PROFITS & PREJUDICE:
1987 UPDATE
ON INVESTMENT AND DIVESTMENT
IN SOUTH AFRICA

Lenora Davis, 1987

Clergy and Laity Concerned
PROFITS & PREJUDICE:

1987 UPDATE
ON INVESTMENT AND DIVESTMENT OF
ILLINOIS COMPANIES IN SOUTH AFRICA

By Ron Freund
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And
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The time has come. The moment of truth has arrived. South Africa has been plunged into a crisis that is shaking the foundation and there is every indication that the crisis has only just begun and it will deepen...It is the KAIROS or moment of truth... for apartheid.

--The KAIROS Document

In the fall of 1985, 150 religious leaders in South Africa released the KAIROS Document which called on the church in South Africa to take a clear and unequivocal stand in support of justice and abolition of the apartheid structure in South Africa.

While specifically addressed to communities of faith in South Africa, the document received widespread publicity throughout the world and has served as a catalyst for activity in Europe and the United States. This was exactly what the church leaders were hoping when they wrote, "Our hope is that it will stimulate discussion, debate, reflection and prayer, but, above all, that it will lead to action."

ACTION ON THE NATIONAL SCENE

Since the issuance of the KAIROS document many religious organizations in the United States have increased their activity with respect to divesting from South Africa. In October, 1985, the Board of Global Ministries of the United Methodist Church adopted criteria for phasing out their investments in companies involved in South Africa and in June of this year the Board began an orderly process of divestment.

The Union of American Hebrew Congregations (UAHC) adopted a resolution in 1985 which condemned apartheid and called on both the United States and Canada to adopt strict sanctions against South Africa. In addition, the UAHC directed their Board of Trustees to "boycott firms which engage in business in South Africa..." and to "divest the UAHC of all investments in corps doing business in South Africa" and "to cease the purchase of krugerrands and other South African gold coins."

In September of 1986, the U.S. Catholic Conference, representing the Catholic Bishops of the United States, decided to impose a timetable on South Africa. In their statement, the Bishops asserted,

If by May 15, 1987, the government of South Africa has failed to undertake significant progress toward the dismantling of the system of apartheid...then those agents managing the investment portfolio will be instructed to...institute a program for the prudent... divestment from business enterprises doing business in South Africa...

When this deadline passed without significant progress in South Africa, the U.S. Catholic Conference announced on June 9, 1987 that it was divesting $5.3 million in securities of U.S. companies with operations in South Africa.
The United Church of Christ (U.C.C.) has divested more than $100 million in the last few years and some of these funds are being divested from Illinois corporations doing business in South Africa. Nationally, the U.C.C. Pension Board has reduced its investments with companies with South African investments from $160 to $50 million. These companies now represent only 6.9% of its portfolio and investments in these remaining companies will be sold over the next two years. Locally in Illinois, the Illinois Conference of the United Church of Christ, which has some 371 congregations, has divested $250,000 from companies. The Chicago Theological Seminary, which is U.C.C. related, began divesting in 1977 and now has none of its $8.5 million in companies doing business in South Africa. Finally, the Community Renewal Society (which has $1,000,000 which it directly controls and $21,000,000 in investments it influences) is in the process of divesting the entire amount.

In June of 1987, Rev. Leon Sullivan, author of the Sullivan Principles, announced his opposition to continued corporate involvement in South Africa. While citing some progress achieved by U.S. companies, Sullivan pointed out that "the main pillars of apartheid still remain, and blacks are still denied basic human rights in their own country." Sullivan also called for a trade embargo with South Africa and the divestment of stocks and bonds of companies with business in South Africa. The American Committee on Africa (ACOA) stated that Sullivan's call "strips U.S. corporations of their last moral justification for continuing to do business in or with that country."

In response to pressure from religious communities, as well as student, civil rights, and labor groups, many communities have adopted legislation directed to curbing American investment in South Africa. Over 35 states and municipalities now have laws either requiring divestment or prohibiting purchases of products from companies with assets in South Africa. In many cases, both types of legislation are on the books. In August of 1987, the Interfaith Center on Corporate Responsibility (ICCR) sent letters to states and cities with such laws urging them to refuse purchases from the four major oil companies in South Africa: Mobil, Shell, Chevron, and Texaco. Clergy and Laity Concerned (CALC) has joined the boycott of these companies.

Similar actions have already had an impact. When the City of Los Angeles asked Ashland Oil to sever all ties with South Africa before doing business with the company, Ashland pulled out of South Africa. In the last two years more that 100 United States companies have sold their assets in South Africa.

