

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

1. 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. The fact that 80% of black families in the Republic of South Africa live below the subsistence level, and that 3 out of 5 black children die before the age of 5 demonstrates the denial of human rights. Millions of dollars of public monies are invested by the City of Berkeley in banks and other financial institutions doing business with the Republic of South Africa. These monies support the racist anti-democratic 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 with the Republic of South Africa and reinvested according to a policy that takes ethical, social and economic considerations into full account.

2. For the purpose of this ordinance "public monies" are:

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2. (cont.) any monies invested by the Berkeley City Council with the specific exception of pension, deferred compensation, and other employee benefit funds.

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

b. The Committee shall recommend to the City Council:

1. Procedures for the withdrawal of investments of Berkeley public monies from financial institutions that make loans, direct or indirect, to the government of the Republic of South Africa, agencies of the government 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 operations within the Republic of South Africa.
2. Procedures for redepositing with all prudent haste Berkeley public monies in financial institutions which do not do business with South Africa , until the City Council adopts a comprehensive responsible investment policy;
3. A comprehensive responsible investment policy which maximizes the social and economic benefits to the people of Berkeley.

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4. The City Council shall be responsible for the 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 within one year of the passage of this ordinance.

Based upon the recommendations of the Citizens Committee on Responsible Investments, the City council shall adopt, prior to May 1, 1980, a comprehensive responsible investment policy for the City of Berkeley.

Following adoption of the comprehensive responsible investment policy the Citizens Committee shall be dissolved, unless the City Council directs it to continue.

5. It is a 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 with the Republic of South Africa.
6. 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.

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6. continued.
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.
7. No provision of this ordinance shall be construed to direct a violation of applicable federal or state investments laws.
8. 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.