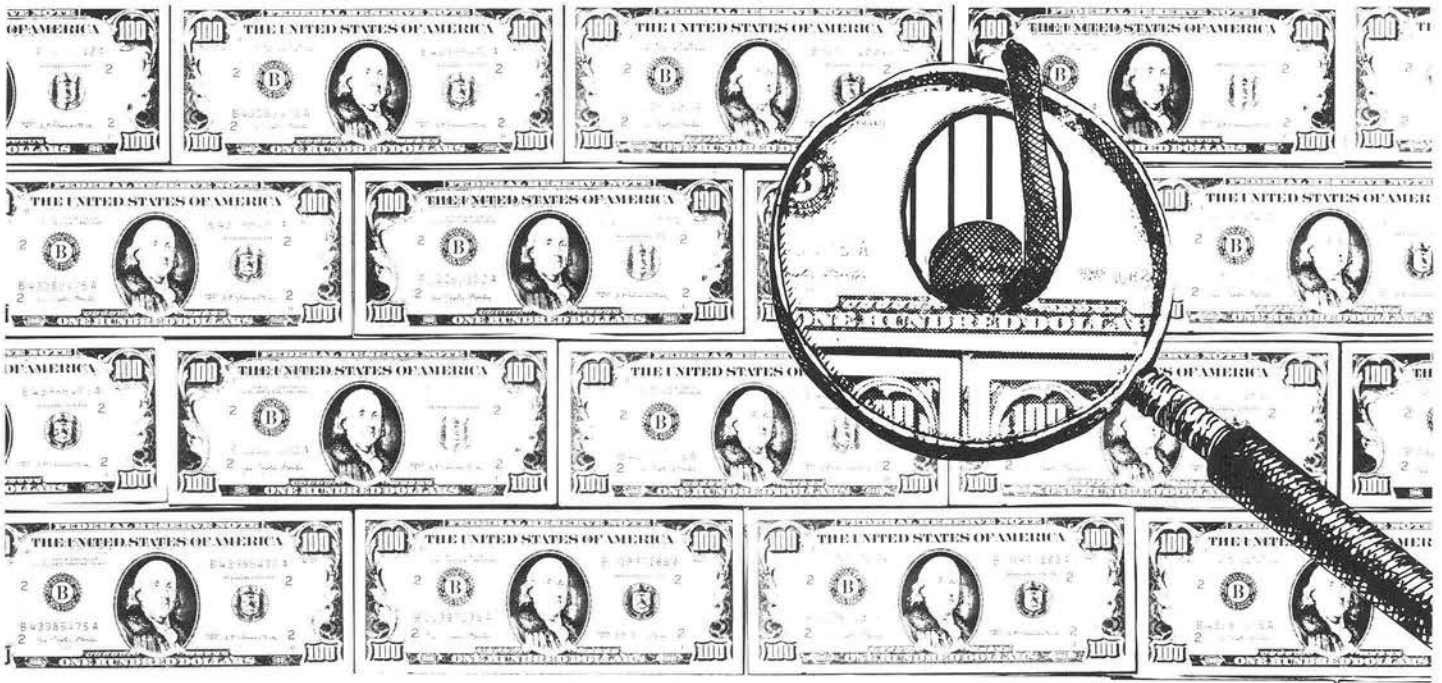
California Charter Cities

City	County	*1970 Population	Date of Present Charter
Alameda	Alameda	79,600	1937
Albany	Alameda	17,600	1927
Alhambra	Los Angeles	64,500	1915
Anaheim	Orange	171,100	1965
Arcadia	Los Angeles	47,650	1969
Bakersfield	Kern	71,282	1915
Berkeley	Alameda	120,300	1909
Burbank	Los Angeles	95,206	1927
Cerritos	Los Angeles	16,750	1964
Chico	Butte	20,500	1960
Chula Vista	San Diego	68,200	1949
Compton	Los Angeles	78,022	1948
Culver City	Los Angeles	33,608	1947
Del Mar	San Diego	4,075	1960
Downey	Los Angeles	97,200	1965
Eureka	Humboldt	28,137	1959
Fresno	Fresno	171,600	1957
Gilroy	Santa Clara	11,600	1959
Glendale	Los Angeles	135,600	1921
Grass Valley	Nevada	5,563	1953
Hayward	Alameda	93,586	1956
Huntington Beach	Orange	116,400	1937
Inglewood	Los Angeles	91,000	1927
Long Beach	Los Angeles	389,028	1921
Los Alamitos	Orange	9,400	1967
Los Angeles	Los Angeles	2,948,800	1925
Marysville	Yuba	10,400	1919
Merced	Merced	23,941	1949
Modesto	Stanislaus	61,400	1951
Monterey	Monterey	27,200	1962
Mountain View	Santa Clara	55,400	1953
Napa	Napa	35,931	1915
Needles	San Bernardino	4,731	1959
Newport Beach	Orange	47,800	1955
Oakland	Alameda	383,700	1969
Oroville	Butte	7,674	1933
Pacific Grove	Monterey	14,506	1969
Palo Alto	Santa Clara	56,000	1909
Pasadena	Los Angeles	125,000	1901
Petaluma	Sonoma	23,753	1947
Piedmont	Alameda	11,117	1923
Placentia	Orange	21,800	1965
Pomona	Los Angeles	86,939	1965
Porterville	Tulare	12,412	1927

Redondo Beach	Los Angeles	58,800	1949
Redwood City	San Mateo	58,296	1929
Richmond	Contra Costa	81,900	1909
Riverside	Riverside	137,500	1953
Roseville	Placer	18,809	1955
Sacramento	Sacramento	263,333	1921
Salinas	Monterey	58,600	1919
San Bernardino	San Bernardino	107,172	1905
San Diego	San Diego	710,900	1931
San Francisco	San Francisco	756,900	1931
San Jose	Santa Clara	461,800	1965
San Leandro	Alameda	74,400	1933
San Luis Obispo	San Luis Obispo	27,100	1955
San Mateo	San Mateo	79,700	1971
San Rafael	Marin	36,503	1913
Santa Ana	Orange	155,200	1953
Santa Barbara	Santa Barbara	71,850	1967
Santa Clara	Santa Clara	85,200	1951
Santa Cruz	Santa Cruz	30,900	1948
Santa Monica	Los Angeles	88,900	1947
Santa Rosa	Sonoma	51,741	1923
Seal Beach	Orange	24,175	1964
Stockton	San Joaquin	112,400	1923
Sunnyvale	Santa Clara	100,800	1949
Torrance	Los Angeles	139,000	1947
Tulare	Tulare	16,058	1923
Vallejo	Solano	72,005	1970
Ventura	Ventura	56,700	1971
Visalia	Tulare	27,600	1969
Watsonville	Santa Cruz	14,400	1960
Whittier	Los Angeles	79,131	1955

*Population figures as shown on compilation of State Controller's office for period December 1, 1969, through May 31, 1970.

Conducting Preliminary Research



In order to have a firm basis from which to build towards victory, basic research needs to be completed. This research will help you write an effective measure, refute your opposition's arguments, and reassure the more fiscally conservative supporters of your campaign. Five questions need to be addressed.

How are city funds currently invested?

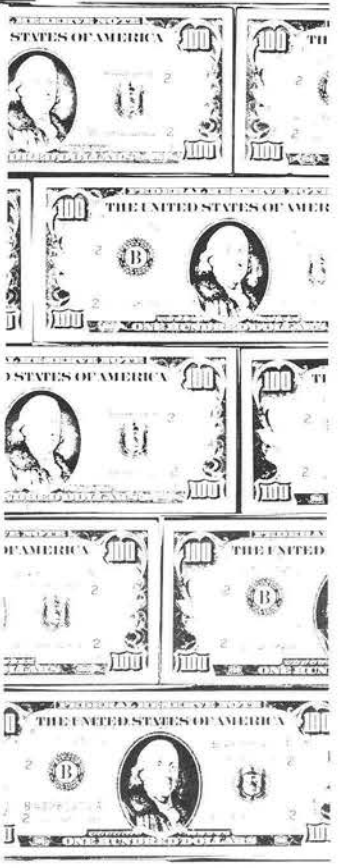
In every city there is a government office in charge of investing "temporarily idle municipal funds" (monies awaiting dispersal by city government). This office is usually the city financial office, city treasurer, or city manager. Contact the relevant office and ask for the current investment portfolio summary or financial summary sheet.

This summary will tell you where, under what interest rates, and for how long, city funds are invested. By comparing where city funds are invested with $BOA's list of banks doing business with South Africa, you can determine how much city money is being used to aid apartheid. By determining the current rate of return on city investments, you can demonstrate how alternative investments would offer the same or higher economic benefits to the city. Also, you need to know how long it takes current city investments to mature in order to: 1) assess how quickly you can remove public funds deposited in banks loaning to South Africa; and 2) understand the practical timelines you must consider for alternative investments.

Although this investment portfolio summary should be a matter of public record, availability will hinge on the cooperation of the office in charge. Be persistent; insist on your rights. If this information is not forthcoming, contact friendly city council members. If they aren't able to help, a letter from an attorney should speed the summary's release.

What state and local laws restrict municipal investments?

When requesting the investment portfolio summary, also ask what state and local laws restrict how "temporarily idle



funds'' may be invested. This information gives you the current legal limitations on constructive alternatives to your city's investments. California state law restricts the investment of ''temporarily idle funds'' to banks, saving and loan associations, and state and federal agency papers (government securities). On the day of deposit, these funds must be invested in the institution or securities offering the highest rate of return.

Flexibility is still possible within these regulations. For instance, an institution offering the highest interest on a three-month Certificate of Deposit may not meet local investment criteria. Yet the highest interest rate for a six- or nine-month Certificate of Deposit may be available from an institution which does meet this critieria. Thus the Finance Officer can choose which Certificate of Deposit satisfies both liquidity and investment requirements. If on a particular date no ''highest interest'' financial institution meets local criteria, city funds can be placed in the Local Agency Investment Fund (LAIF)—a state depository for local government funds not affected by highest interest rate stipulation. Since LAIF deposits are very liquid (24 hours), funds can be immediately withdrawn when an investment opportunity meeting local criteria becomes available.

What local policies already exist concerning municipal investments?

Your city council, board of supervisors, or mayor's office already may have established guidelines governing the investment of city funds (e.g., anti-discrimination statutes). Again, the office in charge of city investments should be able to inform you if any such guidelines exist. If there are any, determine whether they can be interpreted to prohibit deposits in banks loaning to South Africa.

Most city governments have not established their own requirements and rely solely on state regulations. The office in charge of investments is usually left on its own to interpret how state regulations are to be satisfied. A recent survey by the Califonia State Senate Committee on Investment Priorities and Objectives showed that most municipal offices in charge of investments use very little imagination in making municipal deposits. Most of the money is deposited in the nearest large banks. Little effort is made to find the highest rate of return by seeking competitive bids from the variety of institutions available within the law. The lack of creativity in current municipal investment practices argues strongly that there may exist other possibilities within the state law which produce as high or higher rates of return **and** which gain more economic benefits for the community.

What alternatives would benefit the municipality?

You need to establish that your initiative is not only morally correct, but prudent and practical. You should anticipate that much of the opposition to your initiative will be based on the idea that the measure will cost the city money. This argument falsely assumes that current investments maximize returns to the city. When discusssing alternatives, it is important to have concrete examples of where municipal funds can be reinvested to benefit the community, not just vague reassurances.

As a first step, the most practical recommendation may be to redeposit city funds in banks and savings and loan associations which do not do business in or with South Africa. Obtain confirmation that they meet state and local investment requirements **and** that they don't loan to South Africa. A comprehensive agreement for financial institutions regarding their loan policy toward South Africa is being developed by the Citizens Committee established under Berkeley's Responsible Investment Ordinance.

Investments besides banks which are currently permissible under California state law are summarized in the sample, ''Socially Responsible Investment Alternatives''. In addition, we included a list of organizations which provide investor resource and information services.

Be sure to examine the record of these alternatives in relation to other important social practices. You don't want to be embarassed by recommending an institution which has a bad record locally. For example, check the institution's practices con-

cerning lending and alternative action. We have included sample questions for financial institutions and a model for determining whether certain communities are redlined.

Be careful not to get bogged down in a large research effort when you have limited time and resources. Survey existing community groups to see if they have specific suggestions for alternative investments. For instance, an organization working against redlining may have done research on the use of city funds for "low cost" mortgages. If there is a dearth of organizations concentrating on community issues in your city, check with national organizations which focus more generally on how city funds can be used to improve social services and meet unmet human needs. We've listed several in the supplemental resource section.

When trying to determine the advantage to your community of a given investment priority, be sure to look at the secondary benefits or "ripple effects". As an illustration, we provided a study of the ripple effects of housing investments. The study shows how such investments create new employment opportunities and generate new tax revenues.

Your research will enable you to present your own analysis of the financial implications of the initiative. This is important because most cities include an official financial analysis of each measure on the ballot. You may want to challenge the city's analysis before it is officially accepted for the ballot. You'll also want to sway public opinion toward the financial benefits of your measure. Our Financial Implication Analysis is the final sample in this research section. A more detailed rebuttal to the original adverse city analysis is contained in the "Monitoring City Council" section.

Can citizens directly participate in municipal investment decisions?

The Berkeley Responsible Investment Ordinance calls for a nine-member citizens committee to make recommendations regarding procedures for the withdrawal of idle funds deposited in financial institutions that make loans to South Africa. The committee is to recommend where to redeposit the money. Also the Committee is charged with developing a Comprehensive Responsible Investment Policy. While it is our feeling that such citizen participation is the best way to direct municipal investments, not all cities legally allow for such citizen groups. Your city attorney should be able to tell what particular provisions your city has for citizens committees.

Even if your city's laws do not provide for citizens committees, it is likely that an "advisory committee" which reports to the mayor or city council is possible. The difference between an official citizens committee and an advisory committee may simply be the degree to which the city government is compelled to deal with the committee's report. In Berkeley, a citizens committee report, by law, has to be reviewed in a public hearing by the city council. The same result may happen in a city where only advisory committees are permitted if public pressure is maintained.

Samples: City of Berkeley—'Temporarily Idle Funds' Invested in Banks Which Lend to South Africa; U.S. Banks Lending to South Africa; Press Release for California Senate survey entitled, "Municipal Government Investments: Temporarily Idle Funds"; Socially Responsible Investment Alternatives; Investor Resource and Information Services; Questions to Banks; Checking Redlining; Pension Funds, Jobs and Taxes; Analysis of Financial Implications of Measures A & B.

CITY OF BERKELEY –

'TEMPORARILY IDLE FUNDS' INVESTED IN BANKS WHICH LEND TO SOUTH AFRICA

It's difficult to obtain exact figures on the nature and amount of monies that federally or state chartered banks have directly or indirectly lent to South Africa. Much of this data is either unavailable to the public due to bank policy, or is presented in such a manner as to conceal direct interpretations. Likewise, it's difficult to obtain data on Berkeley municipal funds currently located in these banks. The following table is based on the most up-to-date information available.

Bank	Date of Data	Amount Loaned to South Africa*	Date of Data	Amount of Berkeley Funds†	Type+
Bank of America	4/77	$188 million[1]	7/31–8/78	$200,000	C.D.
Crocker	7/78	*We have short-term loan commitments to South Africa*[2] *(CDE reports $75 million)*	7/31/78 7/31/78	$150,000 $1,000	S.A. R.A.
Security Pacific	7/78	*We do continue to deal with South Africa's major banks*[3] *(CDE reports $1.7 million)*	7/31/78 7/31/78	$1,000 $1,000	S.A. R.A.
United California	3/78	$31.4 million[4]	7/31–8/78 7/31/78 7/31/78 9/78–7/79 (varies)	$500,000 $100,000 $2,091,000 $600,000	C.D. S.A. R.A. A.P.
Wells Fargo	6/77	$25.2 million[5]	7/31–8/78	$300,000	C.D.

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* Even though a bank discloses dollar amounts loaned to South Africa one year, it often will not release data for subsequent years.

† Data obtained from August 1978 City of Berkeley Financial Summary. Though $1,000 worth of investments in Certificates of Deposit had matured, the Finance Department had yet to provide information on whether these Certificates had been renewed or the monies transferred elsewhere.

+ Code for Type of Investment:
C.D. – Certificate of Deposit (dates are for term of deposit)
S.A. – Savings Account
R.A. – Repurchase Agreement
A.P. – Agency Papers (left for safe keeping in these banks)

1 Personal letter from Bank of America to CA Senate Select Committee on Investment Priorities and Objectives

2 Personal letter to South Africa Working Group, Davis-Sacramento

3 Personal letter to South Africa Working Group, Davis-Sacramento

4 "Report on Foreign Loans by State Chartered Banks", CA Senate Select Committee on Investment Priorities

5 Personal letter from Wells Fargo Bank to United Church of Christ

CDE: "U.S. Bank Loans to South Africa", a handbook by Corporate Data Exchange, Inc.

Prepared by $TOP BANKING ON APARTHEID, 2160 Lake Street, San Francisco 94121 labor donated

COMMITTEE TO OPPOSE BANK LOANS TO SOUTH AFRICA

305 East 46th Street, New York, New York 10017 (212) 838-5030

U.S. BANKS LENDING TO SOUTH AFRICA (PARENT & LENDER)
(UPDATED & REVISED, SEPTEMBER 1978)

ALABAMA, Mobile

SOUTHLAND BANCORPORATION
Merchants Natl Bk of Mobile$_1$

ARIZONA, Phoenix

ARIZONA BANK
Arizona Bank

CALIFORNIA, Los Angeles

LLOYDS BANK CALIFORNIA
Lloyds Bank of California

SECURITY PACIFIC CORP
Security Pacific Natl Bk$_2$

WESTERN BANCORP
United California Bk$_2$
United California Bk Intl (NY)

CALIFORNIA, San Francisco

BANCAL TRI-STATE CORP
Bank of California NA$_1$

BANKAMERICA CORP
Bk of America NTSA$_2$
Bk of America Intl Ltd (U.K.)

CROCKER NATL CORP
Crocker Natl Bk$_2$
Crocker Bk Intl (Chicago)

DEAN WITTER REYNOLDS ORGANISATION INC
Dean Witter & Co Inc +
Dean Witter Reynolds Intl +

WELLS FARGO & CO
Wells Fargo Bank NA$_2$

CONNECTICUT, Hartford

CBT CORP
Connecticut Bk & Tr Co$_1$

HARTFORD NATIONAL CORP
Hartford Natl Bk & Tr Co$_1$

CONNECTICUT, New Haven

NORTHEAST BANCORP INC
Union Trust Co (Stamford)

DISTRICT OF COLUMBIA

RIGGS NATIONAL BANK
Riggs Natl Bk of Washington D.C.$_1$

FLORIDA, Miami

SOUTHEAST BANKING CORP
Southeast First Natl Bk of Miami$_1$

GEORGIA, Atlanta

CITIZENS & SOUTHERN NATL BANK
Citizens & Southern Natl Bk

FIRST NATL HOLDING CORP
First Natl Bank of Atlanta

TRUST CO OF GEORGIA
Trust Co of Georgia

ILLINOIS, Chicago

CENTRAL NATL CHICAGO CORP
Central Natl Bank

CONTINENTAL ILLINOIS CORP
Continental Bank SA
Continental Bank Intl (NY)
Continental Bank Intl (Texas)
Continental Illinois Ltd
Continental Illinois Bk & Tr Co$_2$

FIRST CHICAGO CORP
First Chicago Intl Bkg Corp (NY)
First Chicago Ltd
First Natl Bk of Chicago$_2$

HARRIS BANKCORP INC
Harris Bank Intl Corp (NY)
Harris Trust & Savings Bk$_2$

NORTRUST CORP
Northern Trust Co$_1$
Northern Trust Intl Bkg Corp (NY)

WALTER E. HELLER INTL CORP
American Natl Bk & Tr Co$_2$

INDIANA, Indianapolis

INDIANA NATIONAL CORP
Indiana Natl Bank$_1$

MERCHANTS NATIONAL CORP
Merchants Natl Bk & Tr Co

IOWA, Cedar Rapids

BANKS OF IOWA INC
Merchants Natl Bank

KENTUCKY, Louisville

FIRST KENTUCKY NATIONAL CORP
First National Bank

LOUISIANA, New Orleans

FIRST COMMERCE CORP
First Natl Bk of Commerce$_1$

MARYLAND, Baltimore

EQUITABLE BANCORP
Equitable Trust Co$_1$

MARYLAND NATIONAL CORP
Maryland Natl Bank

MASSACHUSETTS, Boston

FIRST NATIONAL BOSTON CORP
Bank of Boston Intl (NY)
First National Bank of Boston

MICHIGAN, Detroit

NORTHERN STATES CORP
City Natl Bank of Detroit$_2$

MICHIGAN, Midland

DOW CHEMICAL CO
Dow Holding Co

MINNESOTA, Minneapolis

FIRST BANK SYSTEMS INC
First Natl Bk of Minneapolis$_1$
First Natl Bk of St. Paul$_1$

NORTHWEST BANCORP
Northwestern Natl Bk of Minn.

MISSOURI, St. Louis

MERCANTILE BANCORP
Mercantile Trust Co NA$_1$

NEW JERSEY, Paterson

GREATER JERSEY BANCORP
New Jersey Bank NA

NEW YORK (see attached sheet)

NORTH CAROLINA, Charlotte

NCNB CORP
North Carolina Natl Bk$_2$

NORTH CAROLINA, Winston-Salem

WACHOVIA CORP
Wachovia Bk & Tr Co

OHIO, Cleveland

CENTRAN CORP
Central Natl Bank$_2$

CLEVETRUST CORP
Cleveland Trust Co

NATIONAL CITY CORP
National Citybank

SOCIETY CORP
Society Natl Bk of Cleveland$_2$

OHIO, Columbus

HUNTINGTON BANCSHARES INC
Huntington Natl Bank

OHIO, Dayton

WINTERS NATIONAL CORP
Winters Natl Bk & Tr Co

OREGON, Portland

U.S. BANCORP
United States Natl Bk of Oregon$_1$

PENNSYLVANIA, Philadelphia

FIDELCOR INC
Fidelity Intl Bank (NY)

FIRST PENNSYLVANIA CORP
First Pennsylvania Bk NA

GIRARD CO
Girard Trust Bank$_1$

INA CORP
Blyth Eastman Dillon & Co Ltd
Blyth Eastman Dillon Co Intl

PHILADELPHIA NATIONAL CORP
Philadelphia Intl Bank (NY)
Philadelphia Natl Bank
PROVIDENT NATL CORP
Provident Natl Bank$_2$

PENNSYLVANIA, Pittsburgh

MELLON NATIONAL CORP
Mellon Bk Intl (NY)

PITTSBURGH NATIONAL CORP
Pittsburgh Natl Bank$_2$

RHODE ISLAND, Providence

INDUSTRIAL NATIONAL CORP
Industrial Natl Bank of R.I.$_1$

TENNESSEE, Nashville

TENNESSEE VALLEY BANCORP INC
Commerce Union Bank$_1$

TEXAS, Dallas

FIRST INTL BANCSHARES INC
First Intl Bancshares Inc
First Natl Bank in Dallas$_2$

REPUBLIC OF TEXAS CORP
Republic Natl Bk of Dallas
Houston Natl Bank$_2$

TEXAS, Houston

FIRST CITY BANCORP OF TEXAS INC
First City Natl Bank of Houston$_2$

VIRGINIA, Richmond

UNITED VIRGINIA BANKSHARES
United Virginia Bank

WASHINGTON, Seattle

PEOPLES NATIONAL BK OF WASHINGTON
Peoples Natl Bk of Washington$_1$

RAINIER BANCORP
Rainier Natl Bk$_1$

WISCONSIN, Milwaukee

FIRST WISCONSIN CORP
First Wisconsin Natl Bank$_2$

FOREIGN-OWNED BANKS

The following is a partial list of foreign-owned banks involved in South African financing which have branches or subsidiaries in the United States.

ALGEMENE BANK NEDERLAND NV
BANCA COMMERCIALE ITALIANA
BANCA NAZIONALE DEL LAVORO
BANCO DI ROMA
  Banco di Roma
  Romcal Inc
BANK LEUMI LE-ISRAEL
  Bk Leumi Trust of NY
BANK OF MONTREAL
  Bk of Montreal (Calif)
  Bk of Montreal Trust Co
BANQUE NATIONALE DE PARIS
  French-American Bkg Corp
  French Bank of California
BARCLAYS BANK INTL LTD
  Barclays Bank of NY
  Barclays Bank of Calif.
BAYERISCHE VEREINSBANK
BERLINER HANDELS-UND FRANKFURTER BK
BROWN HARRIMAN & INTL BKS LTD
CANADIAN IMPERIAL BANK OF COMMERCE
  California Canadian Bk
  Canadian Bk of Commerce Tr Co
COMMERZBANK
CREDIT COMMERCIAL DE FRANCE
CREDIT LYONAIS
CREDIT SUISSE
DRESDNER BANK
HILL SAMUEL & CO LTD
  Hill Samuel Inc
KREDIET BANK NV
NATIONAL WESTMINSTER
SOCIETE GENERALE DE BANQUE
  Sogen
  Swiss Intl Investment
STANDARD CHARTERED BANK LTD
  Union Bank
  Chartered Bank of London
SUMITOMO BANK LTD
  Sumitomo Bk of Calif.
SWISS BANK CORP
  Basle Securities Corp
UNION BANK OF SWITZERLAND
WESTDEUTSCHE LANDESBANK GIROZENTRALE

This bank list consists of banks which have been documented as being involved in South African lending. Some of these banks (for example, the First Pennsylvania Bank) may have already announced a complete moratorium on loans to South Africa. If your bank does not appear on the COBLSA list, it does not necessarily mean that it is a "clean" bank, but only that there is no documentation of its involvement. In this case, we urge you to write to your bank and aske the following questions:

1) Have you at any time been involved in lending to South Africa? "lending" means loans, either direct or through a consortium of banks, to the South African government, to state-owned agencies (parastatals), to South African corporations, or to U.S. corporations operating in South Africa: the underwriting or purchase of bonds of the South African government, parastatals, or private corporations; the financing of trade with South Africa; and interbank lending.

2) Do you have a public policy prohibiting lending to any sector of South African society until the complete dismantling of the apartheid system has been achieved?

Until a bank can answer the above two questions in the affirmative, it is not a "clean" bank. We recommend then that you withdraw your account from that bank and let them know why you are doing so. Redeposit your money in any savings and loans bank (check that they are not "redlining") or in a commercial bank which does not lend to South Africa. Please notify COBLSA of any findings with which you may come up regarding a bank's status on this issue so that we may constantly update and correct this list.

SOURCES

1. CDE Handbook: U.S. Bank Loans to South Africa; Corporate Data Exchange, New York, 1978.
2. "The Frankfurt Documents"; Corporate Information Center Brief, National Council of Churches, July 1973.
3. U.S. Corporate Interests in South Africa; Report to the Committee on Foreign Relations, U.S. Senate, 1978.
4. Quarterly Report; California State Superintendent of Banks, March 1978.
5. Bank correspondence.

NOTES:

1. This bank is indirectly involved in lending to South Africa via its holding of stock in the Private Export Funding Corp (PEFCO). A complete list of PEFCO members is included in the CDE Handbook.
2. In addition to bond, credit, and/or trade financing, this bank is also a member of PEFCO.

\+ Bank engaged in investment banking.

For information on California banks lending to South Africa, contact:
$TOP BANKING ON APARTHEID, 2160 Lake Street, San Francisco 94121, (415) 752-7766

labor donated

FROM THE OFFICE OF
SENATE SELECT COMMITTEE ON
INVESTMENT PRIORITIES & OBJECTIVES
John Harrington, Consultant
1116 Ninth Street, Room 66
Sacramento, California 95814
(916) 445-7816

FOR IMMEDIATE RELEASE

12-14-78

The Senate Select Committee on Investment Priorities and Objectives today released a survey entitled, "Municipal Government Investments: Temporarily Idle Funds."

Thirty-nine (39) cities were surveyed and eleven city treasurers were interviewed in the four-month survey. Small city portfolios were evaluated and emphasized in the Committee survey.

Local agencies (cities, counties and districts) in California deposit/invest approximately $9 billion of public funds which are "temporarily idle" or "surplus" to the immediate needs of local government. Such "inactive" funds are deposited/invested in banks and savings and loan associations, as well as in eligible securities authorized by state law. Local agencies are also authorized to deposit "temporarily idle" funds in the State Local Agency Investment Fund.

The Committee survey found that:

- There is no standardized method of reporting public deposits/investments by California cities.
- Cities that utilize the Local Agency Investment Fund and re-purchase agreements for liquidity purposes tend to obtain higher average portfolio yields.
- Some treasurers are not making "reasonable" efforts to select a bank or savings and loan association that agrees to pay "the highest rate of interest" required under present law.

- more -

- Several cities surveyed held a disproportionate amount of their public fund portfolios in low yield passbook savings accounts, and the overwhelming majority of cities surveyed deposit funds in commercial bank certificates of deposit.
- Few cities surveyed have initiated a formal competitive bid process for the deposit of either "active" or "inactive" public funds.
- A majority of treasurers interviewed indicated that Proposition 13 would reduce public funds eligible for investment.

# # #

SOCIALLY RESPONSIBLE INVESTMENT ALTERNATIVES

Berkeley City funds presently invested in banks which loan to South Africa can be reinvested in institutions which have a history of serving community needs. Such a rechanneling of investments would retain or increase rates of return, create jobs, and stimulate the local economy. The following list of alternative investment areas represents examples of opportunities for public money to be put to productive use in the areas of housing, health care, small business development, community revitalization, rural development, rehabilitation, home solarization, alternative energy systems, weatherization, etc.

SAVINGS AND LOAN ASSOCIATIONS: Certificates of Deposit (Contact $BOA for community ratings)

Savings and Loan Associations are private institutions which accept savings deposits and make loans for the purchase of real property, primarily homes. While individual deposits are guaranteed up to $40,000, the Federal Savings and Loan Insurance Corporation fully guarantees between several hundred and a few thousand accounts for separate unions, religious, educational, or community organizations; thus enabling them to make multi-million dollar investments. Certificate of Deposit rates are set by law and increase with the term of the account and the amount deposited (varying between 6.5% and 7.75%, with daily compounding). Returns on $100,000 or more are negotiable and can reach 8.5%. Because Savings and Loan Associations invest primarily in first mortgages and residential property, they have a direct impact on employment in construction and rehabilitation of housing, increased purchases of building supplies, and have generally stimulating effects upon the local economy. New federal and state disclosure laws mandate the reporting of certain investment practices on a county or metropolitan area basis. Thus it is possible to direct investments into areas of the greatest economic need by taking into account the lending practices of different Associations.

CALIFORNIA HOUSING FINANCE AGENCY

This is an agency of the state government which can purchase FHA insured mortgages or issue its own. Mortgages are issued for low to middle income multi-family rental housing developments. They are fully guaranteed or insured. The CHFA purchases or issues mortgages at a lower yield than the FHA's normal rate to make mortgages available to lower income households. Most issues yield 6% annually which is a tax-exempt rate. The CHFA can offer non-tax-exempt rates yielding returns of up to 8.5% or 9%. The social benefits and public returns are similar to those of the FHA but include increased benefits to low and middle-income groups.

GOVERNMENT GUARANTEED SECONDARY MARKETS (A secondary market occurs when one investor buys an investment such as the guaranteed portion of a loan, and resells it to another investor, sometimes servicing or monitoring the original loan. The first investor typically takes ½ to 1% and may bundle a number of loans and sell them as a package. These require the least specialized analysis.)

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC or Freddie Mac). Savings and Loan Associations package conventional mortgages and sell them to Freddie Mac, which in turn sells participation contracts on the mortgage packages. These packages are normally comprised of 30-year first mortgage on new or existing single-family homes. Denominations may vary from as low as $100,000 to as high as $5,000,000 or more. Payment of principle and interest is guaranteed by FHLMC. The current yield is approximately 8.24%. The mortgages can be packaged for local needs.

FEDERAL NATIONAL MORTGAGE ASSOCIATION. FNMA (Fannie Mae) is a privately-owned corporation which invests in FHA and VA guaranteed single-family home mortgages, non-guaranteed single-family home mortgages, and multi-family GNMA-backed mortgages. FNMA sells mortgaged-backed securities, stocks, and bonds. The mortgaged-backed securities are indirectly guaranteed by the U.S. government, while FNMA stocks and bonds are investments in the corporation and as such are not guaranteed. Maximum yield for long-term FNMA mortgaged-backed securities is currently 8.15%. FNMA investments produce the same benefits as those produced by investments in FHA-insured mortgages. The securities can be packaged for California investments.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION: Modified Pass-Through Notes. The GNMA (Ginnie Mae) primarily packages and sells securities based on federally-subsidized mortgages on single and multi-family residences. GNMA modified pass-through notes guarantee securities based on FHA and FmHA loans which are sold by private mortgage bankers. These notes are 100% guaranteed by the U.S. government and currently yield 8.75%. Investment in this program increases mortgage funds, with similar benefits as FHA-insured mortgages. Investment can be localized by choosing securities made up of California loans.