While many U.S. companies have ended their direct investments in South Africa, there has been considerable concern about the nature of their divestment. For example, IBM, GM and Coca-Cola continue to do business in South Africa or Namibia through licensing and franchise agreements. As a result, new guidelines for divestment have been drawn up by 5 major anti-apartheid organizations (ICCR, ACOA, American Friends Service Committee (AFSC), Washington Office on Africa (WOA), and TransAfrica). They have defined a company as doing business in South Africa or Namibia if any of the following conditions obtain:
1) They have direct investments in South Africa or Namibia, or have entered into franchise, licensing or management agreements with or for any entity in those countries; or
2) They are financial institutions that have not prohibited new investments, loans, credit or related services, or the renewal of existing financial agreements, including those for the purpose of trade, with any entity in those countries; or
3) They have more than 5% of their common stock beneficially owned or controlled by a South African entity.

News organizations with operations in South Africa or Namibia which have as the sole purpose gathering or reporting the news are not considered to be doing business in those countries.

PAST ACTIONS IN ILLINOIS

Since 1977, when national Clergy and Laity Concerned (CALC) co-founded the Campaign to Oppose Bank Loans to South Africa, Metro Chicago CALC has played a leading role in mobilizing opposition to U.S. corporate involvement in South Africa. Through shareholder actions, pickets, boycotts and proposed legislation, CALC successfully limited bank loans to South Africa from First Chicago National Bank and Continental Illinois Bank. It was also successful in persuading Chicago media to refuse advertisements promoting Kruggerand sales when such sales were still legal.

In 1985, CALC broadened its agenda to include all Illinois companies involved in South Africa. Through the publication of Profits and Prejudice in the summer of 1985, CALC produced the first comprehensive study of the role of Illinois corporations in South Africa. It concluded that,

the South African affiliates of the 25 Illinois-based firms represent over $210 million in fixed investment... or about 8% of all U.S. firms' direct fixed investment there. The Illinois firms employ over 10,000 of the 130,000 employees of the U.S. firms at South African affiliates.

The study identified the five primary economic categories of Illinois companies' operations in South Africa:

1. Farm and earthmoving equipment;
2. Pharmaceuticals;
3. Industrial and mining operations;
4. Sales and distribution offices; and
5. Financial and contracting businesses.

More than half of the assets were concentrated in the three large agricultural corporations: Caterpillar, Deere, and International Harvester (now Navistar).
In addition to the Illinois based corporations, CALC also identified one major out-of-state financial concern to focus upon: Citicorp. The New York based Citicorp Corporation, the world's largest bank holding company, acquired First Federal Savings and Loan of Chicago in 1984, thereby making Citicorp a major Illinois financial center. Citicorp was the largest U.S. lender to South Africa, having participated in more than $700 million in loans to South Africa.

RECENT ACTION IN ILLINOIS

On June 9, 1987, Metro Chicago CALC announced a boycott of Citicorp Savings of Illinois to protest Citicorp's continued presence in South Africa. The boycott was immediately endorsed by the Illinois Conference of the United Church of Christ. Investors were urged to withdraw their accounts from Citicorp and place them with South Africa-free funds, such as Working Assets and local credit unions.

In response to the boycott announcement, a spokesperson for Citicorp stated, "... we feel by staying there (South Africa), we have a much larger voice."

Despite this public stance, Citicorp was already privately negotiating the sale of its South African subsidiary. A week after the announcement by CALC, Citicorp announced that it had sold its subsidiary to the First National Bank of South Africa. It also has stated its intention to sell its minority interest in Diners S.A. According to ICCR, the sale "sent shock waves' through the financial community" in South Africa. However, Citicorp is maintaining its correspondent relationship with South African banks. CALC will continue to monitor Citicorp's ties to South Africa.

The success of the Citicorp campaign can be directly attributed to a national broad grass-roots effort. During the course of the campaign, more than 60,000 postcards were sent to Citicorp's Chief Executive Officer, John Reed. In addition, demonstrations and leafleting were carried out across the country. Finally, religious institutions withdrew funds in excess of $125 million from Citicorp.

Chicago CALC has also endorsed a boycott of Revlon cosmetics called by Operation PUSH. Revlon is one of the largest cosmetic companies in the world and was acquired by MacAndrews and Forbes (M&F), a holding company conglomerate. In addition to Revlon, M&F also owns Technicolor and Consolidated Cigar Co. In 1986, M&F had total revenues of $2.99 billion according to Fortune Magazine. M&F is currently seeking a takeover of Gillette.

