Clergy and Laity Concerned (CALC) today released a report, "Profits and Prejudice", showing that Illinois-based corporations' investments in South Africa total almost 10% of total U.S. investments there.

"Illinois-based firms have almost a quarter-billion dollars invested in their South African operations", said Norman Watkins, author of the report. "Yet their operations, like those of all other U.S. subsidiaries there, do not break the laws which support racial segregation, nor do they challenge the government of South Africa directly."

The report shows that Illinois firms play major roles within the South African economy. The big three Illinois truck and tractor firms - Caterpillar, Deere, and International Harvester - have a total of $112 million invested in South Africa, or over 4.3% of total direct US investment there (estimated at $2.6 billion by the State Department and others). Four other firms - Borg-Warner, CBI, International Minerals & Chemicals, and Motorola - each sell or build over $5 million in strategic goods annually (automobile, oil-refining, mining or electronic equipment respectively). The 31 Illinois-based firms together employ more than 10,600 South Africans, almost 10% of the 116,000 employed by all US subsidiaries there.

The report also disclosed that seven firms which together employ over 1500 people are not signatories of the Sullivan fair-employment principles (the seven are AM International, Bell & Howell, A.C. Nielsen, Beatrice, GATX, Marenmont, and G.D. Searle). Nonwhite labor unions have sought recognition by management of the South African operations of several firms - Baxter, Borg-Warner, International Harvester, Motorola, and the Masonite division of US Gypsum - which was granted by the...
first three of these firms.

The report, "Profits and Prejudice", has in-depth discussions of the disinvestment movement on South Africa, the role of US investments and fair-employment codes there, and major Chicago banks' loan policies on South Africa. All 31 Illinois-based firms in South Africa are profiled, using original research in most instances.

Clergy and Laity Concerned (CALC), publisher of the study, is a religious organization long involved in educational activities on the South Africa issue. CALC also pursues projects on nuclear disarmament and on Central America, and maintains a counseling network for young people considering their options regarding military service.

The report is intended to help pension funds, labor and religious groups, and others to evaluate their positions and participate more effectively in the U.S. policy debate on South Africa. It will be used in developing further corporate-responsibility proposals to the firms profiled, and is also intended to serve as a model for similar studies by groups in other states.

Copies of the book are available for media review. Call Clergy and Laity Concerned, 899-1800, regarding this availability.

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Contact: 899-1800