Dear Friend,

The divestment movement got a big lift this summer when Connecticut State Treasurer Henry Parker announced that as a result of legislation passed last year, he had sold $20-million worth of stock in companies dealing with South Africa and actually made a profit of $4-million. Mr. Parker's statement answered those who claim divestment can cause a loss of money.

Massachusetts which also passed a divestment law has already sold most of its holdings in banks and corporations dealing with South Africa. The Massachusetts State Treasurer's office, which actively opposed this bill, circulated a story that some of the stocks lost money because they had to be sold at less than their book value. Senator Jack Backman, who introduced the divestment bill, refuted the story by pointing out that these stocks were reinvested at a higher rate of return which will increase the state's income.

On September 6, the Washington, D.C. City Council passed, by unanimous vote, the first reading of a divestment bill introduced by City Council-member John Ray. The second reading will be on September 20. Because of the status of the District of Columbia, the bill will go before Congress. If Congress does not do anything about the bill within 30 days, it will become law.

Meanwhile, a conservative group has mailed an appeal to legislators around the country urging them not to vote for divestment. The South African government and some corporations, such as General Electric, Mobil and Ford, have testified against divestment legislation. Nebraska is embroiled in a debate after the South African government invited several legislators to visit South Africa at the expense of the apartheid regime. One of the legislators, Senator Don Weseley, refused to go on the trip. Nebraska is presently considering a bill introduced by Senator Ernie Chambers, calling for the divestment of state pension funds. Senator Chambers, who is the only black legislator in Nebraska, was not invited on the trip. The Nebraska Retirement Systems Committee has already passed the divestment bill by a 4-2 margin.

Enclosed is a state by state report.

Sincerely,

Dumisani Kumalo
Projects Director
Alabama

State Action: On April 14 State Representative James Buskey introduced a bill modeled on the successful Massachusetts legislation. It died in committee and will be reintroduced next year.

California

State Action: Assemblywoman Maxine Waters introduced AB 808 on February 23 which prohibits the investment of state funds in companies doing business in or with South Africa after January 1, 1988. Public hearings on this bill are scheduled for January next year and Assemblywoman Waters' office will coordinate support groups coming to testify.

Connecticut

State Action: State Treasurer Parker announced that his office had sold pension stock valued at $20 million dollars as a result of divestment legislation passed last year and made a profit of four million dollars, a figure that convincingly rebuts the argument that divestment will cost taxpayers. Under consideration for divestment by the Treasurer's office are stocks in twenty-eight other corporations, including IBM. Governor O'Neill signed a bill last year calling for the divestment of about $100 million. The Connecticut Anti-Apartheid Committee, that was instrumental in passage of the divestment legislation, is continuing to press for total divestment.

Colorado

State Action: State Representative Arie Taylor introduced HB 1360 on February 22, which stipulated that no state funds remain invested in any banks with outstanding loans to South Africa, or any company doing business with South Africa. Local grassroot organizations and student groups have pledged their support when this bill is heard again next year.

Delaware

State Action: A divestment bill was introduced in the legislature but did not go anywhere. City Action: Since the Wilmington City Council passed a divestment ordinance last year, the city has divested itself of holdings in banks and corporations dealing with South Africa.
Florida

State Action: Speaker Pro Tem Steve Pajcic introduced a bill calling for state funds, including pensions, to be divested over a three-year period from banks and corporations dealing with South Africa. The bill failed to pass in the House Commerce Committee. Opposition forces worked closely with the South African consular officials. Next year the Florida Black Caucus and other grassroot organizations have vowed to fight the influence of South Africa. Representative Pajcic has already prefiled the bill for next year.

Georgia

State Action: State Senator Julian Bond, and State Representative Tyrone Brooks are in the process of drafting divestment legislation to be introduced for the January 1984 session of the state legislature.

City Action: Atlanta: In August 1982 the Atlanta City Council passed a resolution requesting the removal of all city pension funds from financial institutions and corporations operating in South Africa. Councilman John Lewis will introduce an ordinance to make the resolution legally binding in the near future.

Illinois

State Action: State Representative Carol Moseley Braun introduced a bill to prevent the deposit of state funds in banks making loans to South Africa. Public hearings on this bill will be held later this year in several cities around the state, including Chicago, Peoria and Springfield, before the bill is debated in the legislature next year.

Indiana

State Action: State Representative William Crawford introduced a bill to remove corporations investing in South Africa or Namibia from the list of approved investments for state and local funds. This bill was not heard and Representative Crawford is mobilizing support for next year from church, union and other local organizations such as TransAfrica.