According to PUSH, Revlon operates a subsidiary in Johannesburg, South Africa with assets of $1 million. Despite its small size, M&F has not yet sold the subsidiary and the Revlon boycott seeks to pressure M&F into divesting. The boycott has also been endorsed by the National Organization of Women and the National Newspaper Publishers Association, a consortium of 224 black-owned publications.

PROFITS AND PREJUDICE UPDATE

In the past three years, more than 100 U.S. companies have withdrawn from South Africa. In light of this massive flight of capital, Metro
Chicago CALC commissioned an update of its study Profits and Prejudice. The study was divided into two major areas: Illinois companies which have withdrawn from South Africa, and those which have either invested or remained there.

A. Illinois companies which have divested.

The study found that 20 companies have sold their assets or terminated their direct operations in South Africa. The major companies which sold their assets are:

- Bell & Howell;
- Borg-Warner;
- Motorola;
- Kraft;
- Navistar (formerly International Harvester);
- Baxter Health Care Corporation (formerly Baxter Travenol Laboratories);
- Sundstrand Corporation;
- International Minerals and Chemical Corporation; and
- Sara Lee.

A complete list can be found in Appendix A.

B. Illinois companies remaining in South Africa.

According to our research, there are still 14 Illinois companies with assets in South Africa. In addition to those found in the original study, several additional companies were identified in the update. Primarily smaller companies, these are:

- ACCO World Corporation;
- Amsted Industries;
- Chicago Pacific;
- AM International; and
- Molex Inc.

A complete list of the companies is found in Appendix B.

Some companies refused to provide complete data on their operations in South Africa. However, from the data which they have disclosed, it can be stated that Illinois companies have more than $67 million in assets and employ over 4000 people in South Africa.

The largest companies are in the manufacturing and construction sector. The largest involvement is on the part of the subsidiaries of United States Gypsum (a holding company of which the principal subsidiaries are U.S. Gypsum and Masonite). In 1986, USG Corp. had net sales of $2.7 billion. USG Corp. are makers of ceiling supplies and hardboard. It employs 2300 people, over half of the total work force employed by Illinois companies in South Africa.

In terms of identified assets, the other major Illinois-based companies are Caterpillar Tractor, Deere & Company, Premark International, and Abbott Labs with almost $60 million of the total. Both Caterpillar and Deere are known for their farm and heavy construction equipment while Premark owns Tupperware, makers of kitchenware plastics.

AGENDA FOR ACTION

In light of the continued repression in South Africa and the failure of the present regime to engage in meaningful negotiations toward real power sharing, Metro Chicago CALC, along with other religious and human rights organizations, is continuing its campaign for human rights in South Africa.
During the coming months, we will be taking the following actions:

1) We will call on the City of Chicago to refuse to purchase any products or sign any contracts with any of the 14 companies based in Illinois which still have assets in South Africa. This is consistent with the legislation passed by the City Council on May 30, 1986. In the ordinance, the Council stated that,

the investment of City of Chicago funds in corporations and financial institutions engaged in business activities with the Republic of South Africa and Namibia contributes to the perpetuation of apartheid....

In the sections on implementation, the ordinance prohibited city funds from being deposited with banks which made, underwrote or participated in loans to the government of South Africa, its agencies or political subdivisions. In addition to the ban on investing in South Africa linked banks, the ordinance also limited contracts with South Africa. Section 2:26-26.2 states that

No person or business entity shall be awarded a contract or sub-contract after the effective date of this section unless that person or the executive officer...has certified by a sworn affidavit that...(it)...does not at the time of the award and will not for the life of the contract provide goods or services including computer software, hardware or technology to any apartheid enforcing agency of the national government of the Republic of South Africa or Namibia or any of their political subdivisions or agencies....

This section became effective on August 30, 1986.

Metro Chicago CALC and other religious and human rights organizations will meet with the City Purchasing Agent to determine to what extent the city is currently contracting with any of the 14 companies based in Illinois with South African operations. CALC will then ask the city to require sworn affidavits from the Chief Executive Officers of any of these companies and to terminate contracts with those companies which refuse to divest.

2) We will continue to monitor the activities of Citicorp in South Africa and issue a status report on their divestiture by the end of 1987.

3) We will call on all religious institutions as well as individuals to boycott the 14 Illinois companies with South African operations. We will urge them to divest their holdings in these companies and invest funds in South Africa-free funds such as Working Assets.

