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Tilden J. LeMelle, *Chairman*
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July 12, 1993

TO : FRIENDS
FROM : JENNIFER DAVIS
RE : SOUTH AFRICAN COUNCIL OF CHURCHES SETS CONDITIONS FOR
LIFTING SANCTIONS - AND CONDITIONS FOR NEW INVESTORS.

Each day in South Africa now brings hope and disappointment. The iron hold of apartheid is broken, but progress to democracy is still painfully slow, as the white minority holds on to power while declaring its intention to move on.

Looking to the future, when the pressure of sanctions will no longer be necessary because its purpose - the birth of a democratic South Africa will have been secured - the South African Council of Churches invited the Africa Fund and other of its long-time international allies to a conference co-sponsored by the World Council of Churches to discuss the future role of investment in helping overcome the poverty left by apartheid. Discussions, introduced by several South African economists and church leaders, centred on the ways in which such investment might be encouraged to do more than seek the highest profit for shareholders.

I share with you a copy of the final statement I brought back from the meeting, which recommends that the SACC "develop a Code of Conduct for domestic and foreign business" to encourage responsible and ethical investing. This serves as another important stepping stone as we all seek to think about positive directions for the future.

It looks as if the ANC will finally feel itself in a position to call for the lifting of most economic sanctions in the next few weeks. I hope we can keep closely in touch as we seek to ensure that future U.S. investment is directed toward addressing the legacy of apartheid. I know you will be able to play a vital role within the U.S. movement for socially responsible investment in keeping the South African issue alive.

The South African Council of Churches

"The Crucified God and the Easter God -
Seeing the Light in the Darkness"

FAX to: *Church Leaders*

Of:

Date: *2 June 1993*

Your fax no.:

Pages including this: *3*

From: *Alexis Bacquie*

Department: *Communications*

CHURCH CONFERENCE OUTLINES CONDITIONS FOR LIFTING SANCTIONS

Church and ecumenical agencies, anti-apartheid solidarity organisations and other international groups assembled in the Netherlands in Utrecht from June 9-12. They were invited by the SACC and the World Council of Churches to discuss prerequisites for the calling for the lifting of sanctions and the subsequent encouragement of investment in South Africa.

The group committed themselves to working for the "economic reconstruction and transformation of South African society" as a part of their role "to champion the cause of the poor and work for justice."

They also made recommendations which will be presented at the SACC's National Conference, scheduled for early next month, which will receive and debate the recommendations.

The Utrecht Conference encouraged the churches to call for the lifting of sanctions at the establishment of the Transitional Executive Council (TEC). The sole exception is the embargo against arms and other strategic material which should remain until a new democratic government is in place.

The Conference also suggested that for the first time in SACC history, the churches should call for "new investment and aid for the entire South African region" through the TEC.

However, the Conference participants recommended that the SACC "develop a Code of Conduct for domestic and foreign business" to encourage responsible and ethical investment.

The Utrecht Conference Statement follows in full.

SACC COMMUNICATIONS
21 June 1993

Southern Africa Church News

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Utrecht, The Netherlands; June 12, 1993

Representatives of churches, ecumenical agencies and anti-apartheid solidarity groups met in Utrecht June 9-12 at the invitation of the World Council of Churches and the South African Council of Churches to discuss the lifting of sanctions and need for new investment in South Africa's economy. The following statement and recommendations were issued at the close of the meeting.

THE UTRECHT STATEMENT

Since the inception of the World Council of Churches in 1948, its assemblies as well as other ecumenical forums representing Christians throughout the world have declared racism a sin, and apartheid a negation of the values of the Gospel.

Under the apartheid system, government and business systematically deformed the economy. Today South Africa has one of the most unequal distributions of income and wealth in the world; a shrinking economy in which only half the work force can find formal employment; high costs, gross over concentration of ownership and markets, and corrupt management.

The sobering reality is that the correction of these structural distortions will require years of cooperation between the new democratic government, its partners in civil society and the international community.

In its opposition to apartheid, the World Council of Churches (WCC) and the South African Council of Churches (SACC) have seen it necessary to promote economic sanctions and disinvestment against the apartheid regime. These measures have effectively accelerated the process of change.

In recent months, there have been significant steps toward the creation of a non-racial and non-sexist democracy in South Africa. A date of elections is being considered, and a transitional government is in the process of being established.

As delegates from ecumenical agencies, churches and solidarity groups, we met to address our responsibilities at this time of historic opportunity. Mindful of our prophetic role to champion the cause of the poor and work for justice, we commit ourselves to:

1. invite ecumenical partners to assist in the economic reconstruction and transformation of South African society;
2. urge the SACC, in consultation with other interested constituencies, to complete the development of an appropriate code of conduct for domestic and foreign business, and to establish an effective monitoring mechanism in South Africa as soon as possible;
3. call on ecumenical partners to support these efforts by providing financial and technical assistance.

We believe that the setting of the date for democratic elections and the establishment of the Transitional Executive Council (TEC) will present a victory and

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a moment of challenge. When these conditions have been met, and not before, the churches should:

1. call for the lifting of all sanctions and other financial and economic pressures to end apartheid, with the exception of the arms embargo and other strategic materials.
2. call for new investment and aid for the entire southern African region which will help meet this challenge, with relations during the transition period being developed through appropriate TEC structures rather than with the existing white minority government;
3. encourage business to share creatively and responsibly in the reconstruction process.

In this new period, ecumenical partners will cooperate in a new enterprise: the development of a just, democratic and sustainable society in South Africa.

The economy is not an end in itself. Neither is it governed by laws beyond human influence. Like all other dimensions of human existence, it stands under the judgment and grace of God. This requires us to commit ourselves to economic renewal as a contribution towards the rule of God on earth.

Utrecht Conference Recommendations

1. We recommend that the South African Council of Churches, in consultation with other interested constituencies, complete the development of a Code of Conduct for domestic and foreign business and establish an effective monitoring plan as soon as possible.
2. We recommend that the World Council of churches assist the Fellowship of National Councils of Churches in Southern and Eastern Africa to convene, as soon as possible, a regional consultation in southern Africa. The purpose of this consultation will be to examine the regional economic and political implications of the lifting of sanctions and reinvestment in South Africa. The envisaged Code of Conduct should also be presented and discussed at this meeting.
3. We recommend that churches, the ecumenical agencies and solidarity groups develop a viable mechanism for the dissemination of information and monitoring which would help them to continue their advocacy work in light of the changing needs in South Africa. They are asked to provide financial and technical expertise in support of the monitoring process.
4. While the majority of sanctions will be lifted soon, the arms embargo should be maintained until a new democratic government is in place. Therefore, we recommend the World Council of Churches oppose the sale of 60 Swiss-made Pilatus PC-7 military trainer aircraft to the South African Air Force (SADF). The WCC should make direct representations to the Pilatus company, the Swiss and Canadian governments and encourage member churches in those and other countries to take effective action within their own countries.
5. The World Council of Churches and the South African Council of Churches will constitute a follow-up mechanism to coordinate the implementation of the decisions of the conference and to gather necessary resources to carry them out.
6. We encourage the use of existing ecumenical and the creation of new financial instruments and institutions which would facilitate domestic and foreign investment to assist in the creation of a more just and equitable society via the provision of capital and loans on a local or regional basis. (SACN)