Legislative Action Against Apartheid:
A Case Study of the Connecticut Campaign

States from New England to the West Coast are taking up the question of their financial links with apartheid South Africa. In Connecticut, a state-wide committee has worked for more than three years to build support for legislation that would prohibit the investment of state funds in corporations that operate in South Africa. The American Committee on Africa asked the Connecticut Anti-Apartheid Committee to provide information on the campaign in their state. Because the campaign was well organized and because it demonstrates the process and the issues involved in legislative work, the experience of Connecticut can be of value to others across the country who seek to pass similar legislation.

Overview
The groundwork for legislative action in Connecticut began in August, 1978 when the Connecticut Anti-Apartheid Committee held its first meeting. People from trade unions, community groups and churches who had a background in anti-apartheid work began a campaign to educate Connecticut citizens about South Africa and to develop the support needed to pass divestment legislation. Pamphlets and fliers were distributed, endorsements from key individuals and organizations were obtained, and the issue was made prominent in the press. When legislation was introduced in 1980 and again in 1981, Committee members testified at hearings and engaged in intensive lobbying. Research was done on Connecticut investments so that the Committee could argue convincingly on the economic viability of divestment. The 1981 bill required the state to sell $200 million worth of stocks and bonds invested in multinationals active in South Africa. It passed both houses of the legislature with a better than 2/3rds majority. But the Governor, pressured by corporations, vetoed the bill. An energetic effort to override the veto achieved the majority support of the legislature but not the necessary 2/3rds. With more support and determination than ever, the Connecticut Anti-Apartheid Committee is preparing for the 1982 legislative session.

Organizing Support
The impetus for legislative action came in 1978 when Lt. Governor Killian reported to the press that state pension funds were invested in corporations that operate in South Africa. The release of this information prompted the formation of the Connecticut Anti-Apartheid Committee. Several people with an interest in anti-apartheid work called a meeting to see what could be done. Beginning in the fall, the Committee organized a variety of educational activities dealing with the many aspects of the South African issue.

One of the first activities was the distribution of a pamphlet which called for divestment legislation and included the names of endorsing organizations and prominent individuals. Among the endorsers were the Connecticut State Labor Council, the Hartford Labor Council, Operation P.U.S.H. of Hartford, the Hartford NAACP, and a number of state representatives. Unions representing state employees, especially the Connecticut State Federation of Teachers, the Connecticut Education Association, and District 1199 of the New England Health Care Employees, were considered particularly important in this endorsement effort because it was the investment of their pension money that was going to be debated.

A monthly newsletter was sent to more than 500 people, a regular column was published on South Africa in the
**The 1980 Legislative Campaign**

The actual legislative work began in 1980. Representative William Dyson introduced a bill calling for the state to divest its stocks and bonds from companies with investments in South Africa. To prevent the bill from being killed in the Appropriations Committee, Dyson allowed the legislation to be amended. The amended bill called on the State Treasurer to review investment policies of the state to ensure that no monies be invested in corporations doing business in South Africa which had not adopted the Sullivan Principles.

The Sullivan Principles, which are a code of conduct for US corporations operating in South Africa, became the first substantive issue to be dealt with. The Anti-Apartheid Committee took on the task of educating its constituency as well as many legislators about the inadequacies of the Principles. They allow corporations to continue their operations in South Africa, thus strengthening the status quo. In no way do they challenge the fundamental structure of apartheid nor do they address the question of the total denial of political rights to blacks in South Africa.

An attempt to delete the Sullivan Principles failed, and the bill became law in its weakened form. In spite of this setback, the benefits of the 1980 effort were not insignificant. Legislative involvement in the South African issue was established, and the Anti-Apartheid Committee gained valuable political experience.

In preparation for the 1981 campaign, the Committee addressed itself to the most substantive issue, that of the financial consequences of divestment. Thorough research of pension fund investments was undertaken. This involved a careful analysis of the state treasurer’s report. A list of corporations operating in South Africa was obtained from the American Committee on Africa.

It was found that the yield on Connecticut’s investment in stocks had generally been disappointing. Over a five year period, when approximately one half of pension fund capital had been invested in the stock market, the rate of return was only 6.7 percent. The Anti-Apartheid Committee pointed out to legislators that alternatives such as purchase of Certificates of Deposit, Fannie Maes (Federal National Mortgage Association), etc. guarantee a comparable or better rate of return. The alternatives options had the added benefit of encouraging employment and economic activity in the state. The alternatives were offered only as suggestions and not made a requirement for divestment.