4) We will continue to support the Operation PUSH boycott or Revlon until the company terminates its operations in South Africa.
5) We will continue to support the Shell Oil boycott and the new action campaign against Mobil Oil.

Mobil Oil is the largest U.S. investor in South Africa. As of 1986, Mobil employed more than 3000 people in South Africa. With five subsidiaries operating there, the combined assets were in excess of $425 million in 1987.

Mobil buys and refines crude oil and distributes petroleum products through 120 supply depots and more than 1200 service stations. According to a report by ICCR,

Oil and its by-products are vital to the daily operations of key economic and political sectors including the police and military, airlines, trains, buses, trucks and cars... used throughout the country.

Mobil's own attorney said, "Oil is absolutely vital to enable the army to move, the navy to sail and the air force to fly..." Should Mobil refuse to alter its policies in South Africa, CALC will expand its boycott of Mobil Oil.

6) CALC endorses the "Program of Action" called for by the UN Conference on Namibia and the U.S. as adopted in July of 1987 including the immediate implementation of UN Security Council Resolution 435.
**TABLE A**

**ILLINOIS COMPANIES WHICH HAVE SOLD ALL ASSETS IN SOUTH AFRICA (JULY, 1987)**

<table>
<thead>
<tr>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegis (Parent of United Air Lines, Inc.)*</td>
</tr>
<tr>
<td>Baxter Health Care Corporation (formerly Baxter Travenol Laboratories)</td>
</tr>
<tr>
<td>Beatrice Foods (Beatrice Companies taken private in 1986.)</td>
</tr>
<tr>
<td>Bell &amp; Howell Company</td>
</tr>
<tr>
<td>Borg-Warner Corporation</td>
</tr>
<tr>
<td>Do-All Company</td>
</tr>
<tr>
<td>Dukane Corporation</td>
</tr>
<tr>
<td>Dun &amp; Bradstreet Corporation (Parent of A.C. Nielsen Co.)</td>
</tr>
<tr>
<td>GATX Corporation</td>
</tr>
<tr>
<td>Hayes/Ill Inc.</td>
</tr>
<tr>
<td>Heller Financial Inc.</td>
</tr>
<tr>
<td>Illinois Tool Works Inc.</td>
</tr>
<tr>
<td>International Minerals and Chemical Corporation</td>
</tr>
<tr>
<td>Kraft Inc.</td>
</tr>
<tr>
<td>Marmon Group Inc.</td>
</tr>
<tr>
<td>Motorola Corp.</td>
</tr>
<tr>
<td>Navistar Inc. (former International Harvester)</td>
</tr>
<tr>
<td>Sara Lee Corp.</td>
</tr>
<tr>
<td>Square D Corp.</td>
</tr>
<tr>
<td>Sundstrand Corp.</td>
</tr>
</tbody>
</table>

**Financial Institutions**

<table>
<thead>
<tr>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citicorp (has many outlets in Illinois)</td>
</tr>
</tbody>
</table>

*Allegis, which owns the Westin Hotel chain, has sold its equity interest in the Carleton Hotel of Johannesburg, South Africa. However, it retains a small ongoing management contract with the hotel.
<table>
<thead>
<tr>
<th>Name</th>
<th>Subsidiary</th>
<th>Assets</th>
<th>Employees</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott Laboratories</td>
<td>Abbott Laboratories, SA.</td>
<td>.25% of total $7.9m (est)</td>
<td>140</td>
<td>health care</td>
</tr>
<tr>
<td>ACCO World Corp.</td>
<td>Twinlock, SA.</td>
<td>NR</td>
<td>NR</td>
<td>NR</td>
</tr>
<tr>
<td>AM International, Inc.</td>
<td>AM International</td>
<td>NR</td>
<td>NR</td>
<td>Business equipment</td>
</tr>
<tr>
<td>Amsted Industries Inc.</td>
<td>Baltimore Aircfoil</td>
<td>NR</td>
<td>96</td>
<td>Cooling equipment</td>
</tr>
<tr>
<td>Caterpillar Tractor Co.</td>
<td>Caterpillar Pty. Ltd.</td>
<td>$20 million</td>
<td>78</td>
<td>Construction equipment</td>
</tr>
<tr>
<td>CBI Industries</td>
<td>CBI Constructors, SA.</td>
<td>$3-4 million</td>
<td>80-85</td>
<td>Construction Work</td>
</tr>
<tr>
<td>Chicago Pacific Corp.</td>
<td>Hoover, SA. Ltd.</td>
<td>NR</td>
<td>300</td>
<td>NR</td>
</tr>
<tr>
<td>Deere &amp; Co.</td>
<td>John Deere Pty. Ltd.</td>
<td>$25 million</td>
<td>339</td>
<td>Farm equipment</td>
</tr>
<tr>
<td>Foote, Cone &amp; Belding</td>
<td>Lindsay-Smithers/FCB (24%)</td>
<td>$8.668 million</td>
<td>201</td>
<td>Communications</td>
</tr>
<tr>
<td>FMC Corp.</td>
<td>FMC, SA. Ltd.</td>
<td>.1% of total ($2.5 m)</td>
<td>70</td>
<td>Machinery and fire engines</td>
</tr>
<tr>
<td>Molex Inc.</td>
<td>TTechnor Ltd. (joint venture)</td>
<td>NR</td>
<td>35</td>
<td>Electrical equipment</td>
</tr>
<tr>
<td>Nalco Chemical</td>
<td>Anikem, Ltd. (50%)</td>
<td>NR</td>
<td>249</td>
<td>Industrial chemical</td>
</tr>
<tr>
<td>Premark International</td>
<td>Tupperware Intl.</td>
<td>$7 million</td>
<td>130</td>
<td>Kitchenware plastics</td>
</tr>
<tr>
<td>USG Corp.</td>
<td>Masonite (67%)</td>
<td>NR</td>
<td>2300</td>
<td>Ceiling tiles, hardboard</td>
</tr>
<tr>
<td></td>
<td>Donn, Inc. (33%)</td>
<td></td>
<td></td>
<td>Ceiling suspension systems</td>
</tr>
</tbody>
</table>