GOVERNMENT GUARANTEED PRIMARY MARKETS (The investor deals directly with the government. Because one layer or packaging is eliminated, the yields tend to be higher. The investor does, however, need more sophistication than for a secondary market investment.)

FARMERS HOME ADMINISTRATION. The FmHA makes direct government loan guarantees, insures privately funded loans, and extends grants in certain rural areas for varying purposes including development, operation and conservation of farms, land and water resources, community facilities, and small businesses. Loans are 90% guaranteed by the U.S. government; homeowner loans are 100% guaranteed. Current yield for a ten-year note is 8.7%. Notes, blocks of notes, and other FmHA guaranteed investments can be purchased specifically for California projects.

FEDERAL HOUSING ADMINISTRATION: Health Care Related Insured Mortgages. The FHA insures mortgages for health care related facilities, including new construction or rehabilitation of hospitals, nursing homes, intermediate care facilities, and group practice facilities. Guarantees are the same as for FHA insured residential mortgages. Yields vary; current interest rates for long-term loans average 9% (25 - 40 years). The social benefits of this investment are similar to those of FHA residential mortgages, except that communities are provided with new or improved health care facilities rather than housing.

FEDERAL HOUSING ADMINISTRATION: Insured Residential Mortgages. The FHA insures mortgages for the construction of multiple and single family dwellings and for substantial rehabilitation of existing residences. 100% of the outstanding mortgage is covered by U.S. government guarantees. Rates of return yield up to 8.9% or the current compound long-term interest rate. Organizations investing in the FHA can specify the use of their funds. For instance, an investor can specify the use of its money for the allocation of FHA funds for low-income housing developments. Investments in the FHA can stimulate the local economy by creating jobs in construction and rehabilitation of housing, increase the housing supply, and increase local and state revenues from property, sales and income taxes.

SMALL BUSINESS ADMINISTRATION. The SBA is an independent agency of the U.S. government which furnishes financial and managerial assistance to small businesses (although recent surveys shows it circumvents these requirements). Investors can buy specific guaranteed notes and mortgages for such areas as economic opportunity loans, handicapped assistance loans, air and water pollution control compliance loans, etc. Loans are 90% guaranteed, usually under $300,000, and have varying terms up to 30 years. The current yield for a ten-year note is 8.7% (principal and interest paid monthly). Long-term loans yield over 9%. Funds can be invested specifically in California to stimulate jobs, community development, and increase local and state government revenues.

VETERANS ADMINISTRATION: Guaranteed Home Loans. The VA makes loans to veterans for purchase of approved single-family homes. Banks package and sell VA Certificates of Guarantee. Up to 60% of a VA mortgage is guaranteed by the U.S. government. The current interest rate on VA loans is 8.5%; bankers charge about 4.5 points for initiating the loans, to equalize the rate with the current market. Which brings the effective rate for an investor to about 9%. The Certificates of Guarantee can be packaged for California investment, with similar benefits as FHA investments.

LOCAL AGENCY INVESTMENT FUND (LAIF)

The LAIF serves as a depository for local government funds. It is very liquid and can be used from 24 hours to six months. On a given day when the particular financial institution offering the highest interest rates is not considered socially responsible, city monies can instead be temporarily invested in the LAIF even if it doesn't offer the highest interest rate on the day of deposit. Because it is a state agency, it is exempt from the "highest interest available on the day of deposit" criteria governing many local governments. Therefore, city monies can temporarily be invested in the LAIF until a day when a socially responsible institution offers the highest interest rates.

$BOA's Alternative Investment Packet contains further suggestions, presented in greater depth, as well as criteria to use in determining how investments can be made. Sources for the above information included Community Economics, Inc., 6529 Telegraph Ave, Oakland, CA 94609; and Strategic Investment Advisors, 1320 Campus Drive, Berkeley, CA 94709, (415) 548-1320. *Reports were prepared in early 1978 so yields quoted are dated.*

INVESTOR RESOURCE AND INFORMATION SERVICES

$top Banking on Apartheid. The California component of the national Campaign to Oppose Bank Loans to South Africa. It provides basic resources on South Africa, U.S. involvement there, and steps investors can take to oppose this involvement. $BOA has developed an Alternative Investment Packet (gives suggestions to investors on alternatives to financial institutions investing in South Africa) and a Manual on How To Withdraw Municipal Funds From Banks Lending To South Africa (outlines step-by-step procedures). 2160 Lake Street, San Francisco, CA 94121, (415) 752-7766.

Center for Community Change. The Center has information about banking issues in general. It has also done extensive work in the area of the Community Reinvestment Act (national), neighborhood reinvestment and mortgage banking. 1000 Wisconsin Ave., N.W., Washington, D.C. 20007.

The Center for New Corporate Priorities. A public interest research organization which specializes in the examination of banking issues from the consumer viewpoint. CNCP has focused primarily on bank lending policy and practice with respect to small business, agricultural, mortgage and consumer loans. CNCP has also investigated and published reports on the performance of local financial institutions and regional lending practices, credit availability, and redlining. 1516 Westwood Boulevard, Suite 202, Los Angeles, CA 90024, (212) 475-5856.

Community Economics, Inc. A non-profit corporation providing economic analysis, financial feasibility studies, and other technical assistance to community groups and local public agencies regarding community based economic development and cooperative housing. 6529 Telegraph Ave., Oakland, CA 94609, 653-6555.

Conference on Alternative State and Local Policy. A national organization of progressive state and local public officials and community leaders. It serves as a clearinghouse for those interested in redirecting public employee pension funds in more socially useful directions. It has a wide selection of publications, including information about public control of public capital and public banks, and also publish a bi-monthly magazine *Ways and Means.* 1901 Q Street, N.W., Washington, D.C. 20009, (202) 234-9382.

Corporate Data Exchange. An independent, nonprofit research organization established to investigate corporate control and economic concentration in the U.S. CDE staff members research and publish data on current and alternative practices in the fields of banking, energy development, agriculture and transportation, and provide consulting services to organizations seeking to adapt this research to their educational programs and activist campaigns. 198 Broadway, Room 706-7, New York, NY 10038, (212) 962-2980.

Council on Economic Priorities. Provides institutional and individual subscribers with documented analyses comparing the social performance of publicly held U.S. corporations. CEP ranks corporations within an industry, paying particular attention to environmental impact, employment practices, political influence, military production, and consumer protection. 84 Fifth Avenue, New York, NY 10011, 691-8550.

Inform. Concentrates on research in areas where private sector activity is a cause of social concern. It looks at corporate performance and the effectiveness of the relevant regulatory structure. 25 Broad Street, New York, NY 10004, (212) 425-3550.

Interfaith Center on Corporate Responsibility. An ecumenical agency actively pursuing issues of social and economic justice through shareholder activity. It sponsors research on corporate activity in areas of social concern. Membership provides information on how to vote Common Stock for changes in corporate policy and on socially responsible investment. 475 Riverside Drive, Room 566, New York, NY 10027, (212) 870-2293. NC/ICCR, 19th & Mission, San Francisco, CA 94110, (415) 863-8060.

Investor Responsibility Research Center. Nonprofit corporation which conducts research and publishes impartial reports on contemporary public policy and social issues with respect to their impact on major corporations and institutional investors. It has more than 110 investing institutions which pay for dispassionate analysis of shareholder resolutions and public policy issues. 1552 K Street, N.W., Washington, D.C. 20005, (202) 833-3727.

Strategic Investment Advisors. Focuses on alternative investment and corporate responsibility through consulting, speaking and writing. Its consulting services, as well as several publications, are designed to help investors with the process of reinvesting. It also provides current information on alternatives and resources available within the U.S. 1320 Campus Drive, Berkeley, CA 94709, (415) 548-1320.

QUESTIONS TO BANKS

IS YOUR BANK MAKING LOANS TO SOUTH AFRICA?

1. Does Bank have any loans currently outstanding in South Africa?
   What is the current amount? (not the percentage of total loans)

2. Does Bank participate in consortia of banks making loans to South Africa? (domestically and internationally)

3. What is the nature and extent of any such loans? (This would include the amount and description of loans to the government, state-owned institutions, other banks, or to corporations for their operations in South Africa.)
   For what purposes were they made?

4. Does Bank have a *written* policy regarding loans to South Africa? If so, obtain a copy.
   What are the criteria used in making loans to South Africa?

WHO IS YOUR BANK LOANING MONEY TO LOCALLY?

1. How many branches does Bank have in this community? (Define your community.)
   How many loans has Bank made here?
   How much money does this represent?

2. How much money in deposits and savings has Bank received from this community?
   How does this amount compare with that made in local loans? (Dollar amounts if possible.)

3. How is Bank making known the availability of its loans within this community? (For example, contacting local realtors, public display of the variety of loans offered, or providing low interest loans to low income residents.)

4. When making loans in this community, what is Bank doing to prevent their going to speculators?

IS YOUR BANK GIVING EQUAL OPPORTUNITY TO WOMEN, MINORITIES AND STUDENTS?

1. How many of these loans have been to women, minorities or students?

2. What is Bank's policy on hiring women and minorities to decision-making positions?

   How many women and minorities does it employ in the following wage categories: $6,000 - 7,999; 8,000 - 9,999; 10,000 - 11,999; 12,000 - 13,999; 14,000 - 15,999; 16,000 - 19,999; 20,000 and up.

DOES YOUR BANK ENABLE ITS EMPLOYEES TO ACT ON THEIR RIGHT TO UNIONIZE?

1. Are any employees of Bank members of unions? If so, which?

2. What is Bank's policy on the formation of unions amongst its employees?

If you're a bit uncertain about asking these questions, the following suggestions may be helpful when meeting the Bank's Branch Manager.

1. Choose a relatively quiet period during the Bank's operating hours, or arrange a meeting time.

2. Mention the type of account(s) you have and the number of years you have banked there.

3. Make sure the questions you are going to ask are clear in your mind before you go. Familiarizing yourself with the information contained in this packet will help make you more comfortable in responding to the answers you're given.

4. Be polite but firm. If the Manager gives an answer that does not make sense to you, ask him/her to explain it. Branch Managers have no more claim to superior knowledge than anyone else. The Manager should be able to explain the Bank's policy in plain, simple English or Spanish (or whatever language is commonly used in your neighborhood).

5. Avoid being argumentative. If the answers do not make sense to you, simply tell him/her in a polite manner and ask who in the Bank to contact for further information.

6. If you'd like more information about which banks have been surveyed and the results from these surveys, contact $TOP BANKING ON APARTHEID, or the nearest associated group focusing on the bank withdrawal campaign.

It's also very useful to address these questions to Bank Presidents. The following are addresses of banks making loans to South Africa.

President
Bank of America
345 Montgomery Street
San Francisco, CA 94104

President
Crocker National Bank
One Montgomery Street
San Francisco, CA 94104

President
Security Pacific National Bank
One Embarcadero Center
San Francisco, CA 94111

President
United California Bank
405 Montgomery Street
San Francisco, CA 94104

President
Wells Fargo Bank
464 California Street
San Francisco, CA 94104

President
Chartered Bank of London
465 California
San Francisco, CA 94104

President
French Bank
130 Montgomery Street
San Francisco, CA 94104

President
Sumitomo Bank
365 California
San Francisco, CA 94104

President
Union Bank
350 California
San Francisco, CA 94111

Labor donated

Campaign To Oppose Bank Loans To South Africa
198 Broadway, Rm. 402 • New York, N.Y. 10038 • (212) 962-1210

•COBLSA NEWS•

Summer 1979

Each trade agreement, each bank loan, each new investment, is another brick in the wall of our continued existence.
—John Vorster, Ex-Prime Minister of South Africa

Checking Redlining

By Tina Simcich

Here is a method of finding out if your neighborhood is redlined:

1. First find out which part of your neighborhood is a census tract; that is the few blocks the Bureau of Census uses to determine the population in your area.

2. All commercial and savings banks must make the Home Mortgage Disclosure Statement available to any person or organization that requests it and also provide copying facilities at 10¢ a page. This lists all mortgage loans held by the bank in each census tract, all new loans made in the current year, and the total out-of-state mortgages for the state-chartered banks. Call the state banking department to complain if your bank does not give you complete data within a few days.

3. Under the 1978 Community Reinvestment Act, all banks must prepare a statement showing how they define their local markets and meeting the local credit needs. This should be available to the public. If the bank can be shown to be neglecting local needs, applications to open new branches in the area can be challenged by the local groups.

4. For $5.00 you can get a list of every branch of all banks throughout your state with total deposits. Compare this amount to the figure invested in mortgage loans by the same banks. The difference between the total deposits and the loans made out to the mortgages will indicate how much capital is not used to improve your area. For this complete list write to the Federal Depository Insurance Corporation (FDIC) Data Requests, 550 17th Street, N.W., Washington, D.C. 20429 or telephone 800-424-9475.□

Against the Grain

ANALYSIS OF FINANCIAL IMPLICATIONS OF MEASURES A & B

by YES ON A & B / BERKELEY OUT OF SOUTH AFRICA COMMITTEE

The Purpose of Measure B

Measures A & B will require Berkeley City funds to be removed from banks which make direct or indirect loans to South Africa. Measure B will appear on the April 17 ballot to assure that the public will define "indirect bank loans" to South Africa as:

1) loans from branches outside the United States;
2) the purchase of South African government bonds; and
3) participation in consortia lending to South Africa.

Though this definition of indirect loans is commonly accepted by financial managers, it is important to clarify the term so that it is not interpreted in an unrealistically broad manner to include practically every bank transaction in the United States. With the clarification, alternative financial institutions for Berkeley City funds can be easily identified to include Central Bank, First Enterprise, Security National, and all Savings and Loan Associations (this is only a partial list).

Will Measures A and B Cost the City Money?

In adopting these measures, the city will not lose money; it may well gain revenues above and beyond the benefits of local investment to the community.

An important concern surrounding the transfer of these funds is that of interest rate earnings. State law requires that municipal funds be invested in financial institutions offeringthe highest interest rates. This requirement will be enforced under the guidance of the nine member Citizens' Committee on Responsible Investments stipulated in Measure A.

Repurchase Agreements, currently conducted through banks that loan to South Africa, make up approximately $3.4 million of the city's investments. Close to $3.3 million of this investment category is managed by the United California Bank alone. With these Agreements, banks use the city's money to purchase treasury bonds or commercial papers. These notes can be bought and sold rapidly to allow city investments to realize interest rates compounded daily.

City officials have claimed that they will be unable to find the advantageous services of Repurchase Agreements in smaller banks not loaning to South Africa. This argument is unfounded. Central Bank, which does not make loans to South Africa, is one example of an institution that can offer Repurchase Agreements for Berkeley City funds. According to Robert Zeven, vice-president of the United States Trust Bank in Boston, Massachusetts, any bank that owns treasury bills can make available Repurchase Agreements. Even the smallest banks hold treasury bonds and commercial papers, and Zevin states that the procedure for making Repurchase Agreements is a simple one for bankers to learn and implement.

At present, the City of Berkeley does not utilize Savings and Loan Associations for its investments. According to Ed Kirshner of Community Economics, Inc., Savings and Loan Associations generally offer higher interest rates on certificates of deposit than do the large commercial banks. By transferring city funds from the large banks loaning to South Africa to smaller commercial banks and Savings and Loan Associations, Kirshner notes, the city's investments could realize the

same or higher interest rates. At the same time, the city's investments could be available for loans to local businesses or mortgages rather than be used to support the business of multinational corporations abroad.

Can Safety Requirements be Met for the City's Funds under Measures A & B?

State law requires that public funds be collateralized (insured) at 110%, except for the first $100,000 in any single financial institution. Again, under Measures A & B, this requirement will be met.

Any concern that smaller banks and Savings and Loan Associations would not be able to collateralize the deposits over $100,000 is unwarranted. Central Bank has held certificates of deposit up to $200,000 for the city, collateralized the money, and offered a 10% interest rate. The managers of local Savings and Loan Associations and other banks that would qualify under these Measures, guarantee that the 110% collateralization requirement for the city's investments presents no difficulties whatsoever.

Will the City's Funds be Less Liquid in These Alternative Investment Areas?

The liquidity of city funds will not be lost with adoption of a socially responsible investment policy. Since the same services of savings accounts, repurchase agreements, and certificates of deposit can all be offered by alternative banks or Savings and Loan Associations, there would be no changes in the liquidity of city funds.

Will the City Lose Special Services that Only the Largest Banks Can Offer?

The essence of a socially responsible investment policy is to aim public money towards investment for the public good. This is now best done through the purchase of specific government agency papers which insure that the money is used for community development projects in the State of California, and particularly here in Berkeley. (See following paper on Alternative Investment Possibilities)

The City of Berkeley currently purchases a wide range of government agency papers, but operates under no guidelines to aim investments towards community economic development. It also purchases these papers through the Bank of California and United California Bank, both of which have financial ties with South Africa.

The purchase of these papers can be arranged through banks not loaning to South Africa, broker houses, the Federal Reserve Bank, or purchased directly by the city. There should be no additional costs or loss of special services. At the same time, the nine member Citizens' Committee, appointed by the City Council under Measure A, may oversee the purchase of these papers to insure that investments are allocated in the form of loans for small businesses, housing mortgages, health-care rehabilitation, and other financial support for economic development in our community.

Do the Measures Conflict with State Law?

The requirements of state law--the maintenance of the highest interest rates and collateralization on deposits over $100,000 for municipal funds--will be met under Measures A & B, as outlined above. Voters need not be concerned that the Measures will cause the city to invest public monies against state requirements or that the changes will be anything but beneficial to the community. The nine individuals serving on the Citizens' Committee to develop guidelines for all transactions involved under this Ordinance will be responsible to the City Council. The financial transactions they will be overseeing make economic sense. Berkeley's Responsible Investment Ordinance will enable us to increase the prudent management of our public finances.

Labor donated 3/79

CALIFORNIA PUBLIC POLICY CENTER
Bradbury Building • 304 South Broadway, Room 224 • Los Angeles, California 90013 • Telephone: (213) 628-8888

CPPC Policy Memorandum, February 1979 Cary D. Lowe, Co-Director

PENSION FUNDS, JOBS & TAXES

The foremost consideration in the investment of pension funds and surplus public funds must be to safeguard the future needs of workers and taxpayers, and to produce a high rate of return on those investments. Within that overall objective, however, there is considerable opportunity for creative and flexible investment practices, which can provide not only profitable and secure investments, but also generate a variety of other gains for the fund beneficiaries and the general public. The most important of these secondary benefits are the creation of new employment opportunities and the generation of new tax revenues to support both jobs and services.

The clearest example of such opportunities is in the field of housing. First, significantly higher returns are available in this sector than most pension funds have been earning from corporate stocks and other traditional investments. The options available for such investment range from fully-insured mortgage-backed securities with guaranteed yields exceeding 8% in some cases, to slightly riskier but potentially higher yielding direct placement in development ventures.

Housing is a labor-intensive industry, generating a high volume of jobs compared with similar investments in other sectors. In addition, the housing produced, the workers involved, and the materials purchased all generate significant tax revenues. Furthermore, investments in this field can be geographically targetted on a very specific basis.

A major Rand Corporation study for the U. S. Economic Development Administration (Regional Cycles & Employment Effects of Public Works Investments, 1977) measured the employment impact of targetting investment to such areas as housing. Conservatively assuming that induced employment is generated from such activity at a rate of about three jobs for each on-site and indirect job, the study determined:
--construction of private, single-family housing generates 19,100 on-site, 14,600 indirect, and 101,100 induced jobs per $1 billion invested, for a total of 134,800 job years; and
--construction of public housing generates 31,900 on-site, 13,500 indirect, and 136,200 induced jobs per $1 billion invested, for a total of 181,600 jobs.

The viability of creating jobs through stimulation of the housing industry was confirmed by a Bureau of Labor Statistics study (The Structure of the U. S. Economy in 1980 & 1985, BLS Bulletin 1831, 1975). Analyzing the direct and indirect job-creation potential per $1 billion investment in construction, the study concluded:
--construction of new residential buildings generates approximately 43,000 job-years per $1 billion; and
--maintenance and rehabilitation activity generates approximately 55,400 job-years per $1 billion.

Within the category of housing renovation, similarly impressive results can be achieved through financing of installation and retrofitting of residential solar energy equipment. The conclusions of a recent MITRE Corporation study of

the impacts of solar energy development (Systems Descriptions & Engineering Costs for Solar-Related Technologies, 1977) suggest that for every 100,000 homes fitted with solar devices as many as 18,750 jobs could be created, and for every 10,000 multi-unit buildings fitted as many as 12,500 jobs could be created.

A study of typical per-unit installation costs conducted by the Jet Propulsion Laboratory for the State of California (Solar Energy in Buildings: Implications for California Energy Policy, 1977) supports a finding that for every $1 billion invested in solarization of single-family homes, as many as 60,000 jobs could be created, based on the MITRE data.

Investment in housing construction and related activity also has a highly beneficial effect upon the tax base, both locally and statewide:
--Community Economics Associates, in a report prepared for the California Employment Development Department (Public Pension Funds as a Source of Capital for Job Creation, 1975) estimated that each billion dollars invested in housing generates an additional $30 million per year in property taxes, and millions more in income and sales taxes. That estimate was, however, based on pre-Proposition 13 revenue figures, and must be scaled down accordingly.
--State data on wages in recent years indicates that average salaries were $10.69 per hour in construction work, $5.23 in manufacturing, and $4.54 overall (California Statistical Abstract, 1976). Based on an average combined income and sales tax rate of 7.69% that year (Governor's Budget Summary, 1976-77), it is estimated that a billion dollar investment in housing would generate $45 million from single-family home construction, $74 million from housing rehabilitation, or $54 million from solar retrofitting, without even considering revenues from the much larger induced effects.

Both the California Department of Housing & Community Development and the Governor's Office of Planning & Research have urged the use of pension funds and surplus public funds to finance housing, both as a sound investment for the moneys involved and as a means of bolstering the housing opportunities of all Californians. At a time when new home prices are out of reach of three-fourths of the state population, and over a million housing units are in need of rehabilitation or outright replacement, a shift of resources to this sector could have the added beneficial effect of helping provide affordable housing to workers and taxpayers whose funds would be involved.

In the past, investment decisions regarding pension funds and surplus public funds have generally been made on the basis of criteria which should, by now, be thoroughly discredited. The result has been to deplete the value of workers' hard-earned retirement rights and taxpayers' hard-earned revenues, while simultaneously exporting capital out of California for dubious investment schemes. However, as indicated above, alternatives do exist--ones which will not only better safeguard the financial futures of our working and taxpaying population, but will enhance the quality of life of the general public as well.

Writing the Measure

After you have completed the research, you'll need a committee to write the actual measure. If you are writing an advisory measure, you needn't worry about legal technicalities. However, to assure passage, you will want to keep your measure clear, concise, and persuasive (see the City of Davis Advisory Measure). If your measure will become a municipal ordinance, you must prevent the ordinance from being subverted by technical legal challenges. It's wise to enlist the aid of attorneys and/or others who have experience in state and municipal law. We found it best to keep the committee doing the actual writing small, perhaps 3 or 4 people. This committee must be responsible to the coalition as a whole, for it is the coalition which should receive credit for the measure's content. Guard against individuals who, for political or other reasons, try to claim the measure as their own.

The Berkeley Ordinance may serve as a good model if you directly relate it to your city and its legal requirements. What follows is some of the basic rationale that went into each section of our ordinance.

1. TITLE. We tried to chose a name which incorporated both the desire to end municipal support for apartheid **and** the need for a community investment plan. The ordinance became known as the Responsible Investment Ordinance. RIO also made a catchy acronym.

2. PURPOSE. The purpose section afforded us the opportunity to make an argument in favor of the ordinance while explaining exactly what the measure would do. This was important because many people will read only the measure before deciding how to vote.

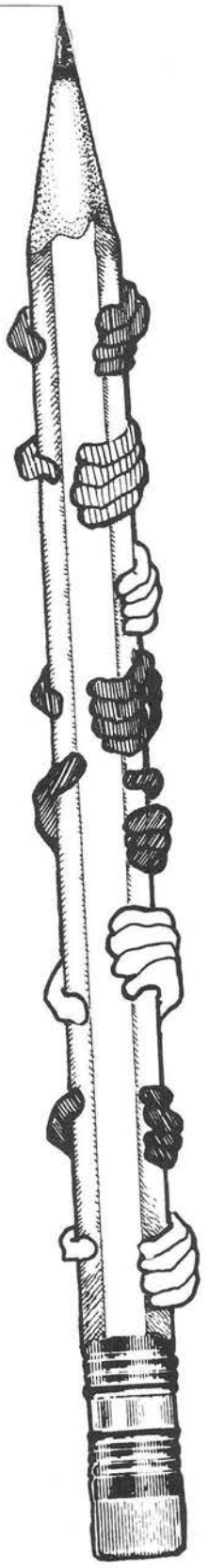
3. DEFINITION. Each important term, such as "public monies", used in the ordinance must be explained in order to avoid a technical challenge. For example, we felt the term "indirect loans" had a common definition in the financial community. The Berkeley Financial Officer tried to trip up the ordinance by claiming "indirect loans" could be so widely interpreted that the city would have to create a municipal bank in order to meet this requirement. Measure B was proposed by the City Council to define the exact meaning of "indirect loans". Note that we deliberately excluded public employee benefit funds from the definition of "public monies". We felt it unethical to try to control monies which belong to the city's employees. The demand for reinvestment of these funds should come from the rank and file.

4. IMPLEMENTATION. We wanted to make clear how the measure would work without making the ordinance overly comlicated. We didn't want the measure beaten on the claim that the process created would be too great a burden on the city's resources. We also wanted to ensure that the ordinance would be understood as an experience in direct democratic control of public monies.

5. CITY COUNCIL ACTION REQUIRED. While the Implementation Section explained the way the law would function, the City Council Action section explained what requirements had to be fulfilled for the measure to have legal effect. In addition, in order to combat the argument that we were creating more government bureaucracy, we put a "sunset clause" (Section 5c) on the Citizens' Committee.

6. ADVISORY STATEMENT. The University of California is obviously the dominant institution in the Berkeley community. We had no legal ability to force the University to remove investments from banks or corporations doing business with South Africa. We wanted to make known, however, the feeling of the immediate community towards University investments. An advisory statement may say just about anything you please, as long as it doesn't jeopardize the content of the measure.

7. PRUDENT MANAGEMENT REQUIREMENT. We inserted this section to make clear that the ordinance took into ac-

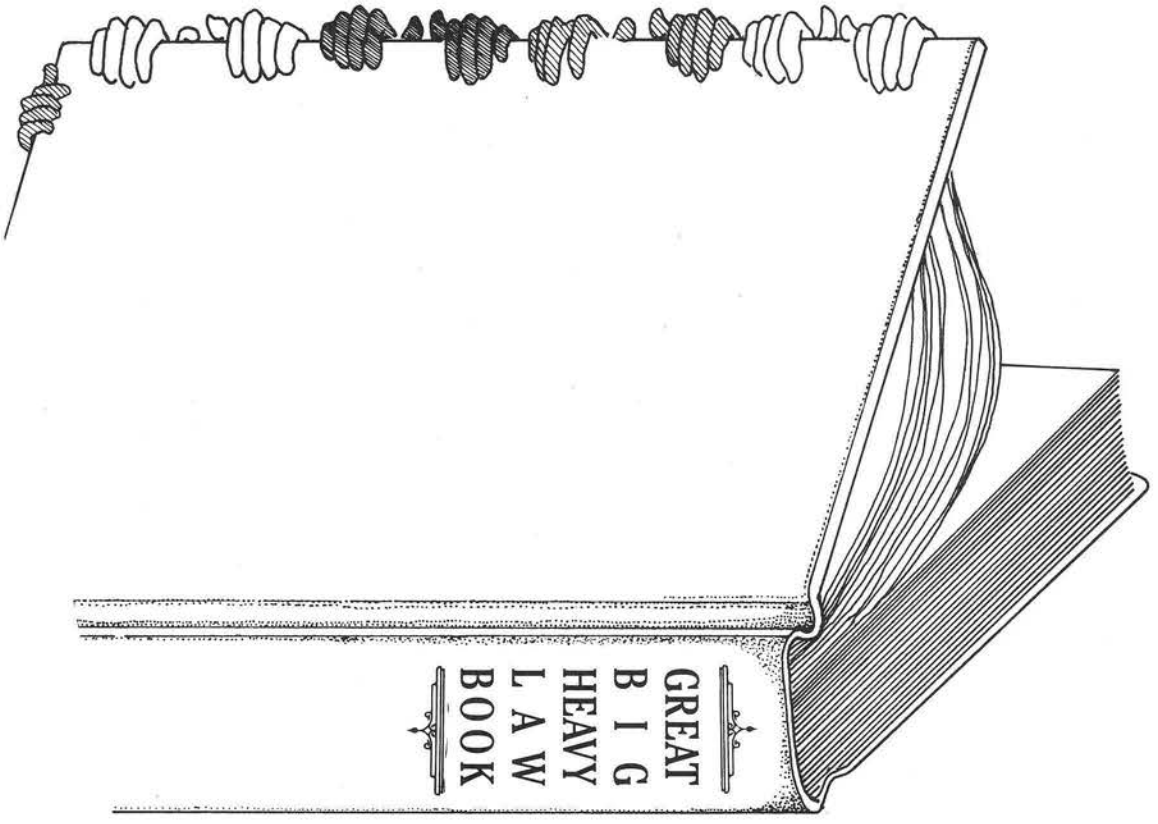


count state regulations concerning municipal investments. We specifically included the term "sound and prudent principles of financial management". Since we were most likely to be attacked on the basis of the revenue loss the ordinance could cause the city, we wanted to answer this argument from the outset.

8. ADHERENCE TO INVESTMENT LAWS. Again, a safety move against legal challenges based on state regulations concerning financial management.

9. PARTIAL INVALIDITY. Another legal safeguard enabling us to save the remaining portions of the measure if one section was found legally unacceptable.

Samples: Berkeley Responsible Investment Ordinance (Measure A & B); Davis Measure A



MEASURE A: 'RESPONSIBLE INVESTMENT ORDINANCE' — CITY OF BERKELEY

Section 1: Title

Responsible Investment Ordinance Requiring the Withdrawal of City of Berkeley Funds from Banks Doing Business with South Africa.

Section 2: Purpose

The system of apartheid in the Republic of South Africa, which has been condemned by the United Nations as "a crime against humanity," systematically denies economic, political and social freedoms to the vast majority of the populace. Apartheid laws which separate black families, keep blacks in the lowest paying jobs, and deny them the right to vote exemplify the institutionalized violation of human rights.

Millions of dollars of public monies are invested or deposited by the City of Berkeley in banks and other financial institutions doing business in or with the Republic of South Africa. These monies support the racist government in South Africa. At the same time financially viable investments addressing the social and economic needs of the people of Berkeley are ignored.

Therefore, the people of Berkeley declare that public monies should be removed from banks and other financial institutions doing business in or with the Republic of South Africa and reinvested according to a policy that takes ethical, social and economic considerations into full account.

Section 3: Definition

For the purpose of this ordinance "public monies" are: any monies invested or deposited by the City of Berkeley with the specific exception of pension, deferred compensation, and other employee benefit funds.

Section 4: Implementation

(a) The City Council shall appoint a 9 member Citizens Committee on Responsible Investments (hereafter Citizens Committee) in accordance with the Fair Representation Ordinance (City of Berkeley Ordinance 4780-NS).

(b) The Citizens Committee after due consideration shall make recommendations to the City Council regarding the following:

(i) Procedures for the withdrawal of investments or deposits of Berkeley public monies from financial institutions that make loans, direct or indirect, to the government, agencies, or parastatals of the Republic of South Africa, businesses based in the Republic of South Africa, or to any other business where the loan is designated for trade with or operations within the Republic of South Africa.

(ii) Procedures for redeposition with all prudent haste Berkeley public monies in financial institutions which do not do business with South Africa as defined in Section 4(b)(i), until the City Council adopts a comprehensive responsible investment policy.

(iii) A comprehensive responsible investment policy which maximizes the social and economic benefits to the people of Berkeley.