**The 1981 Legislative Campaign**

In January 1981, a bill was introduced calling on the state to divest from all stocks and bonds of companies with activities in South Africa. The bill was referred to the Finance Committee which held public hearings in late February and early March. The Anti-Apartheid Committee organized extensively around the hearings, and a wide range of supporters testified or submitted written statements.

The Chairperson of the Anti-Apartheid Committee, Christy Hoffman, gave extensive testimony before the Committee which was a joint committee of the House and Senate. She dealt at length with the question of the Sullivan principles, and why they are irrelevant to meaningful change in South Africa. She answered questions about the financial impact of divestment and the effect of divestment on black South Africans. Other speakers included a representative of District 1199 of the New England Health Care Employees Union, a representative of the Connecticut State Federation of Teachers, and the immediate past president of Hartford’s AFSCME Local.
1716. Excerpts of important testimony were compiled by the Committee into a flier and distributed to every legislator. This was one of the most useful fliers of the campaign, giving many legislators the assurance they needed that the bill had a wide base of support.

At the start of the session, the only influential legislative backing for the bill came from William Dyson, head of the state's legislative black caucus. His endorsement and involvement were critical throughout the campaign. Another key representative was the House Chair of the Finance Committee Irving Stohlberg. He had earlier supported the inclusion of the Sullivan Principles and had to be persuaded on full divestment. Testimony from the Anti-Apartheid Committee during hearings and the wide support for the bill convinced him to pledge his backing. The bill was approved by the Finance Committee after one-to-one lobbying of each member by Anti-Apartheid Committee members.

In April, with the bill out of Committee, the real lobbying campaign began. Anti-Apartheid Committee members assisted legislators in preparing their presentations for the floor, working particularly with Representative Carry Perry who raised the bill in the House. Several members of the Committee lobbied consistently at the State Capital. The aim of this intense work was to educate and strengthen support and identify weak or opposition legislators. Once a neutral or negative position was discovered, the person became a target of pressure from influential community and labor leaders, as well as from his or her constituency. For example, both the speaker of the House and the House Majority Leader received phone calls from the president of the Connecticut Federation of Teachers, among others. At the same time, other Committee members made phone calls and wrote letters to representatives and senators around the state.

In any such campaign, the key people are the majority and minority leaders and their assistants, the speaker of the House, black legislators, senior representatives from large city delegations, especially those with an established reputation on financial and appropriation issues, and the state treasurer. It was important to establish some sort of contact with all of the people in these positions. Committee members visited even those legislators in the leadership of the Republican Party with whom there was virtually no hope of gaining support in an effort to neutralize their opposition. In some cases, minor differences on questions about the bill were ironed out through discussion. In one meeting an influential representative suggested an amendment to clarify the bill. Committee lobbyists then had new wording drafted and introduced in cooperation with the bill's author.

The Anti-Apartheid Committee stressed that Connecticut was not acting alone on this issue and that South Africa is the focus of an international campaign. A pamphlet put out by the Campaign Against Investment in South Africa which describes a nation-wide divestment effort was useful in this regard.

In Connecticut, the treasurer, Henry Parker, is a leading black politician, and politically he was under great pressure to support the bill. Personally, he favored the Sullivan approach. The Anti-Apartheid Committee met with him twice in April. A pension analyst was involved in one of these meetings to help demonstrate the feasibility of reinvesting pension funds. The Committee made available to all legislators a statement on the financial viability of divestment.

In an unrelated action, the treasurer had announced that $400 million worth of pension funds invested in stocks would be made available to finance 12,000 mortgages in the state (Yankee Mac). This demonstrated that alternatives could be developed.

When the vote finally came, the bill passed the House by 101 to 35 on May 26, and by a similar margin in the Senate on June 1st. The careful research and documentation that had been done and the wide popular support that had been mobilized clearly paid off. The bill had become what one senator called "a Motherhood issue." To be against it was to be for racism. In addition and most significantly, there was no organized opposition.