**Total** $67.268 million  4023

Sources: Africa Fund, American Committee on Africa, Interfaith Center on Corporate Responsibility

Primary Research by Ron Freund, Consultant, Metro Chicago Clergy & Laity Concerned

Note: Revlon is owned by MacAndrews & Forbes (M&F), a Delaware holding company. It has assets of approximately $1 million in South Africa, according to Operation PUSH. CALC has endorsed the Operation PUSH boycott of Revlon.
APPENDICES

1. City of Chicago Ordinance
2. United Nations Conference on Namibia and the U.S. "Program of Action"
3. Working Assets Information
CHAPTERS 7 AND 26 OF MUNICIPAL CODE AMENDED
CONCERNING PROHIBITION OF INVESTMENT AND
USE OF CITY MONIES IN FINANCIAL
INSTITUTIONS DOING BUSINESS
WITH REPUBLIC OF SOUTH
AFRICA AND NAMIBIA.

The Committee on Intergovernmental Relations submitted the following report:


To the President and Members of the City Council:

Your Committee on Intergovernmental Relations, having had under consideration an
ordinance (which was referred on March 27, 1985) which prohibits firms doing business
with the Republic of South Africa or Namibia from bidding on contracts issued by the City
of Chicago and other steps to end economic ties with South Africa by amending sections to
the following chapters:

Chapter 7 Section 7-34 adding Section 7-34.2
Section 7-44 adding Section 7-44.1

Chapter 26 Section 26-26 adding Section 26-26.1 and 26-26.2
adding Section 26-27 and Section 26-27.1

This recommendation, as amended, was concurred in unanimously by the members of
the committee.

Respectfully submitted,
(Signed) ROMAN PUCINSKI,
Chairman.

On motion of Alderman Pucinski, the said proposed substitute ordinance was Passed by
yeas and nays as follows:

Yeas — Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Vrdoiyak, Huels,
Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia,
Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago,
Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski,
Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulte, Volini, Orr, Stone — 47.

Nays — None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said substitute ordinance as passed:

WHEREAS, The Republic of South Africa is the only nation whose laws mandate
discrimination and deprivation of basic human and political rights solely on the basis of
race and color under a legal system called apartheid; and

WHEREAS, Namibia is illegally occupied by the Republic of South Africa as found by
the International Court of Justice in 1971, which occupation allows for the exploitation of
Namibian people and resources by United States corporations and South Africa, and makes
the people of that country subject to a similar system of apartheid; and
WHEREAS. Such government mandated racial discrimination and deprivation of rights are repugnant to the substance and the intent of the Constitution and laws of the United States, of the State of Illinois and of the City of Chicago which protect persons from unjust discrimination; and

WHEREAS. The investment of City of Chicago funds in corporations and financial institutions engaged in business activities with the Republic of South Africa and Namibia contributes to the perpetuation of apartheid in those countries; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. (a) Section 7-34 of the Municipal Code of Chicago is amended by adding in italics the following new Section 7-34.2:

