June 12th, 1986

Dear friends,

Last week the Rev. Leon Sullivan finally abandoned his code of conduct for U.S. companies operating in South Africa, the so-called "Sullivan Principles." This action, taken ten years after its introduction in 1977, is a recognition by Rev. Sullivan that his program of workplace reform and even "corporate civil disobedience" has failed to redress the institutional racism and state violence that is the essence of apartheid. Rev. Sullivan's call for corporate withdrawal and mandatory, comprehensive sanctions against the white minority regime is the realization of what many anti-apartheid organizers have said for years: continued U.S. corporate involvement in South Africa serves only to strengthen the apartheid system in its desperate struggle to survive.

This finally strips U.S. corporations of their last moral justification for continuing to do business in or with that country. No longer can they hide their true motive for investing in apartheid, the profit generated by cheap Black labor, behind the fig leaf of the Sullivan code.

I have enclosed two recent articles about this significant and far reaching development for your use. The first article reports on Rev. Sullivan's statement while the second is an analysis that I did for the New York Times assessing the implications of Sullivan's announcement for South Africa and the U.S anti-apartheid movement. For the divestment movement, the abandonment of the Sullivan code is an opportunity to press for full divestment legislation in those places where divestment is now tied to the Principles. In areas without divestment laws on the books, this action should buttress arguments for full and immediate action.

Finally, we can seize the opportunity provided by this development to continue our work of translating the call for corporate disinvestment into serious momentum for comprehensive sanctions against the apartheid regime.

Yours in Solidarity

Jennifer Davis
Executive Director

P.S. On this, the one-year anniversary of the imposition of the state of emergency in South Africa, a state of emergency that was just yesterday renewed for another 12 months, the need to push for the total isolation of apartheid is ever more apparent.
THE NEW YORK TIMES, SUNDAY, JUNE 7, 1987

SOUTH AFRICA: SULLIVAN CALLS FOR A PULLOUT

Only Sanctions Can Dismantle Apartheid

By JENNIFER DAVIS

THE last fig leaf has now been stripped from United States corporations continuing to operate in South Africa. The Rev. Leon Sullivan, whose principles the companies used for over a decade to justify continuing profits from apartheid, has told them to get out — lock, stock, license and franchise.

We can take heart that Mr. Sullivan has now added his voice to the millions of black South Africans, from miners to Winnie Mandela to Archbishop Tutu, who have called for an end to all United States economic support for apartheid and for support for their struggle for freedom.

The South African government, whose Foreign Minister, R. F. Botha, originally approved the principles, feels betrayed. The Reagan Administration, which promoted compliance with the principles in its attempts to wind off sanctions, is chagrined. The corporations, who no doubt hoped for Mr. Sullivan’s continuing protection against the increasingly effective American divestment movement, are disappointed.

But supporters of a democratic South Africa gladly welcome him back to the fold. Mr. Sullivan has finally faced up to the reality that prodding, cajoling and even encouraging symbolic corporate civil disobedience, will not move Pretoria to grant the vote to the majority of its people.

His principles, a fair-employment code for doing business in South Africa, were introduced in 1977, at a time when there was increasing public opposition in the United States to continued economic links with South Africa. The divestment movement was exposing the powerful support for apartheid being provided by billions of U.S. investment, both direct and indirect. On hundreds of college campuses, in churches and union halls across the nation, voices were raised against this investment.

In this context, the principles were criticized by black South African trade unionists and others as corporate camouflage for continued American investment in South Africa. Even South Africa’s leading business magazine, a foe of divestment, labeled them a “damp squib,” noting that “as a head-on confrontation with the broader policies of South African apartheid, it is just not on.”

In 1980, 57 prominent Americans issued a public statement urging that the Sullivan principles be abandoned in favor of a policy of economic withdrawal from South Africa, and all across the nation, cities and states began to take their money out of corporations that continued to do business in South Africa.

As Mr. Sullivan has now realized, the struggle in South Africa is not about desegregation of the workplace or integration of bathrooms. It is about ending the racist rule of a small, white minority.

Inside South Africa today, millions of disenfranchised people pursue this struggle for freedom and political power — in the face of police bullets, mass arrests, torture and constant harassment.

They have appealed to the international community for support, and have been clear on the kind of support they want — the withdrawal of American corporations, the imposition of comprehensive sanctions.

Critics of corporate withdrawal and sanctions say there is no evidence that such policies will succeed in helping eradicate apartheid. That is debatable. There is certainly very ugly evidence — 30,000 men, women and children in detention, thousands more dead — that 10 years of the Sullivan principles and of constructive engagement have been a disaster for opponents of apartheid in South Africa.

At the same time, even limited outside economic pressure has shaken white confidence in the regime’s intransigent policies: take the sudden willingness of the white business community to begin talking with the banned African National Congress in 1985. That willingness came immediately after United States bank lending to South Africa was suspended.