**Opposition**

Organized opposition to the bill did not begin until after the bill's passage. While this made the legislative process easier, it is something that cannot be counted on for the future. It is possible that some of the corporations did not expect the bill to gain such momentum, and be carried along to victory. It is clear that they preferred putting behind-the-scenes pressure on the governor to veto the bill rather than publicly lobby against a popular issue.

After the bill passed, Connecticut corporations launched a quiet effort to defeat it. At least twelve representatives of major Connecticut based corporations held a meeting with the State Treasurer to voice their opposition. Those present included representatives from General Electric, Hartford National Bank, United Technologies, Connecticut Bank and Trust, and the insurance companies Aetna and Connecticut General.
House Bill No. 5740  
PUBLIC ACT NO. 81-418  
AN ACT CONCERNING THE STATE INVESTMENT POLICY IN RELATION TO SOUTH AFRICA.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) The state treasurer shall review the invested assets of all state funds to ensure that no such assets are invested in: (1) Any financial institution making loans to the Republic of South Africa, a national corporation of the Republic of South Africa or a subsidiary or affiliate of a United States company operating in the Republic of South Africa or (2) any stock or obligations of any company doing business in the Republic of South Africa. On or after the effective date of this act no such assets shall be invested in any such institution or any such stock or obligations and any such assets so invested on said date shall be divested within a reasonable period of time as determined by the state treasurer, provided such disinvestment shall not force the state to incur a financial loss.

Section 2. Section 3-13f of the general statutes is repealed.

Section 3. This act shall take effect from its passage.

The Veto

On July 1st, Governor O'Neill was moved by corporate pressure to veto the bill. In his veto message he wrote that “House Bill 5740 is too sweeping in nature.” He claimed to be in full agreement with the good intentions of the sponsors but cited several reasons for the veto. The bill, he said, punishes state firms which have made efforts to improve conditions by means of the Sullivan Principles. This, he contended, creates a bad business climate in the state which may lead to a loss of jobs. Further, according to O'Neill, the bill raises problems regarding the efficient investment of state funds. Finally, the Governor stated that the bill is not clear on whether or not companies must be located in South Africa, or simply trade with South Africa.

The veto was by no means the end of it. The Anti-Apartheid Committee responded through letters to the legislators, newspaper articles, radio interviews and a press conference. At the press conference members of religious, civil rights, community and labor organizations spoke in favor of the bill. This was the broadest display of public support yet to come together and was considered very successful. Operation P.U.S.H. of Hartford and the Hartford Black Ministerial Alliance became particularly active at this time. Telephone calls and other lobbying were at their peak in terms of broad participation. The Committee argued that the Governor had shown himself to be easily influenced by business, that the state was being governed through backroom deals, and that the job-loss argument was economic blackmail carried to its most ridiculous extreme. The governor's claim that the bill lacked clarity on the question of investment in or trade with South Africa was also a false issue. The matter had been clarified through amendment, through debate on the floor, and in a letter from the sponsoring legislator. The bill did not concern itself with trade but only with corporations with direct investments in South Africa.

By July 20 when the session of the legislature to reconsider vetoes opened, the divestment bill had become, as the New York Times put it, “The most emotionally charged bill before the legislature....” It was apparent that those in favor of maintaining the veto were reluctant to be publicly associated with that position. There was little debate or response to the governor's arguments. Legislators, especially Democrats, weighed public support for the bill against the cost of breaking ranks with the Governor and the Party, and this consideration was key to the outcome. The final vote in the House was a majority but not enough to secure the two thirds majority needed to override the veto.

Planning for the Future

One of the results of the 1981 legislative campaign and the governor's veto is that Governor O'Neill has set up a Task Force to recommend to the state how it can best deal with the issue of apartheid. The fact that at least two members of the Anti-Apartheid Committee have been appointed to the Task Force, primarily as a result of union recommendations, demonstrates that the work of the Committee is widely respected and that it is a force that cannot be ignored.

In the meantime, organizing for the next legislative session has already begun. This time, since the opposition is already mobilizing in full force, the range of support must be broader, more visible and more active at all stages of the lobbying process.

The public outcry at the time of the veto bodes well for the future. Early legislative planning meetings have already been scheduled and will include wide representation from groups and legislators around the state. The Anti-Apartheid Committee will redouble its efforts to break the links between the State of Connecticut and apartheid South Africa.