7-34.2. Notwithstanding any other provision of Chapter 7 of the Municipal Code of Chicago, no federal or state chartered bank, holding or trust company, or federal or state savings or building and loan association shall be designated as a Municipal Depositary unless the Chairman of the Board, Chief Executive Officer or his designee or any officer of the bidding bank or savings and loan association acceptable to the City Comptroller:

(I) certifies by a sworn affidavit that the institution from and after the date of certification will not for as long as it is designated as a Municipal Depositary:

(i) make, underwrite or participate in any loan or issue or participate in any letter of credit (other than loans or letters of credit outstanding as of the effective date of the certification) where the original debtor is the federal government of the Republic of South Africa or of Namibia or any of their political subdivisions, including Ciskei, Transkei, KwaZulu, Venda, Lebowa, KwaNdebele, Gazankulu, Kangwane, QwaQwa and Bophuthatswana, which are referred to by the government of South Africa as homelands, or their agencies, or parastatals, or to a national corporation of the Republic of South Africa or Namibia (defined as a company more than 50% owned by the government of the Republic of South Africa or Namibia);

(ii) sell, advertise or otherwise promote the sale of krugerrands or other coins minted in the Republic of South Africa or Namibia;

(iii) underwrite, purchase, or act as broker or agent for securities of the government of the Republic of South Africa or of Namibia or any of their political subdivisions, agencies, or parastatals, including but not being limited to the military, police, prison system or the Department of Cooperation and Development of the Republic of South Africa;

or

(iv) make or participate in loans to any third party where the expressed purpose of the loan is for use by federal government of the Republic of South Africa or of Namibia or any of their political subdivisions, agencies, or parastatals, including but not being
limited to the military, police, prison system or the Department of Cooperation and Development of the Republic of South Africa; and

(2) discloses by means of a sworn affidavit to the extent permitted by law all outstanding loans and existing lines of credit which the institution has or in which it has participated where the original debtor is the Republic of South Africa or Namibia or any of their political subdivisions, agencies, or parastatals, or any national corporation of the Republic of South Africa or Namibia, and states the timetable which the institution will terminate all such relationships.

(b) This section shall become effective and shall apply to all applications for certification made after the date of passage.

SECTION 2. (a) Chapter 26 of the Municipal Code of Chicago shall be and hereby is amended by adding the following new Sections 26-26.1 through 26-27:

26-26.1. No contract or subcontract may be awarded to the Republic of South Africa, Namibia or a national corporation of either (defined as a company more than 50% owned by the government of the Republic of South Africa or Namibia).

26-26.2. No person or business entity shall be awarded a contract or subcontract after the effective date of this section unless that person or the chief executive officer or his designee of that business entity has certified by a sworn affidavit that the person or business entity does not at the time of the award and will not for the life of the contract provide foods or services including computer hardware, software or technology to any apartheid enforcing agency of the national government of the Republic of South Africa or Namibia or any of their political subdivisions or agencies, including but not limited to the military, police, prison system or the Department of Cooperation and Development of the Republic of South Africa or any other entity listed in C.F.R. Part 385. This section shall not operate to bar any aircraft operator from using the City's airports.

26-27. The City may not purchase any goods assembled or wholly manufactured in the Republic of South Africa or Namibia, and all suppliers of goods to the City must certify by sworn affidavit that the goods they supply to the City were not assembled or wholly manufactured in the Republic of South Africa or Namibia.

Section 26-27.1 Sections 26-26.1, 26-26.2 or 26-27, shall not operate to prohibit the award of a contract where the following conditions have been met:

1. The Purchasing Agent of the City of Chicago and the head of the requisitioning department, if applicable, jointly certifying in writing to the Mayor that:

(a) The City is in need of goods, including spare parts or services, in order to either (i) economically operate equipment or systems purchased by the City prior to the effective date of this ordinance or (ii) meet public health or safety concerns; and

(b) The City cannot reasonably obtain goods, including spare parts, or services to meet such needs, because the proposed ineligible supplier is the only source for such goods.
including spare parts or services, or because other potential suppliers are also ineligible under this section; or

2. The Purchasing Agent and the head of the requisitioning department jointly certify in writing to the Mayor that:

(a) The lowest bid from a company or person who is in compliance with the provisions of Sec. 26-26.1, 26-26.2 or 26.27 exceeds by 3 or more per cent the apparent lowest responsible bidder; and

(b) It is not economically feasible for the City to enter into a contract on the terms offered by the lowest bidder who is in compliance with Sections 26-26.1, 26-26.2 or 26-27 for the particular goods or services in question.

