NEW LEGISLATION WILL FORCE WITHDRAWAL OF $300 MILLION FROM SOUTH AFRICAN RELATED CORPORATIONS

New York, N.Y. January 7 .... The American Committee on Africa announced today that state and municipal legislation passed in 1982 will force the withdrawal of up to $300 million in public funds from companies doing business in South Africa. Massachusetts, Michigan, Connecticut and the city of Philadelphia all enacted divestment legislation last year. Their actions reflect a growing conviction that U.S. investment in South Africa strengthens that country's racist system of apartheid.

The legislation was the result of a prolonged effort involving concerned legislators, civil rights organizations, churches, labor unions and campus and community groups. Major opposition came from the South African government and corporations with investments in South Africa, especially Ford Motor Company which has $213 million invested in South Africa.

The Massachusetts law, which was enacted only after the legislature overrode a veto by Governor Edward King as the year ended, may have the greatest long range significance. It is the most comprehensive divestment legislation passed by any state and is likely to become the model for bills in other states and cities.

All Massachusetts state pension funds will be required to sell stocks and bonds in companies doing business in South Africa. It is estimated that $100 million worth of securities will be sold.

The Massachusetts law was sponsored by State Representative Mel King and State Senator Jack Backman. It received strong support from Mass. Divest, a statewide coalition of civil rights, religious, labor and community groups which has been campaigning for this type of legislation for the past three years.

On June 4 the Philadelphia City Council unanimously decided to make Philadelphia the first major American city to pass a divestment ordinance. Mayor William Green promptly signed the ordinance which the city finance department estimates will result in the sale of $60 to $70 million in securities from the city's pension funds.

Michigan adopted legislation in December requiring public educational institutions in the state to sell all investments in corporations operating in South Africa. The State university system will have to sell approximately $60 million in securities. Michigan law already prohibited depositing state funds in any bank making loans to South Africa.

State Representative Perry Bullard sponsored both bills. State Representative Virgil Smith has announced that he will introduce a bill dealing with public pension funds, similar to the one passed in Massachusetts, in the next session of the Michigan legislature.

In June Connecticut passed a law which is expected to result in the sale of $70 million worth of securities in South Africa related corporations. The state has already announced plans to sell $13.4 million in stock in four
companies. The legislation directs state pension funds to sell the securities of all companies providing strategic products or services to the South African government or whose South African affiliates do not recognize the right of black workers to organize and strike. The Connecticut Anti-Apartheid Committee, which campaigned for passage of the bill, has declared that it will now press for total divestment.

These divestment laws are seen as the beginning of a national trend away from investment in South Africa. In 1983 introduction of similar legislation is planned in Minnesota, Kansas, California, Oregon, Michigan and Texas as well as in the cities of Minneapolis and St. Paul. Many colleges and universities, religious organizations and labor unions have acted to withdraw funds from corporations and banks doing business in South Africa.

Judge William Booth, president of the American Committee on Africa, one of the nation's leading anti-apartheid organizations, expressed satisfaction with the new legislation. "These legislative victories reflect the American people's growing outrage at U.S. collaboration with the racist South African regime. We believe the coming year will bring many more victories. We are proud of the part the American Committee on Africa is playing in this ongoing campaign for freedom and justice."

The American Committee on Africa (ACOA) has been a leader in the fight for divestment legislation. In 1981 it initiated a Conference on Public Investment and South Africa attended by 200 state and municipal legislators, trade unionists, church leaders, investment experts and grass roots activists. ACOA staff members testified for each of the successful divestment bills. ACOA Projects Director Dumisani Kumalo, an exiled black South African journalist, has crisscrossed the country for the past three years speaking with legislators and concerned organizations about the issue of public investment and South Africa.

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