

REPORT OF ACTIVITIES OF UNITED STATES NGOS IN
SUPPORT OF ECONOMIC SANCTIONS AGAINST SOUTH AFRICA
TO THE INTERNATIONAL NGO ACTION CONFERENCE

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NGO ACTION CONFERENCE HELD IN GENEVA JUNE 30 - JULY 3, 1980

Recent campus, church, local, state government and trade union activities in the United States have resulted in a significant divestment from corporations doing business with South Africa. The bank campaign has persuaded many groups and individuals to stop doing business with South Africa. Widespread pressure has influenced the Democratic Party to include in the proposed 1980 platform a sentence, "urging complete divestiture by all public institutions of holdings in South Africa and full economic sanctions against that country as long as the policy of apartheid continues," (New York Times, June 21, 1980). All of these actions point to an increase in the number of people who are not only aware of the divestment issue but are also committed to supporting economic sanctions against the apartheid regime in South Africa. At the same time, with gold sales mushrooming, greater militarization and cold war resurgence, the links between apartheid and the United States continue to grow.

During the past several years college and university systems have divested more than \$47 million from corporations which support apartheid. Present local and state government actions require the divestment of over \$123 million and pending actions could push this total as high as \$300 million. Recent trade union actions involve the AFL-CIO, International Longshoremen's and Warehouse Union (ILWU), National Retail Workers' Union and the United Auto Workers (UAW) either through the divestment of their pension funds or withdrawal of bank accounts. Although divestiture from corporations active in South Africa has not been the major concern of the unions, the issue has helped to create a favorable environment for -- and is beginning to merge with -- the unions' battle over the investment of pension funds in runaway shops and anti-union businesses.

An indication of the success of the national Campaign to Oppose Bank Loans to South Africa is that there have been virtually no long-term loans made directly to the South African government from United States' banks in the last two years; and COBLSA is continuing to work with church people and trade unions to bring pressure on various groups to divest pension funds from banks which still have outstanding South African loans, or a policy which refuses to ban all future loans.

A more detailed account of recent actions involving campus, church, local, state government and trade union actions is outlined on succeeding pages.

Another element which will add impetus to the divestment campaigns is a report by representatives from two major universities, who have divested, that divestment has had no ill effects and may in fact be profitable. The University of Wisconsin divested \$9 million from firms with involvements in South Africa. After two years John Windsor, head of Heritage Investment Advisors, concludes that the university's portfolio has been reconstructed with no ill-effects as of yet. Michigan State University trustees announced, in January 1980, that not only had the securities divestiture program been carried out but the school had come out \$1 million ahead in the process.

Church Actions

The Lutheran Coalition on Southern Africa is urging national Lutheran denominations to adopt resolutions calling for divestment and opposing apartheid as a matter of faith. Seven out of thirteen regional districts of Lutheran churches have already passed such resolutions, and the synods of Western North Dakota, Pacific Northwest, Nebraska, Iowa, New York, and South West Minnesota have made bank withdrawals.

The American Friends Service Committee announced divestment of its investment portfolio in 1979. In March 1980, the Federation of Protestant Welfare Agencies in New York announced it will divest its investment portfolio of any stock linked to South Africa. Also in March, the National Council of Churches, Union Theological Seminary and the United Methodist Church joined forces and withdrew some \$65 million from Citibank to protest that bank's involvement in South Africa.

During their national convention, June 16-20th, the Reformed Church of America adopted a resolution stating that, "If those businesses in which we participate refuse to end their activities in South Africa, the Reformed Church in America, as an act of conscience and witness, should withdraw its investments."

In addition, American churches have filed, over the past ten years, a number of stockholder resolutions, some of which urge American corporations to withdraw support from South Africa. This Spring over 40 religious and educational institutions, owning more than \$39 million in stock in the companies, mounted a campaign involving 32 resolutions which were filed with 29 corporations and banks. This campaign was coordinated by the Interfaith Center on Corporate Responsibility.

Local and State Actions

Berkeley, Cotati and Davis, California; the State of Connecticut; Gary, Indiana; Cambridge, Massachusetts; East Lansing, Michigan; New York City; the Oregon Board of Higher Education and Madison, Wisconsin, passed various bills and resolutions seeking to break economic ties with South Africa.

1) The referendum the citizens of Berkeley, California, approved, mandating the removal of approximately \$4.5 million in public monies (with the exception of pension, deferred compensation, and other employee benefit funds) from banks and other financial institutions doing business in or with South Africa, is being carried out.

2) In Connecticut a bill was passed authorizing the state treasurer to ensure that no monies are invested in corporations doing business in South Africa, if the corporations have not signed the Sullivan Principles. There is, however, strong optimism that future legislation will remove Sullivan as a criteria because there is now support for this from trade unions, black legislators and others.