(b) This section shall become effective 120 days from the date of passage and shall apply to all City contracts to the extent that such application is not inconsistent with federal or state laws, rules or regulations.

SECTION 3. (a) Section 7-44 of the Municipal Code of Chicago be and hereby is amended by adding the following new Section 7-44.1:

7-44.1 (1) Definitions. As used in this section unless the context otherwise requires:

(i) "Public funds" shall mean any and all City of Chicago funds in the City treasury as well as all general obligation bond and note funds, airport, water and sewer revenue bond funds, funds related to enterprise activities, general operating funds, deferred compensation funds and miscellaneous funds.

(ii) "Invested" shall mean the purchase of securities, stocks, notes, certificates of deposits, bankers acceptance, repurchase agreement, or any other obligations or securities all of duration of longer than 60 days.

(iii) "Financial Institution" shall mean any federal or state chartered bank or holding or trust company or federal or state savings and building and loan association, thrift institution or any other institution permitted by state or federal law to receive deposits of money and to pay out such money through loans, draft accounts or the sale of financial institution securities as well as securities brokers and dealers.

(2) Notwithstanding any other provision of Chapter 7 of the Municipal Code of Chicago, no public funds shall be invested or remain invested in

(i) any financial institution unless the Chief Executive or his designee of that institution certifies by a sworn affidavit that the institution has no outstanding loans or existing lines of credit where the original debtor is the Republic of South Africa or Namibia or any of their political subdivisions, agencies, or parastatals or to a national corporation of the Republic of South Africa or Namibia (defined as a company more than 50% owned by the government of the Republic of South Africa or Namibia), or to any company for the expressed purpose of investment in the Republic of South Africa or Namibia; or
(ii) the stocks, securities or other obligations or assets of any company or financial institution unless its Chief Executive Officer or his designee certifies by a sworn affidavit that the company or financial institution is not doing business nor does it have a subsidiary doing business in or with the Republic of South Africa or Namibia.

(3) No financial institution may serve the City in a trustee or other fiduciary capacity with respect to public funds unless the Chief Executive of or his designee of that institution certifies by a sworn affidavit that the institution does not as of the date of certification and will not for as long as it serves as a fiduciary:

(i) make, underwrite or participate in any loan or issue or participate in any letter of credit (other than loans or letters of credit outstanding as of the effective date of the certification) where the original debtor is to the federal government of the Republic of South Africa or of Namibia or any of their political subdivisions, agencies, or parastatals, or to a national corporation of the Republic of South Africa or Namibia (defined as a company more than 50% owned by the government of the Republic of South Africa or of Namibia);

(ii) sell, advertise or otherwise promote the sale of Krugerands or other coins minted in the Republic of South Africa or Namibia;

(iii) underwrite, purchase or act as a broker or agent for securities of the government of the Republic of South Africa or of Namibia; or

(iv) make or participate in loans to any third party where the expressed purpose of the loan is for use by the federal government of the Republic of South Africa or of Namibia or any of their political subdivisions, agencies, or parastatals, including but not being limited to the military, police, prison system or the Department of Cooperation and Development of the Republic of South Africa; and

(b) This section shall become effective two years from the date of passage.

SECTION 4. This ordinance shall not be enforced against any person or in any circumstances where such enforcement would violate the Constitution of the United States or the State of Illinois.

SECTION 5. If any provisions of this ordinance, or application thereof to any person or circumstances, shall, for any reason, be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair or invalidate the remainder of this ordinance and the application of such provision to other persons, firms, corporations, public agencies or circumstances, but shall be confined in its operation to the provision, clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent of the City Council that this ordinance would have been adopted had such unconstitutional or invalid provision, clause, sentence, paragraph, section, or part thereof not been included.
Reaffirming the inalienable rights of the Namibian people to freedom and self-determination;

Denouncing the illegal occupation of Namibia by the racist regime of South Africa;

Recognizing the unique role of SWAPO as the sole and authentic representative of the Namibian people in their struggle for national liberation;

Affirming the right of the Namibian people to use all appropriate means, including armed force, to achieve the liberation of their country;

Recognizing that the United States Government has consistently presented a major block to the achievement of freedom by the people of Namibia;

We demand of the Reagan Administration effective action to bring about the immediate implementation of United Nations Security Council Resolution 435 including:

(1) The abandonment of the false doctrine of "linkage";

(2) An end to all aid to UNITA, direct or indirect, covert or overt; and

(3) Immediate imposition of comprehensive mandatory sanctions against South Africa.
We declare our solidarity with SWAPO and pledge ourselves to intensify our work in support of the valiant struggle of the Namibian people. We commit ourselves to increasing our efforts to assist the trade unions, churches and all other progressive organizations of the Namibian people in their struggle for independence.