Section 5: City Council Action Required

(a) The City Council shall be responsible for carrying out the intent of this ordinance and removing City of Berkeley monies from banks and other financial institutions doing business with the Republic of South Africa as defined in Section 4(b)(i), as such securities mature.

(b) Based upon the recommendations of the Citizens Committee, the City Council shall adopt, by May 1, 1980, a comprehensive responsible investment policy for the City of Berkeley.

(c) Following adoption of the comprehensive responsible investment policy the Citizens Committee shall be dissolved.

Section 6: Advisory Statement

It is the desire of the people of Berkeley that all public and quasi-public agencies, particularly the University of California, act to remove investments from banks, other financial institutions and corporations doing business in or with the Republic of South Africa.

Section 7: Prudent Management Requirement

It is the intent of this ordinance that adoption of a responsible investments policy by the City of Berkeley shall be in accordance with sound and prudent principles of financial management; therefore, no provision of this ordinance shall be construed to require that the City of Berkeley incur any loss in interest or receive less than the greatest economic benefit from its investments.

Section 8: Adherence to Investment Laws

No provisions of this ordinance shall be construed to direct a violation of applicable federal or state investments laws or regulations.

Section 9: Partial Invalidity

If any provision of this ordinance or application thereof to any circumstance is held to be invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provisions or applications, and to this end the provisions and applications of this ordinance are severable.

ORDINANCE B

Amending Initiative Ordinance Measure A, entitled "Responsible Investment Ordinance Regulating the Withdrawal of City of Berkeley Funds from Banks Doing Business with South Africa," by adding to Section 3 of Measure A a new paragraph defining "indirect loans."

The following paragraph shall be added to Section 3:

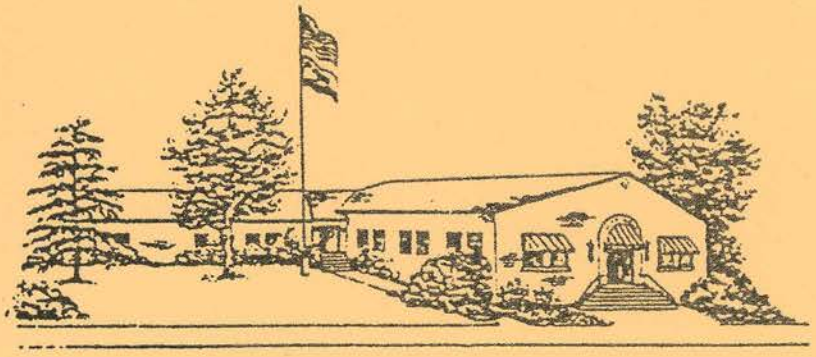
The term "indirect loans" contained in Initiative Measure A shall be defined to include the following types of loans:

(a) Loans from branches outside the United States;

(b) Purchase of South African government bonds;

(c) Participation in consortia lending to South Africa.

Indirect loans shall include no other type of loan.



CITY OF DAVIS

226 F Street Davis, California 95616
(916) 756-3740

Municipal Ballot Measure A

Approved on March 7, 1978

WHEREAS, the people of Davis recognize that American involvement in South Africa supports a system that denies basic political, economic, and social rights to the majority of South Africans; and

WHEREAS, the people of Davis also recognize the need for communities to take positive steps towards assuring that these human rights are obtained by all persons in South Africa;

THEREFORE, THE FOLLOWING IS RESOLVED:

The people of Davis believe that:

1. the City of Davis, the University of California, the State Treasurer, and the Public Employee Retirement System should immediately take steps within their legal authority towards the phased withdrawal of investments in private banks and corporations doing business in South Africa; and

2. the aforementioned institutions should begin a realignment of our public investments to solve the problems of unemployment, hunger, housing, crime, education, energy and the environment in the State of California; and that

3. the Davis City Council shall establish a special task force to study how the city can actively carry out this mandate.

Qualifying Your Initiative for the Ballot

Special or General Election

You may not have to wait for the next regularly scheduled municipal election to vote on your initiative. Many cities have a provision for special elections. You should weigh the advantages and disadvantages of such an election. If you force a special election, you are open to the charge of costing the city money, and you may not have as much voter interest as you'd get in a general election. On the other hand, if you wait for a general election, you may lose the momentum caused by current events which have put South Africa in the public's mind. Your initiative could be dwarfed by heated partisan campaigns or other controversial measures during a general election campaign.

Legal Requirements

1) The first step in a petition drive to qualify your initiative for either a special or general election, is to find the date by which signed petitions must be submitted. Do not trust second-hand information—directly ask the city clerk.

2) Ask about and fulfill special notification and filing requirements. We had to make a public announcement of our intent to petition in a local newspaper 15 days BEFORE we started gathering signatures.

3) Determine how many valid signatures need to be obtained to place the measure upon the ballot. This number is usually derived from a percentage of the registered voters. Berkeley required signatures representing 5% of the number of people who voted in the last mayorial election. For a signature to be valid, the person signing must be currently registered in the election district and *living at his/her registered address.* In order to ensure enough valid signatures, obtain at least 50% more than necessary. This is particularly important if you live in a college town where many of the signers may have moved or may not be validly registered.

4) Check with your local voting officials to see if there are requirements for petition lay-out (e.g., numbered sheets, text of the measure on the petition, signature format). It's also a good idea to include signature deadlines and turn-in address.

5) Officially, those seeking signatures must be registered voters. If you have one registered voter supervising, non-registered volunteers can help gather signatures IF the registered supervisor signs each petition.

Techniques for Petitioning

To gain the most signatures in the shortest time, the following suggestions may help.

1) It's better not to debate the issue at length during the signature-gathering process. Such debates can add to people's confusion which gives the opposition an opportunity to stifle the signature-gathering process.

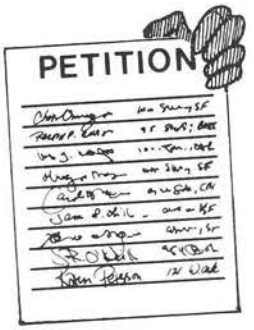
2) Those signing need to understand their signature is NOT an endorsement of the measure. Their signature only signifies that they would like the opportunity to vote on the issue.

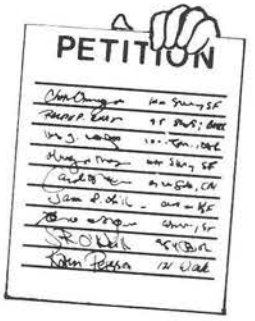
3) Printed instructions are useful so that petitioners know what they can and can't do, and have an idea about appearance and ways of approaching people. A sample from the leafleting campaign by $BOA follows.

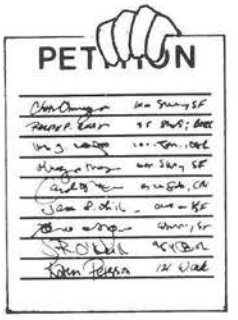
4) Distribute the petitions widely so that many people hear about the issue. Concentrate on places where people congregate: local markets, post offices, libraries, banks, campus quads, concerts, parks, union meetings, churches, rallies, gas lines, and spots where there is continuous pedestrian traffic. You may find people more willing to sign when they are relaxing or leaving their destination, as opposed to rushing in at closing time.

5) Involve as many people as can be kept track of in gathering signatures. This is a perfect time to get volunteers actively involved in making the initiative a success. As more people help, be sure to build the phone list as a means of follow-up to keep volunteers informed and involved. Interest cards for those signing can also be helpful in building your "volunteer bank".

6) Make it easy to return filled or partially filled petitions. We had a numbering system so we knew who had petitions and could check with them before the deadline. Have one central petition-return location.



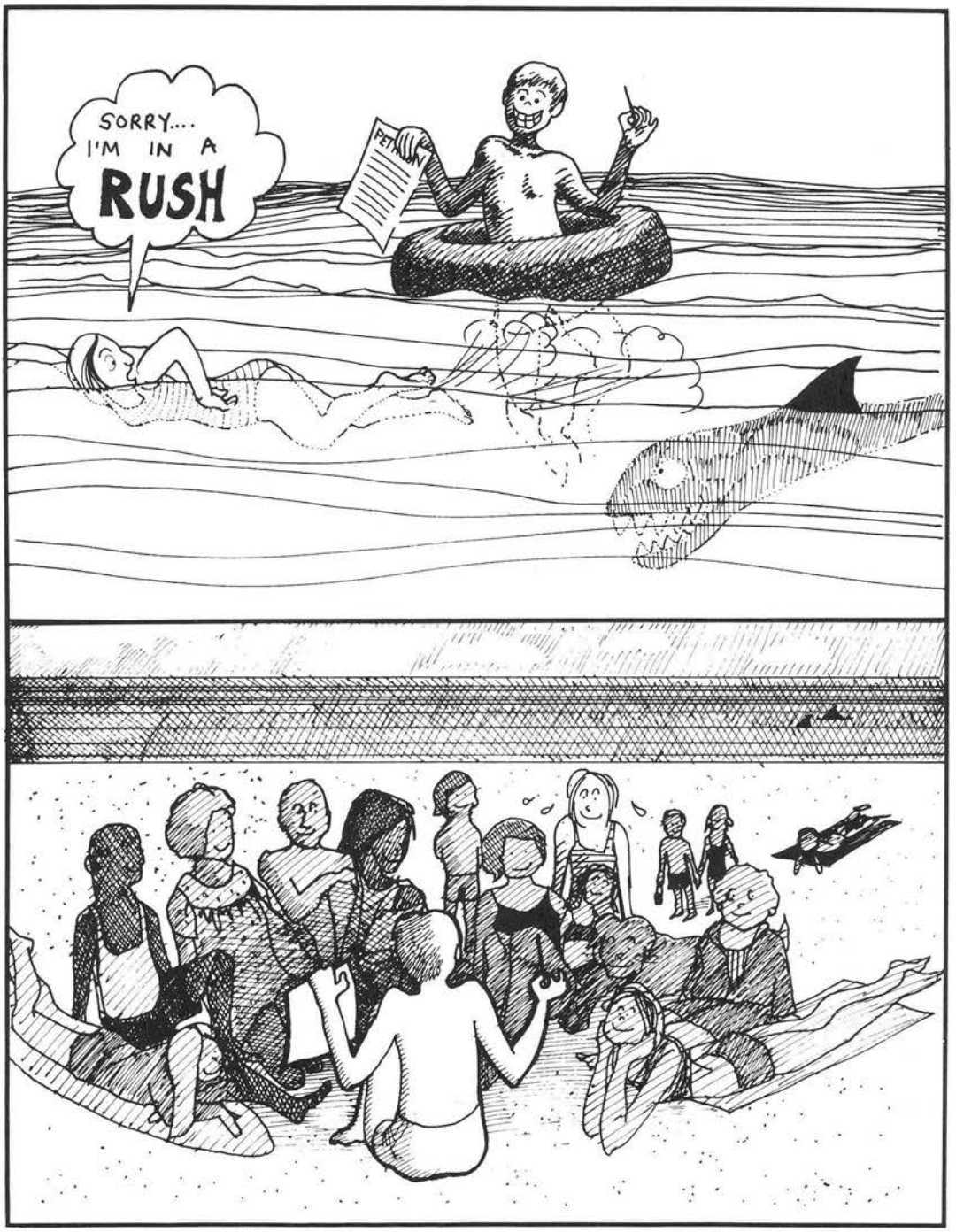




City Council Options

In Berkeley, as in many other cities, the city council was required to either enact into law OR place on the next municipal ballot any citizen initiative which had been authorized as having received the designated number of signatures. The Council decision as to which alternative to follow was obviously vital to our campaign. We lobbied for a mandate from the people, not an action by the city council.

Samples: BOSA petition newspaper announcement; BOSA petition; $BOA leafleter instructions.



"You may find people more willing to sign when they are relaxing. . ."

THE DAILY CALIFORNIAN

LEGAL NOTICES

NOTICE OF INTENT TO CIRCULATE PETITION

Notice is hereby given of the intention of the persons whose names appear hereon to circulate a petition within the City of Berkeley for the purpose of establishing an ethical investment policy for the City of Berkeley. A statement of the proposed action as contemplated in said petition is as follows:

The City of Berkeley has no policy directing the investment of municipal funds. As a result, a substantial portion of this money is invested in financial institions that support, directly or indirectly, the oppressive apartheid regime in South Africa. At the same time, little thought is given to the substantial benefits that would result from investing City of Berkeley funds within the community. This lack of an ethical investment policy also makes it difficult to insist that larger governmental units, in particular the University of California, develop similar policies. Therefore, it is necessary that the people of Berkeley mandate the expeditious removal of city funds from support of South Africa and, concurrently, establish a specific process whereby an ethical investment policy for the City of Berkeley will be put into effect.

Guy P. Jones
Teresa Rouverol
Samuel P. Ragent
Nancy Skinner
Steven P. Bloom

This is reduced; the original was 8½ x 14

RESPONSIBLE INVESTMENT ORDINANCE

PETITION FOR AN INITIATIVE ORDINANCE

We the undersigned, being duly qualified and registered voters of the City of Berkeley, California, and constituting a number equal to not less than five (5) percent of the vote cast in Berkeley for all candidates for Mayor in the last such election, present to the Berkeley City Council this petition and direct, pursuant to Article XIII, Section 92(4) of the Berkeley City Charter, that the following proposed ordinance be adopted by the City Council or else submitted to a vote of the people at the next occurring general municipal election.

Now therefore be it ordained by the people of the City of Berkeley:

Section 1: Title

Responsible Investment Ordinance Requiring the Withdrawal of City of Berkeley Funds from Banks Doing Business with South Africa.

Section 2: Purpose

The system of apartheid in the Republic of South Africa, which has been condemned by the United Nations as "a crime against humanity," systematically denies economic, political and social freedoms to the vast majority of the populace. Apartheid laws which separate black families, keep blacks in the lowest paying jobs, and deny them the right to vote exemplify the institutionalized violation of human rights.

Millions of dollars of public monies are invested or deposited by the City of Berkeley in banks and other financial institutions doing business in or with the Republic of South Africa. These monies support the racist government in South Africa. At the same time financially viable investments addressing the social and economic needs of the people of Berkeley are ignored.

Therefore, the people of Berkeley declare that public monies should be removed from banks and other financial institutions doing business in or with the Republic of South Africa and reinvested according to a policy that takes ethical, social and economic considerations into full account.

Section 3: Definition

For the purpose of this ordinance "public monies" are: any monies invested or deposited by the City of Berkeley with the specific exception of pension, deferred compensation, and other employee benefit funds.

Section 4: Implementation

(a) The City Council shall appoint a 9 member Citizens Committee on Responsible Investments (hereafter Citizens Committee) in accordance with the Fair Representation Ordinance (City of Berkeley Ordinance 4780-NS).

(b) The Citizens Committee after due consideration shall make recommendations to the City Council regarding the following:

(i) Procedures for the withdrawal of investments or deposits of Berkeley public monies from financial institutions that make loans, direct or indirect, to the government, agencies, or parastatals of the Republic of South Africa, businesses based in the Republic of South Africa, or to any other business where the loan is designated for trade with or operations within the Republic of South Africa.

(ii) Procedures for redepositing with all prudent haste Berkeley public monies in financial institutions which do not do business with South Africa as defined in Section 4(b)(i), until the City Council adopts a comprehensive responsible investment policy.

(iii) A comprehensive responsible investment policy which maximizes the social and economic benefits to the people of Berkeley.

Section 5: City Council Action Required

(a) The City Council shall be responsible for carrying out the intent of this ordinance and removing City of Berkeley monies from banks and other financial institutions doing business with the Republic of South Africa as defined in Section 4(b)(i), as such securities mature.

(b) Based upon the recommendations of the Citizens Committee, the City Council shall adopt, by May 1, 1980, a comprehensive responsible investment policy for the City of Berkeley.

(c) Following adoption of the comprehensive responsible investment policy the Citizens Committee shall be dissolved.

Section 6: Advisory Statement

It is the desire of the people of Berkeley that all public and quasi-public agencies, particularly the University of California, act to remove investments from banks, other financial institutions and corporations doing business in or with the Republic of South Africa.

Section 7: Prudent Management Requirement

It is the intent of this ordinance that adoption of a responsible investments policy by the City of Berkeley shall be in accordance with sound and prudent principles of financial management.

Section 8: Adherence to Investment Laws

No provisions of this ordinance shall be construed to direct a violation of applicable federal or state investments laws or regulations.

Section 9: Partial Invalidity

If any provision of this ordinance or application thereof to any circumstance is held to be invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provisions or applications, and to this end the provisions and applications of this ordinance are severable.

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Guy P. Jones
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INSTRUCTIONS FOR CIRCULATORS

1. Do not circulate this petition until you completely understand these instructions.
2. You must be currently registered to vote in Berkeley in order to circulate.
3. You must personally obtain each signature on this petition.
4. Return this petition to the campaign no later than January 31, 1979:

   2490 Channing Way, No. 218
   Berkeley, CA 94704
   Phone: 642-9952

5. Make sure that each person who signs this petition:
   - Fills in all information according to instructions;
   - is currently registered to vote at the address he/she indicates;
   - is signing for him/herself and not for someone else;
   - has not signed another petition for this initiative (sign in case of doubt); and
   - prints as well as signs his/her full name.

Petition number 587

EACH OF THE UNDERSIGNED, FOR HERSELF OR HIMSELF, STATES:

a.) That she or he signed the petition personally; b.) That she or he is a registered and qualified voter of the City of Berkeley; c.) That she or he personally affixed hereto her or his place of residence, giving street and numbe .d if no street and number exist, then a designation of her or his place of residence which will enable the location to be readily ascertainable; and d.) That her or his address is correctly written after her or his name.

	(print street address as registered)	(clerk's use only)
1 (sign name)		
(print name)	(complete zip code) Berkeley, CA 947__ / (fill in day of month) January __ , 1979	
2 (sign name)	(print street address as registered)	(clerk's use only)
(print name)	(complete zip code) Berkeley, CA 947__ / (fill in day of month) January __ , 1979	
3 (sign name)	(print street address as registered)	(clerk's use only)
(print name)	(complete zip code) Berkeley, CA 947__ / (fill in day of month) January __ , 1979	
4 (sign name)	(print street address as registered)	(clerk's use only)
(print name)	(complete zip code) Berkeley, CA 947__ / (fill in day of month) January __ , 1979	
5 (sign name)	(print street address as registered)	(clerk's use only)
(print name)	(complete zip code) Berkeley, CA 947__ / (fill in day of month) January __ , 1979	
6 (sign name)	(print street address as registered)	(clerk's use only)
(print name)	(complete zip code) Berkeley, CA 947__ / (fill in day of month) January __ , 1979	
7 (sign name)	(print street address as registered)	(clerk's use only)
(print name)	(complete zip code) Berkeley, CA 947__ / (fill in day of month) January __ , 1979	
8 (sign name)	(print street address as registered)	(clerk's use only)
(print name)	(complete zip code) Berkeley, CA 947__ / (fill in day of month) January __ , 1979	
9 (sign name)	(print street address as registered)	(clerk's use only)
(print name)	(complete zip code) Berkeley, CA 947__ / (fill in day of month) January __ , 1979	
10 (sign name)	(print street address as registered)	(clerk's use only)
(print name)	(complete zip code) Berkeley, CA 947__ / (fill in day of month) January __ , 1979	

CERTIFICATE OF CIRCULATOR

I, (print name) _____, circulated this petition. All the signatures on this section of the petition were made in my presence and, to the best of my knowledge and belief, each signature is the genuine signature of the person whose name it is purported to be. My residential voting address is (print street address) _____ Berkeley, California (complete zip code) 947 __. All signatures to this document were obtained between January (fill in day of month) __, 1979 and January (fill in day of month) __, 1979, inclusive.

I certify under penalty of perjury that the foregoing is true and correct. Executed by me at Berkeley, California on January (fill in day of month) __, 1979.

(Signature) _____

$TOP BANKING ON APARTHEID

2160 LAKE STREET, SAN FRANCISCO, CA 94121

(415) 752-7766

1. **WHERE TO LEAFLET.** Leaflet where customers pass on their way to the main door of the B of A branch (and the side entrances if there are enough leafleters). **Do not leaflet in the Bank,** and **politely** move if a Bank employee tells you to get off Bank property. Move to the closest public property where you can leaflet the flow of customers, such as the sidewalk (it's perfectly legal there).

2. **TIME TO LEAFLET.** On Friday, November 17, the rush hours are best. They're 11:30 am to 1:00 pm and 4:30 to 6:00 pm. However, other times of the day may also be busy because customers will be coming to deposit checks received November 16.

3. **HOW TO GIVE OUT THE LEAFLET.**

   a) Approach the customer. Smiling helps. Be aware that signs or buttons may cause customers to shy away from taking a leaflet. Ordinarily many will take leaflets out of **curiosity.**

   b) Say something respectful or polite, like *Please would you read this information about your deposits in the Bank of America?* or *Did you know your money goes to South Africa?* It's sufficient to say *Please look at this.*

   c) Do **not** hit them with the leaflet or stick it into their arms or carrying bags. Do **not** block people's paths.

   d) Silently ignore people who want to pick a fight or argue angrily with you. Such people are defensive and not open-minded. Arguing with them will only close their minds more and will not help the cause of black South Africans.

   e) Many people who have refused the leaflet when entering will, upon exit, accept one as they observe others reading them while in the bank.

4. **HOW TO RESPOND TO QUESTIONS.** Tell them what you think, and refer to the leaflet and other factual information you have. If you cannot answer a question, offer to take their address so that $top Banking on Apartheid can mail them an answer and other information.

   Introduce yourself by name, if people ask who you are, and say you represent $BOA. Do not give them your own address and phone, show them $BOA's on the leaflet.

5. **IF LEAFLETS RUN OUT.** Try your luck going into the Bank to pick up leaflets discarded on counters and in waste-baskets. If Bank people ask what you are doing, say *I'm cleaning up the leaflets so the Bank doesn't look like a mess.* Leave immediately if told to do so.

6. **FOR INFORMATION, OR IN CASE OF EMERGENCIES ON THE 17th,** call $BOA at its San Francisco number: (415) 752-7766. If you need information or more leaflets before the 17th, call $BOA in San Francisco at **(415) 752-7766,** in Palo Alto at (415) 494-0355, in San Jose at (408) 371-7082, in Los Angeles at (213)

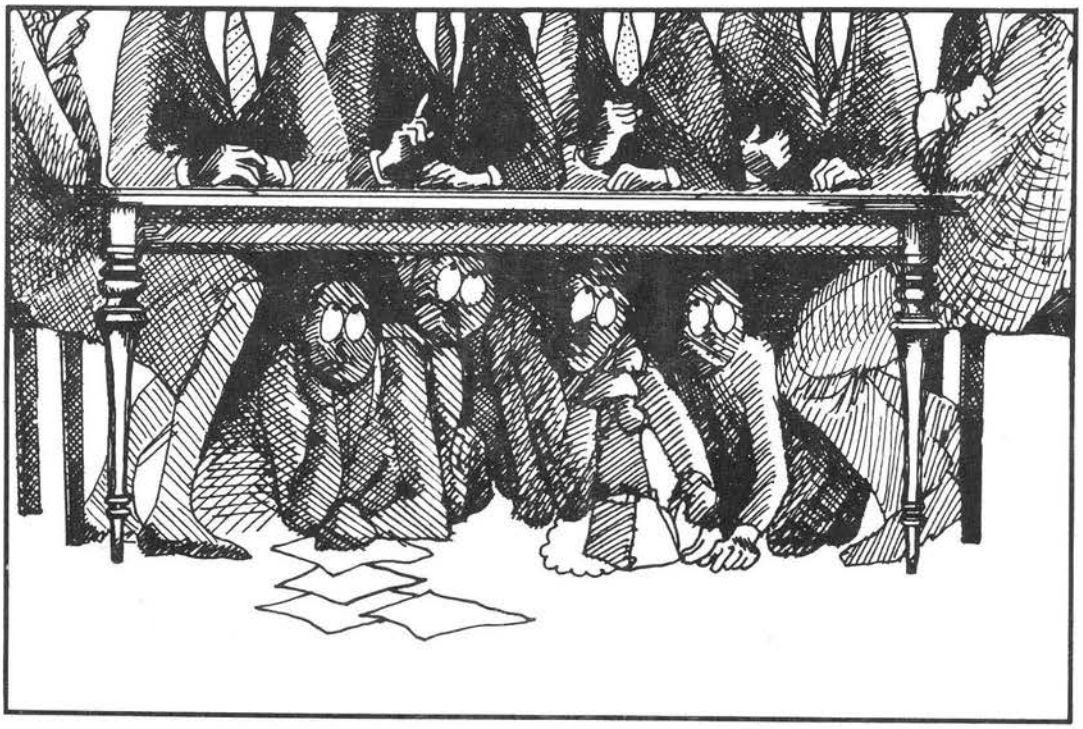
7. **ALTERNATIVES OTHER THAN THOSE LISTED.** MID-PENINSULA: Camino California, First National of San Jose, and Sanwa. NORTH BAY: Bank of Marin, Bank of Lake County, Bank of Sonoma County, First National Bank of Cloverdale.

RESPONSE SHEET – please fill out and return to $BOA, 2160 Lake Street, San Francisco 94121

1. Your name
2. Name of organization
3. Branch leafleted
4. Which hours you leafleted
5. How many leaflets did you pass out?
6. What percentage of customers accepted the leaflet?
7. How many withdrawals?
8. (continue on back) How did it go? Were people generally friendly? What troubles did you encounter? What could have have been done to make leafleting more successful? WE WELCOME YOUR INPUT, IT'LL HELP US ALL!!!

labor donated

Monitoring City Council Actions



When a measure is to be presented to the voters, the City of Berkeley is required to file a "Financial Impact Report" to be included in the voter handbook and on the ballot. The Impact Report filed by the City Attorney on behalf of the Director of Finance stated that the ordinance would potentially cost the city hundreds of thousands of dollars since any bank "could be guilty by association". Obviously such a statement to the voters would have been "the kiss of death" to the ordinance. However, we presented a carefully prepared rebuttal to the City Attorney's analysis at the City Council meeting when the preliminary Impact Report was presented. We also submitted supporting statements, and brought a representative from the National Council of Churches, a spokesperson for the University of California Student Body President's Council, and a professional investment advisor to refute the Impact Report. The City Council saw the absurdity of the Impact Report, proposed Measure B to clarify the term "indirect loans", and directed the City Attorney to write a more realistic analysis of the actual impact of the ordinance (i.e., "...the financial impact would be minimal".)

By staying in contact with sympathetic City Councilpersons and following the Council process carefully, we were constructively involved in making sure the initiative received as favorable treatment as possible. Thus the actions which were potentially disasterous for our campaign were thwarted.

Samples: Berkeley Director of Finance original analysis of Measure A; BOSA Response to Finance Officer; Fidelity Savings and Loan statement; statement by Student Body President's Council; Voter Handbook Analysis by City Attorney; ballot analysis by City Attorney.

DATE: February 8, 1979 **Memorandum**

TO: ELIJAH B. ROGERS, City Manager

FROM: BERNON R. ERICKSON, Director of Finance

SUBJECT: COMMENT ON RESPONSIBLE INVESTMENT ORDINANCE INITIATIVE

The following comments are addressed to the uncertainties of the proposed initiative and to the possible affect it would have on the management of the City Treasury if it is enacted.

Investment Principles. There are three general principles of treasury management which must be considered when exercising fiduciary stewardship of monies, especially public funds. These principles are concerned with the safety of investments and/or deposits, liquidity of assets, and the rate of return on invested assets.

Safety. Of most importance, public funds should be safe. Current state regulations require that public funds be collaterized at 110%, except for the first $100,000 of investment in any single financial institution. The City must, therefore, invest its funds in financial institutions which have the required collateral to support its relative large investment base. (Federal and state securities are acceptable collateral for investment of public funds.) It is not unusual for banks, including the larger banks, to not have sufficient collateral to support the level of public funds available for investment. In such instances, an investment is made in banks which may have available collateral, but which offer a lower interest rate on the invested funds. (Savings and loan associations are not good alternative investment vehicles, as they are very limited in their ability to collateralize public investments.) Accordingly, it is conjectural whether or not the financial institutions which would qualify under the proposed ordinance would at all times have the required collateral to support the investment of City funds. If not, the safety principle would be violated as well as state law, if such funds were invested without being collateraäëded. Alternatively, the City could directly purchase notes from governmental agencies and/or retain the funds in the City vault. (Other factors regarding this alternative are addressed later in this commentary.)

Liquidity. Sufficient monies must be readily available to satisfy the payment of City bills for goods and services and to support the public payroll. Revenue and expenditure projections are evaluated to structure the City's cash flow requirements and City monies are, therefore, invested to provide the required cash when needed and yet maintain the highest prudent level of invested capital. The principal investment vehicle which provides a rate of return and yet enables a "near cash" position is a "bank repo". "Bank repos" are investments for a period of one day or more--a very liquid form of investment. City monies are invested in those "repo" accounts which give the highest prevailing interest rate. (Monies that are received on Friday morning but needed to support expenditures on Monday may be earning a return to the City on Saturday and Sunday by being invested in a "repo" account.) As long as a single bank qualifies for the investment

DATE: February 8, 1979 Memorandum

TO:

FROM:

SUBJECT: COMMENT ON RESPONSIBLE INVESTMENT ORDINANCE INITIATIVE

of City funds, the liquidity principle could be satisfied provided the bank has sufficient collateral to support the investment. This action, of course, would in all probability involve a reduced "rate of return" because of the "captive" investment.

Return on Investment. Consistent with the satisfaction of the safety and liquidity principles, it is the City's goal to attain the highest rate of return on its investments. In this regard, the City has been highly successful. An aggressive, daily review of prevailing interest rates, cash available for investment, and the placement of funds where interest rates are highest is responsible for this success. If the number of available investment accounts is reduced, it is logical to project a reduction in the quoted interest rates and that said reduction would be proportional to the reduction in the number of available investment accounts.

Authorized Investments for Public Funds. State law currently restricts the investment of municipal funds to banks, savings and loan associations and in government securities. Available funds which are not identified with such investments must be retained in the City's vault.

Intent of Section 4(b)(1) of Proposed Ordinance. This section would require the withdrawal of Berkeley public monies from financial institutions that make direct or indirect loans to the South African government, to businesses based in South Africa, or to any other business where the loan is identified with trade or operations within South Africa. The word "indirect" is of especial concern, as a very broad interpretation of the intent for its inclusion in the proposed ordinance could result in the disqualification of many, if not all, financial institutions.

Following are concerns involved with the effect of a broad interpretation of the provision:

Correspondent Banks. Virtually all intermediate and small banks have correspondent banking agreements with larger banks. A correspondent bank serves as a source of funds (loans) for financing operations of smaller banks and provides varied other services to such banks. It is probable that many of the correspondent banks would not qualify for the investment or deposit of Berkeley funds. For example, the First Enterprise Bank, a minority controlled bank, has a correspondent banking agreement with the United California Bank, a bank which I am informed has financial involvement with South African interests. Could transactions involving correspondent bank arrangements be construed as the making of an "indirect" loan?

Commercial Paper. Banks commonly purchase "commercial papers", which are written promises by businesses in the private sector to redeem notes at a fixed value plus stated interest at a given time. Commercial paper is actively traded throughout the financial community. In essence, the holder

DATE: February 8, 1979 **Memorandum**

TO:

FROM:

SUBJECT: COMMENT ON RESPONSIBLE INVESTMENT ORDINANCE INITIATIVE - Page 3

of the note is a creditor of the issuer. Would banks that purchase commercial paper not be approved for investment and/or deposit of City funds under the proposed ordinance? If prohibited, would the prohibition be predicated on the basis of the making of a "direct" or an "indirect" loan?

Lines of Credit. Financial institutions often grant lines of credit to business organizations. These may be limited to specific purposes (the financing of inventory) or for general purposes. Would the granting of a line of credit to an organization for a specific use of funds outside South Africa be construed as an indirect loan if such organization also directly engages in business operations in South Africa and/or makes loans to South African interests?

Government Agency Notes. The City invests a large portion of its funds in diverse government agency notes--as high as 45% in a given 12-month period. These notes are procured through banking institutions acting as intermediaries for the government agencies. The banks hold the notes in custody for the City and dispose of same at the City's direction. No direct remuneration is given the banks by the City for this service; however, benefit is received by such banks by the receipt of brokerage fees or discounts from the government agencies. Could the proposed ordinance be construed to mean that the City could not purchase such notes through banks which make direct or indirect loans to South African interests? If so, the City could purchase such notes through those banks that do not make such loans or effect the purchase thereof direct from the government agencies. (Other factors addressing the direct purchase of government agency notes are addressed later in this commentary.)

