

RESOLUTION ON USE OF STOCK

From: Ad Hoc Committee on Southern Africa of 1st Congregational Church

To: Congregational Meeting of February 27, 1972

BACKGROUND:

The white-ruled countries of southern Africa have in common an intransigent resistance to recognizing the rights of the non-white peoples who, in each case, form the large majority of the population. Instead, political power is still in the hands of a colonial power (in the case of the Portuguese colonies), or of white minority regimes (in Rhodesia and South Africa). In Namibia (South West Africa), South Africa remains in control in spite of World Court determination that its mandate is illegal. In all these countries, moreover, the inequality of political power is accompanied by extreme economic inequality, and by repression of any peaceful protest that might lead to change.

In South Africa the suppression of protest, long having applied to the African nationalist movements, now is touching even moderate whites (including many churchmen) who protest against the inhumanity which the system of white domination brings upon the African and other non-white peoples. Apartheid, the extreme "rationalization" of white domination which is South Africa's policy, carries segregation into all details of life, but its heart lies in its method of exploiting African labor. Africans are considered to have "rights" only in the reserve areas (13% of the land), so that those of them who work in the "white" areas are considered as if they were foreigners. All have to carry passes, and their movements are severely restricted and regulated in accord with the demand for African labor. They are not permitted to strike, or be absent from a job a single day without permission, and they can be "endorsed out" of the white area should they lose their job.

American businesses in South Africa cooperate with and benefit from this system. 15% of the foreign investment in South Africa comes from the U.S., second only to the former colonial power, Great Britain. This investment not only involves acceptance of the South African extreme form of racial discrimination, but also strengthens the power of the white regime, helping maintain prosperity for one segment of the population, and misery for the other. It contributes directly to both the military and economic strength of the regime, and gives moral support and legitimacy to the system.

For years African leaders have pleaded to the world to institute economic sanctions against South Africa, thus bringing economic pressure and perhaps forcing some concessions. To advocate such a policy within South Africa is now illegal. But South African nationalist leaders in exile, leaders of independent African states, and large majorities of the United Nations General Assembly have continued to advocate such a course. While few expect such action to bring down the White regime by itself, it would limit the strength of the White regime, which stifles change within and poses an increasing threat to independent African states as well. Americans may find the demand easier to understand if they remember Hitler's Germany, and ask how they might feel about business that helped to bolster Hitler's regime, while making their own good profits.

The American churches have a responsibility vis-a-vis southern Africa for several reasons: Because it is an extreme case of man's inhumanity to man, perpetrated in the name of Western, Christian civilization, and the Church is responsible to care for those in need. Because the American churches have had missions in southern Africa, which, while proclaiming freedom, have often collaborated with the white regimes, and the Church is responsible for its stance towards those Africans to whom it has preached the Gospel. Because the American churches have investments in many companies involved in southern Africa, and thus make money out of the suffering of the African people.

One way the churches have started to deal with this responsibility is by raising the question of the moral implications of their investments. Churches took the lead several years ago in demanding that ten American banks stop their loan to the South African government. They have presented resolutions to Gulf Oil about its support of Portuguese colonialism, to General Motors about its involvement in South Africa. This year several denominations have joined together, and are raising the same issue with a number of companies. They decided jointly the text of resolutions to be filed, and assigned corporations to specific denominations. The United Church of Christ was assigned Gulf and Mobil oil companies. IBM is the only corporation being approached this year in which the First Congregational Church Foundation is a stockholder.

Therefore the Ad Hoc Committee on Southern Africa of 1st Congregational Church in Madison, Wisconsin presents the following resolutions:

RESOLVED:

1. That the First Congregational Church Foundation be ~~instructed~~ to make its proxy on IBM stock available for support of

(a) the resolution being presented at the IBM annual meeting of April 26, 1972 by the Episcopal Church, which calls for full disclosure by IBM of its involvement in South Africa, its relations with the South African government, and the conditions of its workers there, and

(b) the resolution being presented at the 1972 IBM annual meeting by stockholder David Robinson (Yale history professor and member Southern Africa Task Force of the United Presbyterian Church, USA) asking IBM not to sell or lease any product to any agency of the South African government.

2. That individual members of First Congregational Church holding stock in Newmont Mining, American Metal Climax, General Motors, IBM, Mobil Oil, Goodyear, and Gulf Oil, be encouraged to make their stock proxies available for resolutions being presented to the annual meetings of those corporations calling for disclosure, or withdrawal of their operations from southern Africa, or (in the case of Newmont Mining and American Metal Climax in Namibia (South West Africa)), recognition of the United Nations as the legitimate governing authority.