Iowa

State Action: State Senator Thomas Mann and Representative Michael Connolly introduced divestment legislation, in both houses, that prohibited the State Treasurer from investing "idle funds" in corporations and banks dealing with South Africa. The bill passed committee hearings but was never debated. Next year, they are reintroducing the same legislation and it is believed the chances of passage are high because of the strong organizational support coming from unions, churches and student organizations in the area.
Kansas

State Action: A strong divestment resolution, introduced by Representative Norman Justice, was passed by the Kansas House of Representatives. Representative Justice then introduced a divestment bill and it also passed the House by an overwhelming 89-35 margin. The bill, however, was not debated in the Senate because of opposition from the speaker. Nevertheless, the House action received very favorable media coverage and the group of dedicated local and student organizations at the University of Kansas got more encouragement to come out fighting again next year.

Maryland

State Action: House Resolution 49, sponsored by Delegate Sylvania Woods, was passed by the Maryland General Assembly this session. The resolution urges that no state pension funds be invested in any banks which make loans to the South African government, or which operate in South Africa. Next year, Delegate Woods plans to muster support from various unions and local organizations to support a divestment bill.

Massachusetts

State Action: The law sponsored by State Senator Jack Backman, and State Representative Mel King, which required an estimated $90 million be withdrawn from 42 corporations within three years, is being carried out. Massachusetts Treasury officials have sold approximately 75 percent of the South African related stocks and bonds, representing a dollar value of some $75 million. Listed below is a partial list of the corporations and financial institutions that are no longer part of the state investment portfolio: Dow Chemical (3.4 million), Exxon Pipeline (2.2 million), Ford (3.7 million), G.E. (1.3 million), G.M.A.C. (3.3 million), DuPont (14.1 million), M (1 million), Pfizer (1.1 million), Union Carbide (2.6 million), Xerox (1.2 million), Bank of America (6.8 million), Chemical Bank (4.5 million), and Manufacturer's Hanover (5.1 million).

Michigan

State Action: The divestment bill, sponsored by State Representatives Bullard and Smith, and modeled on the Massachusetts law, was held up in the Retirement Fund Committee this past legislative session. Representatives Bullard and Smith are mobilizing to exert pressure on the committee.

Minnesota

State Action: State Senator Spear and State Representative Staten shelved the reintroduction of divestment legislation until committee hearings are scheduled
to take place when the legislature convenes in January 1984. Last year a divestment bill was passed but was vetoed by the outgoing governor.

City Action: Minneapolis: Divestment legislation, authored by City Councilman Vann White will be introduced later this summer. A strong coalition of local support groups will be working for the passage of this legislation.

Nebraska

State Action: Legislative Bill 553 was introduced by State Senator Ernest Chambers. The bill was advanced by the Nebraska Retirement Systems Committee, (4-2), and will be debated before the full house during the next legislative session.

Nevada

State Action: The bill sponsored by State Senator Joe Neal, which would have prohibited the investment of any Nevada state funds or pension funds in banks making loans to South Africa or to any company doing business with or in South Africa, was defeated in committee, (13-8). The bill will be reintroduced during the next legislative session. State employee groups have passed resolutions in support of the divestment concept and will provide crucial lobbying pressure when the bill comes up for reconsideration.

New Jersey

State Action: State Senator Wynona Lipman has introduced a joint resolution which is presently in committee, the main thrust of which is urging corporations and financial institutions to reconsider their investment policy toward South Africa, and to divest. Senator Lipman is also contemplating the introduction of a divestment bill which would give the resolution the force of law if enacted.

New York

State Action: Assemblyman Herman Farrell sponsored a bill, modeled on the Massachusetts divestment bill, and it cleared the Government Employees Committee, however, it was tabled by The House Ways and Means Committee, where it is stuck. More pressure, exerted earlier in the legislative session is essential for securing passage in the future. Some unions have endorsed the bill and additional support will be provided by anti-apartheid groups organized throughout the state.
City Action: Councilmember Ruth Messinger introduced a bill, co-sponsored by Council President Carol Bellamy, prohibiting the city from purchasing South African goods or doing business with U.S. companies which invest in South Africa. Public hearings will be held. This bill has received some union support.

Ohio

State Action: State Senator William Bowen, chairman of the Senate Finance Committee, has introduced divestment legislation which will be heard next year. Strong support is expected from various unions, church groups, and student organizations.