A "City Bank". If a broad interpretation of the word "indirect" prevails, it is not unlikely that the City would have to function as its own "bank" in order to satisfy the objectives of the proposed ordinance. This could be effected, but not without the incurrence of reduced interest earnings, increased staffing of the Treasury activity with resultant annual costs, and the incurrence of significant initial "start-up" costs.

Reduced Interest Earnings. City staff could effect the direct purchase of government securities and retain the certificates in the City vault until redemption. Sufficient monies would have to be retained in the vault to ensure liquidity requirements, as the City would not be able to invest in daily "bank repos". Interest on all City funds currently approximates $800,000 per year, of which approximately $70,000 would not be affected because of its identity with employee benefit plans and trust funds. Of the remaining $730,000, approximately $330,000 is identified with agency

DATE: February 8, 1979 Memorandum

TO:

FROM:

SUBJECT: COMMENT ON RESPONSIBLE INVESTMENT ORDINANCE INITIATIVE - Page 4

paper and would not be affected by the proposed ordinance. Because of the relatively long term of agency notes (six months or longer), a high cash position must be maintained; accordingly, it is not unreasonable to project a loss in interest earnings approximating $250,000.

Added Annual Costs. Under this concept the City would pay cash on demand for all City warrants and payroll checks presented for payment at the Treasury. This would also necessitate the maintenance of a large "cash position" in the City vault and added staff (cashiers and account clerks) to effect the control thereof and the direct cashing of the City payroll checks. Additionally, security personnel and messenger service personnel would be needed. The latter to effect the cashing of checks received by the City in payment for services and/or tax receipts and intergovernmental transfers. Although a comprehensive staff study has not been devoted to this matter, it is not unreasonable to project an additional 10 positions would be required. The added annual costs are estimated at not less than $150,000.

Start-Up Costs. The City's current vault and treasury facilities must be improved to support a banking environment. The City's internal safe (within the vault) is not of sufficient structure to satisfy fire insurance carriers if large cash funds are to be stored therein. A new safe would cost about $20,000. A security camera system would need to be installed at an estimated $10,000. The Treasury counters, windows, and alarm systems would require major remodeling to conform to industry security and safety standards, possibly including a steel reinforcement of the walls to the vault room. Remodeling costs would be considerable, perhaps as high as $30,000. Accordingly, without benefit of detailed cost analysis, the required start-up costs are estimated at not less than $60,000.

Conclusion. It is concluded that the City could effect compliance with the requirements of the proposed ordinance with minimal adverse effect on the City's Treasury operations and its earnings on invested capital provided a very limited intent is identified with the word "indirect" as included in Section 4(b)(i) thereof. If such intent, however, involves a broad interpretation of the word "indirect", so that the financial institutions available for the investment of City funds is severely reduced or completely eliminated, compliance with the ordinance would incur an estimated first year cost of $460,000 and annual costs thereafter estimated at $400,000.

Bernon R. Erickson
Director of Finance

YES ON A & B /
BERKELEY OUT OF SOUTH AFRICA

2490 CHANNING WAY, ROOM 218, BERKELEY 94704 — 642-9953

STATEMENT COMPILED FOR THE FEBRUARY 27, 1979, BERKELEY CITY COUNCIL MEETING
IN RESPONSE TO ACTING CITY MANAGER'S ANALYSIS OF RESPONSIBLE INVESTMENT ORDINANCE

Passage of the Berkeley Responsible Investment Ordinance in April will have positive economic, political and moral benefits for the city. Economic benefits will include an increased tax base, job creation and community economic development--the reinvestment of public funds will cause a "multiplier effect" for the economy of Berkeley. Politically, the measure provides increased public control over public funds. Finally, this community will be able to join the other cities, universities, labor unions and religious groups throughout the United States that are working to isolate apartheid and to end support of institutionalized racism in South Africa. In sum, the Responsible Investment Ordinance will broaden the definition of "rate of return" to address how public money best serves the public interest.

It is important to state at the outset that neither the immediate goal of the initiative nor its net effect is to make the City of Berkeley its own banker. Our goal is to challenge the policies of banks lending to South Africa by withdrawing city funds from any such lenders. The City Finance Director's opinion is contrived to raise a host of supposed obstacles to implementing the initiative. In raising every conceivable objection to the initiative, the Finance Director leads us to absurd, unwarranted conclusions, and then attaches an undocumented $500,000 price tag to them.

The Finance Director's entire analysis hinges on his admitted "liberally construed" definition of indirect loans to South Africa. As it is commonly understood, this phrase in no way implies guilt by association or contact. Therefore all the arguments raised, from "Correspondent Banks" to "City Bank", do not apply.

The generally recognized definition of indirect loans includes:

a) loans from branches outside the United States;
b) purchase of South African government bonds; and
c) participation in consortia lending to South Africa.

The word "indirect" is not a blanket term referring to any contact, however removed, from banks which do lend to South Africa. Nor does it mean loans to businesses for general operations or operations outside South Africa. But rather, specifically if a company is raising capital for a new South African venture or an expansion of its South African operations. For example, when Kennecott started a new operation in South Africa, it issued a prospectus and raised over $100 million from U.S. banks. Similarly, Phelps Dodge and Caltex, when expanding in South Africa, raised funds earmarked for that purpose from banks. Trade-related loans are also specifically identified as being for South Africa. Likewise, banks know when they are facilitating loans to apartheid.

Clearly, it is not difficult to define whether a bank is involved in direct or indirect loans to the South African government, to businesses in South Africa, or

is making trade-related loans to South Africa. Studies by the Southern Africa Working Group in Sacramento, the Interfaith Center on Corporate Responsibility (New York), and others have data on bank policies regarding loans to South Africa.

In fact, numerous other institutional investors have policies similar to the one requested in this initiative. They've found it a reasonable approach and one that can be administered.

a) The National Council of Churches, which administers payroll accounts, pension funds, and international transfer accounts, has a policy almost identical to the Berkeley initiative. Other churches, including agencies of the United Methodist Church, have similar policies underway.

b) Labor unions which have divested in a manner similar to the provisions in the initiative include: Drug and Hospital Workers #1199; Retail, Wholesale and Department Store Employees; Leather and Machine Workers, Joint Board; and Furriers' Joint Council.

c) Universities such as Columbia, Harvard, University of Michigan, all have policies requiring divestiture from banks lending to the South African government. Vassar College has sold its bonds in five banks lending to South Africa. Michigan State University, Antioch College, and Amherst College have already divested from both banks lending to, and companies investing in, South Africa.

In short, the City Finance Director and Acting City Manager's memorandum ignores the fact that numerous other responsible institutions are now administering policies similar to the Berkeley initiative without undue inconvenience or financial loss. The memorandum not only grossly misinterprets and misconstrues the meaning of the initiative, but it also ignores obvious precedent.

The conclusions of the City Attorney and Finance Director, placing a $500,000 price tag on divestment, are ludicrous. The City Attorney's ballot analysis of the Socially Responsible Investment Initiative is only the latest in his long history of hostility toward citizen participation, citizen initiatives in particular. In the past four years, the City Attorney has:

1) had the word "impartial" removed by council vote from his analysis of Measure B in 1977, after he estimated its cost at one million dollars when the true cost did not approach that amount.

2) seen the Council change his analysis of Measure K in November 1978 after it was found to be grossly inaccurate.

3) helped to defeat his own proposition while defending Measure Q (Ocean View) before the Court of Appeals.

4) administratively invalidated large portions of the Fair Campaign Practices Act, which has allowed the incumbent Council members to receive numerous large corporate contributions.

5) refused to appeal the Marijuana Initiative of 1973 and attempted to keep the Marijuana Initiative of 1979 off this Spring's ballot.

This is only a partial list.

His analysis is, in any case, a premature projection, since it is up to the Citizens' Committee to determine where the money goes after being withdrawn from banks that loan to South Africa. In addition to the primary error in interpreting

the word "indirect", the memorandum contains numerous innacuracies:

a) Savings and Loan Associations often have higher interest rates on Certificates of Deposit than do commercial banks.

b) There are commercial banks that do not loan to South Africa which offer competitive interest rates, with services comparable to banks in which Berkeley currently invests.

c) There are Savings and Loan Associations that have the ability to collateralize public investments and can match the going interest rates.

d) The memorandum contains no substantive analysis of the status of City funds. What is required is a detailed justification of how the city now invests, where it invests, and where specific specific losses allegedly would be.

*e) The stated costs of setting up and maintaining a city bank are erroneous, as the City will clearly not have to function as its own bank.

Conclusion

The Berkeley Responsible Investment Ordinance calls for a more democratic process for the distribution of financial resources in the City of Berkeley. Socially responsible investment will increase the return to the community without sacrificing direct yield. Investments of public money must be made in the real interests of the public. Ill-founded notions of "fiduciary responsibility" should not be used as a smoke screen. Real social responsibility calls for putting peoples' money back in the community from whence it came, rather than investing it in racism -- in South Africa.

February 27, 1979

City Council of the City of Berkeley
c/o Committee for Responsible Investment

IN RE: PROPOSAL TO PROVIDE FINANCIAL SERVICE BY FIDELITY SAVINGS FOR THE CITY OF BERKELEY

Ladies and Gentlemen:

Fidelity Savings and Loan Association was founded in the city of Berkeley in 1921. Since opening its Berkeley office Fidelity has expanded its branch network throughout the Bay Area and Northern California. However, the Berkeley office remains one of the Association's largest and most important. In addition to regular branch service, the Berkeley office houses Fidelity's Central Personnel and Training Department.

The focus of Fidelity's business is the individual California resident. The Association is not an international lender or investor in any way comparable to the typical large bank or corporation. This distinction is the cornerstone of both our corporate philosophy and operating practice.

Fidelity is a major lender in the Berkeley area. Our loans for major construction, single family, home equity, and home improvement total over $38 million. This figure may be related to Fidelity's total Berkeley area savings deposits of $57 million.

In addition to its demonstrated role as a Berkeley lending institution, Fidelity feels proud of other aspects of its Berkeley corporate citizenship. As the accompanying brochure indicates, we have made "a committment to the communities we serve." In substantive terms, our efforts in Berkeley include support for the Berkeley Repertory Theater, the University Museum, Solano Stroll, Franklin School, East Bay Ballet Theatre, and Berkeley Architectural Heritage Society.

Fidelity Savings and Loan Association
Established 1921

2000 Franklin Street
Oakland, California 94612
415 271 1700

Member of:
Federal Home Loan Bank System
Federal Savings and Loan
Insurance Corporation

Fidelity would thus be honored to now extend its service and participation in the Berkeley Community by acting as a financial partner to the city. We believe we have the capacity, the interest, and the experience to provide an important benefit to Berkeley.

Other municipalities which we have had a depository relationship with include the cities and counties of Alameda, San Mateo, the city of Belmont, and the State of California. We commend these municipalities to you as references for the financial service Fidelity provides.

Thank you for your consideration.

Yours truly,

A. C. Meyer, Jr.
President

ACM:jd

PRESS STATEMENT for Berkeley City Council meeting February 27, 1979

My name is Kathlyn Taylor, and I represent the U.C. Student Body Presidents' Council as Chair of its Committee on Social Responsibility. The Council is currently in the process of assisting all U.C. student governments in moving their funds out of banks making loans to South Africa --- a task which has given me some considerable expertise in the area of finding "alternative banks".

$top Banking on Apartheid has listed six Bay Area banks as recommended alternatives based on four criteria: a) loans to South Africa, b) red-lining, c) hiring practices, and d) collective bargaining. These banks are:

Central
First Enterprise
Security National
Western Women's
Hibernia
Mechanics

Recently, we have been able to engineer the movement of large amounts of ASUC Berkeley funds from Union, Wells Fargo, and B of A into Security National Bank --- at no additional/negligible costs.

The City of Berkeley has vast funds at its disposal. Small, more progressive banks are in search of new accounts. With this sort of bargaining power, and given our past experience in moving student monies, I have no doubt that Berkeley monies can be taken out of the South African loan pool with very minimal --- probably none --- charges incurred.

ORDINANCE A

Be it ordained by the people of the City of Berkeley:

Section 1: Title

RESPONSIBLE INVESTMENT ORDINANCE REQUIRING THE WITHDRAWAL OF CITY OF BERKELEY FUNDS FROM BANKS DOING BUSINESS WITH SOUTH AFRICA.

Section 2: Purpose

The system of apartheid in the Republic of South Africa, which has been condemned by the United Nations as "a crime against humanity," systematically denies economic, political and social freedoms to the vast majority of the populace. Apartheid laws which separate black families, keep blacks in the lowest paying jobs, and deny them the right to vote exemplify the institutionalized violation of human rights.

Millions of dollars of public monies are invested or deposited by the City of Berkeley in banks and other financial institutions doing businesss in or with the Republic of South Africa. These monies support the racist government in South Africa. At the same time financially viable investments addressing the social and economic needs of the people of Berkeley are ignored.

Therefore, the people of Berkeley declare that public monies should be removed from banks and other financial institutions doing business in or with the Republic of South Africa and reinvested according to a policy that takes ethical, social and economic considerations into full account.

Section 3: Definition

For the purpose of this ordinance "public monies" are: any monies invested or deposited by the City of Berkeley with the specific exception of pension, deferred compensation, and other employee benefit funds.

Section 4: Implementation

(a) The City Council shall appoint a 9 member Citizens Committee on Responsible Investments (hereafter Citizens Committee) in accordance with the Fair Representation Ordinance (City of Berkeley Ordinance 4780-NS).

(b) The Citizens Committee after due consideration shall make recommendations to the City Council regarding the following:

(i) Procedures for the withdrawal of investments or deposits of Berkeley public monies from financial institutions that make loans, direct or indirect, to the government, agencies, or parastatals of the Republic of South Africa, businesses based in the Republic of South Africa, or to any other business where the loan is designated for trade with or operations within the Republic of South Africa.

(ii) Procedures for redepositing with all prudent haste Berkeley public monies in financial institutions which do not do business with South Africa as defined in Section 4(b)(i), until the City Council adopts a comprehensive responsible investment policy.

(iii) A comprehensive responsible investment policy which maximizes the social and economic benefits to the people of Berkeley.

Section 5: City Council Action Required

(a) The City Council shall be responsible for carrying out the intent of this ordinance and removing City of Berkeley monies from banks and other financial institutions doing business with the Republic of South Africa as defined in Section 4(b)(i), as such securities mature.

(b) Based upon the recommendations of the Citizens Committee, the City Council shall adopt, by May 1, 1980, a comprehensive responsible investment policy for the City of Berkeley.

(c) Following adoption of the comprehensive responsible investment policy the Citizens Committee shall be dissolved.

Section 6: Advisory Statement

It is the desire of the people of Berkeley that all public and quasi-public agencies, particularly the University of California, act to remove investments from banks, other financial institutions and corporations doing business in or with the Republic of South Africa.

Section 7: Prudent Management Requirement

It is the intent of this ordinance that adoption of a responsible investments policy by the City of Berkeley shall be in accordance with sound and prudent principles of financial management.

Section 8: Adherence to Investment Laws

No provisions of this ordinance shall be construed to direct a violation of applicable federal or state investments laws or regulations.

Section 9: Partial Invalidity

If any provision of this ordinance or application thereof to any circumstance is held to be invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provisions or applications, and to this end the provisions and applications of this ordinance are severable.

ORDINANCE A
CITY ATTORNEY'S ANALYSIS OF PROPOSED INITIATIVE MEASURE REGARDING INVESTMENTS IN SOUTH AFRICA

This measure, if adopted, would require the City of Berkeley to withdraw certain of its funds currently invested in banks or other financial institutions doing business with or in the Republic of South Africa.

This measure excludes from its coverage those municipal funds set aside specifically as investments for pension or other employee benefits.

This measure would require the City Council to be responsible for carrying out the intent of this measure. Specifically, the City Council would be required to:

Appoint a citizens' committee which would

a. recommend to the City Council procedures for withdrawal of funds from financial institutions doing business in or with the Republic of South Africa;
b. recommend procedures for the prompt reinvestment of such funds in financial institutions which do not do business with South Africa; and
c. make recommendations to the City Council regarding a comprehensive investment policy.

This measure, if adopted, would require the City Council, by May 1, 1980 to adopt a comprehensive investment policy based upon the recommendation of the citizens' committee.

State law currently restricts the investment of municipal funds to banks, savings and loan associations and government securities.

This measure, if adopted, would require the "comprehensive investment policy" (to be adopted by May 1, 1980) to conform to applicable laws regulating the investment of municipal funds.

The City of Berkeley had, during calendar year 1978, on the average, a total of $12 million invested in interest-bearing bank accounts or government securities. During the same period of time, an average of 45% of the City's interest-bearing investments ($5.5 million) were in government securities and miscellaneous City cash funds which would have been exempt from regulation under the provisions of this measure. The remaining 55% of the City's investments ($6.5 million average) held during calendar year 1978 would have been regulated by the provisions of this measure; if the proposed amendment clarifying the term "indirect loan" is adopted, this measure would probably result in minimal adverse impact on municipal revenue.

This measure also contains an advisory statement requesting other public and quasi-public agencies, such as the University of California, to remove their investments from banks or other financial institutions and corporations doing business in or with the Republic of South Africa.

Michael Lawson
City Attorney

ORDINANCE B

AMENDING INITIATIVE ORDINANCE MEASURE A, ENTITLED "RESPONSIBLE INVESTMENT ORDINANCE REGULATING THE WITHDRAWAL OF CITY OF BERKELEY FUNDS FROM BANKS DOING BUSINESS WITH SOUTH AFRICA," BY ADDING TO SECTION 3 OF MEASURE A A NEW PARAGRAPH DEFINING "INDIRECT LOANS."

The following paragraph shall be added to Section 3:

The term "indirect loans" contained in Initiative Measure A shall be defined to include the following types of loans:

(a) Loans from branches outside the United States;
(b) Purchase of South African government bonds;
(c) Participation in consortia lending to South Africa.

Indirect loans shall include no other type of loan.

ORDINANCE B
CITY ATTORNEY'S ANALYSIS OF AMENDMENT TO PROPOSED INITIATIVE MEASURE REGARDING INVESTMENTS IN SOUTH AFRICA

This measure, if adopted, would require the City of Berkeley to withdraw certain of its funds currently invested in banks or other financial institutions doing business with or in the Republic of South Africa.

This measure excludes from its coverage those municipal funds set aside specifically as investments for pension or other employee benefits.

This measure would require the City Council to be responsible for carrying out the intent of this measure. Specifically, the City Council would be required to:

Appoint a citizens' committee which would

a. recommend to the City Council procedures for withdrawal of funds from financial institutions doing business in or with the Republic of South Africa;
b. recommend procedures for the prompt reinvestment of such funds in financial institutions which do not do business with South Africa; and
c. make recommendations to the City Council regarding a comprehensive investment policy.

This measure, if adopted, would require the City Council, by May 1, 1980, to adopt a comprehensive investment policy based upon the recommendation of the citizens' committee.

State law currently restricts the investment of municipal funds to banks, savings and loan associations and government securities.

This measure, if adopted, would require the "comprehensive investment policy" (to be adopted by May 1, 1980) to conform to applicable laws regulating the investment of municipal funds.

The City of Berkeley had, during calendar year 1978, on the average, a total of $12 million invested in interest-bearing bank accounts or government securities. During the same period of time, an average of 45% of the City's interest-bearing investments ($5.5 million) were in government securities and miscellaneous City cash funds which would have been exempt from regulation under the provisions of this measure. The remaining 55% of the City's investments ($6.5 million average) held during calendar year 1978 would have been regulated by the provisions of this measure; if the proposed amendment clarifying the term "indirect loan" is adopted, the initiative measure would probably result in minimal adverse impact on municipal revenue.

The initiative measure also contains an advisory statement requesting other public and quasi-public agencies, such as the University of California, to remove their investments from banks or other financial institutions and corporations doing business in or with the Republic of South Africa.

Michael Lawson
City Attorney

NO ARGUMENT IN FAVOR OF OR AGAINST THIS MEASURE WAS SUBMITTED

5

CITY OF BERKELEY
GENERAL MUNICIPAL ELECTION
April 17, 1979

MEASURES SUBMITTED TO VOTE OF VOTERS

CITY

PROPOSED ORDINANCES

A

Should an Initiative Ordinance entitled: "Responsible Investment Ordinance Requiring the Withdrawal of City of Berkeley Funds from Banks Doing Business with South Africa" be adopted?

Financial Implications:
"If this measure and the companion measure, designated as B, are both enacted, the financial impact would be minimal."

FOR THE ORDINANCE	81 →
AGAINST THE ORDINANCE	82 →

B

Should an amendment to Section 3 of the Initiative Ordinance Measure A to define the term "indirect loan" be adopted?

Financial Implication: If this measure and its companion measure designated as Measure A are both enacted, the financial impact would be minimal.

FOR THE ORDINANCE	85 →
AGAINST THE ORDINANCE	86 →

CIUDAD DE BERKELEY
ELECCION GENERAL MUNICIPAL
17 de abril de 1979

5

MEDIDAS SOMETIDAS AL VOTO DE LOS ELECTORES

CIUDAD

ORDENANZAS PROPUESTAS

A

¿Debe adoptarse una Ordenanza de Iniciativa titulada: "Ordenanza sobre Inversión Responsable Requiriendo la Retirada de Fondos de la Ciudad de Berkeley de Bancos que Hacen Negocios con Sudáfrica?"

Implicaciones Financieras:
"Si esta medida y la medida B se aprueban, el impacto financiero sería mínimo."

← 81	EN FAVOR DE LA ORDENANZA
← 82	EN CONTRA DE LA ORDENANZA

B

¿Debe adoptarse una enmienda a la Sección 3 de la Ordenanza de Iniciativa de la Medida A para definir el término "préstamo indirecto"?

Implicación Financiera: Si esta medida y la Medida A se aprueban, el impacto financiero sería mínimo.

← 85	EN FAVOR DE LA ORDENANZA
← 86	EN CONTRA DE LA ORDENANZA

What is to be done?

Additional Resources for **What Is To Be Done?**

Practical Political Action, Tufts University (Houghton-Mifflin Co., Boston), 1962.

"Reporting Guidelines for Campaign Committees", Fair Political Practices Commission, Technical Assistance and Analysis Division, 1100 Kay Street, Sacramento, CA 95814.

Winning Elections: A Handbook in Participatory Politics, Dick Simpson, (Swallow Press, Chicago, IL), 1972.

"1980 Guide to Campaign Resources: An Annotated Bibliography of Publications and Documents Relating to Running for Public Office", CPPAX Education Fund. Inc., 35 Kingston St., Boston, MA 02111.

Forming the Coalition

Once you decide to go ahead with an initiative campaign, you must expand your core group into a working coalition with other interest groups. Draw the coalition from as broad a political spectrum as posssible without damaging the integrity of the issues (the "Tying in with Other Groups" section has suggestions). Remember, you want the initiative to pass by a landslide vote; therefore try not to let partisan political sympathies impede the incorporation of other groups that would broaden your base. Establish broad principles of unity to which all members of the coalition must adhere. These principles should be limited to the issue at hand, municipal investment in South Africa, and should not preclude membership on the basis of partisan political affiliation.

Clearly define the nature of the working coalition. Is voting membership in the coalition by group, by individuals, or by combination of the two? If different organizations officially join the coalition as members, then they would assume legal and financial responsibility for the coalition's actions (such as any debts at the end of the campaign). If nonprofit organizations are included as official members of coalition, the coalition may be precluded from supporting partisan political candidates. Be sure that diverse interests are understood and are compatible with the primary coalition goal of passing the initiative on as broad a basis as possible.

It's important for the campaign coalition not to get so involved in its own intern al affairs that it excludes input from the variety of groups and individuals who actively support the measure, but who are unable to work with the coalition on a day to day basis. The "Planning the Campaign" section gives some suggestions on how to keep the coalition in touch with, and to include through varying means , these different constituencies.

Establishing a Decision-Making Process

A fundamental necessity for the success of any political coalition is consensus over a well-established decision-making process. Some individuals within our coalition believed that a steering committee was too hierarchial and that all decisions should be made collectively. However, electoral campaigns are filled with moment to moment crises; it is not always possible to call full member meetings in time to respond quickly and effectively. We decided to establish a "limited-in-authority" Steering Committee able to react to crises or on the spot decisions. We also had two coordinators who helped staff the headquarters, carry out decisions, and delegate responsibities. If the decision-making process is clearly defined, authority limited, and the responsibles selected in an equitable fashion, a Steering Committee can actually increase democratic process and effectiveness. Answering the following questions can help in establishing the best process to suit your needs.

1) Who should serve on the Steering Committee? What is the extent of its authority? How is it responsible to the general coalition?

2) How should general decisions be made? Who are the decision makers: a representative(s) from each group within the coalition; individuals who have demonstrated definite committment to the campaign; anyone willing to attend a meeting or certain number of meetings.

3) How will tasks be assigned? Who is responsible for delegating responsibilities?

4) Which individual(s) are willing to serve and take responsibility as a full-time or primary coordinator(s)?

Do not underestimate these considerations. We found out the hard way that much strife, duplication and confusion could have been avoided if we had more concretely set up and adhered to an established decision-making and responsible procedure.

Becoming an Official Committee

To assure that you are recognized as the legitimate spokespeople for the initiative campaign, you must register your coalition as an official campaign committee. This is also necessary in order to be able to accept campaign contributions and host fund-raisers in the name of the initiative. To become a legal campaign committee, you must:

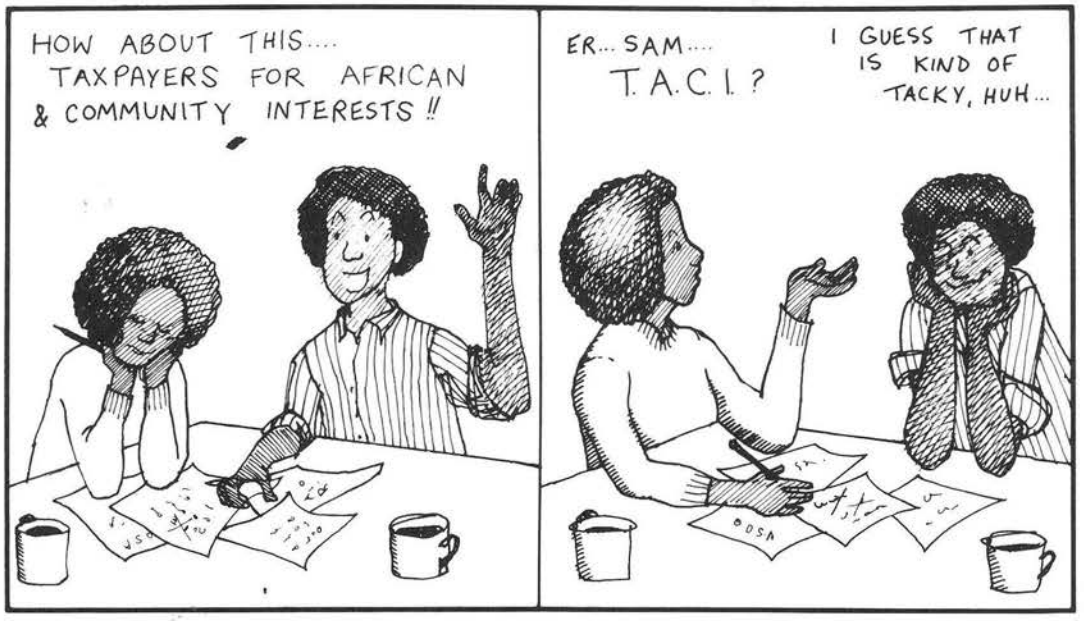
1)Choose an official campaign committee name. Choose a name which helps rally enthusiastic support and which clearly expresses the intent of your initiative. Be aware of the acronym formed by the letters. We called themselves the Berkeley Out of South Africa committee or BOSA. It's important that the community associate the correct measure with your campaign organization. When the inititative was placed on the ballot and labeled Measures A & B, we enlarged our name to Berkeley Out of South Africa/Yes on A & B.

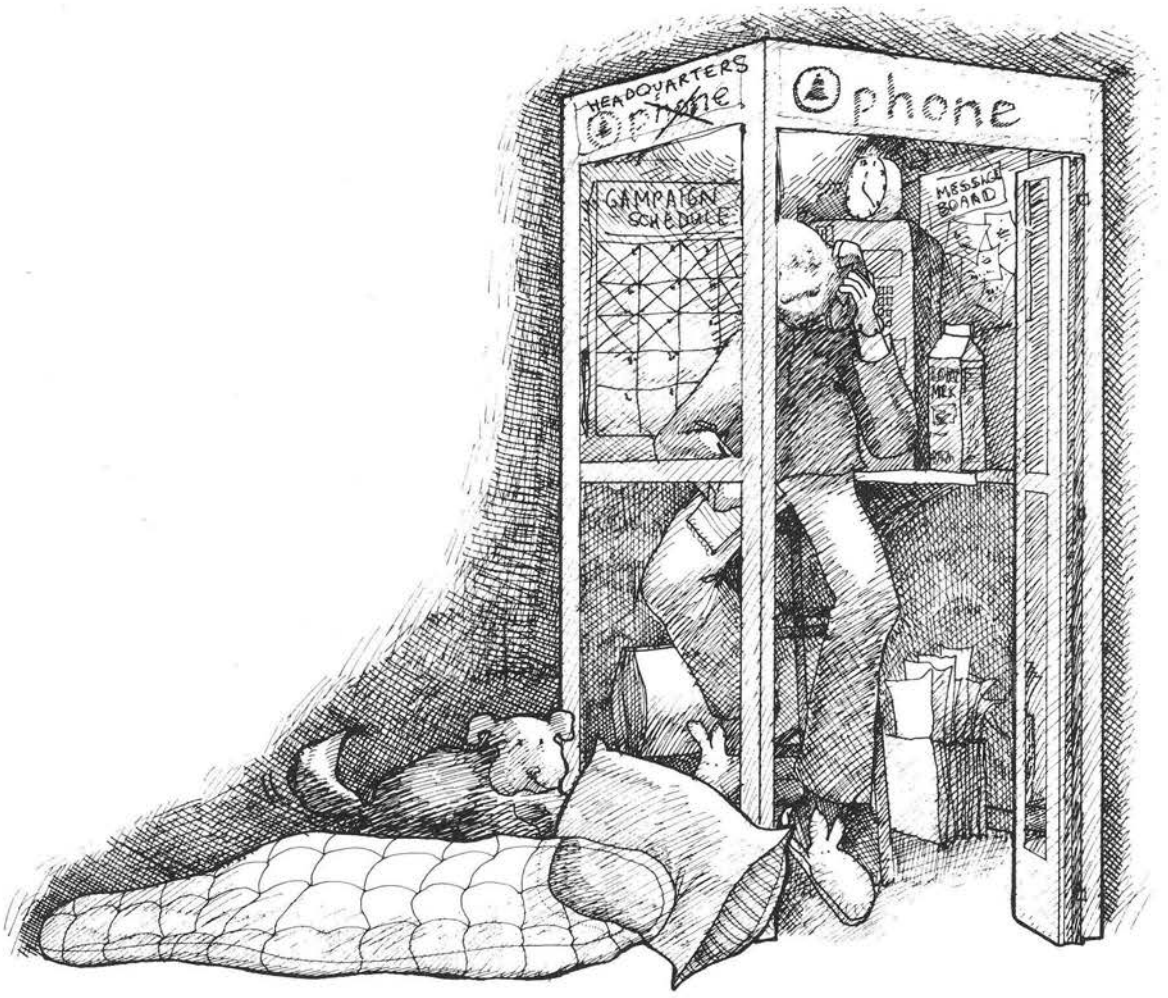
2) Appoint a treasurer. This person's name must be included on all campaign materials. We strongly recommend that this be considered a sole responsibility position, and that it be given to a person knowledgable in accounting and fiscal procedures. Keeping accurate records is a responsible and time-consuming position. Receipts must be kept and reports filed on time. Be sure of your deadlines; there are financial penalties for late filing.

3) Open a checking account in the name of the committee (the treasurer must be one of the signatories).

4) Obtain and file and state and municipal reporting forms. The City Clerk will have these on file. At the beginning of the electoral campaign, Berkeley conducted classes on what was required from initiative and candidate committees.

5) Check with the City Clerk to see if there are additional requirements for your municipality.