3. That these resolutions be published in the Tower and in the press.

Appendices on South Africa:

1. On political rights for Africans:

"The fact of the matter is this: we need them, because they work for us, but, after all, we pay them for their work.....But the fact that they work for us can never...entitle them to claim political rights. Not now, nor in the future...under no circumstances can we grant them those political rights in our own territory, neither now nor never." (Prime Minister Vorster of South Africa, speaking in Parliament on April 24, 1968.)

2. On Africans in Urban areas:

The Bantu (Urban Areas) Act provides that no African is allowed to remain in an urban area longer than 72 hours unless he/she is able to produce proof that:

- (a) he/she has since birth resided continuously in such area; or
- (b) he/she has worked continuously in such area for one employer for not less than ten years; or has lived there with official permission for a continuous period of 15 years; or
- (c) she is the wife or unmarried daughter or that he is the son under 18 years of age of a man who qualified under paragraphs (a) or
- (d) he/she has been given permission to remain in the area by a labour bureau official.

3. On strikes:

"No employee or other person shall instigate a strike or incite any employee or other person to take part in a strike or in the continuation of a strike." (Bantu Labour (Settlement of Disputes) Act)

4. On Job Reservation:

The Minister of Labour can, by an official determination:

- prohibit the replacement of workers of one race by those of another race
- compel employers to maintain a fixed percentage of workers of a particular race
- reserve any class of work or specific jobs or work generally for members of a specified race.

5. On income:

The average white income per head is about \$133 a month. The average African income is about \$9.80 a month.

Whites, who form 19% of the population, control 69% of the national purchasing power.

While South Africa has enjoyed rapid economic progress, the disparity between the races has increased. For example, the ratio of average earnings of white and African miners in South Africa increased from 12 to 1 in 1936 to 18 to 1 in 1966. Dr. Francis Wilson of the University of Cape Town, estimates that in real terms the cash earnings of African miners in 1966 were possibly lower than they had been in 1911. (for further data of this kind see UN Unit on Apartheid document No. 7/71, where further references are given.)

6. On doing business in South Africa:

Neil Wates, managing director of Wates Ltd., one of the largest building companies in the United Kingdom, visited South Africa in

June 1970, to evaluate business opportunities there. In his report he comments:

"I must report that the idea of doing business in South Africa is totally unacceptable; we could not be true to the basic principles on which we run our business and we should lose our integrity in the process. We should have to operate within a social climate where the colour of a man's skin is his most important attribute and where there is virtually no communication between the races; we should be locked into this system. We should have to operate within an economic climate which is designed deliberately to demoralize and to maintain an industrial helotry; we should, in turn, profit from such exploitation and ultimately end up with a vested interest in its maintenance."

7. On the possibility of reform:

"Mr. Marais Viljoen, the Minister of Labour, told Cape Nationalists at their 1970 Congress he would act "within hours" if a White worker anywhere in South Africa was placed under the authority of a non-White....If a situation was brought to his notice in which a White worker was pushed out by a non-White, he would take the necessary action within a week." (Johannesburg Star, November 21, 1970)

Appendix to facilitate implementation

I own _____ shares of _____ stock and wish to

- ___ a. make my proxy(ies) available to support the resolution on southern Africa being presented at the corporation's 1972 annual meeting. Please send me details of how to do it.
- ___ b. Would be willing to myself attend the annual meeting and speak on behalf of a shareholder resolution on southern Africa. Please let me know the plans of the Project on US Investment in Southern Africa.

Name:

Address:

Phone

Call or send this form or comparable letter to either our church contact co-ordinating locally concerned people or directly to the national denominational contacts who are doing the filing of resolutions with corporations and planning to attend the annual meetings.

First Congregational Church contact:

Nancy Fowlkes
1562 Simpson
Madison, Wi. 53713
608-221-0700

for Gulf, Mobil:
Timonthy H. Smith
Council for Christian Soc. Act.
United Church of Christ
815 Second Avenue
N.Y. N.Y. 10017 212-MU2-3950

National contacts:

for Goodyear:
Dick Ice
American Baptist Home Mission Society
Valley Forge, Pa.

for Newmont & Am. Metal Climax
Bill Johnson
Episcopal Churchmen for So. Africa
14 W. 11th Street
N.Y., N.Y. 10011

for IBM, General Motors:
Everett Francis, Episcopal Church Center
815 2nd Ave. N.Y., N.Y. 10017

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