And just last week, the South African Finance Minister, announcing massive increases in the country’s police and military budget, revealed the state’s vulnerability to pressure, when he added that “a stable and healthy economy is . . . a prerequisite, for a strong defense force.”

An advisory commission appointed by President Reagan recently passed judgment that “constructive engagement” has failed miserably. Now Mr. Sullivan has declared his own principles a failure.

With the dual intellectual failings of constructive engagement and the kinds of actions the anti-apartheid movement have been demanding: sanctions by states and cities against companies that have not pulled out, pressures on universities and other institutional investors for full divestment, and a rising chorus of Americans demanding that Congress enact strong national sanctions.

Jennifer Davis, an expatriate economist from South Africa, is executive director of the American Committee on Africa, a New York-based anti-apartheid organization.
SULLIVAN ASKS END OF BUSINESS LINKS WITH SOUTH AFRICA

TARGET OF 9 MONTHS SET

Author of ‘Principles’ Calls for a U.S. Trade Embargo and Cut in Diplomatic Ties

By BARNABY J. FEDER

The Rev. Leon Sullivan, who created a code of conduct under which American companies continued to operate in South Africa, yesterday said the effort had failed to undermine apartheid, and he called on the companies to end all commercial ties with South Africa.

Mr. Sullivan said the companies should sell their investments within nine months.

The South African Government reacted angrily. Foreign Minister Roelof F. Botha said Pretoria could not “allow itself to be threatened in this way.”

Business groups said the Reagan Administration responded by saying the companies’ continued presence in South Africa remained the best hope for social change.

A ‘Notable Record’ Cited

But Mr. Sullivan, a civil rights leader from Philadelphia, said that even though American business had a “notable record” against South African segregation, “the main pillars of apartheid still remain, and blacks are still denied basic human rights in their own country and are denied the right to vote.”

Of the nearly 200 American companies doing business in South Africa, 127 subscribe to the so-called Sullivan Principles. The code, expounded in 1977, focused initially on desegregating the South African workplace, improving training and promotion prospects for blacks and upgrading their health care, housing and education. The code was amended in 1984 to support the establishment of black-owned businesses and to campaign for the end of apartheid. Last year Mr. Sullivan supported civil disobedience in South Africa.

Admistration Comment

Mr. Sullivan, speaking at a news conference in Washington, also called for a United States embargo on trade with South Africa and asked President Reagan to sever diplomatic relations.

A State Department spokesman, Charles E. Redman, said that while the United States has “enormous respect” for Reverend Sullivan and the work he has done,” the Administration opposed his call for American companies to pull out of South Africa.

Mr. Sullivan, who said the companies’ continued presence in South Africa remained the best hope for social change, added that his Principles had “failed to undermine apartheid, and neither had the Sullivan Principles without him,” he said.

Companies now should reinvest in countries around South Africa, he said, and their operations in South Africa should be sold only to buyers who would promote equal rights and black participation in decision-making.

Mr. Sullivan said investors should sell the stocks and bonds of companies that maintain ties in South Africa. And he asked municipal and state authorities to stop buying the products of companies that choose to remain.

Those most likely to be affected include the 5 states, 9 cities and 30 major universities that have restricted their pension investments or purchasing policies to companies that left South Africa or actively supported the Sullivan Principles.

Mr. Sullivan said that, in addition to divestment, companies should stop supplying South Africa with compacts, materials and consulting services, should end licensing agreements and should bar the use of their trademarks and company symbols there.

The only exceptions, he said, should be to provide health care, philanthropic and education programs and to trade with black-owned businesses.

He said medical goods should be supplied through international agencies.

Sal G. Marrulo, chairman of the In- dustry Support Unit Inc., which administers the Sullivan Principles, said the companies and Mr. Sullivan had “an honest disagreement about the time frame in which change could be expected.”

Mr. Marrulo also said that Mr. Sul- livan, who is the minister of Philadel- phia’s Zion Baptist Church, had re- ceived far too little credit for the changes he helped set in motion.

“The idea was to build coalitions and get a peaceful process of change going,” Mr. Marrulo said.

“We have always said that Re- verend Sullivan operated in good faith but that the companies were using his principles to rationalize their desire to stay,” said Randall Robinson, di- rector of Trans-Africa Inc., the Wash- ington-based organization that has organized mass picketing outside the South African Embassy in the past.

“The South African Government would never respond to moral suasion but would act on the economic underpinning provided by Western oil, computers and ma- chinery,” he said. With his call today, Mr. Sullivan fulfilled a pledge made two years ago that he would change his tactics by May 31 this year if apartheid were not ended by then. He set the deadline after seeing what he called a “window of hope” in the relaxation of some of South Africa’s apartheid restric- tions, growing international concern and by South African businessmen to talk directly with black leaders.

Mr. Sullivan said the companies should sell their investments within nine months of his call. The South African Government reacted angrily. Foreign Minister Roelof F. Botha said Pretoria could not “allow itself to be threatened in this way.”

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