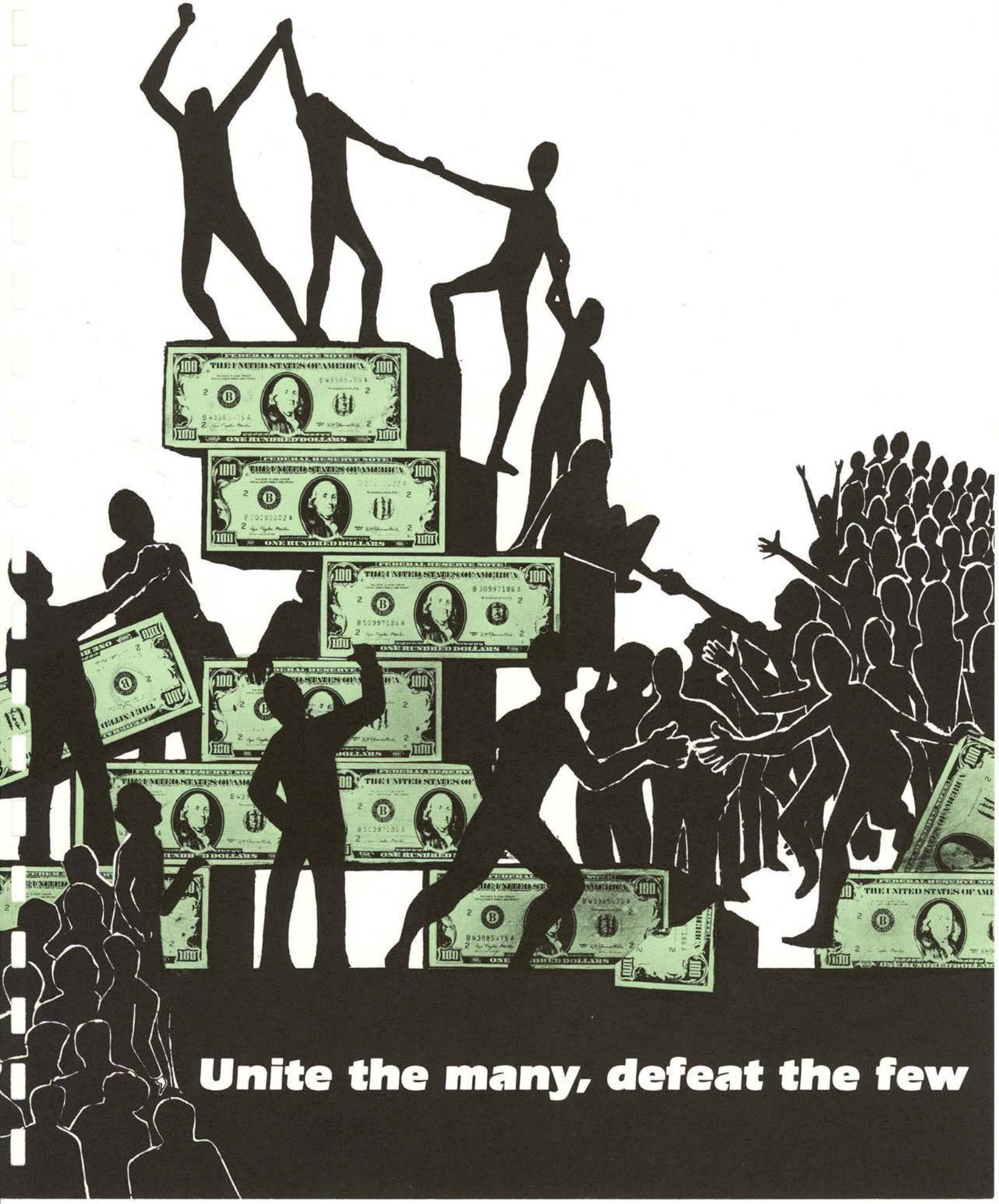




Opening a Headquarters

An early decision in any campaign should be whether or not you have the financial and personnel resources to maintain a headquarters office. Phones, rent, supplies, furniture, etc. may place a heavy burden on your funds. And full-time staffing may not be practical. We were fortunate to have the office of the California Public Interest Group (CalPIRG) in Berkeley as our headquarters. CalPIRG maintains a full-time staff so there was always someone there to answer phones, questions, direct volunteers etc.

If no central headquarters is practical in your campaign, 4 or 5 neighborhood headquarters, in the form of private homes, can do quite well. Also, offices that are closed for the day can often be used as phone banks and meeting locations. Just remember there should always be someone available at your official contact number, even in the evenings.


Unite the many, defeat the few

Additional Resources for **Unite The Many, Defeat The Few**

"Media How-To Notebook", Media Alliance, Building 314, Fort Mason, San Francisco, CA 94123. ($4.50)

The People's Guide to Campaign Politics, Gary Robert Schwedes, People's Lobby Press, 3456 W. Olympic Boulevard, Los Angeles, CA 90019, 1976. ($2.95)

Taking the Initiative: Corporate Control of the Referendum Process Through Media Spending and What to Do About It, R.M. Mastro, D.C. Costlow and H.P. Sanchez, Media Access Project, Washington, D.C., December 1980. ($10.00)

Where Have All the Voters Gone?, Everett Ladd (W.W. Norton, NY), 1978.

Planning the Campaign

This section includes the components of a successful campaign. We have included a sample time-line. Not every campaign coalition will be able to do all the tasks listed. You should establish your own time-line based on the priorities you give to the various tasks. We strongly urge that early in your campaign you write a good informational leaflet. The heart of your campaign will be the broad distribution of this leaflet in the community.

It's important to plan your campaign so that it reaches its high point on election day. The use of all your resources should be coordinated in such a way as to generate the maximum enthusiasm on the day of the vote. Therefore, plan your "big events"—mass rallies, celebrity appearances, major press conferences—with this in mind. Do not neglect, however to start off with a big BANG!

And remember: have good times during your campaign! A cooperative, supportive and fun atmosphere will be a key to building participation throughout the campaign. If you have long meetings, try to have them in comfortable surroundings and provide refreshments—they do wonders for flagging energy. Liven up dull tasks, such as mass mailings, with a pot-luck or wine and cheese party.

Time Line

We have listed the approximate time period before election day in which you should complete each task. Of course certain jobs, such as fundraising and relations with the press, continue throughout the campaign. Since many tasks listed are final products, like distributing leaflets or circulating petitions, it's up to you to decide how much lead time the coalition will need for preparation. We suggest allowing more time than you'd ever dream necessary! Also, be sure of official deadines so you can plan accordingly. You'll find more detailed information about each task or project in its appropriate section.

6 - 3 months before election day

- Establish core group for preliminary campaign planning.
- Canvas key community leaders, elected officials, and broadbased community organizations to see whether they'd support an initiative at this time.
- Decide whether to participate in a regularly scheduled election or to call a special election.
- Conduct preliminary research (continue until other aspects of the campaign demand your attention).
  - Obtain your city's investment portfolio summary or financial summary sheet. Figure out whether funds are invested in banks lending to South Africa.
  - Investigate state and local laws which restrict municipal investments.
  - Review existing local guidelines governing investments of municipal funds.
  - Determine possible alternatives, including their secondary or ripple effects.
  - Find out the municipal laws and regulations governing citizens' participation in municipal investment decisions.
- Summarize the research in a publicly-usable format.
- Write the measure.
- Prepare petitions.
- Circulate petitions.
- Start forming the campaign coalition.
- Establish official campaign committee.
- Open checking account.
- Begin fundraising.
- Find out which foundations might fund campaign. Write proposals.
- Contact performers and celebrities to find out if and when they'd be available for fundraisers and promos.

3-2 months before election day

- Finish circulating and turn in petitions.
- Monitor the process by which the petition becomes a ballot measure. Keep tabs on the city council and other appropriate agencies to preempt any adverse actions on their part.
- Formalize campaign coalition.
  - Decide decision-making process.
  - Establish steering committee.
  - Select campaign coordinator(s).
  - Open headquarters.
- Write basic educational leaflet.

- Write and send introductory letter to every individual and organization with which you wish to liason.
- Submit grant proposals.
- Start lining up volunteers.
- Begin voter registration drive (make sure of deadlines).
- Write Religious Day of Concern church bulletin insert; obtain ecumenical endorsements.

2½ - 2 months before election day
- Hold a Press Conference announcing beginning of campaign; send out press releases.
- Send first series of Letters to the Editor supporting the campaign.
- Determine specific campaign tasks.
- Develop a campaign calendar.
  - Plan dates for events.
  - Reserve rooms, quads, films, etc.
- Follow-up initial outreach letter with phone calls; confirm method of support; obtain endorsements.
- Hold a fundraiser.
- Intensify efforts to get donations.
- Write pro-initiative arguments for official election publications.
- Begin developing campaign materials; posters, bumper stickers, special interest pamphlets.
  - Reserve typesetting and printing dates.
- Find out newsletter and community calendar publishing dates so you can submit promos and specific events before deadlines.
- Set up speakers bureau.

2 - 1½ months before election day
- Begin arranging educational presentations.
- Compile Issue Packet and in-depth materials.
- Start courting the press; establish press liasons.
- Set up appointments for interviews and talk shows.
- Determine submission dates for public service announcements and free speech messages.
- Have a fundraiser or major rally.
- Submit special interest articles to newsletters and magazines.

1½ - 1 month before election day
- Distribute Issue Packets to media.
- Have a fundraiser with a major celebrity.
- Begin talk shows and organizational presentations.
- Write scripts for street theatre.
- Distribute bulletins and back-up materials to churches participating in the religious Day of Concern.
- Start organizing precinct walks and door drops.
- Get leaflets printed.

1 month - 2 weeks before election day
- Submit paid advertisements and free speech messages.
- Put up posters, distribute bumper stickers, buttons, etc.
- Begin massive leafletting.
- Start street theatre.
- Hold a major rally or public forum.
- Have a Press Conference with major endorsers.
- Conduct Religious Day of Concern.
- Submit Letters to the Editor.
- Tape free speech messages.

2 weeks before Election Eve
- Intensify use of human billboards, banners, street theatre, etc.
- Continue massive leafletting.
- Line up Get Out the Vote (GOTV) volunteers.

Election Eve
- Phone GOTV volunteers.
- Have a door drop.

Election Day
- GOTV activities.
- Have a victory party!

Week following victory
- Send out Press Releases across the world (or least the nation...) Call media contacts to make sure of reporting (though they should be calling you!)
- Complete and file campaign financial statements (be sure of deadlines).
- Take down posters and billeted leaflets.
- Have an evaluation session; send comments to $BOA.

Weeks following victory
- Close checking account.
- Play an active role in the formulation of the citizens committee established by the Measure.

Mobilizing Volunteers

People will not just spontaneously appear to work on the initiative campaign. It takes a lot of work to find and encourage campaign volunteers. Most importantly, your group must have a cohesive framework in which members/volunteers can easily find a niche. Volunteers need a lot of direction and support—if there is no core of responsibles within your committee able to provide a sense of continuity and leadership, you will lose much potential personpower.

Enlist the aid of friends, relatives and associates. Also ask endorsing organizations to commit personpower to the campaign. Volunteers can be recruited as part of your general campaign outreach. Always have sign-up sheets/cards available.

Keep a file which lists names, phone numbers, addresses, time and energy availability, and special skills (artists, speakers, etc.) that can be referred to easily. Have one person responsible for coordinating and updating this list. Keep interested persons informed of campaign events and progress.

It's a good idea to prepare a checklist of jobs to be done during the campaign. The checklist can be valuable not only in recording the tasks for which a particular person volunteers, but it can be a tremendous help in the recruiting effort itself. Most people aren't aware of how many chores there are. Given a list of jobs, they'll recognize several which they can perform and consequently be more willing to volunteer.

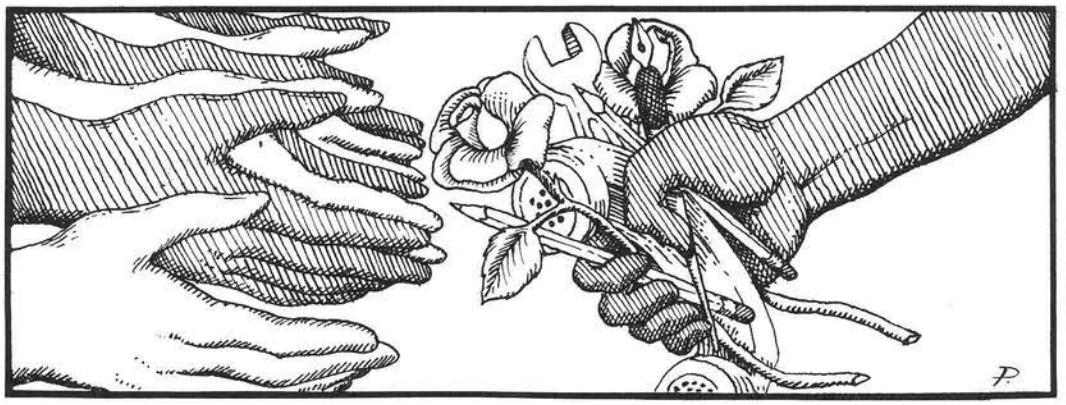
Allow for differing levels and types of commitment. Some people are task-oriented and will quickly burn-out if they are consistently expected to attend long, drawn-out strategy meetings.

Establish a procedure for plugging volunteers into campaign work **and** for keeping track of what they do. Since we had no full-time volunteer supervision, a Log Book was helpful. Volunteers were able to look up different categories of work or specific tasks, read instructions, fill out a form recording what they'd done. A sample of our RIO Endorsement procedure follows. Also have a list of areas, places or events, and the times they need to be leafleted in an easy to see spot. People can check off what they're doing, take their leaflets, and be off without having to wait around to be "assigned".

Contact volunteers for specific duties as early as possible. Confirm volunteers; don't just expect people to show up. Choose workplaces that are easily accessible to public transportation or form carpools to make volunteering as easy as possible. If childcare is provided, more people will be able to volunteer. A childcare pool may be set up between volunteers with children. Childcare is especially important on key days, such as precinct walks or signature gathering.

All of this seems like a lot of effort. It is effort well spent, however, because people are your chief campaign resource. A successful campaign is based upon an effective use of personpower.

Samples: RIO Endorsement phone sheet; RIO Endorsement form



R I O ENDORSEMENTS

In calling each organization, please fill out the "Endorsement Form" contained in the Endorsement section of the BOSA log book.

If you need suggestions for your rap, perhaps this can give you an idea:

Hi, my name is _____. I'm calling for the YES on A & B / Berkeley Out of South Africa committee. We sent a letter to you (your organization) last week explaining the measure we put on the April 17th Berkeley ballot.

If Measures A & B pass, our tax money will be removed from banks that do business with South Africa and transferred into local banks and other financial institutions which can better benefit Berkeley.

Did you receive our letter?

Have you had a chance to discuss it?

Do you need further information: explanatory leaflets, Issue Packets, educational slide show, speakers, anything else?

Can we include your (your organization's) endorsement of Measures A & B?

Can you help us with the campaign? We're in need of donations; volunteers to help with mailings and leafletting; publicity at your meetings or in your newsletters; event sponsors; and voter registration drives.

THANK YOU for _____. Don't forget to vote yes on A & B April 17th!

- -

We have: 2 forms of explanatory leaflets (basic and in-depth)

Voter registration cards and/or Deputy Registrars who can attend meetings.

Endorsement List (begins Endorsement section; add any names you get to it as well as on the individual form)

Presentation Schedule for speakers and/or slideshow (record date an organization wants someone on the Presentations Sechedule as well as on the individual form)

Issue Packets (only a limited number--they're meant for the media or those writing articules on the campaign or issues)

R I O ENDORSEMENT FORM

Name of Organization:

Contact Person:

Address:

Phone Number:

	YES	Notes / Dates
Received Letter		
Send further information: leaflets		
Issue Packets		
Slide Show		
Speakers		
Voter Reg. info		
Will Endorse		
Will Donate $ _____ Make checks out to: Berkeley Out of South Africa 2490 Channing Way, #219 Berkeley, CA 94704		

Will help with the campaign:

Volunteers: NAMES Phone Number Interest Area

Additional Notes:

Caller's name: Date of call:

Raising Money

The amount of money you need will depend upon:

1) the size of your municipality.
2) the extent of expected opposition.
3) in-kind contributions expected (printing, phones, office space and supplies, postage).
4) whether the coalition can provide staff or must hire workers.

We ran our campaign on $1,500. However, Berkeley is fairly small, fairly progressive, and our coalition was able to exploit extensive in-kind contributions.

First assess what resources are immediately available from within your coalition. Then develop your funding strategy. Some suggestions for funding include:

Benefits. Major performers and notables are often willing to do benefits if contacted early enough. Try to reach them personally to explain the importance of the initiative. It's important to arrange professional production of any major benefit before contacting a performer and to have a specific date(s) in mind. This assures the performer that there is a serious commitment to use her/his skills as effectively as possible. Even if a performance is not possible, celebrities can help raise money by hosting dinners and cocktail parties. Harry Belafonte and Congressman Dellums hosted a cocktail party for the RIO. Bread and Roses, an organization which sets up benefits, may help (78 Throckmorton Ave., Mill Valley, CA 94941, (415) 381-0320).

Donations. Labor organizations, religious congregations, and liberal faculty members and student groups are likely places to solicit campaign donations. A formal letter explaining the nature of the campaign, followed by a personal appeal, is usually effective. Don't forget to call on personal friends and/or relatives to help support the campaign.

Grants. There are several private foundations which may help. A little research on what kinds of projects foundations have funded in the past will save you time and effort. The Foundation Center Library nearest you is well worth investigating. We've enclosed a list of their offices. The Vanguard Foundation gave us "an emergency grant" of $200 based on a one-page proposal.

Film Showings. California Newsreel in San Francisco will make films on Southern Africa available at nominal cost for educational or fund-raising purposes. (Newsreel, Southern Africa Media Center, 630 Natoma, San Francisco, CA 94103, (415) 621-6196.)

Homegrown Fundraisers: parties, raffles, bake sales, garage sales, car washes. Remember, you'll probably have to think small when it comes to campaign finances. Therefore, every dollar helps. "Homegrowns" also tend to inject a sense of spirit into your campaign because many people can contribute in ways that fit their resources. Don't shy away from asking local merchants for donations for these fundraisers.

Sample: Foundation Center Library list.

THE FOUNDATION CENTER

The Foundation Center has a nationwide network of reference collections for free public use which fall within four basic categories. The reference libraries operated by the Center offer the widest variety of user services and the most comprehensive collections of foundation materials, including all Center publications; books, services and periodicals on philanthropy; and foundation annual reports, newsletters and press clippings. The New York and Washington D.C. libraries contain the IRS returns for all currently active private foundations in the U.S. The Cleveland and San Francisco field offices contain IRS records for those foundations in the midwestern and western states, respectively.

Cooperating collections contain IRS records for those foundations within their own state, and a complete collection of Foundation Center publications. Local affiliate collections (★) provide a core collection of Center publications for free public use.

Some reference collections (●) are operated by foundations or area associations of foundations. They are often able to offer special materials or provide extra services, such as seminars or orientations for users, because of their close relationship to the local philanthropic community. All other collections are operated by cooperating libraries or other nonprofit agencies. Many are located within public institutions and all are open to the public during a regular schedule of hours.

Please telephone individual libraries for more information about their holdings or hours. To check on new locations call toll-free 800-424-9836 for current information.

Where to Go for Information on Foundation Funding

Reference Collections Operated by The Foundation Center

The Foundation Center
888 Seventh Avenue
New York, New York 10106
212-975-1120

The Foundation Center
1001 Connecticut Avenue, NW
Washington, D.C. 20036
202-331-1400

The Foundation Center
Kent H. Smith Library
739 National City Bank Bldg.
629 Euclid
Cleveland, Ohio 44114
216-861-1933

The Foundation Center
312 Sutter Street
San Francisco, Calif. 94108
415-397-0902

Cooperating Collections

ALABAMA

Birmingham Public Library
2020 Park Place
Birmingham 35203
205-254-2541

Auburn University at Montgomery Library
Montgomery 36193
205-279-9110

ALASKA

University of Alaska, Anchorage Library
3211 Providence Drive
Anchorage 99504
907-263-1848

ARIZONA

Phoenix Public Library
Social Sciences Subject Department
12 East McDowell Road
Phoenix 85004
602-262-4782

Tucson Public Library
Main Library
200 South Sixth Avenue
Tucson 85701
602-791-4393

ARKANSAS

Westark Community College Library
Grand Avenue at Waldron Rd.
Fort Smith 72913
501-785-4241

Little Rock Public Library
Reference Department
700 Louisiana Street
Little Rock 72201
501-374-7546

CALIFORNIA

● California Community Foundation
Funding Information Center
1644 Wilshire Boulevard
Los Angeles 90017
213-413-4042

★ California State Library
Reference Services, Rm. 309
914 Capitol Mall
Sacramento 95814
916-322-0369

Foundation Center
San Francisco Field Office
see address above

San Diego Public Library
820 E Street
San Diego 92101
714-236-5816

Santa Barbara Public Library
Reference Section
40 East Anapamu
P.O. Box 1019
Santa Barbara 93102
805-962-7653

★ Central Sierra Arts Council
19411 Village Drive
Sonora 95370
209-532-2787

COLORADO

Denver Public Library
Sociology Division
1357 Broadway
Denver 80203
303-573-5152

CONNECTICUT

Hartford Public Library
Reference Department
500 Main Street
Hartford 06103
203-525-9121

★ D.A.T.A.
81 Saltonstall Avenue
New Haven 06513
203-776-0797

DELAWARE

Hugh Morris Library
University of Delaware
Newark 19711
302-738-2965

FLORIDA

Jacksonville Public Library
Business, Science, and Industry Department
122 North Ocean Street
Jacksonville 32202
904-633-3926

Miami—Dade Public Library
Florida Collection
One Biscayne Boulevard
Miami 33132
305-579-5001

GEORGIA

Atlanta Public Library
1 Margaret Mitchell Square at Forsyth and Carnegie Way
Atlanta 30303
404-688-4636

HAWAII

Thomas Hale Hamilton Library
General Reference
University of Hawaii
2550 The Mall
Honolulu 96822
808-948-7214

IDAHO

Caldwell Public Library
1010 Dearborn Street
Caldwell 83605
208-459-3242

ILLINOIS

● Donors Forum of Chicago
208 South LaSalle Street
Chicago 60604
312-726-4882

Sangamon State University Library
Shepherd Road
Springfield 62708
217-786-6633

INDIANA

Indianapolis—Marion County Public Library
40 East St. Clair Street
Indianapolis 46204
317-269-1733

IOWA

Public Library of Des Moines
100 Locust Street
Des Moines 50309
515-283-4259

KANSAS

Topeka Public Library
Adult Services Department
1515 West Tenth Street
Topeka 66604
913-233-2040

KENTUCKY

Louisville Free Public Library
Fourth and York Streets
Louisville 40203
502-584-4154

●★ Louisville Community Foundation
623 West Main Street
Louisville 40202
502-585-4649

LOUISIANA

East Baton Rouge Parish Library
Centroplex Library
120 St. Louis Street
Baton Rouge 70802
504-344-5291

New Orleans Public Library
Business and Science Division
219 Loyola Avenue
New Orleans 70140
504-524-7382 ext. 33

MAINE

University of Southern Maine
Center for Research and Advanced Study
246 Deering Avenue
Portland 04102
207-780-4411

MARYLAND

Enoch Pratt Free Library
Social Science and History Department
400 Cathedral Street
Baltimore 21201
301-396-5320

MASSACHUSETTS

● Associated Grantmakers of Massachusetts
294 Washington Street
Suite 501
Boston 02108
617-426-2608

Boston Public Library
Copley Square
Boston 02117
617-536-5400

★ Walpole Public Library
Walcott Avenue at Union Street
East Walpole 02032
617-668-0232

★ Grants Resource Center
Worcester Public Library
Salem Square
Worcester 01608
617-799-1655

MICHIGAN

Alpena County Library
211 North First Avenue
Alpena 49707
517-356-6188

Henry Ford Centennial Library
16301 Michigan Avenue
Dearborn 48126
313-943-2337

Purdy Library
Wayne State University
Detroit 48202
313-577-4040

Michigan State University Libraries
Reference Library
East Lansing 48824
517-353-8816

★ Farmington Community Library
32737 West 12 Mile Road
Farmington Hills 48018
313-553-0300

University of Michigan — Flint
UM — F Library
Reference Department
Flint 48503
313-762-3408

Grand Rapids Public Library
Sociology and Education Dept.
Library Plaza
Grand Rapids 49502
616-456-4411

Michigan Technological University
Library
Highway U.S. 41
Houghton 49931
906-487-2507

MINNESOTA

Minneapolis Public Library
Sociology Department
300 Nicollet Mall
Minneapolis 55401
612-372-6555

MISSISSIPPI

Jackson Metropolitan Library
301 North State Street
Jackson 39201
601-944-1120

MISSOURI

• Clearinghouse for Midcontinent Foundations
Univ. of Missouri, Kansas City
Law School, Suite 1-300
52nd Street and Oak
Kansas City 64110
816-276-1176

Kansas City Public Library
311 East 12th Street
Kansas City 64106
816-221-2685

• Metropolitan Association for Philanthropy, Inc.
5600 Oakland, G-324
St. Louis 63110
314-647-2290

Springfield — Greene County Library
397 East Central Street
Springfield 65801
417-869-4621

MONTANA

Eastern Montana College Library
Reference Department
Billings 59101
406-657-2262

★ Montana State Library
Reference Department
930 East Lyndale Avenue
Helena 59601
406-449-3004

NEBRASKA

W. Dale Clark Library
Social Sciences Department
215 South 15th Street
Omaha 68102
402-444-4822

NEVADA

Clark County Library
1401 East Flamingo Road
Las Vegas 89109
702-733-7810

Washoe County Library
301 South Center Street
Reno 89505
702-785-4190

NEW HAMPSHIRE

• The New Hampshire Charitable Fund
One South Street
P.O. Box 1335
Concord 03301
603-225-6641

★ Littleton Public Library
109 Main Street
Littleton 03561
603-444-5741

NEW JERSEY

New Jersey State Library
Governmental Reference
185 West State Street
P.O. Box 1898
Trenton 08625
609-292-6220

NEW MEXICO

New Mexico State Library
300 Don Gaspar Street
Santa Fe 87501
505-827-2033

NEW YORK

New York State Library
Cultural Education Center
Humanities Section
Empire State Plaza
Albany 12230
518-474-7645

Buffalo and Erie County Public Library
Lafayette Square
Buffalo 14203
716-856-7525

Levittown Public Library
Reference Department
One Bluegrass Lane
Levittown 11756
516-731-5728

Plattsburgh Public Library
Reference Department
15 Oak Street
Plattsburgh 12901
518-563-0921

Rochester Public Library
Business and Social Sciences Division
115 South Avenue
Rochester 14604
716-428-7328

Onondaga County Public Library
335 Montgomery Street
Syracuse 13202
315-473-4491

NORTH CAROLINA

North Carolina State Library
109 East Jones Street
Raleigh 27611
919-733-3270

• The Winston-Salem Foundation
229 First Union National Bank Building
Winston-Salem 27101
919-725-2382

NORTH DAKOTA

★ Western Dakota Grants Resource Center
Bismarck Junior College Library
Bismarck 58501
701-224-5450

The Library
North Dakota State University
Fargo 58105
701-237-8876

OHIO

Public Library of Cincinnati and Hamilton County
Education Department
800 Vine Street
Cincinnati 45202
513-369-6940

Foundation Center
Cleveland Field Office
see address above

Toledo — Lucas County Public Library
Social Science Department
325 Michigan Street
Toledo 43624
419-255-7055 ext. 211

OKLAHOMA

Oklahoma City University Library
NW 23rd at North Blackwelder
Oklahoma City 73106
405-521-5072

Tulsa City-County Library System
400 Civic Center
Tulsa 74103
918-581-5144

OREGON

Library Association of Portland
Education and Documents Rm.
801 S.W. Tenth Avenue
Portland 97205
503-223-7201

PENNSYLVANIA

★ Northampton County Area Community College
Learning Resources Center
3835 Green Pond Road
Bethlehem 18017
215-865-5351

★ Erie County Public Library
3 South Perry Square
Erie 16501
814-452-2333

The Free Library of Philadelphia
Logan Square
Philadelphia 19103
215-686-5423

Hillman Library
University of Pittsburgh
Pittsburgh 15260
412-624-4528

RHODE ISLAND

Providence Public Library
Reference Department
150 Empire Street
Providence 02903
401-521-7722

SOUTH CAROLINA

South Carolina State Library
Reader Services Department
1500 Senate Street
Columbia 29211
803-758-3181

SOUTH DAKOTA

South Dakota State Library
State Library Building
322 South Fort Street
Pierre 57501
605-773-3131

TENNESSEE

Knoxville-Knox County Public Library
500 West Church Avenue
Knoxville 37902
615-523-0781

Memphis Public Library
1850 Peabody Avenue
Memphis 38104
901-528-2957

TEXAS

• The Hogg Foundation for Mental Health
The University of Texas
Austin 78712
512-471-5041

Corpus Christi State University Library
6300 Ocean Drive
Corpus Christi 78412
512-991-6810

Dallas Public Library
Grants Information Service
1515 Young Street
Dallas 75201
214-749-4100

• El Paso Community Foundation
El Paso National Bank Building
Suite 1616
El Paso 79901
915-533-4020

★ Funding Information Center
Texas Christian University Library
Ft. Worth 76129
817-921-7117

Houston Public Library
Bibliographic & Information Center
500 McKinney Avenue
Houston 77002
713-224-5441 ext. 265

Funding Information Library
406 West Market Street
San Antonio 78205
512-227-4333

UTAH

Salt Lake City Public Library
Information and Adult Services
209 East Fifth South
Salt Lake City 84111
801-363-5733

VERMONT

State of Vermont Department of Libraries
Reference Services Unit
111 State Street
Montpelier 05602
802-828-3261

VIRGINIA

Grants Resources Library
Ninth Floor
Hampton City Hall
Hampton 23669
804-727-6496

Richmond Public Library
Business, Science, & Technology Department
101 East Franklin Street
Richmond 23219
804-780-8223

WASHINGTON

Seattle Public Library
1000 Fourth Avenue
Seattle 98104
206-625-4881

Spokane Public Library
Funding Information Center
West 906 Main Avenue
Spokane 99201
509-838-3361

WEST VIRGINIA

Kanawha County Public Library
123 Capitol Street
Charleston 25301
304-343-4646

WISCONSIN

Marquette University Memorial Library
1415 West Wisconsin Avenue
Milwaukee 53233
414-224-1515

WYOMING

Laramie County Community College Library
1400 East College Drive
Cheyenne 82001
307-634-5853

CANADA

• Canadian Centre for Philanthropy
185 Bay Street, Suite 504
Torohto, Ontario M56 1K6
416-364-4875

MEXICO

Biblioteca Benjamin Franklin
Londres 16
Mexico City 6, D.F.
525-591-0244

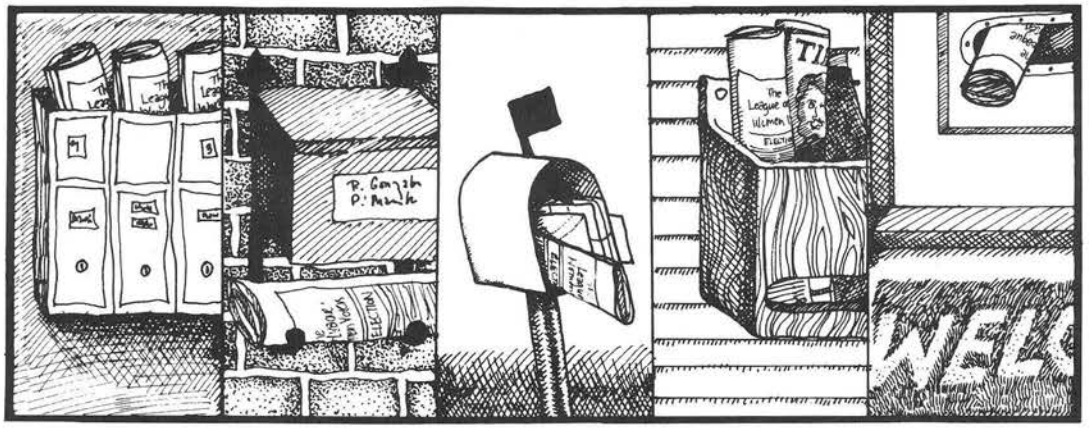
PUERTO RICO

Universidad del Sagrado Corazon
M.M.T. Guevarra Library
Correo Calle Loiza
Santurce 00914
809-728-1515 ext. 343

VIRGIN ISLANDS

College of the Virgin Islands Library
Saint Thomas
U.S. Virgin Islands 00801
809-774-1252

Using Official Publications



Many voters rely entirely on official publications for voting information, particularly the Official Voter's Handbook and League of Women Voters publications. Therefore, it's important that you develop compelling arguments for the initiative, as well as convincing rebuttals to opposing arguments, in these publications. We found that emphasizing the need for democratic control of public monies for public benefit, as well as the impropriety of supporting apartheid, was effective. Again, keep the writing committee small, be sure of deadlines, and assign one person to liason with the city clerk (Voter's Handbook) and League of Women Voters.

