New York, Feb. 23--The American Committee on Africa (ACOA) has learned that the firm with the largest contract to lobby for South Africa, Baskin and Sears, has dropped its half-million dollar contract in the wake of public controversy surrounding its political contributions to a wide range of candidates including New York's Mayor Koch and Governor Cuomo, Senator Harry Byrd of Virginia and former Vice-President Mondale. The decision was precipitated by a virtual ultimatum from Pittsburgh Controller Tom Flaherty to the firm to sever its South African connection or face the loss of its contract to advise the city on pension fund investments. Baskin and Sears is headed by John Sears, Ronald Reagan's former campaign manager.

ACOA Projects Director Dumisani Kumalo sparked the Baskin and Sears controversy with his revelation that New York City Mayor Edward Koch received funds for his 1981 reelection campaign from the firm. Kumalo also worked closely with Controller Flaherty, appearing at a press conference with him shortly before learning the Baskin and Sears decision.

Kumalo commented, "We are pleased that Baskin and Sears have finally decided to stop acting as propagandists for apartheid South Africa. This decision is a tacit admission that their campaign contributions were an attempt to buy influence for South Africa. We hope that in the future, candidates will refuse contributions from any of the firms still doing propaganda work for the South Africans."

Those who continue to work for the South African Government are: Smathers, Symington and Herlong with a $300,000 annual retainer, the government and public relations consultants of Spencer Roberts and William Hecht Associates, retained jointly for $150,000 a year, and Kimberley Cameron Hallamore a government relations consultant who receives $63,000 a year.