Investments in South Africa and major corporations in previous years, virtually every company with direct investment in South Africa will receive shareholder resolutions calling for economic pressure.

**Direct Consultation with South Africans**

During the first two weeks of July 1991, ICCR sent a delegation of eight U.S. religious leaders to South Africa to assess current conditions and consult with South African religious, political, labor, government and business leaders; students, teachers, farmers, squatters, health and social workers, political prisoners and lawyers.

The delegation concluded that lifting sanctions now, on the national or local level, could cause serious setbacks to the process of change.

Hosted by the South African Council of Churches, Archdiocese of Durban and Archdiocese of the Province of the Church of Southern Africa in Cape Town, the trip was supported by ICCR-member groups and religious organizations in the delegation: African Methodist Episcopal Church, Episcopal Church, Evangelical Lutheran Church in America, Philadelphia Coalition for Responsible Investment, Presbyterian Church USA, Tri-State Coalition for Responsible Investment and United Methodist General Board of Pensions.

The delegation met with over 100 South Africans in the Johannesburg, Durban and Cape Town areas at the very time President Bush ended U.S. government sanctions. They also attended the annual meeting of the African National Congress and heard first hand from South Africans about President Bush's move.

**Premature End to Sanctions**

The delegation recommended economic sanctions be maintained to insure the end of apartheid and a transition to a nonracial democracy. They reported that not only has Pretoria failed to meet conditions intended by the U.S. Comprehensive Anti-Apartheid Act of 1986, the government retains the power to reverse all reforms and to enforce apartheid.

The delegation heard from South Africans that necessary conditions will have been met when power is transferred to a non-racial interim government, not part of apartheid. Only a genuine transformation and transfer of power will enable South Africa to rebuild on equitable, viable foundations.

The delegation also learned that when a democratic interim government is established, leaders for change in South Africa may call for an end to sanctions and the...
return of international investment. At that time South Africa’s democratically elected leaders will establish investment standards and priorities.

The Costs of Partnership with Apartheid

During the year ICCR members publicized the Shell Oil boycott on the local level, supporting the creation of five new “Shell-Free Zones.” Shell also suffered major setbacks because of its South African business. In San Francisco Shell was denied sponsorship of an exhibit at the San Francisco Fine Arts Museum. New Jersey Governor James Florio refused to renew Shell’s exclusive $250 million, five-year contract to operate service stations on the New Jersey Turnpike.

ICCR campaigners backed state and local legislation which bars government purchases from companies doing business in South Africa, pressuring IBM, the largest computer company in South Africa. Calling on IBM to cut its non-equity ties to South Africa, company employees and religious investors filed a shareholder resolution and actively protested IBM’s South African business at the company’s annual meeting. The resolution received 16.1 percent of the vote.

In the coming year, ICCR members will work with state and local political leaders and pension funds, unions, students and antiapartheid groups to advance the Shell boycott, sponsor shareholder resolutions and support selective purchasing legislation.

Profits, Apartheid and Pollution

Meanwhile, the American Cyanamid campaign escalated. During the fall 1990, ICCR hosted a strategy planning meeting of religious, labor, environmental and antiapartheid organizations and the visiting General Secretary of the South African Chemical Workers Industrial Union, which represents American Cyanamid workers in South Africa. ICCR then launched a campaign to send 20,000 postcards to Cyanamid’s chief executive officer from all parts of the U.S. The postcards called on American Cyanamid to support rights of its workers, stop exporting toxic wastes to South Africa, clean up environmental practices and sever all ties to South Africa.

ICCR also published a widely-circulated Corporate Examiner brief, “Profits, Apartheid and Pollution: American Cyanamid in South Africa.” On Human Rights Day in December 1990, religious, labor, student and environmental groups held a candle light protest at Cyanamid’s office in Wayne, New Jersey. Local antiapartheid, labor and environmental groups and religious and pension fund leaders also protested Cyanamid’s South African business at the company’s 1991 annual shareholder meeting in Portland, Maine.

No Banking on Apartheid

ICCR’s South African partners underscore that financial pressures have been among the most powerful levers for change. The goals of ICCR’s bank campaign last year were to sever correspondent banking ties, secure commitments not to extend the maturities of existing loans and stop banks from handling of South African American Depository Receipts (ADRs). Publicly traded in the U.S. and held in U.S. banks, ADRs are the equivalents of shares or percentages of shares in foreign companies, such as Anglo-American, De Beers and Barlow Rand. Three banks agreed to stop handling South African ADRs, including J.P. Morgan, which initiated the ADR system nearly seventy years ago and held the lion’s share of the South African ADR business. Religious investors sponsored resolutions and engaged in dialogue with U.S. banks with business ties to South Africa.

Next year religious investors will chip away at remaining banking ties to apartheid. ICCR members also will study and oppose new financial arrangements banks may consider as federal sanctions are lifted. Along with local, national and international antiapartheid coalitions, ICCR members will sponsor shareholder resolutions, reinforce local and state sanctions and demonstrate at bank headquarters and branches.

Intensive Action on MHT

Manufacturers Hanover Trust was the target of antiapartheid action in New York City. The local Immobilize Apartheid Coalition of religious, labor, civil rights, student, antiapartheid groups and ICCR, leafleted and demonstrated at MHT branches. One demonstration was addressed by Emma Mashanini of the Anglican Church of South Africa.

In an unprecedented strategy, ICCR and several other religious and community organizations formed the Citywide Responsible Banking Alliance to challenge MHT’s application to acquire branches of a financially-troubled savings bank. The Alliance charged the bank with failing to reinvest in Harlem while maintaining financial ties to South Africa. Though the challenge was rejected by the Federal Reserve Board (No community reinvestment challenge has ever been upheld by the Fed.), the bank agreed to put $250 million into low income communities in New York State during the next five years. MHT also committed not to convert South African short term debt into long term loans, leaving the unresolved issue of its correspondent banking ties.

In the coming year religious investors and antiapartheid activists will continue to target MHT and its new banking partner Chemical Bank, another money-center bank with ties to South Africa. During the summer 1991 MHT merged with Chemical Bank to form the second largest bank in the U.S. Both banks’ community reinvestment records will be examined and both will be pressed not to open new business relationships with South Africa with the easing of sanctions.