Voter Handbook

Voter Handbooks provide for pro and con arguments and rebuttals to ballot measures. These arguments can have signed endorsements by a given number of city residents (varies with municipality). Try to get a broad spectrum of identifiable signers. Divide your 'hoped for' constituency into broad sectors from religious, labor, student, ethnic communities, etc. Get a representative from each of the main constituencies to sign the pro argument.

Maintain close contact with the city clerk (or whoever is responsible for the ballot handbook) so that you will have adequate time to respond to any arguments submitted against the measure. Keep this contact up until the deadline! In our case, no argument was submitted against the measures. But one was entered against our argument on the last day. Through some quick action, our contact was able to change our argument to counteract that submitted by the opponents.

League of Women Voters

Most areas have an active League Chapter. Before each election, they mail analyses of measures and candidates to all registered voters. The League likes to present strong arguments on both sides of an issue. Even if there is no well organized opposition to the measure, the League may go to some lengths to provide opposing arguments. Thus, liasoning is very important. You can make available information that will disprove (or at least counteract) unwarranted conclusions. Since the League is notoriously fiscally conservative, your background research will be especially helpful. Developing a good relationship with the individual in the League who is writing the Measure analysis may prove invaluable. This individual may raise most of the major arguments you will face during the campaign.

Samples: Berkeley Voter Handbook pro/con Arguments; Davis pro argument; Berkeley League of Women Voters Analysis

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ARGUMENT IN FAVOR OF MEASURE A

The City of Berkeley has approximately $4 million of public monies invested in banks that make direct and "indirect" (as defined by Measure B) loans to South Africa. According to the United States Senate Committee on Foreign Relations, bank loans to South Africa have the net effect of "strengthening the economic and military self sufficiency of South Africa's apartheid regime." This regime operates under one of the most oppressive systems of racist rule in the world. Virtually all aspects of black life are controlled: where they may live, what jobs they may have, where they may go to school. Blacks cannot vote and lack trade union rights. It is a regime that the United Nations has condemned as a "crime against humanity." Every major black organization in South Africa has called for an end to foreign loans until there is majority rule.

If passed, Measures A and B will give Berkeley citizens an opportunity to gain control over where and how public money is invested. The city will be required to transfer its funds into local financial institutions not loaning to South Africa which would utilize this money for socially responsible investments in the local community. Investments can be shifted with minimal or no cost into local savings and loan associations and banks not loaning to South Africa which currently handle, or have the capacity to handle, municipal accounts. Competitive rates of return would be available for Berkeley investments in these institutions. Under the guidance of the nine member citizens committee, these transferred funds could be used to maximize community improvements in the areas of housing, health care, and small business development. New jobs could be created and increased spending and taxation could stimulate the local economy.

Reverend James Stewart, *McGee Avenue Baptist Church*
Andy Spahn, *ASUC Vice President*
Florence McDonald, *Berkeley City Auditor*
Guy Jones, *Candidate, City Council*
Reverend William Shive, *Berkeley Area Interfaith Council*

ARGUMENT AGAINST MEASURE A
(No argument was submitted)

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE A

While most Berkeley voters would favor the social objectives of this proposed ordinance, the initiative is fatally flawed by poor drafting and in conflict with state law.

State law currently restricts the investment of municipal funds to banks, savings and loan associations and government securities. Under Government Code Section 53637, a city is further restricted when depositing funds to that financial institution paying "the highest rate of interest". The Legislative Counsel of California has concluded that a city may only select a financial institution for the deposit of funds based on social criteria, in the limited case where two or more financial institutions offer identical rates of interest. Thus, the proposed ordinance is in apparent conflict with state law.

The proposed ordinance purports to bar the deposit of City funds in financial institutions making loans "direct or indirect" in South Africa.

A broad interpretation of "indirect loans" could include any correspondent banking, commercial paper, lines of credit or government agency notes directly or indirectly involving South African interests. IF SUCH A BROAD INTERPRETATION PREVAILS, NO KNOWN OUTSIDE FINANCIAL INSTITUTION WOULD QUALIFY AS A DEPOSITORY FOR CITY FUNDS. UNLESS COMPANION MEASURE B IS ADOPTED, NO DEFINITION OF "INDIRECT LOAN" IS PROVIDED.

The City of Berkeley could conceivably function as its own "bank" but not without reduced interest earnings to the City, added costs in City staffing and large start-up expenses.

This initiative is laudatory for the social and ethical objectives advanced, but is unworkable and contrary to law as written.

James O. Hartman
Allen P. Leggett

CITY OF DAVIS

Municipal Ballot Measure A

ARGUMENT IN FAVOR OF MEASURE A

South Africa has one of the most oppressive systems of racist rule in the world, where 24 million blacks are denied their most fundamental rights by 4 million whites. Virtually all aspects of black life are controlled: where they may live, what jobs they can have, where they may go to school. Blacks cannot vote and have no trade union rights.

South Africa suffers from a balance of payments crisis. It copes with its lack of foreign exchange through massive inflows of foreign loans and direct investments, especially from the United States. U.S. banks granted $800 million in new loans in 1976, bringing total involvement of U.S. banks in South Africa to $2.2 billion. 350 U.S. corporations continue operations in South Africa with $1.7 billion currently invested. U.S. support of South Africa has become imperative for its economic survival.

Contrary to statements by corporate representatives that their economic involvement in South Africa has a "liberalizing" influence, foreign investments are, in fact, a central prop to the government's apartheid system. The economic expansion generated in South Africa with the help of foreign investors thus aids only one part of the population—the white minority. The black population's economic, social and political position has not advanced over the past few decades, as evidenced by the declining standard of living of black industrial workers.

The City of Davis has $650,000 invested in Bank of America and $275,000 in Wells Fargo, which loan money to South Africa; and $2.7 million invested in the State Treasury which invests in companies doing business with South Africa.

If Davis withdraws its holdings in such companies, the City can inspire other investors to do likewise. New investors will hesitate to invest in same companies; which in turn exerts pressure on U.S. corporations and banks to leave South Africa.

s/Susan A. Merrill
s/Barbara S. Glenn

NO ARGUMENT SUBMITTED AGAINST MEASURE A

This is reduced; the original was 8½ x 14

THE LEAGUE OF WOMEN VOTERS OF BERKELEY
1836 University Avenue, Berkeley, CA 94703

A NON-PARTISAN VOTER SERVICE BULLETIN

3 BERKELEY BALLOT MEASURES

A SIMPLE MAJORITY IS NEEDED TO ADOPT THESE BALLOT MEASURES

MEASURE A: RESPONSIBLE INVESTMENT ORDINANCE

THE PROPOSAL: Measure A, the Responsible Investment Ordinance Requiring the Withdrawal of City of Berkeley Funds from Banks Doing Business with South Africa, is an initiative which would require the city to remove investments or deposits from financial institutions that make direct or indirect loans to the government of the Republic of South Africa, to businesses based in S.A. or to any business where the loan is designated for trade with or operations in S.A. "Indirect loan" is not defined. (Measure B would define "indirect loan." See below.) The ordinance would not apply to pension, deferred compensation or other employee benefit funds.

The ordinance would be implemented by setting up a 9 member Citizens Committee on Responsible Investments to advise the City Council; each Council member would appoint one Committee member. The Committee would recommend procedures for withdrawal of funds from banks doing business with S.A. and for redepositing city funds in banks that do not do business with S.A. as securities mature.

The Committee would also develop a "comprehensive responsible investment policy which maximizes the social and economic benefits to the people of Berkeley." City money would be placed "within the community" in financially viable investments addressing the social and economic needs of the people of Berkeley." The policy would be required to conform to sound and prudent principles of financial management and to applicable laws. The City Council would be required to adopt an investment policy by May 1, 1980; the Committee would dissolve after adoption of the policy.

The initiative also includes an advisory statement that all public and quasi-public agencies, particularly the University of California, should stop investing with firms doing business with S.A.

THE SITUATION: IN SOUTH-AFRICA the government is controlled by 4 million white citizens. Some 20 million black and non-white South Africans are excluded from political, economic and social equality under the system of apartheid. The country is rich in agricultural land and in minerals, such as platinum and chrome, which are vital to modern technology. Foreign investment, representing about 15% of S.A.'s total capital investment, has assisted its recent industrial development. The approximately $4 billion of U.S. investment is about 4% of S.A.'s total capital investment.

IN BERKELEY, by state law cities must invest temporarily idle funds (money not needed immediately) in banks or savings and loan associations within the state, in government securities or in the state-run Local Agency Investment Fund. These monies are invested to insure safety, the highest rate of return and liquidity. An institution must post collateral of 110% in government securities for all city deposits of over $100,000. Cities must deposit funds in institutions offering the highest available interest rate. Only in the case of equal rates of return may the city use the institution with lending practices which it considers beneficial to the community, according to an opinion by the Legislative Counsel of California.

During 1978, the City of Berkeley deposited approximately $12 million in interest-bearing accounts and government securities. An average of $6.5 million or 55% of 1978 investments would have been regulated by Measure A. The remaining $5.5 million in government securities and cash accounts would have been exempt. Government securities held include Banks for Co-ops, Federal Farm Credit Bank, Farmers Home Administration, Federal Home Loan Bank and Federal National Mortgage Association.

Current practice is to deposit temporarily idle funds mainly with Berkeley banks in certificates of deposit and in repurchase accounts, which pay interest for periods as short as overnight. Banks also buy, hold and sell government securities at no cost to the city. The city now requires that all deposits be backed by 110% collateral not just amounts over $100,000.

The city earns approximately $400,000 a year in interest that might be affected by Measure A. Another $400,000 of interest comes from government securities and employee benefit monies.

The effect of Measure A would not be known until the City Council adopted a Responsible Investment Policy by May 1, 1980. In applying the policy, the city would have to conform to state laws and would have to seek the highest interest rate. Thus, the city could only apply its investment policy where two or more institutions offered the highest rate and one of them satisfied its policy better than others.

The Responsible Investment Policy would have two different parts. The first would deal with avoiding institutions doing business with South Africa. Applications of this part of the policy would depend on the interpretation of terms such as "indirect loans." (Measure B would define "indirect loans" narrowly. See below.) If the South Africa portion of the measure were applied narrowly the city might have to move funds from 3 or 4 of the 7 banks now used and other banks in the city and state would be eligible for city funds.

The impact of the part of the Responsible Investment Policy that would "maximize social and economic benefits" is difficult to foresee before a policy with specific criteria is adopted.

THE QUESTION: Measure A (adopted with or without Measure B) raises two questions.

1. Is withdrawal of funds from banks making loans to South Africa the way to oppose apartheid?
2. Should the City of Berkeley participate in such a withdrawal and should the City Council adopt an investment policy to maximize social and economic benefits to its citizens?

ARGUMENTS FOR A:

1. Bank loans to South Africa have strengthened apartheid and led to a declining standard of living for blacks. Refusal to lend to S.A. will force change in its oppressive system.
2. City money in banks that loan to S.A. supports the racist government. The city has approximately $4 million in banks which make direct and indirect loans to S.A. (cont.)

ARGUMENTS AGAINST A:

1. Economic sanctions will strengthen apartheid and precipitate a crisis of racial confrontation. Blacks can gain equality better in an expanding economy and have moved into formerly forbidden jobs and improved their incomes. Continued economic ties with S.A. should be used to press for peaceful change. (cont.)

PUBLISHED BY THE LEAGUE OF WOMEN VOTERS EDUCATION FUND MARCH 1979

ARGUMENTS FOR A (cont.)

3. A and B would give Berkeley citizens an opportunity to control where and how public money is invested.
4. City money should be shifted to local financial institutions not loaning to S.A. which would use it for socially responsible investments in the local community. Funds could be used to maximize community improvements in housing, health care and small business development and create new jobs. Increased spending and taxes could stimulate the local economy.
5. Investments could be shifted with minimal or no cost. Banks not loaning to S.A. have the capacity to handle municipal accounts at competitive rates. Thus A and B would not conflict with state laws.

ARGUMENTS AGAINST A (cont.)

2. A and B would conflict with state laws. Investment goals beyond the S.A. withdrawal could not be satisfied because they would reduce the number of eligible institutions so much that the highest rate could not be obtained.
3. A policy with many social and economic goals would complicate city government at a time when it should be simplified to provide needed services with reduced income.
4. Local government is the wrong level to act on foreign policy.
5. Banks and savings and loans do not necessarily use local deposits for socially responsible investments in the local community, but seek safest and most profitable investments. Berkeley financial institutions take in more money locally than they lend to local borrowers.

MEASURE B: AMENDING MEASURE A

THE PROPOSAL: Measure B would amend Measure A by defining "indirect loans" to South Africa to mean loans from bank branches outside the U.S., purchase of South African government bonds or participation in consortia lending to S.A.

THE SITUATION: The City Finance Director has stated that if "indirect loan" were interpreted broadly to include a wide range of relations between financial institutions and South Africa, few or no institutions would be eligible for investment of city temporarily idle funds and the city might have to become its own bank. Such an interpretation might cost the city as much as $460,000 the first year and $400,000 annually. The city could comply with Measure A with less or small effect if "indirect" were defined in a limited way.

THE QUESTION: Should Measure A be amended to limit the meaning of "indirect loan"?

ARGUMENT: Supporters and opponents of Measure A favor Measure B to clarify Measure A.

MEASURE C: BERKELEY MARIJUANA ORDINANCE

THE PROPOSAL: Measure C is an initiative ordinance proposing a marijuana policy for the City of Berkeley. It would direct the Berkeley Police Department to give "lowest priority to the enforcement of marijuana laws" by making no arrests or citations for violations of the state marijuana laws; it would "seek to ensure" that the city spend no funds for enforcement of such laws. It would require that the Police Department report semi-annually to the City all marijuana law enforcement activities engaged in by all law enforcement agencies within Berkeley. The people of Berkeley would declare that the University of California at Berkeley should adhere to the marijuana policies of the city.

THE SITUATION: The State has the exclusive power to make laws about narcotics. Marijuana is classified as a narcotic. The penalties for possession, sale, and cultivation of marijuana for any purpose range from a misdemeanor for possession of less than one ounce to a felony for sale of marijuana to a minor. Penalties range from a citation to 10 years to life in prison. Many penalties were reduced in 1976.

In 1973 an initiative ordinance was passed in Berkeley which directed the Berkeley Police Department not to make arrests for use, possession or cultivation of marijuana without specific authorization from the City Council. The ordinance was declared unconstitutional by the Superior Court because cities may not act contrary to state law.

Since that time the Berkeley Police Department has given the enforcement of marijuana laws low priority. Of 4538 arrests by the Berkeley Police in 1978, serious marijuana related offenses were the primary cause of arrest in 59 cases. In addition, 369 misdemeanor citations for possession of marijuana were heard in court.

THE QUESTION: Should the Berkeley City Council "seek to ensure" that the Berkeley Police Department not enforce the marijuana laws of the State of California?

ARGUMENTS FOR:

1. People who need to use marijuana for treatment of glaucoma, chemotheraphy side effects and other medical problems would not fear prosecution.
2. Tension between the police and marijuana-using members of the community would be eliminated.
3. Public spending to enforce marijuana laws and private spending to buy marijuana would be reduced.

ARGUMENTS AGAINST:

1. This ordinance violates state laws which forbid cities to act contrary to state law. It wastes public money on an inappropriate ballot measure and possible court challenges.
2. The city cannot prevent enforcement of the marijuana law by the University of California or other agencies.
3. Enforcement of marijuana laws is already a low priority in Berkeley.

MUNICIPAL ELECTION — APRIL 17, 1979

POLLS OPEN: 7 a.m. - 8 p.m.

BE INFORMED — VOTE

LEAGUE OF WOMEN VOTERS OF BERKELEY

Designing Educational Leaflets

Leaflets are an especially effective campaign tool. They provide easy-to-read, basic information on the issues in a form that can be widely distributed. They bring campaign workers into both exhilerating and sobering contact with the public. And they permit maximum flexibility in volunteer time commitments. Several leaflets of differing lengths designed for various levels of interest are extremely useful.

A short simple leaflet suitable for mass distribution is essential. It should emphasize your major points: what apartheid is; the role the U.S. plays in South Africa; why voters should be concerned; how reinvestment will benefit the community; and why it's important to vote. Keep in mind the major arguments of the opposition so that they're covered in the text: e.g., this isn't practical; it isn't an issue that affects this community; the U.S. presence in South Africa promotes liberal change. (See Rebuttals To Arguments for Investing in South Africa in "The premises from which we begin..." section.)

A second leaflet in greater detail is an extremely useful back-up for people want ing more facts. Our more detailed leaflet explained how banks and U.S. corporations support apartheid, the impact divestment will have in South Africa, and the benefits the community will gain. These back-up leaflets can also be distributed in precincts with progressive voting records, at campaign tables, and in places where people will have time to read.

Special interest leaflets can be developed if you have time and money. These can link different constituency concerns with conditions in South Africa, pointing out the similarity of home struggles with those in 'South Africa. They should also emphasize the ways reinvestment will benefit the particular constituency. This format clarifies how your measure is relevant to groups in your alliance as well as those mentioned in "Tying in With Other Groups". For example, a leaflet stressing South Africa's nuclear capacity may be widely distributed by environmental groups.

Publicity flyers for campaign events, asking for volunteers, announcing benefits etc. should also be planned. The key is simplicity and eye-catching graphics.

Allow at least two weeks to write and produce a good leaflet (although the two samples should help lessen this time). Remember the **dual** nature of the leaflets: to get people out to vote AND to conscienticize the public. Rhetoric, flamboyant statements, and poor layout do service to no one. A good rule of thumb for leaflet acceptance: people first look at the distributor; secondly glance and pick out graphics; thirdly read headlines; and finally read the text.

You can inexpensively produce these leaflets if you have access to an IBM composer (like a typewriter typesetter) or a carbon ribbon typewriter, an electrastencil machine (makes mimeo stencils), and a good mimeo machine (our mass leaflets and all Press Releases were mimeoed). If you have the money to pay a typesetter and offset printer, reserve time in advance—they're very busy at election time. Check the progressive print shops first; they're likely to offer a special discount for a good cause. If you don't know of any, ask the local alternative paper or magazine for their typesetter and printer. Use a union shop and be sure to ask for the union bug. Otherwise, make sure 'labor donated' is on all the materials the coalition puts out.

Concentrate your distribution where it will be most effective. Go to areas where people congregate: college quads, shopping centers, busy banks, unemployment offices, subways and bus stations/stops. Parking lots are good to target, placing leaflets in door handles rather than on windshields. Ask your alliance to distribute the appropriate leaflets to their memberships. Make sure endorsing candidates or party slates include leaflets on their literature tables. Leave them with

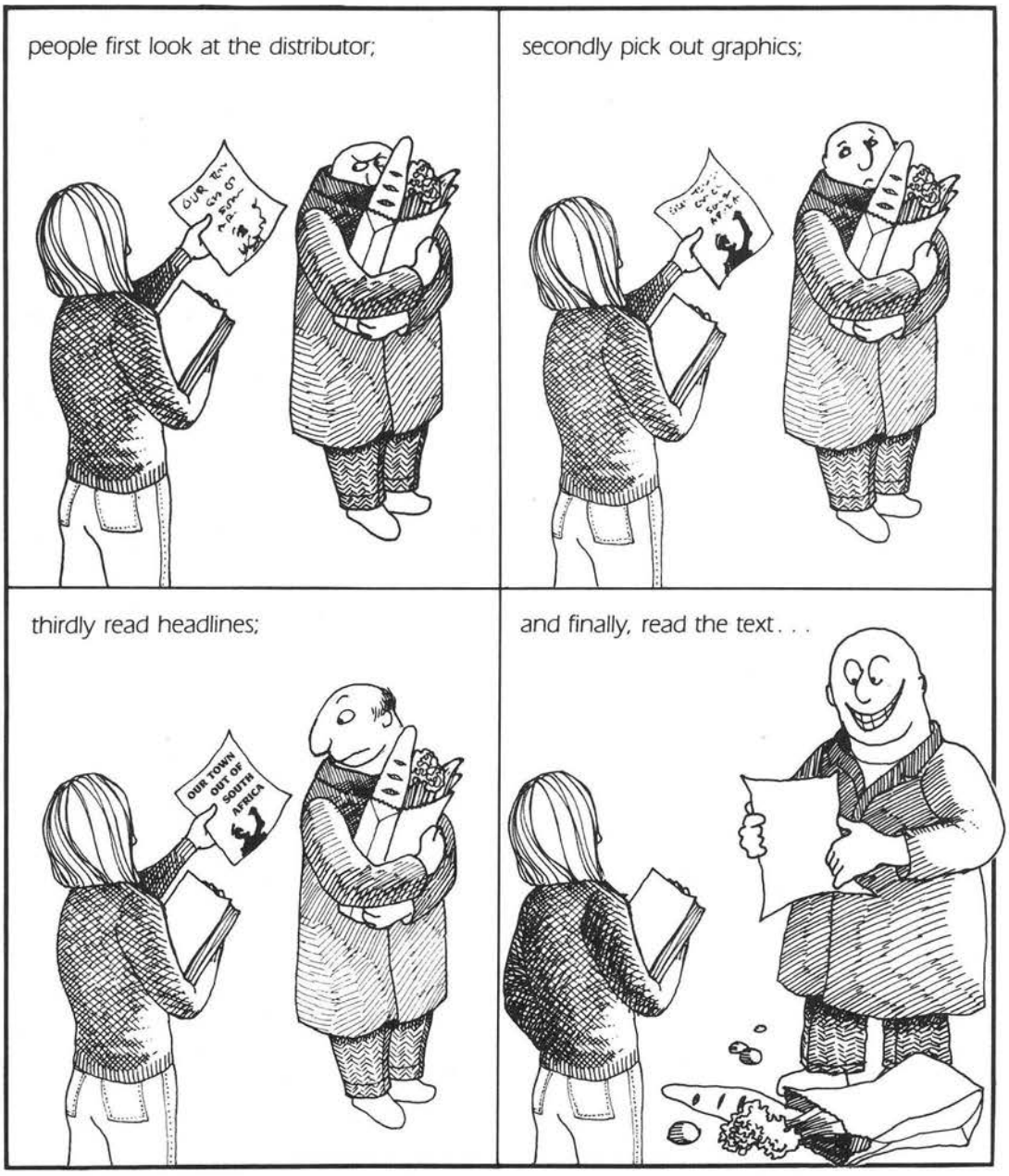
shop owners, and ask the owners to put up your posters.

Finally, if you have the volunteers, a precinct walk to distribute leaflets door-to-door is a good idea. Try to reach "swing" precincts first, supportive precincts second and conservative precincts last. This should be done as near election day as possible.

And keep a close eye on leaflets: print more before they're direly needed, and push those not moving as fast.

Samples: BOSA basic leaflet; BOSA in-depth leaflet.

A good rule of thumb for leaflet acceptance:

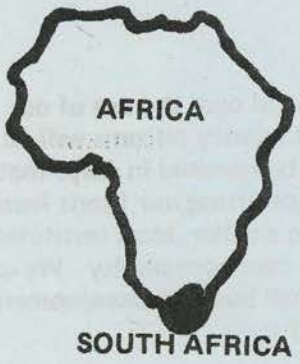


PUBLIC MONEY FOR BERKELEY
NOT FOR APARTHEID
VOTE YES ON A & B APRIL 17

WHY SHOULD THE BERKELEY PUBLIC BE CONCERNED ABOUT INVESTMENTS IN SOUTH AFRICA?

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

WHAT IS APARTHEID?



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

- Blacks, 84% of the population, are assigned to Bantustans (reservations) which comprise only 13% of the total land area. These areas are situated in the most arid and infertile parts of South Africa. Since it is virtually impossible to earn a living there, blacks must enter the 'white' areas (87% of the land) to seek employment.
- "Influx control" laws force workers to leave their families behind, making them dependent upon the portion of subsistence earnings that can be sent back to the Bantustans. Under this system of migratory labor, 80% of black families live below the subsistence level, and 3/5 of their children will die before the age of 5.
- Blacks must at all times carry a Passbook, a detailed record of permitted residence and employment (an average of 3,000 people a day are arrested for Passbook violations).
- Blacks lack basic labor rights, such as the right to strike or to negotiate with management.

Any resistance to these laws is met with police and military repression of the most brutal and terroristic nature.

BUT DON'T U.S. INVESTMENTS WORK TO LIBERALIZE THE RACIST SYSTEM?

According to the U.S. Senate Foreign Affairs Subcommittee: "the net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's apartheid regime." South Africa has long relied on U.S. banks for the funds necessary to support apartheid, particularly when the economy has been threatened by civil unrest. Since the Soweto uprisings in 1976, U.S. loans have more than doubled. They now stand at $3 billion, almost 1/3 of all loans claimed against that country.

It is legally impossible for U.S. investors to institute reform in South Africa. In fact, periods of heavy U.S. investment have been accompanied by increases in repression and exploitation of blacks. For example, white/black wage gaps have widened, pass laws have been extended, and a record number of discriminatory laws have been passed in recent years.

WHAT DO THE MAJORITY OF SOUTH AFRICANS WANT?

Almost every major black organization in South Africa has called for an end to foreign loans and investments until there is majority rule. Prominent whites are also calling for an economic boycott in order to bring about the demise of apartheid. (These calls are being made in spite of the fact that it is an act of treason to publicly call for divestment.) Many organizations throughout the world are supporting divestment, including the Organization of African Unity, the World Council of Churches, the N.A.A.C.P., the AFL-CIO, the National Council of Churches, and the U.N. General Assembly.

DIVESTMENT MAY HELP END APARTHEID, BUT WILL IT COST THE CITY MONEY?

Under Measures A and B, a 9-member citizens' committee will develop a Responsible Investment Policy which will maintain or improve the liquidity, safety, and rates of return for our public funds. Banks loaning to South Africa do not necessarily offer the highest interest rates. The city's return on investments has ranged between 6.05% and 10.25%. Central Bank, First Enterprise, and Security National (which do not loan to South Africa) have offered comparable or superior rates. Also Savings and Loans (not currently utilized by the city) can generally offer higher interest rates than banks and are able to comply with all State law requirements. Therefore, under these Measures city revenues will be maintained or even increased.

HOW WILL THESE MEASURES IMPROVE OUR COMMUNITY?

These Measures will increase our control over the use of our public money. By passing these Measures, Berkeley citizens will be assured that their public money will be invested in ways that will benefit the local community. By transferring our funds from large, multinational financial institutions to smaller, local institutions, we can bring our money back to our own community. We can witness improvements in housing, small business development, health-care services, and job availability.

WHY IT'S IMPORTANT TO VOTE YES ON A & B

YOU WILL PUT YOUR BELIEFS IN ACTION. Your tax money will be invested according to local community needs rather than in support of racism in South Africa.

YOUR VOTE WILL BE A MANDATE to South Africa and the U.S. government that American citizens do not and will not support the continued racist policies of South Africa.

YOU WILL BE ACTING WITH OTHERS. 12 other cities in California are planning similar initiatives in upcoming elections. Also, you will be part of the international campaign to end bank loans to South Africa, endorsed by religious, labor, student, and civic groups, as well as the United Nations.

For further information, contact YES ON A & B / Berkeley Out of South Africa, 2490 Channing, Rm. 218, Berkeley 94704 — 642-9953

labor donated

This is reduced; the original was 8½ x 14

BERKELEY OUT OF SOUTH AFRICA

VOTE YES ON A & B

For Freedom in South Africa

For Public Control of Public Money in Berkeley

UCSD Organization Manual Fall 1977

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

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

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

What is Apartheid?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Are these measures compatible with State law requirements?

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

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

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

How will these Measures improve our community?

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

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

PUBLIC MONEY FOR BERKELEY

NOT FOR APARTHEID

VOTE YES ON A & B APRIL 17

YES ON A & B

2490 CHANNING WAY, ROOM 218, BERKELEY 94704 — 642-9953

Making Educational Presentations

Educational presentations are an essential element of a successful campaign. They provide you with the opportunity to discuss the role of U.S. loans to South Africa and the possibility of using municipal funds more responsibly. Careful preparation for such presentations will assure that they are effective. Develop an Educational Packet which includes the Issue Packet developed for the media (see "Utilizing the Media") and several in-depth articles on loans to South Africa, conditions there, and alternative investments.

Contact individuals who are thoroughly familiar with at least one of the primary issues of the campaign (i.e., bank loans to South Africa or alternative investments) to see if they would be willing to speak on behalf of the initiative. Concentrate on those individuals who are known to be good public speakers. Your Education Packet will help prepare prospective speakers on areas with which they are less familiar. Make note of what other interests these speakers have (such as nuclear issues, racism in sports, etc.) so that when specific groups request an educational presentation, the speaker(s) may be matched to the group's special interest. See "Tying in With Other Groups" and "Utilizing the Media" for suggestions on how to solicit requests for such presentations.

A few general rules are worth remembering when giving a presentation.

Find out what specific issues are of interest to the group or event you will be addressing. Ask your contact person for suggestions.

Try to gauge the level of political sophistication of the group and aim your presentation accordingly.

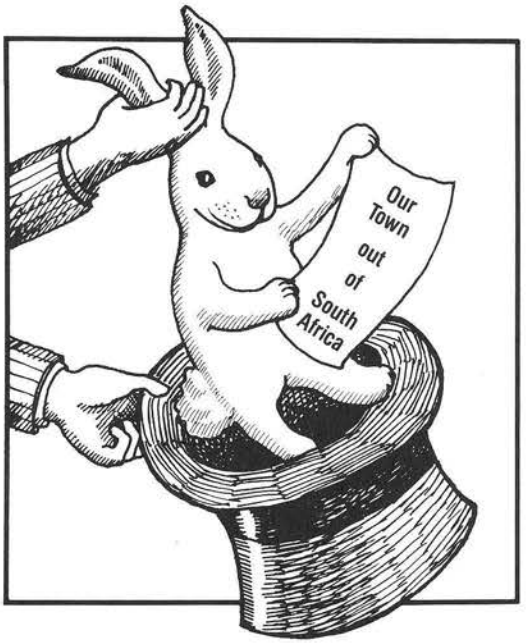
Keep your verbal remarks brief—say 15 or 20 minutes—and allow ample time for discussion.

Liven up your presentation with as many visual aids as possible. A slide show can be an effective tool. Developing an entertaining educational slide show, however, is very time consuming. $BOA can provide two entitled "$top Banking on Apartheid" and "Freedom Rising". These shows discuss U.S. involvement in South Africa, conditions there, the growing resistance movement, and what U.S. residents can do to aid their struggle. There is a minimal charge for using the slide shows.

Bring plenty of back-up materials. If a specific question is of primary interest to a member or members of the group, you can give them follow-up materials. Or a listener may want more in-depth information, but feels reluctant to take up group time. Again, your back-up materials will help.

Do not allow open discussion to degenerate into a two-way debate. Answer questions accurately, clearly and concisely as you can. If there is further debate, refer those interested to your more detailed materials.

Have plenty of campaign materials for group members to distribute. Bring volunteer cards and pass around an address list for people to sign so that they can be kept informed of any major events in the campaign.



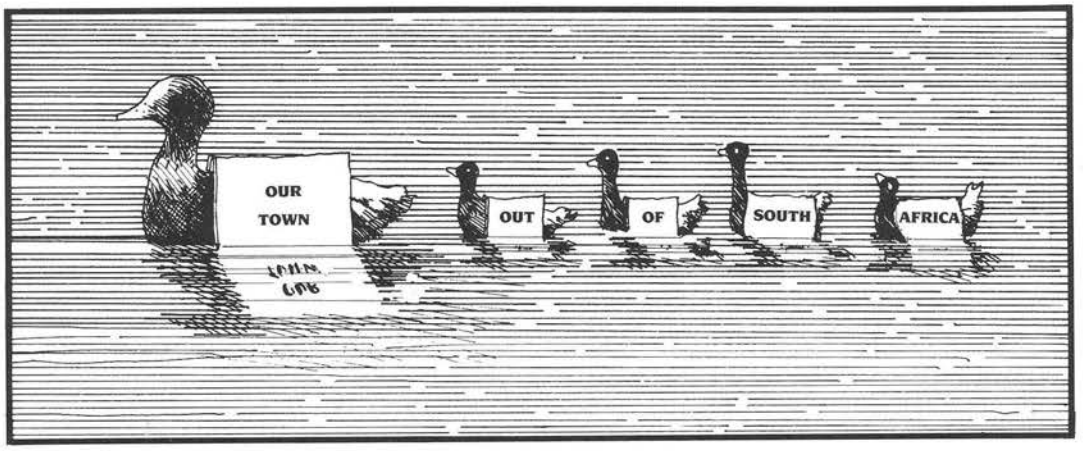
Publicizing Your Campaign

Many common forms of publicity may aid your campaign. Buttons, posters, bumper stickers, balloons, human billboards, banners, etc. may all help. Since you will surely be working with a very limited budget, the key will be creativity. Carefully consider which conventional means of publicity may best be used by your group. For example, if you have few volunteers, investing in several large billboards might be worthwhile. Or have car/bike processions, complete with banners, signs, streamers, balloons and music. Check with the police as to necessary permits for parades or sound equipment. Consider hanging large banners from dorms and apartments or floating huge balloons. If you have a large volunteer corps, capable of considerable distribution effort, buttons, bumper stickers, and posters may provide more widespread publicity. Most cities have commercial firms listed in the yellow pages which produce buttons and bumper stickers.