Oregon

State Action: A divestment bill, introduced by State Representative Carl Hosticka, advanced to the floor of the House where it was defeated 23-36. This was the first time such legislation was subject to a record vote by the full house. The defeat can be attributed to a myriad of factors, including: objections from Retirement System officials who were not convinced that divestment is fiscally prudent, the active lobbying of the South African Consular staff based in Beverly Hills, the active lobbying of State Treasurer Clay Meyers, a Republican who has taken trips to South Africa, and perhaps most crucially, a letter which argued that divestment was the wrong approach to the problem of Apartheid. This letter, circulated by the Governor's office was received by each legislator at his or her desk in the House on the day of the vote. Similar legislation will be reintroduced when the legislature reconvenes. Representative Hosticka is counting on strong support from the Ecumenical Ministries of Oregon, and various student groups.

City Action: Portland: The city council has passed a resolution, 4-1, declaring that city employment retirement funds should not be invested in corporations doing business with or in South Africa. The Resolution was passed despite serious lobbying pressure by the Beverly Hills office of the South African Consulate. There are plans to introduce a divestment ordinance in the fall of this year.

Pennsylvania

State Action: Senator Freeman Hankins, Chairman of the Banking and Insurance Committee introduced divestment legislation on July 21. The bill, which is co-sponsored by five other senators calls for the divestment of state funds invested in financial institutions and other entities doing business with South Africa. The bill calls for reinvestment in financial institutions and companies in Pennsylvania.
City Action: Philadelphia: On June 4, 1982 the city council unanimously passed a divestment ordinance, making Philadelphia the first major American city to approve such legislation. According to the City Treasurer, securities valued at fifty-seven million dollars have been divested during the first nine months since the passage of the ordinance. An additional fifty million dollars will be divested in the next 18 months.

Rhode Island

State Action: State Senator David Carlin introduced legislation modeled after the successful Massachusetts bill. This legislation was shelved in committee, primarily as a result of misrepresentations made by the state treasurer as to the impact of the divestment bill in Massachusetts. The problem of misinformation will be remedied when the report of the legislative study commission, chaired by Senator Carlin, is issued. Despite this temporary setback, Senator Carlin has stated that introduction of divestment legislation has served the important function of educating the public. Prospects of future success are buoyed by the strength of local support. Organizations include the Urban League of Providence which has formed a coalition called R.I. Divest, numerous church groups, the National Education Association’s Rhode Island chapter, and the Amalgamated Transportation Union, which represents Rhode Island’s bus drivers and the R.I. Council of Churches.

Texas

State Action: State Representatives Edwards and Evans introduced two pieces of legislation, H.B. 629 and H.B. 1841. H.B. 629 would prohibit the investment of state education funds in corporations investing or operating in South Africa. H.B. 1841 would require the State Retirement Fund to remove holdings in corporations and financial institutions doing business in or with South Africa from its $1.2 billion portfolio. H.B. 1841 passed both houses of the state legislature, but died in conference committee. Plans to coordinate introduction of a substitute bill in the house and senate are being formulated.

Washington

City Action: Seattle: City Councillor Norman Rice is presently drafting a city divestment ordinance that he will introduce to the city investment committee.

Wisconsin

State Action: The bill introduced by Assemblywoman Marcia Coggs, which would have extended the existing ban on investing state educational funds in corporations doing business in South Africa to all other state funds, encountered heavy opposition. A new draft of the bill will be introduced at the start of the new legislative session.
On September 6, the City Council passed, by a unanimous vote, the first reading of a divestment bill introduced by City Councilmember John Ray. The second and final reading will be on September 20th. This legislation has national significance because, after Mayor Marion Barry signs it, Congress will have to vote on it. If Congress does not act on the bill for 30 days, it becomes law. The bill prohibits the investment of public funds of the District of Columbia in stocks, securities or other obligations of any bank or corporation which makes loans to or does business with South Africa or Namibia. The bill also requires the divestiture of public funds in such banks and corporations. Hearings were held by the Committee on Consumer and Regulatory Affairs which voted 4-0 for the passage of the bill. There has been strong grassroots support for this bill and its full passage by the City Council is expected.

Note: The Africa Fund, which is associated with ACOA, has recently published a document called Human Rights Violations in Apartheid South Africa. This pamphlet may be useful in counteracting claims about so-called changes that are taking place in South Africa. It is available for 30¢ each (15¢ each for 20 or more copies).