



News from State Representative Perry Bullard

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FOR FURTHER INFORMATION CONTACT:

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Barbara Eldersveld at (517) 373-1289

BILLS WOULD PROHIBIT STATE INVESTMENTS IN SOUTH AFRICA

LANSING--A state panel today approved legislation that would curb state investments in the country of South Africa. The proposals would require public universities to sell all holdings in companies that operate in South Africa and would restrict similar investments by public employee pension funds. The state would also terminate all business with any bank that made loans to that controversial nation.

The government of South Africa has been strongly criticized world-wide for its unique system of legal segregation that is known as "apartheid". This system legally keeps all political power and most economic influence totally under the control of white South Africans who make up less than fifteen percent of the nation's population.

State Representative Perry Bullard (D-Ann Arbor) has led the legislative effort to stop South African investments. Commenting on today's action, Bullard said, "Michigan citizens now have a vehicle to voice their concern about the intolerable policies of the Republic of South Africa, a country that brutally oppresses the majority of its citizens."

Bullard joined State Representative Virgil Smith of Detroit in condemning what they called "U.S. corporate support for apartheid. It is a well-known fact," they said, "that U.S. corporations in South Africa place a tremendous amount of capital and technology in the hands of the government. American capital and credit play a crucial role in assisting the South African government to continue its policies of racial discrimination," said the two Democrats.

"In fact," said Smith, "the more developed the economy of South Africa has become, the greater has been the degree of exploitation and oppression of the black majority."

(MORE)

SOUTH AFRICAN DIVESTITURE (CONTINUED)

The United States is the second largest investor in South Africa, and the supplier of almost one-third of its overseas credit. About 539 U.S. companies operate in South Africa with an aggregate direct investment of more than 1.7 billion (repeat, billion) dollars. According to Bullard, much of this investment goes to areas of key importance, such as motor vehicles, heavy engineering, and electronics and computers.

"Given these facts," said Bullard, "there can be no doubt that U.S. investments help support a brutal, racist regime in South Africa. The legislation we are proposing would ensure that workers' retirement funds are not used to support apartheid, and will also get our universities out of the business of supporting legal segregation," he said.

Bullard was quick to point out that South African divestment would not hurt pension funds or university portfolios. "When Michigan State University divested from South Africa," Bullard said, "they made a handsome profit of over \$1 million for the University portfolio. This demonstrates that there is no practical need to continue such investments. Further," he said, "private investment firms are now cautioning their clients against South Africa investments due to the volatile political situation in that country. Taxpayer money should not be placed in such precarious investments."

Bullard and Smith also expressed concern that a continuation of U.S. support for the South African government could eventually lead to another Vietnam-style embroilment.

"We much remember that corporations cannot work at odds with their host country," Bullard said. "They have to go along with existing policy, but at the same time, the blacks in South Africa will continue to organize for massive change. This eventually will put the U.S. on the losing side of a terrible civil struggle. We could easily end up in another Vietnam situation," he warned.

The most prestigious organization working for equality in South Africa - The African National Congress - has endorsed investment divestiture as the only meaningful action state institutions can take in expressing condemnation of apartheid. Nationally, the National Council of Churches, N.A.A.C.P. and labor organizations support withdrawal of investments from South Africa.

Other supporters of the bills include the American Friends Service Committee, Churchwomen United, the Women's League for Peace and Freedom, the Coalition for Peace and Justice, the Catholic Diocese of Lansing, and the Washtenaw County Coalition Against Apartheid.