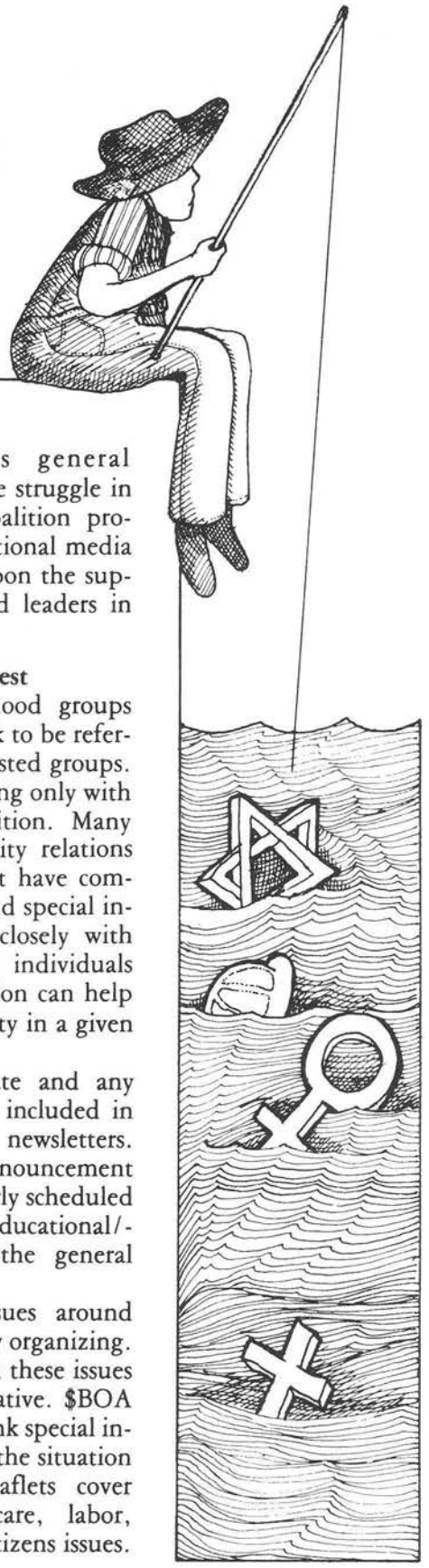
Almost every city has theatre groups, some of whom may be willing to help support your initiative, either through a special performance, donation of publicity space, or adapting a skit for amateurs. Street skits are a particularly effective way of drawing attention to the campaign. If you do not know of any such groups, try calling the drama department of your local college or community school and ask for help. Also, contact $top Banking on Apartheid for suggestions.

One form of street theatre which is easy to do is "human billboards". An individual sandwiched between two signs, stationed at a busy intersection, will be noticed by many passing motorists. A series of large signs held or worn by 5 or 6 people with a message, like the "burma shaves", is also fun and effective.

Remember, keep your graphics readable as well as creative. A beautiful design for a poster, for example, may be wasted if it is not clearly understandable from a reasonable distance. Posters, buttons and bumper stickers have to be clear to be effective.



Tying In With Other Groups



First consider which groups in your area are sympathetic to the initiative. Send them an introductory letter explaining the initiative's importance. Follow-up your letter with phone calls 1½ to 2 weeks later so that the group has had time to discuss it. Ask for contributions, personpower, etc. Even if a group cannot actively work on the campaign, seek an endorsement. Ask for endorsements early—many organizations' decision-making processes take several weeks. Stress that an endorsement of the initiative means that the group will encourage their members to support the issue. Emphasize voter registration, voter turn-out, and Southern Africa educational presentations. Ask groups to publicize events and the issues of the initiative in their newletters or to announce them at meetings and events.

Do not assume the support of any group or population. People you may take for granted as your allies may still believe the myth that U.S. economic involvement in South Africa is ultimately beneficial and can lead to political freedom. Some groups may be sympathetic/supportive toward the withdrawal issue, but suspicious of your coalition's motivations or real commitments to local needs. This may be especially true if your coalition is primarily composed of students or others who have not publicly demonstrated a long-term activism or involvement in community affairs.

Remember, this is a grassroots campaign. Also, remember that an integral part of your initiative's strategy should be broadening the public's general knowledge and support of the struggle in South Africa. Since your coalition probably cannot afford an educational media blitz, you will have to rely upon the support of grassroots groups and leaders in order to spread the word.

Community and Special Interest

Contact known neighborhood groups and local notables first and ask to be referred to other potentially interested groups. However, guard against working only with groups known to your coalition. Many municipalities have community relations or planning departments that have compiled lists of neighborhood and special interest groups. Try to work closely with community "gate-keepers": individuals who because of their reputation can help build your coaliton's credibility in a given community.

Ask that the election date and any events you have planned be included in organizational calendars and newsletters. Request to make a brief announcement about the campaign at regularly scheduled meetings. Volunteer to give educational/-slideshow presentations to the general membership.

Show respect for the issues around which these groups are already organizing. Try to draw the links between these issues and those raised by the initiative. $BOA has a series of leaflets which link special interest concerns in the U.S. to the situation in South Africa. These leaflets cover nuclear, military, health care, labor, women, energy, and senior citizens issues.

Labor

Garnering the endorsements of Central Labor Councils, union locals, and prominent labor personalities should be an integral part of your outreach. Begin by approaching unions or locals that are known for their political activism. Many of these unions already have standing international solidarity or Southern Africa support committees whith whom you can work. Focus on reaching the rank and file by using membership mailings, attending the local's meetings, and walking picket lines.

You can mention that many U.S. labor organizations, such as the AFL-CIO, ILWU, and the UAW, have already endorsed the Campaign to Oppose Bank Loans to South Africa. Also, the passing of a Responsible Investment Initiative can generally improve a community's economy. Reinvested monies can be used to encourage new housing, strengthen local health care, and create new jobs by supporting local industry. All these points should be of interest to labor leaders, but especially to rank and file members.

Stress the importance of supporting the initiative as an act of international labor solidarity. Black South African workers have no right to negotiate with management or to strike. This lack of rights has direct consequences for U.S. workers as an increasing number of U.S. firms have set up "run-away shops" in South Africa to take advantage of the cheap, repressed labor force. The Coalition of Black Trade Unions has adapted a slideshow on the history of South African labor organizing and the links with similar struggles in the U.S. (CBTU, P.O. Box 15125, San Francisco, CA 94115).

Religious

Religious organizations are an excellent focus for community outreach. Contact them early and find out exactly what types of activities each would welcome. Some congregations may already be involved in Southern Africa support work, or are generally known for their political activism. Concentrate on these congregations for endorsements, volunteers and contributions. Make use of church newsletters and Sunday programs to provide general education about South Africa and to announce events. Ask to use church meeting halls for rallies and fundraisers.

Other religious organizations may be reluctant to commit themselves to a political campaign. But don't write them off totally. They may be interested in hosting a general educational presentation on South Africa. In the presentation mention voting YES on the measure as a way of becoming actively involved against apartheid. At the very least, they may allow you to conduct a voter registration drive.

Contact Interfaith Councils, clergical associations, and denominational organizations. This is the easiest and quickest way of reaching a great number of individual churches and clergy. Definitely ask for endorsements; many umbrella religious groups have long since taken a stand condemning South Africa. Others just need a little encouragement to act. Have a prominent clergy person be an official signee/sponsor of the initiative. Suggest utilizing one Sunday that doesn't conflict with a religious holy day as a Day of Concern for South Africa. Enclosed is a church bulletin insert with prayer and responsive reading for Christian churches which was developed by $BOA.

Campus

Student populations are excellent sources of campaign volunteers. Ask established campus organizations for endorsements and volunteers. Campuses are a good place for voter registration and petition signatures. Focus upon well travelled quads, cafeterias, dorms and campus organization meetings. Don't rely solely on universities. Most communities have smaller colleges, theological unions, vocational schools and junior colleges. Remember that a campus community includes faculty and non-academic employees as well as students.

Although the campus is a good source of volunteers and an efficient place to organize, there is also the temptation to limit the direction of your campaign to this one constituency. This defeats the purpose of getting the entire community involved in controlling how public money is utilized.

Samples: Campaign introductory letter; Sample endorsements; Church bulletin insert.

This is reduced; the original was 8½ x 14

YES ON A & B / BERKELEY OUT OF SOUTH AFRICA

2490 CHANNING WAY, ROOM 218, BERKELEY 94704 — 642-9953

March 10, 1979

Dear Friends,

On April 17, the people of Berkeley will vote on Measures A & B (see enclosure). With these measures our tax money will be removed from banks that do business with South Africa and transferred into local banks and other financial institutions which can create jobs, housing, and other economic benefits for our community.

South Africa's systematic denial of human rights to the majority of its residents because of their race has been condemned by the United Nations. Bank loans to South Africa, according to the U.S. Senate Committee on Foreign Relations, have the net effect of "strengthening the economic and military self-sufficiency of South Africa's apartheid regime." Virtually every major black organization in South Africa has called for an end to foreign loans until there is majority rule. The National Council of Churches, the United Auto Workers Union, and several major universities have already adopted policies similiar to the proposed Berkeley ordinance, without losing money.

The citizens of Berkeley now have no voice in how their public money is invested. Measures A & B will establish a Citizens Committee to develop a comprehensive, socially responsible investment policy for these public funds. This policy will seek investments that maximize social and economic benefits for the citizens of Berkeley.

We intend to mount a vigorous campaign, one that informs all Berkeley residents about the issues involved. Only an overwhelming victory on election day will insure that our message is heard both citywide and nationwide. A broad-based citizens' campaign depends, however, on the people. You and your organization can have a key role in this effort. Please be sure that everyone you know registers to vote. Also, we need your endorsement, your help in spreading the word, and especially your financial support. Please fill out the form provided and return it as soon as possible. **Join us in getting Berkeley money out of South Africa and back into Berkeley!**

Sincerely,

Anne Steinberg

Anne Steinberg
Treasurer, YES ON A & B/BOSA

148

Please return to:

YES on A & B / Berkeley Out of South Africa
2490 Channing Way, Room 218, Berkeley 94704

___ I/We endorse Measures A & B and will do our best to publicize the issues.
___ I/We want to help with the campaign; contact us immediately!
___ Please send further information: ___ brochure; ___ issue packets; ___ slide show; ___ speakers; ___ other:
___ I/We realize the importance of donations; enclosed is $_____.

Name _____ Organization _____

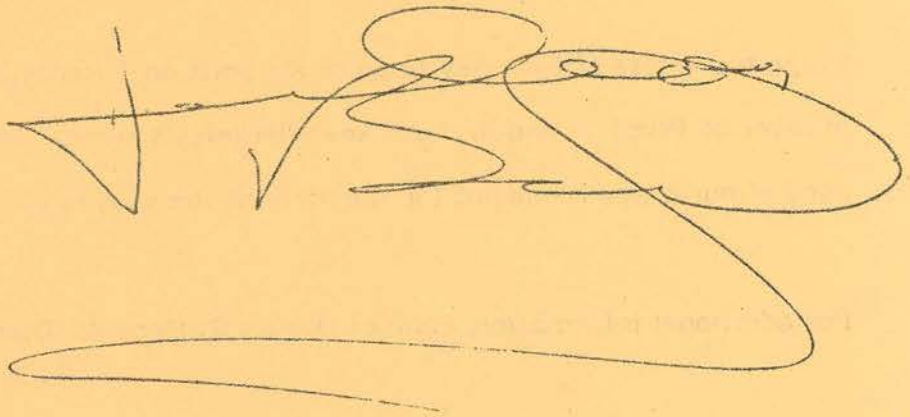
Address _____

Phone _____ Date information needed by: _____

ENDORSEMENT OF RESPONSIBLE INVESTMENT INITIATIVE

by JAMES BALDWIN

Berkeley's Responsible Investment Ordinance should be a signal for communities all over the country to take control over their public money - and to take a stand on South Africa. It's time to realize that we do not have to put our public monies and pension funds into banks and corporations that do business with racism in South Africa, or here in this country. Those funds should be invested to serve local needs, and citizens should participate in deciding how they are used. Measures A and B are a hopeful sign. I hope Berkeley citizens give them an overwhelming victory next Tuesday.



ron dellums
8th district california

FOR IMMEDIATE RELEASE

April 6, 1979

I am pleased to support the Divestment Initiatives on which the people of Berkeley will have the opportunity to vote April 17th. The passage of this initiative will make clear to the government of South Africa, that at least one city in this country is opposed to their policy of apartheid. It will ensure that at least one city tells our multinational corporations that we will not support their investment in a regime that fosters such abhorent racist policies.

If Berkeley leads the way in refusing to allow its public monies to be used for investments in South Africa, then we can turn to other communities to build national sentiment against the current policies of the South African government.

I urge the voters of Berkeley to go to the polls on Tuesday, April 17th, and cast their vote in favor of Props. A and B. Let's keep Berkeley's money closer to home--working for the good of our citizens and not for the harm of the world's oppressed people.

For additional information, contact Donald R. Hopkins, District Administrator, at 763-0370.

Suggestions on what to do:

1. Discuss the issue of banks making loans to South Africa with your congregation and determine the extent of the congregation's involvement.
2. Adopt a resolution similar to that of the National Council of Churches.
3. Encourage your denomination to do the same, if it hasn't already done so.
4. Urge your bank to adopt a policy of no loans to South Africa (government, government agencies, or businesses). If they won't, withdraw your money.

Alternative places to put your money:

Banks:

Bay Area:	California First, Central, First Enterprise, Hibernia, Mechanics, Security National, Western Women's Bank
Los Angeles:	American City, Community, Surety National, Valley National, Women's Bank
Sacramento:	Cache Creek, Farmers & Merchant, First National Bank of Dixon, Placer National, Rivercity
San Diego:	Mexican-American, Pacific Coast, San Diego Trust & Savings, Women's Bank

Credit Unions, Savings and Loans, and small local banks: check your phonebook for those nearest you.

Resources to aid you:

Audio-Visuals:
Southern Africa Media Center, 630 Natoma, San Francisco 94101, (415) 621-6196

Printed materials, slide show, speakers:
$top Banking on Apartheid, 2160 Lake Street, SF 94121, (415) 752-7766

For further information, contact:

American Friends Service Committee, 2160 Lake Street, SF 94121, (415) 752-7766

Commission on Social Justice, Archdiocese of San Francisco, 441 Church St., San Francisco 94114, (415) 863-5112

Ecumenical Peace Institute, 944 Market Street Rm. 509, SF 94101, (415) 391-5215

Namibia Peace Center, 1227 4th St., Santa Monica, CA 90401, (213) 394-5008

Northern California Interfaith Committee on Corporate Responsibility, 3410 19th St., San Francisco 94110, (415) 863-8060

If your church's money is in a bank making loans to South Africa and you'd like to explore further action, please return this form to $TOP BANKING ON APARTHEID, 2160 Lake, SF 94121

NAME _____

CHURCH _____

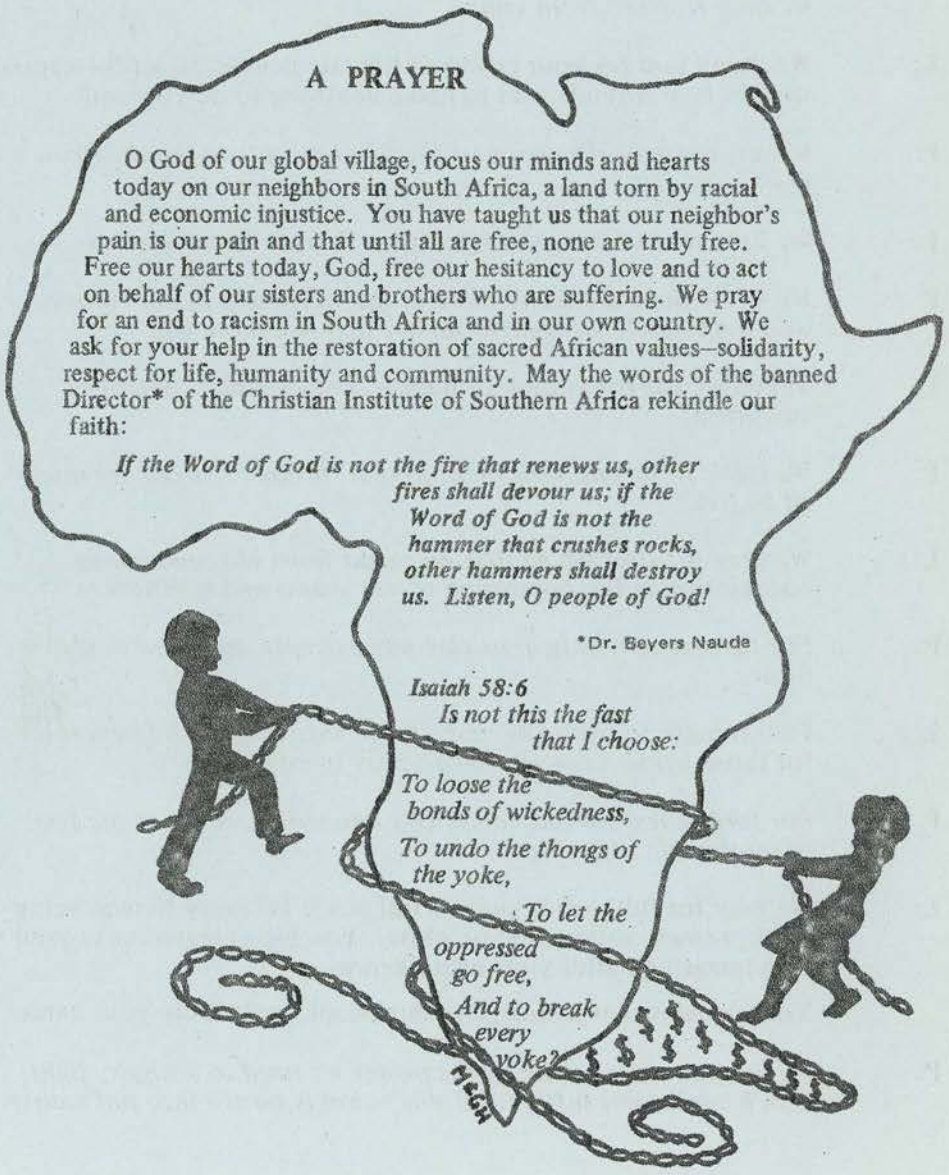
ADRESS _____

Phone _____

$BOA: labor donated

A DAY OF CONCERN FOR SOUTH AFRICA

Sunday, April 1, 1979



RESPONSIVE READING

Liturgist: God, hear now our words of reflection and hope:

People: *We come before you today, oh God, giving thanks for the life we have received from you.*

L: We thank you for your power to liberate people, to set the captive free, to heal wounds, and to make us strong to do your will.

P: *We are aware of the agony of the Black people in South Africa right now.*

L: We have read of their struggle, from Sharpeville to Soweto.

P: *We know there are many more in the world and in our country who desperately struggle to survive just one more day.*

L: They face the oppression of hunger, homelessness, detention, and arrest.

P: *We strive to be one with them so that through struggle we might all be free.*

L: We pray for strength so that we might resist our unknowing cooperation in the oppression of our sisters and brothers.

P: *For the strength to help us care more deeply, now and in the future.*

L: For strength to overcome our silence when we should be a voice for those whose cries are consistently ignored.

P: *For forgiveness for our complicity and complacence in the face of intolerable suffering.*

L: We pray for full justice and for full peace for every human being—black, brown, yellow, red or white. You have created us in your own image and after your own likeness.

Your name means justice; let your people make holy your name.

P: *We ask you now – Give us the power we need to struggle, fight, march, walk, and suffer until this vision is turned into full reality.*

DOES YOUR BANK SUPPORT APARTHEID?

The South African government says ***Non-whites will never be equal to whites in South Africa!*** Elected by 4.2 million whites, the government totally controls the lives of 22.7 million blacks through a system termed *apartheid*. Under it, whites (18%) occupy 87% of South African territory and control all of the country's resources. In the land of their birth, blacks are subjected to more restrictive laws than any group of people in the world. They have been systematically denied so many economic, political, and social freedoms that the U.N. has condemned *apartheid* as ***a crime against humanity***. Dissenters to these conditions are subjected to some of the most severe and brutal police and military repression in the world.

To maintain its control, the South African government has increased its reliance on external investors to lend it money to increase its technological and military capacities. The last five years have brought over $3 billion in loans from U.S. banks to government and business in South Africa. These dollars fuel the economy on which the system of *apartheid* rests, thereby giving South Africa the strength and self-confidence to say:

> ***The fact of the matter is this. We need them (non-whites) because they work for us. . .but the fact that they work for us can never entitle them to claim political rights. Not now, nor in the future.*** Former Prime Minister John Vorster

In spite of the severe penalties (i.e., advocating corporate withdrawal or non-investment is punishable by imprisonment or death), protests against *apartheid* are escalating within the country. Almost every major black organization in South Africa has called for an end to foreign loans and investments until there is majority rule. Also, prominent members of the white opposition are pleading for an economic boycott in order to bring about the demise of *apartheid*.

Many organizations throughout the world are supporting this call, including the Organization of African Unity, the World Council of Churches, the U.N. General Assembly, the NAACP, the AFL-CIO, and the National Council of Churches. U.S. people can respond to these pleas by examining their investments which are directly or indirectly connected to South Africa.

Since January 1977, the critical nature of bank loans to South Africa has received increased attention at international, national and local levels. Specifically, churches and religious organizations have begun to look at their banking relationships as depositors or shareholders with social justice in mind. The National Council of Churches passed the following resolution in November 1977:

> ***That we undertake the withdrawal of all funds and closure of all accounts in financial institutions that invest or make loans to the South African government or businesses and urge constituent membership to adopt this policy.***

In California, the $TOP BANKING ON APARTHEID campaign organized in May 1977 to pressure California banks* to stop all loans to South Africa and to adopt policies of no new loans or renewal of old loans until the *apartheid* system is dismantled. It has also emphasized that these same banks are often the ones which ignore financially viable investments which address the social and economic needs of our local communities.

Do you disagree with your bank's policy of loaning to South Africa?

Do you want your money going to the South African regime instead of to your own community?

*Bank of America, Wells Fargo, Crocker National, Security Pacific, United California, French, Sumitomo, Chartered Bank of London, and Union Bank.

Utilizing the Media

Your ability to utilize the media effectively may decide the outcome of the election. Therefore, time and care should be put into developing a good working relationship with local media. Remember, you will have to "make news" if you expect to get press coverage. Plan ahead and carefully construct "events". For TV coverage, you'll need visuals: signs, personalities, balloons, street theatre, etc. The following are suggestions for key elements in a carefully planned media campaign. We've included samples from the Berkeley effort. Use white paper for all media releases.

Press liasons. Establish 2 or 3 individuals in the coalition to act as press liasons and to be the official voices of the initiative campaign. Since a lot of news work is done at night, always have an evening contact phone number. Your press liason should make an effort to find out who is responsible for the respective media's campaign endorsement. After hand delivering the Issue Packet, personal follow-up with these individuals will help win editorial support. Liasons should also keep close track of the journalists who show interest or cover any of your events. Personal contact with them is invaluable.

Issue Packet. This should contain background materials on the issues you're raising, a copy of the measure, copies of basic leaflets, and any major statements of endorsement. It will be used by newspeople to write informed articles, question candidates, and to counteract arguments made by opposition.

Distribute the packets to Assignment Editors of the media with audiences in your area. It's also a good idea to give one to any reporter assigned to the election or who has written on South Africa or the anti-apartheid movement in the U.S. Our Issue Packet was presented in a double pocketed black folder with cover letter. Its South Africa section was composed of: the indepth BOSA campaign leaflet, South Africa Perspectives, Background on South Africa and U.S. Banks, Rebuttals to Arguments for Investing in South Africa, and "Muldergate Reaches Berkeley?". The Reinvestment section included: a copy of Measures A & B, Analysis of Financial Implications of Measures A & B, Statement made before City Council meeting, Socially Responsible Investment Alternatives, and Pension Funds, Jobs and Taxes.

Press Releases. Press releases should be clearly labeled as such—both on the envelope and on the release itself. They should be triple-spaced, or double-spaced if long. If it is more than one page, put "more-more-more" at the bottom of each sheet, and "stop-stop-stop" at the end. Use a separate sheet of paper for each page. The press contact and phone number should always be included.

Write as carefully and succinctly as possible—a release most likely to be used is one which needs very little rewriting. The pyramid style of writing is a good one to use. Think of the most important idea you wish to convey and put it in the first sentence. The next sentence should contain the second and third most important points. As you work toward the bottom of the page, you can embellish the theme of your release with increasingly greater detail.

Be prudent with the number of releases you send out. If the press is flooded with one release after another, the campaign committee will appear frivolous. Then, when you really have news that the press should cover, they'll probably be inclined to ignore you. At least four events call for a press release: the kickoff of the campaign, when the initiative qualifies for the ballot, the first major fundraiser or rally, and the follow-up to your election day victory.

Send all releases 4-5 days before any action. Call the media 1-2 days before the day in order to remind them of the event and encourage their coverage.

Press Conferences. These should only be called if you have a true "media event". For example, if the mayor of your town, or well-known celebrity, decides to endorse the initiative, a press conference would be in order. Barring a major media event, you may want to hold only one press conference to announce the campaign and to inform the press of who endorses the initiative. Be sure to have an Issue Packet available. Hand deliver releases prepared for the Conference to media that did not attend.

Public Service Announcements. (PSAs). As part of their licensing requirements, TV and radio stations must give public access to the airwaves. You can get free air time by sending the station a brief statement (include 30 and 45 second versions). Make the statement non-partisan (don't endorse specific candidates or slates) and clearly label it a PSA with date of release noted. PSAs are usually used to announce events or recruit volunteers.

Free Speech Messages (FSMs). Many TV and radio stations allow representatives of an organization to speak on the air about their issue. They'll often accept pre-recorded FSMs; this gives you a chance to be innovative. Contact well-known personalities to tape FSMs. Check each station for format and length. $BOA has a series you might want to adapt.

Talk Shows. Arrange appearances as early as possible, since many of these shows schedule well in advance. You'll be able to fit these appearances into the overall campaign strategy. Plan some for early in the campaign, since once having done a show on the initiative, the host will be more likely to bring up the issues when interviewing potential candidates. This assures publicity for those candidates committed to effectively implementing the ordinance. Also plan appearances late in the campaign, as election day approaches. This helps peak voter interest and produce better voter turnout.

Many radio and TV talk shows have audience participation by telephone. Get volunteers to call these shows and plug the initiative.

Letters to the Editor. Letters to the Editor are an easy way of gaining publicity without paying for expensive advertising. Submit as many as you can muster. They should be brief and emphasize main issues. These are a good volunteer "task", particularly for those who don't have much time. List a series of topics for volunteers, and provide the addresses of papers to which letters could be sent. Also ask well-known community people to submit them. Key times are: early in the campaign so that media realize the breadth of your support and thus give good coverage; and during the two weeks preceeding election day.

Guest Editorials. Many newspapers will print a guest editorial from the campaign committee, or will print an elongated Letter to the Editor. These are best submitted near election day.

Paid Advertisements. Paid advertisements are expensive; relatively few grassroots campaigns can afford them. A good suggestion from the Davis campaign is to run ads which contain large endorsement lists. To finance the ads, collect one dollar from each endorser.

Newsletters and alternative media. Since these are either oriented to the community or to special interests, they're thoroughly read by people who might pass over 'mainstream' press. Make sure they receive your Issue Packet and Press Releases, in addition to any special focus articles you may wish to submit.

Monitoring the Media. Don't forget to monitor the stations and papers you wish to utilize. You won't know if your media outreach is successful unless you watch, listen and read. You must be aware of how your campaign is being presented by the press. You need to move quickly to counteract any consistent misinformation. By monitoring, you will stay on top of the opposition's campaign statements and strategy. We found out the South African Consulate was trying to muster opposition when we read an article on a talk arranged by the Consulate to a local businessmen's association.

In the weeks following your victory, keep monitoring the press to make sure no one tries to belittle the importance of your measure. A local newspaper published an article claiming that the major banks were not concerned by the Berkeley Ordinance. We were able to quickly rebut the article.

Samples: Issue Packet cover letter; Final press release; Report on first press conference; Two public service announcements; Two guest editorials; Negative article on initiative; BOSA response; South African intervention in initiative campaign; BOSA response.

YES ON A & B / BERKELEY OUT OF SOUTH AFRICA

2490 CHANNING WAY, ROOM 218, BERKELEY 94704 — 642-9953

Dear Editor:

People of diverse political and economic backgrounds have been outraged by the continued support U.S. corporations give to the South African government and its apartheid system. Religious organizations, campuses, unions, community groups are all rallying in support of the South African majority's call to end foreign investments until apartheid has been dismantled and majority rule instituted.

On April 17, Berkeley citizens will take the lead in opening new avenues by which to voice their opposition to continued U.S. bank loans to South Africa. By passing Measures A & B, Berkeley will demonstrate that citizens CAN have a voice in how their public funds are invested. Citizens will be saying very clearly that using their monies to help maintain a regime condemned as a "crime against humanity" in the face of pressing needs at home is no longer acceptable. Measures A & B offer assurance that public funds will be invested under socially and economically rational guidelines to meet Berkeley's needs.

Such a step is serving as an inspiration throughout the nation. All Berkeley candidates support the Measures, as do such notables as Harry Belafonte, Stevie Wonder, and Jane Fonda. Many California legislators are following this election with great interest and support, particularly since twelve other California cities have plans underway to put similar initiatives on their ballots.

In order to aid you in presenting this issue of obvious relevance, the Yes on A & B / **Berkeley Out of South Africa Committee** has prepared this Press Packet. We encourage you to thoroughly discuss these Measures through whatever means you have available. Particularly, we ask that you bring the Measures into any interviews you conduct with candidates running for Berkeley office. It's obviously important for your audience to know their positions and implementation recommendations. We will be happy to put you in touch with a wide variety of supporters who can participate in debates, on-the-air discussions, or taped interviews.

We urge you to encourage your audience to go to the polls April 17 to show their support of Measures A & B.

We look forward to hearing from you in the near future.

CONTACTS: Eve Sternberg Kaighn Smith Miloanne Hecathorn

YES ON A & B / BERKELEY OUT OF SOUTH AFRICA

2490 CHANNING WAY, ROOM 218, BERKELEY 94704 — 642-9953

FOR IMMEDIATE RELEASE

CONTACTS: Sam Ragent
Miloanne Hecathorn
Kaighn Smith

On Tuesday, April 17, the citizens of Berkeley, California, passed the first law (Responsible Investment Ordinance) in the United States requiring a major city to remove its municipal funds from banks making loans to South Africa. The Responsible Investment Ordinance (RIO) also mandates direct citizen participation in the determination of how public monies shall be invested. The City of Berkeley, long known for its progressive tradition, has given new impetus to the growing grassroots movement to pressure financial institutions to cut their ties to South Africa and to give citizens a greater say in how their public monies are to be used.

Berkeley maintains about five million dollars of temporarily idle funds in local branches of banks doing business with South Africa. The new law requires that all these funds be withdrawn by May 1, 1980, and reinvested "according to a policy that takes ethical, social, and economic considerations into full account". Such a policy is to be determined by a nine member 'citizens committee' appointed by the City Council. The RIO will set a significant precedent in democratic control of public funds.

The RIO directly challenges major financial institutions with the threat of public condemnation for the lack of social concern in bank investments. Although Berkeley's five million dollars is a small percentage of the assets of the relevant banks, it represents a significant portion of the working capital of local branches. In addition, twelve other cities in California are likely to have similar ordinances on their next municipal ballots.