We therefore call for support for the following Program of Action:

We pledge ourselves

1. To present the situation in Namibia as a choice between apartheid's colonial and repressive domination of the Namibian people and their legitimate right to self-determination, in order to situate the struggle in Namibia within a regional context and focus attention on SWAPO's war of liberation.

2. To select appropriate days for national mobilization on Namibia, such as "Namibia Day," August 26 and May 4, the commemoration of the racist regime's brutal Cassinga massacre.

3. To expand and develop material aid campaigns to further educate the American people and provide needed assistance to the liberation movement.

4. To strengthen grassroots ecumenical education and advocacy in support of SWAPO and the struggling Namibian people.

5. To develop direct union-to-union contact between trade unionists in the United States and their counterparts in the National Union of Namibian Workers and its affiliates. To further this goal resources should be devoted to enhancing trade union support for Namibian workers through such means as a tour of the United States by Namibian workers.

6. To provide materials and information on Namibia to facilitate communication between concerned individuals and organizations and help develop new constituencies with a potential for action around Namibia.
particularly in the black community, the religious community, trade unions and among the youth.

7. To expand the intentional and consistent use of current information on the situation in Namibia as a tool to educate and pressure members of Congress and other elected officials to develop and implement a U.S. policy in support of Namibian independence.

8. In this regard, to immediately mobilize support for the Dymally resolution, HR 131, and to pressure our representatives to co-sponsor this legislation.

9. To endorse and support the !Ai-Gams Declaration and to fully commit ourselves to the spirit of this statement adopted by the Council of Churches in Namibia, SWAPO and a wide variety of patriotic and cultural organizations in Namibia. In a spirit of solidarity the conference adopts the principle points of the !Ai-Gams Declaration as a guide to action for U.S. activists.

10. To demand the immediate withdrawal of all foreign, and particularly U.S., corporations from Namibia.

Recognizing the contribution this seminar has made to the development of support for the implementation of United Nations Security Council Resolution 435 in the United States this conference calls for the convening of similar regional conferences in the future. Further the conference urges the Council for Namibia and the office of the UN Commissioner for Namibia to continue and expand the work being done to produce and provide popular materials and resources for public education, thus strengthening the capacity of concerned activists to build a U.S. movement in support of Namibian liberation.
APPENDIX

As concerned United States citizens we affirm:

1. The inalienable rights of the Namibian people to gain their self-determination and independence now;

2. The inviolability of the territorial integrity of their country and their commitment to One Namibia, One Nation;

3. The international status of Namibia and the obligation of the international community; and

4. That United Nations Security Council resolution 435 is the only peaceful, democratic way of achieving an internationally recognized independence for Namibia.

Consequently, we commit ourselves to:

1. Mobilize and conscientize the American people so as to actively support the struggle for liberation in Namibia;

2. Embark on a campaign of positive action aimed at bringing about the immediate and unconditional implementation of United Nations Security Council resolution 435;

3. Work towards the abolition of the so-called Transitional Government and its replacement by an internationally recognized and democratically elected Government truly representative of the Namibian people; and

4. Encourage congregations of various faiths to provide material aid to the suffering people of Namibia.
If you've left your money in an ordinary bank or money market fund, chances are that some of it's working night and day to strengthen apartheid in South Africa.

Money you've set aside could also be financing missiles and warheads, nuclear power, or job discrimination in the United States. Because bankers invest your savings where they—not you—see fit.

**A Practical Alternative**

Now there's a sure way to earn high current interest—without supporting apartheid. At Working Assets Money Fund, your money works for, not against, your principles. For example, we carefully avoid investing your money in companies that have operations in South Africa, manufacture weapons or produce nuclear power.

**Higher Interest, Too**

What's more, Working Assets pays higher interest than most banks*. You can write an unlimited number of free checks... withdraw at any time without penalty... and know that your money is safe.

To learn more, simply write or call for a free prospectus. You have nothing to lose. And what you'll gain is worth far more than money.

*Based on 18% yields of money market checking accounts at America's 50 largest banks and thrirs, as reported in Bank Rate Monitor. Working Assets yields fluctuate daily and principal is not insured. $1,000 minimum investment.

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**Earning Interest On Your Principles**

For more information, clip and mail to: Midwest Associate
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Evanston, IL  60202