3) House Bill 1256, which would affect some \$150 million in the First National Bank of Chicago and Continental Illinois National Bank and Trust, was introduced in the Illinois House of Representatives in March 1979. Thus far, this bill has been held in committee but it is still alive and can be reactivated at the next session of the House in the Fall.

4) In 1979, the Massachusetts legislature passed a law banning new investment of pension funds in corporations and banks which had dealings with South Africa. In May 1980, a bill was passed requiring the selling of \$90 million previously invested. In addition, no funds are to be invested in any financial institution that makes loans to the South African government, nor in any company which either has 500 or more employees in South Africa or investments of \$10 million or more in South Africa.

5) This year also, two bills were put before the Michigan House by Representative Perry Bullard, and a third was put forward by Representative Virgil Smith. The Bullard bills would require state educational institutions (House Bill 4831) and pension funds (House Bill 4838) to sell investments in companies operating in South Africa. The third (House Bill 5446) would terminate all state business with banks making loans to South Africa, or to corporations or their subsidiaries in South Africa.

6) The Minnesota state Farm Labour Party Platform will consider a proposal stating that all municipal, city and state funds are to be divested from firms in South Africa.

7) Nebraska State Senator Ernie Chambers introduced Legislative Resolution 43 to the State legislature, which passed the measure on March 31, 1980. The resolution calls on the Nebraska Investment Council to review the list of corporations and banks which invest in South Africa and remove them from the approved list for investment of Nebraska trust funds. Approximately \$22,560,000 of Nebraska funds are currently invested in United States corporations that operate in South Africa.

Trade Union Actions

Pension funds total \$500 billion, which accounts for 20-25 percent of the stock in companies listed on the New York and American Stock Exchanges, according to a study by the Corporate Data Exchange (CDE) and the People's Business Commission (PBC). Thus, as major unions study ways of using their portfolios to support social and political priorities, divestment campaigns that appeal to union members become an increasingly important part of the picture.

The AFL-CIO, at its convention in Washington in Fall 1979, passed a resolution urging "total cessation of U.S. Government support for economic transactions with South Africa." The union is reportedly requesting its affiliates to divest pension monies from South Africa-related firms and to withdraw money from banks lending money to that country. One affiliate, District 1199 of the National Union of Hospital and Health Care Employees, whose pension fund has assets of \$236 million, had voted to divest the previous year and undoubtedly helped pave the way for the convention resolution. The labour and management trustees of the Fund declared that "no pension funds should be invested in any manner that would financially assist or aid or support the present government or economy of South Africa." The International Longshoreman's and Warehouse Union (ILWU) has also urged its affiliates to divest pension funds from South African related firms.

Under the terms of a contract the United Auto Workers (UAW) signed with the Chrysler Corporation, trustees of the Chrysler pension fund will not be able to make investments in five companies per year which the UAW identifies as having particularly bad records in South Africa.

Bank Campaigns

The following is a partial list of recent actions highlighting those which have obtained substantial results.

In Seattle, Washington, there are 109 local unions and 48 social organizations that have joined to put pressure on Seattle First National Bank. The three issues at stake are: a) loans to South Africa; b) recognition of a union of bank employees; and c) an end of loans to Chile. The weapon employed by these groups has been withdrawal of funds. In less than one year nearly \$200 million has been taken out of Seafirst.

The US National Bank of Oregon has publicly agreed to end loans to South Africa and promised to sell its stock from the Private Export Fund Corporation (PEFCO), a government agency involved in making loans to South Africa.

The District of Columbia bank campaign is focusing on Riggs National Bank. It is working closely with the Chilean groups which are also calling for the end of loans to the junta. A significant breakthrough came in April after the campaign had opposed the opening of a branch because of the bank's redlining activities. The Comptroller of the Currency announced that the mortgage lending policies of Riggs Bank would be investigated to see if it discriminated on mortgage loans as alleged. It is unusual that a major bank is investigated in this manner.

Conclusions

The US experience indicates the critical importance of linking anti-apartheid actions for divestment with other community issues and movements to encourage a successful result. In the United States, this means that opposition to US military collaboration with South Africa is linked to opposition to nuclear weapons and power; opposition to bank loans to South Africa is linked to opposing "redlining" of black neighborhoods, loans to Chile and racist, sexist and anti-union bank policies. The struggle for divestment of portfolios on campus is linked with the struggle for greater minority recruitment and programs on campus, while the struggle for divestment of pension funds is linked to the needs of unions to gain greater control over the uses of workers' funds and to stop runaway shops.

Many of these movements which anti-apartheid activists in the US make links with also have international counterparts. It is our recommendation that increasingly, at international strategy conferences, that representatives of civil rights, feminist, trade union, anti-nuclear, anti-draft and related groups be invited for full participation so that these links can be strengthened internationally.

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