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The South African government demonstrated its concern over the Ordinance by arranging to have the head of the South Africa Foundation campaign against the Ordinance in Berkeley. The South Africa Foundation is a private organization which has been described by the former Secretary of the South African Department of Information (Eschel Rhoodie) as trying "to do on a private basis what the Department of Information is doing on an official basis."

By a margin of nearly 2 to 1, voters in Berkeley rejected opposition arguments that American investments in South Africa may have a "liberalizing effect" on apartheid. The official condemnation of such investments has long been advocated by all leading black organizations within South Africa. Proponents of the RIO stressed that a more creative municipal policy could directly address local needs, gain an equitable return on investment, and end municipal support of the South African apartheid regime.

THE DAILY CALIFORNIAN

THURSDAY, JANUARY 18, 1979

City told to divest itself of holdings that relate to S. Africa

By TOM ABATE
STAFF WRITER

An initiative requiring the city of Berkeley to take its money out of banks which do business in South Africa was unveiled yesterday by a coalition of groups which claim the measure is a nationwide first.

In a press conference held at the CalPIRG office on Channing Way, backers of the initiative, entitled the Responsible Investment Ordinance, announced they would begin a petition drive to get 1,800 signatures by February 1 so the initiative can be placed on the April municipal ballot.

CalPIRG Director Sam Ragent said the purpose of the initiative was not only to get Berkeley money out of South Africa, but also to get the city to invest its money in local projects such as housing mortgages or alternative energy programs.

The ordinance could potentially affect anywhere from $7 to $12 million which the city raises from local taxes and license fees and deposits for periods as short as one month.

Exempted are funds pledged to city employee pension funds, which Ragent explaind were covered by contracts between the individual unions and the city.

If enacted, the ordinance would require the city council to set up a committee of nine citizens to review the procedures for depositing city money in banks. The committee would also identify those banks which make loans to the South African government or loans specifically earmarked for use in South Africa by private companies.

The committee would be charged with drawing up a plan to redeposit city funds in banks which don't do business with the apartheid regime. Based on the committee's proposal, the city council would be required to adopt "a comprehensive responsible investment plan" by May 1, 1980. After the plan is adopted, the committee would disband.

Another section of the ordinance takes a swipe at the University of California, whose investments in South Africa are the subject of continuing controversy. The advisory section expresses "the desire of the people of Berkeley" that the university and other government agencies stop investing in South Africa.

Dave Charbonneau of Students for Economic and Racial Justice said his group has identified two Berkeley banks which do not do business with South Africa. They are Security National and Central Bank, which together received 29 percent of city deposits according to one CalPIRG survey.

However, during the month CalPIRG studied, the Bank of America received 9 percent of city deposits. United California Bank received 25 percent and Wells Fargo 7 percent. These banks still make loans to South Africa.

However, Ragent cautioned against making any generalizations on the basis of a one-month survey, because the deposits are shifted constantly as the city puts tax revenue in banks, then withdraws it to pay bills.

PUBLIC SERVICE ANNOUNCEMENT

for immediate release

April 5-15, 1979

BERKELEY OUT OF SOUTH AFRICA / YES ON A & B

2490 Channing Way, Room 218
Berkeley, CA 94704

642-9953

30 seconds

Say NO to racism and apartheid at a candlelight vigil Easter evening, April 15, in Provo Park, Berkeley. The vigil is in support of the Berkeley Responsible Investment Ordinance, Measures A & B, which would end municipal support to South Africa. The vigil begins at 7 pm across from Berkeley City Hall on Grove Street at Addison. For more information, contact BERKELEY OUT OF SOUTH AFRICA / YES ON A & B, at 642-9953. That's 642-9953.

PUBLIC SERVICE ANNOUNCEMENT

for immediate release

BERKELEY OUT OF SOUTH AFRICA / YES ON A & B

2490 Channing Way, Room 218
Berkeley, CA 94704

(415) 642-9952

30 seconds

Berkeley residents! Your help is needed to put an Initiative on April's ballot to withdraw Berkeley's public monies from banks doing business with South Africa. The monies would be reinvested according to a policy that takes ethical, social and economic considerations into full account. 1000 signatures are needed by 3 pm Wednesday, January 31st. If you can help in this last minute push, come to CalPIRG's office, 2490 Channing Way, Room 219 at 10 am, or call 642-9952. That's 642-9952.

The INDEPENDENT and GAZETTE

Guest column

Berkeley stand urged on investments in South Africa

By KAIGHN SMITH, JR.
Berkeley Out of South Africa Committee
2490 Channing Way, Room 218

On April 17 Berkeley citizens will vote on companion Measures A and B (the Responsible Investment Ordinance). This ordinance proposes two policies for the city: 1. Public funds will be removed from banks which make direct and "indirect" (as defined by Measure B) loans to South Africa. 2. The investment of public funds will be directed towards improvements in the local economy.

If these measures pass, Berkeley will be the first municipality in the United States to adopt a socially responsible investment policy.

THESE MEASURES have significant implications in the way they address contemporary social issues. They show that clear ties can be drawn between the lack of community economic control in Berkeley and the lack of social responsibility in the operations of our country's largest financial institutions.

Approximately $5 million of Berkeley's public funds are invested in giant, transnational commercial banks. These banks loan primarily to multinational corporations with operations abroad rather than to local businesses and homeowners. The investments of these banks move throughout the globe seeking the highest returns on capital outlays. This means that urgent local needs may be neglected as money flows to the most profitable areas.

THE LOANS of these banks to South Africa show that there is a blatant lack of social and ethical criteria in their financial operations. The South Africa regime operates under the most oppressive system of racist rule in the world. It has been condemned by the United Nations as "a crime against humanity." One half of Berkeley's public savings are invested in banks loaning to South Africa. The public has no control over how or where its funds are used by these banks. Citizens cannot see these public savings at work in the local economy. In fact, these funds may be at work to maintain a repressive, racist regime in South Africa.

Measures A and B allow the Berkeley public to address these issues head on. By voting to remove public funds from banks loaning to South Africa, citizens will be directly challenging some of the socially and ethically irrational operations of these powerful banks. With these measures, the public can also decide, for the first time, that guidelines should be set for the deposit of municipal funds.

IF THE MEASURES pass, Berkeley's public savings (temporarily idle funds) will be shifted from banks dispersing this public money throughout the globe to smaller local financial institutions serving the economic needs of the community. The public's participation in decisions concerning how and where municipal funds are invested will be significantly increased.

These measures can be implimented with ease and with no cost to the public. Liquidity, safety, and high rates of return for public funds can be retained or improved by shifting investments to banks and local savings and loan associations that do not loan to South Africa.

UNDER THESE measures, a nine-member citizens committee will be appointed by the city council to oversee this transfer of funds and to establish guidelines for the city's responsible investment policy. This committee will be required to operate under prudent financial principles and conform to laws regulating the investment of municipal funds. Most importantly, this committee will set the criteria for maximizing the public funding of community improvements in the areas of housing, small business development, health-care services and job availability.

The city of Berkeley has a reputation in the United States for initiating public action on important social issues. If passed, Measures A and B will show that citizens in Berkeley have taken a stand on the issue of foreign loans and the maintenance of apartheid in South Africa. Some black organizations in South Africa have appealed to the citizens of foreign countries that loan to their repressive government to take such a stand.

THE PASSAGE OF these measures will also show that citizens can increase their participation in decisions concerning public investments and direct those investments towards local community improvements. The issues of public control of public money at the community level and social responsibility in economic operations at the international level are tied together with Measures A and B.

By exposing the significance of these issues and taking action on them, Berkeley will once again stimulate social awareness, concern and action.

Yes on A and B

In recent years no single political issue has captured the imagination of Berkeley students as much as divestment. Last year fifty-one people, thirty-eight of them students, were arrested after a campus a sit-in to protest the investment of university funds in businesses with South African interests. In 1977, thirty-eight students were arrested in a similar incident.

This is not to suggest that the movement to withdraw funds from South Africa is confined to Berkeley — similar protest has occurred on campuses throughout the nation from M.I.T. to Stanford. But the roots of divestment are so deeply entrenched in this community that not surprisingly Berkeley voters will be asked tomorrow to support a citizen-sponsored initiative seeking to withdraw all city funds from banks making direct or indirect loans to South Africa. Measure A and Measure B, which defines A, should be unhesitatingly adopted.

Although five million dollars are involved, this measure is not merely a financial transaction. Rather, this initiative prompts Berkeley voters to recognize the social implications of their investments and the responsibilities that subsequently arise. The measure, in addition, seeks to halt the flow of local money out of the city, for the major commercial banks rarely confine their investments to the nation or the state, and consequently, urgent local needs frequently go unheeded.

By exercising a policy of responsible investment, the people of this city will be calling attention to the lack of social considerations in those banks which lend heavily to the government of South Africa. Any investment in such a regime necessarily condones the inhumane practice of apartheid, which perpetuates vicious discrimination against the country's black population.

Once the money has been withdrawn, funds can be channeled into much more beneficial and responsible concerns. Under the terms of the Measures, a nine-member citizens committee will be appointed by the city council to oversee the transfer of funds and to establish guidelines for a responsible investment policy. In keeping with the commitment to fund local needs which the measures introduce, this committee will also establish criteria by which public funding for community developments will become a priority. The chief areas of interest should hopefully be housing, small business development, health care services and employment.

In the past, Berkeley regulations in favor of gay rights, rent rebates and no smoking in public places have established the city as a center of liberal thinking in the nation. If supported, Measures A and B will indicate that once again, Berkeley citizens have reaffirmed their concern for social responsibility.

YES ON A & B / BERKELEY OUT OF SOUTH AFRICA

2490 CHANNING WAY, ROOM 218, BERKELEY 94704 — 642-9953

PRESS CONFERENCE

Wednesday, March 28

10:30 am

CONTACT: Eve Sternberg 642-9953 548-6415

EVENT: Local religious leaders and the BERKELEY OUT OF SOUTH AFRICA Committee join Bill Sutherland, Southern Africa representative of the American Friends Service Committee, in calling upon the City of Berkeley to stop doing business with South Africa. Ed Kirshner of Community Economics, Inc., outlines the practical financial benefits of keeping Berkeley city money in the local community. Kirshner and BOSAC address claims made by City Attorney Michael Lawson and Chamber of Commerce board member Allen P. Leggett implying that Berkeley cannot cut it's ties with South Africa without incurring financial loss.

TIME: 10:30 a.m., Wednesday, March 28, 1979

PLACE: Friends Meeting House
2151 Vine Street, Berkeley (corner of Vine and Walnut)

HISTORY: Wednesday's press conference has been called by Rev. James Stewart, President of the Southwest Berkeley Ministers' Alliance, and Rev. William Shive, Executive Director of the Berkeley Area Interfaith Council. Both are co-signers of the ballot argument in favor of the divestment initiative. The press conference is being held in conjunction with a meeting of Berkeley's religious leaders in preparation for their participation in the statewide "Day of Concern for South Africa" next Sunday, April 1. Congregations throughout this city will focus on support for Measures A & B—a direct way for citizens to take a stand on racism in South Africa.

Article to which BOSA responded

Berkeley bank vote fails to faze four of the giants

by Gene Ayres
Staff Writer

Berkeley—Maybe you could put it this way: "Get them by their deposits and their hearts and minds will follow."

That seemed to be what voters here were saying last month when they adopted an ordinance ordering the City Council to remove city funds from any bank doing business in racially segregated South Africa.

It was a resounding vote against that nation's policy of apartheid.

But whether a municipal mosquito of finance such as Berkeley can make its moral weight felt on such elephantine skins as Bank of America, Security Pacific, Crocker and Wells Fargo is questionable.

For even though banks generally dislike losing even the smallest depositors, the four largest banks that do business with Berkeley insist they will continue making loans in South Africa.

In fact, Wells Fargo and Bank of America have adopted that policy by votes of their shareholders.

Their positions thus publicly stated, those two banks could start losing the relatively small deposits they get from Berkeley.

For, said acting City Manager Michael Lawson, "If information is available to us that is clear and convincing that a bank is ineligible, then our money will not be reinvested in those banks when our notes in those banks mature."

In accord with the "Responsible Investment Ordinance," city officials are now seeking that information by mailing questionaires to all 11 banks in Berkeley. They ask the extent of the banks' current business in South Africa and if they intend to do any business there in the future.

The City Council is to appoint a 9-member citizens committee to assess the information, expected in about a month, and recommend a long term policy for investment of city funds.

Meanwhile, the city's funds, on deposits of 6 months, 90 days, 30 days and even as brief as one day, are continually maturing, or becoming available for reinvestment.

Thus as deposits mature, they might be removed from an obviously disqualified bank by Lawson long before the citizens committee makes it report months from now.

In most cases it appears that Berkeley deposits will shift from the large banks that have international departments to smaller banks whose loans obviously don't reach to Africa.

"But if I were to find that those banks had drastically changed their interest rates in anticipation of getting most of our money, I would certainly look elsewhere," Lawson said.

Lawson added that state law allows Berkeley to consider "social factors," such as the South African policy, when investing its money. How much weight is to be given social factors is up to the city council, he said.

The city has about $6.5 million yearly to deposit. Currently, the money is spread among eight banks. The Bank of California has almost half of the money, United California Bank another third.

Bank of America, Central Bank, Crocker National and Wells Fargo each hold 3.4 percent and Security Pacific and Security National each have about 1 percent.

Lawson said he thinks that some of Berkeley's banks will qualify and will offer high enough interest rates to compete for the city's money.

The Oakland-based Central Bank, for instance, does not make loans outside California, and Walnut Creek-based Security National Bank confines its loans to Contra Costa and Alameda Counties.

The other banks, although perhaps not adhering to the letter of the new Berkeley law, contend they are following its spirit.

The Bank of America pointed out, for instance, that one of its recent ventures was joining with Chase Manhattan and Morgan Guaranty in a $33.3 million loan to build black housing in South Africa.

A Crocker official said his bank is attempting to make certain loans in South Africa "benefit all the people."

Wells Fargo, which had $12 million in loans in force there at the end of 1978, said it has made no new loans since 1975.

The Bank of California said it has a two-year-old policy of not renewing or making new loans to the South African government or corporations there.

Gil Rusk, vice president and public affairs manager at the United California Bank, said that although "we don't have any investments in South Africa, we have some loans to corporations doing business there.

"Obviously we don't support social injustice. But we feel to withdraw and let everything take its course might be the worst thing to do."

Most of the large banks take much the same position.

" The apartheid system of South Africa is abhorent," declared a Bank of America official. "But we also share the belief that the continued presence of American business in South Africa is a positive influence Through our involvement, we believe we can help break down apartheid and contribute to the economic viability . . . "

The major banks all appear to be in agreement that if U.S. banks boycott South Africa, European banks will fill the void. The bankers also noted the differing opinions on whether blacks would be harmed or helped if U.S. banks pulled out.

On one side, there are those such as Johan Diedericks, South African consul in San Francisco. He claimed that "by cutting off funds for investment you are hurting exactly the people you are

Continued page 16

ying to help. By lending to a developing country, ou are also helping a country develop its stanard of living. The more developed a country, the tter it can look after its people."

Diedericks said that if Berkely is fighting for man rights, it should extend its new policy to astern Europe, Cambodia and Vietnam.

"We just want fair play," Diedericks said. Furthermore, unless they agreee with dictatorips and presidents for life, they should extend is to other countries in Africa."

On the other side, there are those such as uy Jones, an unsuccessful City Council candiate here and a co-author of the anti-apartheid easure, who claimed Diedricks' argument is just a scam." He contended that maintaining .S. investments in South Africa will not help the lacks at the bottom of that country's economic adder.

"It's that old idea of economic development ltering down to everyone," Jones said. "It's just t the case. The gap between the rich and poor South Africa has grown."

YES ON A & B / BERKELEY OUT OF SOUTH AFRICA

2490 CHANNING WAY, ROOM 218, BERKELEY 94704 — 642-9953

PRESS RELEASE FOR IMMEDIATE RELEASE

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Gene Ayers' recent (May 6, *The Oakland Tribune*) article on Berkeley's Responsible Investment Ordinance and its effects on banks doing business with South Africa left several misconceptions. Mr. Ayers felt that such banks as the Bank of America and Wells Fargo have "elephantine skins" impenetrable to the barbs of such harmless "mosquitoes" as municipal ordinances. The proof of the pudding, according to Ayers, is that the banks will continue to make loans to South Africa, and that recent stockholder votes support such loan policies. Mr. Ayers, however, is somewhat confused in both his facts and his conclusions.

Certainly, Berkeley's Ordinance, viewed in isolation, will not stop U.S. financial support of apartheid. However, Berkeley's vote has to be seen as an outgrowth of a mounting national campaign to remove funds from banks doing business with South Africa. Already, the National Council of Churches, the United Auto Workers, the NAACP, the United Nations General Assembly, and many other major institutions have decided to remove their accounts from such banks. Citizen groups in twelve other cities in California have expressed their desire to sponsor anti-apartheid initiatives in their next municipal election.

Mr. Ayers should not be taken in by the apparent nonchalance of bank officials. In fact, the Senior Vice President of Bank of America flew to San Diego to unsuccessfully plead with the San Diego State Student Association not to remove its account from Bank of America. The branch manager of Bank of America in Berkeley made a similar plea to the University of California Student CO-OPs before they, too, removed their account. Bank of America clearly demonstrated its concern over the growing domestic cost of loans to South Africa by making no new loans during the last year.

Mr. Ayers interprets recent shareholder votes as resounding victories for bank management's policy. In fact, one-third of the votes at Bank of America's recent shareholders meeting in San Francisco were not in support of management's recommendation on continuing loans to South Africa. Given the absolute dominance of management controlled stock, this represents a virtual internal rebellion against management policy.

— more — more — more —

Bank of America and other banks giving financial support to apartheid are worried. This is why Bank of America masks its latest profit drive in South Africa behind the rubric of helping "to build black housing". Of the 33 million dollars Mr. Ayers noted as going to "build black housing", over two-thirds will will go to white-selected administrators of the Urban Foundation. The rest will go to build housing which blacks are proscribed by law from owning, and which the vast majority of blacks could never affort to lease.

The claim that American business is a "positive influence" in South Africa is both racist and chauvinistic. Almost every black organization within the country has called for an end to foreign investment until there is majority rule. This demand, raised by the indigenous majority population, is what makes South Africa different from other countries which are alleged to violate human rights and with whom U.S. banks do business. The right to self-determination can not be circumvented by bank executives who believe they know better how another nation should develop. In South Africa, the banks' plans have led to an ever widening gap between black and white incomes and to increased repression.

It is unfortunate that Mr. Ayers fell prey to the major banks' slick public relations image and did not clearly see their ruthless quest for profit at the expense of black lives. Indeed, the major banks are extremely worried by the Responsible Investment Ordinance and the national movement to end U.S. financial support for apartheid. The citizens of Berkeley have decided that they wish to have some control over how their money is used, and have established a citizens' committee to decide future public investments. The concept that democratic control should not end where economic life begins is chilling to the czars of American finance.

— stop — stop — stop —

Speech to City Club

South African argues against divestiture

By STEVE JENSEN

BERKELEY — One of South Africa's leading political authorities says United States divestiture of investments in that country would not be in the best interests of South African blacks.

John Chettle, a director of the private South Africa Foundation, told 60 members of the Berkeley City Club Friday that South African blacks "overwhelmingly" support the continued presence of American corporations — and the jobs and economic opportunities those corporations provide.

Chettle, a white man, said South African blacks were currently undergoing a "revolution of rising expectations" similar to that which he said was responsible for the ghetto riots in this country during the mid-1960s.

According to Chettle, Vernon Jordan, director of the National Urban League, said on returning from a recent visit to South Africa that none of the black leaders he had spoken to wanted American corporations out.

An initiative calling for withdrawal of city funds from banks doing business with South Africa is scheduled to go before Berkeley voters April 17.

"We in South Africa have much to be ashamed of," Chettle said, " including decades of racial blindness and sluggishness in eliminating it." He said, however, that the news media have overemphasized South Africa's human rights violations because South Africa, unlike some totalitarian countries with worse human rights records, is relatively accessible to the press.

Although the South African government does not yet permit black home ownership, Chettle said, it is moving in that direction. He said white South African intellectuals now realize that blacks must be granted full political and civil rights, and he predicted that the government would arrive at the same conclusion within a few years.

"We're about five years off getting rid of Jim Crow altogether," Chettle said. "And then there'll be a complete restructuring of many things."

Chettle said American policy toward South Africa should be the same as that enunciated by President Carter when it was revealed that the Plains, Ga. church the president attended did not admit blacks — to "stay with it and try to change a situation I abhor."

In other matters related to southern Africa, Chettle said the United States should take a more active role to ensure free elections in Rhodesia (or Zimbabwe) and Namibia, the former British colony of South West Africa.

Chettle said the Carter administration's opposition to an internal settlement in Rhodesia that excludes one black faction representing about 15 percent of the population was causing the breakdown of the Rhodesian administration "with the likely result of a one-party Marxist state.

"I fail to see this as a great triumph of Western statesmanship," Chettle said.

Free elections in Namibia, he said, depended on that country's guerrillas giving up their arms and agreeing to United Nations inspection of their bases on Angola. Chettle said the United States and other Western powers should insist on these conditions.

The South Africa Foundation, of which the Washington-based Chettle is director for North and South America, is a private, non-governmental information agency. Chettle said the foundation's trustees represent all segments of South African society, including supporters and opponents of the present government.

Article to which BOSA responded

YES ON A & B /
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MULDERGATE REACHES BERKELEY?

On Friday, March 23, Mr. John Chettle, Director of the South Africa Foundation, addressed the Berkeley Commons Club on the subject of the Divestment Initiative. Mr. Chettle purportedly came to make an objective, unbiased analysis of the effects such an initiative would have on South Africans. The YES ON A & B/ BERKELEY OUT OF SOUTH AFRICA COMMITTEE feels it is critical that the nature of Mr. Chettle's visit as well as that of his organization be brought to light. (Extensive documentation for the following facts exists in The Great White Hoax, South Africa's international propaganda machine, published by Africa Bureau, 48 Grafton Way, London, in 1977.)

The South Africa Foundation was founded in 1960, soon after the Sharpesville Massacre, to restore overseas confidence in South Africa. It originated out of talks with Piet Meining, then Director of the South African Department of Information, and Eric Gallo, a wealthy South African businessman. The organization was designed to convince foreign investors thatSSouth Africa was a stable prosperous haven, worthy and desirous of their investments. To that end, the South Africa Foundation has established offices world-wide.

The present Director of the North American office is Mr. John Chettle, a highly experienced and effective operator who left for a brief period and then returned - evidently because the more junior new director, Michael Christie, was unable to handle the important contacts involved. The budget for the office, which handles the whole of North and South America, is extensive. Travel, subsistence, and entertainment are the major items. The lavishly funded Foundation receives large contributions from United States corporations operating in South Africa.

The aim of the Foundation is, as described by the South African Financial Mail, to "appease critics abroad by applying a few cosmetics to the face of apartheid". Great emphasis is given to any evidence of 'understanding' in western countries of the government's policy, and to any events in South Africa, however trivial, which make it seem as if apartheid is disappearing. All negative information in this respect is excluded. Token Africans, Asians and Coloureds are brought into the Foundation's public activities, largely to appease liberal American consciences. Great stress has been placed on the Bantustan policy, with particular emphasis (along with other propaganda agencies of the South African Government) on the supposed "independence" of the Transkei.

The maintained link between the South African Department of Information and the South Africa Foundation is demonstrated by a statement by former Secretary of the Department of Information, Eschel Rhoodie (now in exile after the Muldergate scandal) which described the South Africa Foundation as an organization "which tries to do on a private basis what the Department of Information is doing on an official basis".

The key to the Foundation's operations, as distinct from the Department of Information's approach, is its low-key discretion; concentration on political, bureaucratic, and business circles; and special appeal to 'liberals' as well as to the staunch conservative and frankly racist allies of South Africa. Yet Mr. Chettle maintains that the South Africa Foundation argument against divestiture is based upon non-partisan and critical perceptions of apartheid!

To refute Mr. Chettle's major points:

1) Most South African black leaders have called for the immediate withdrawal of foreign investments, although to do so is considered an act of treason. The late Stephen Biko, the Black People's Convention, the South African Council of Churches, the African National Congress, the Pan African Congress, and other major black organizations have long supported divestiture. Also, world organizations such as the U.N. General Assembly, the U.S. Senate Subcommittee on African Affairs, the National Council of Churches, the AFL-CIO, the Organization of African Unity, and the N.A.A.C.P. have endorsed investment withdrawal from South Africa.

2) The short-term disadvantages of withdrawal affect the few (U.S. corporations only employ 100,000 workers, many of these white). They must be weighed against the long-term suffering which results from the political and economic discrimination under apartheid. The loans and investments which have been made have generally gone to government sectors which mainly serve the needs of the white population. Such loans do not go to social development programs in black communities. In fact, the cash flow creates more wealth and power in white hands, thus contributing to the growing income gap between blacks and whites.

3) The totalitarian repressiveness of the South African regime has been extensively documented. ALL black opposition groups have been declared illegal. As of 1977, ALL black journalists and newspapers have been banned. And through a series of acts, the right to hear charges, the right to trial, and the right to set sentencing have been abolished. Also the use of torture against prisoners has been widespread (note the circumstances of Biko's death).

4) The South African government has flatly stated its continued opposition to the granting of black political and civil rights, and has only marginally endorsed the lifting of 'petty apartheid' or Jim Crow laws. The official policy of the government is still that of "endorsing out" blacks to the impoverished and dependent Bantustans (reservation) territories.

John Chettle's visit to the Berkeley Commons Club is yet another example of the Muldergate syndrome, which under cover of 'objectivity' seeks to sway the American public to support the unjust South African status quo. It's important to note that it was the South African Consulate in San Francisco which originally contacted the Commons Club. They suggested that Mr. Chettle would be an excellent person to objectively address their regular Friday meeting on the implications of the Divestment Initiative.

labor donated

Packing the Polls

Voter Registration

Involve the whole alliance in registering city residents to vote. Direct these efforts towards those populations they feel are most likely to vote YES on the initiative. Maintain a visible voter registration service in those targeted areas.

To register voters, you must become a Deputy Registrar, a relatively simple process in most municipalities. The Registrar of Voters has the qualification materials. Deputy Registrars can solicit registration by setting up "voter reg" tables, going door-to-door, attending meetings, etc.

In most cases, petition signatures **cannot** be legally collected at the same table as voter registration. The tables must be separated by a specified distance. Check with the Registrar for requirements. You can provide official registration-by-mail postcards at your petition table. These are useful for those who "would like to sign, but aren't registered". Even though they can't sign the petition now, by registering they CAN vote the election.

Getting Out the Vote

As election day draws near, orient your campaign energies toward "getting out the vote" (GOTV). Concentrate on getting those who will probably support the initiative to the polls, rather than spending further time trying to convince opponents. Make sure the broader alliance is mobilizing their constituencies to vote. If the coalition is walking precincts, concentrative on swing districts first, then supportive areas, and only lastly upon conservative districts. GOTV phone calls permit maximum volunteer participation. Obtain phone numbers for different precincts from the phone company's address directory. People who are personally contacted are more likely to go to the polls. Provide transportation for those who need it, using your headquarters as a central dispatch center.

"Provide transportation for those who need it. . ."

Now That You've Won

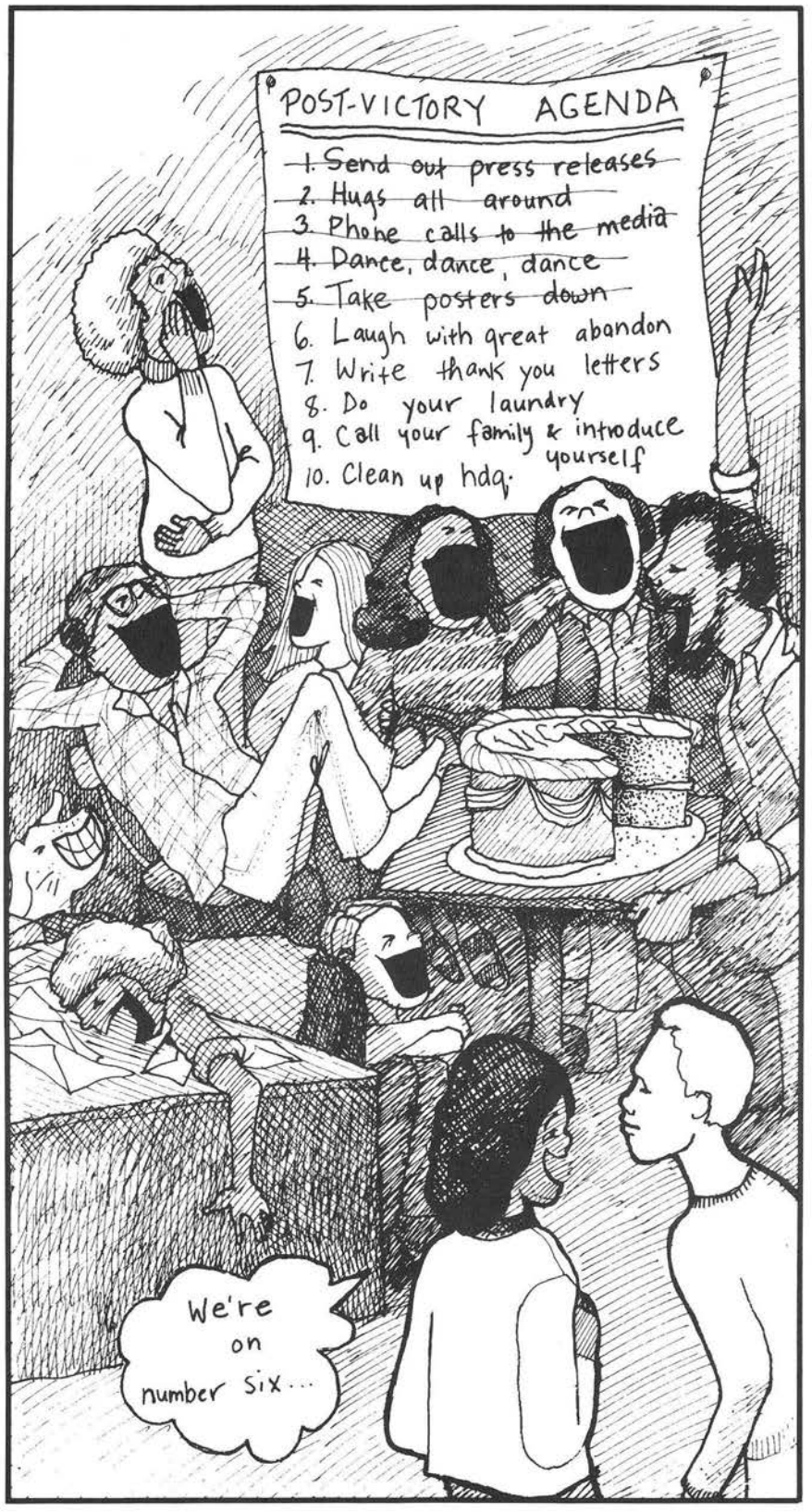
CONGRATULATIONS! But your work isn't finished yet. There are still a few tasks that need to be completed. It is a good idea to delegate post-election tasks **during** the campaign so that campaign workers will know and be prepared for these responsibilities **before hand.**

HAVE A VICTORY PARTY. You deserve a reward. Don't underestimate the need for release and high spirits to prevent political "burnout".

Send out press releases. Don't neglect national media, such as the New York Times, Los Angeles Times, the Washington Post, news-magazines, Jet, network TV and radio, and wire services. Remember you're part of an **international** campaign to stop loans to South Africa. Follow up press releases with phone calls to make sure your victory receives the attention it deserves. Be sure to send this release to all other Southern African liberation support groups. Contact $BOA if you need a list.

Write follow up/thank you letters to organizations and individuals who participated in your campaign. Ask that these organizations continue to support withdrawal by becoming involved in the initiative's implementation. Ask them to start campaigns within their own ranks, especially trade unions and religious organizations, if they haven't already done so.

Close checking accounts. Complete and file campaign financial statement forms with appropriate city and state offices. Be prompt and deliver forms in person or by **registered** mail. You can be fined for late filing.

Take down campaign posters and billeted leaflets. It's irresponsible and disrespectful to leave your residue in people's neighborhoods!

Have an evaluation session. From this session, develop your suggestions on how others can conduct their campaigns. Compile samples of all campaign materials to share with others. We would appreciate it if you would send your suggestions and materials to $BOA. With your permission, we will include these in any update of this manual.