

Approved 3/29/84
Date

MINUTES OF THE House COMMITTEE ON Pensions, Investments and Benefits.

The meeting was called to order by Representative Bob Ott at
Chairperson

9:05 a.m. ~~pm~~ on March 1, 1984 in room 527-S of the Capitol.

All members were present except:

Rep. Dyck - E

Rep. Rogers - E

Committee staff present:

Alan Conroy, Legislative Research

Gordon Self, Revisor's Office

Conferees appearing before the committee:

Representative Norman Justice

Mr. Stu Shafer, Committee on South Africa, University of Kansas

Mr. Laird Okie, Committee on South Africa, University of Kansas

Mr. Marshall Crowther, Executive Director, Kansas Public Employees
Retirement System

The chairman called the meeting to order. Rep. Patrick made the motion that the minutes of the February 28 meeting be approved, Rep. R. H. Miller seconded the motion, motion carried.

The chairman then opened the hearing on HB 2880. The first conferee was Rep. Norman Justice, sponsor of the bill (see Attachments A & B). He then answered questions from committee members.

The next conferee was Stu Shafer who described the social and economic conditions and oppression of native South Africans. He then answered questions from committee members.

Laird Okie then appeared and spoke on divestiture efforts in other states and the need to isolate South Africa economically. He also briefly answered questions from the committee.

Marshall Crowther reiterated the KPERS Board's policy of opposing any mandating or restrictions on investment authority which is placed with fiduciaries who hold pension funds that are held in trust for the retirement of public employees.

This ended the hearing on HB 2880.

There being no further business before the committee, the meeting was adjourned.

Attachments A

STATE OF KANSAS

NORMAN E. JUSTICE
REPRESENTATIVE THIRTY-FOURTH DISTRICT
WYANDOTTE COUNTY
506 WASHINGTON BLVD
KANSAS CITY, KANSAS 66101



TOPEKA

COMMITTEE ASSIGNMENTS
MEMBER ELECTIONS
JUDICIARY
TRANSPORTATION

HOUSE OF
REPRESENTATIVES

March 1, 1984

TO: Mr. Chairman and Members of the Committee on Pensions,
Investments and Benefits

FROM: Representative Norman Justice

SUBJECT: HB 2880 - Divesting Funds from South Africa

I am very, very sorry that I appear before you this morning. I am sorry for the reasons of a condition of this nature existing this day in a supposedly humane society, in a society where animals are superior to the native black human beings in their own country.

As history is recorded in America, slavery was abolished over 300 years ago, and the descendants of those slaves that were inhumanely treated in America have risen to some of the highest plateaus of America. During the inhumane years of slavery in America when black people were owned as property, it was against the law of the land to teach them how to read, write, or show them any concerns for higher intelligence. Even though in America, we have not reached the ultimate goal of complete freedom, thank god we surpass the treatment of the native black South Africans. In America, Germans, Orientals, Russians, and other countries that we in America have confronted as enemies that have killed Americans on fields of battle in the military are allowed to continue the use of their native language, including Cuba. The black people during the slavery days were forbidden to remember their native land, let alone speak their native tongue.

I called these things to your attention that America has surpassed to let you know that the black South African natives are very, very much disenfranchised of their freedom. Remember the old adage, "If you are not a part of the solution, then you are a part of the problem," meaning every penny of investment of American dollars in South Africa is leading to the continuation of denying the human rights to the South African native. For these reasons, many in American society are divesting their funds in any form that would aid the oppressors of these native people. Some of these organizations

(Over)

Atch. A

are various christian communities, labor organizations, universities, governments of city, county, and state, plus some private investors. For this reason, Mr. Chairman and Members of the Committee, I appeal to your human concerns that you will not support the white South African oppressors and give solid support to HB 2880. There is an amendment I will offer to water down the original version of HB 2880 that would not be overbinding and spontaneous in implementing divesting. I will attempt to answer any questions that you might have.

Thanking you in advance for your kind, understanding, and humane consideration.

STATE OF KANSAS



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER ELECTIONS
JUDICIARY
TRANSPORTATION

NORMAN E. JUSTICE
REPRESENTATIVE, THIRTY-FOURTH DISTRICT
WYANDOTTE COUNTY
506 WASHINGTON BLVD
KANSAS CITY, KANSAS 66101

Based on the prices KPERS originally paid to purchase common stock, KPERS invested \$95.7 million in corporations that today operate inside South Africa. (With the recent upward surge of the stock market, the Dow-Jones Index is now considerably higher than when KPERS made its purchases. Accordingly, the current value is appreciably greater than \$95.7 million.)

In addition, KPERS bought \$37.7 million worth of the corporate bonds of companies operating in South Africa.

This data has been derived using a list of offending corporations prepared by the United Methodist Office for the U.N.

STATE OF KANSAS

BILLY Q. MCCRAY
SENATOR TWENTY-NINTH DISTRICT
SEDGWICK COUNTY
1532 NORTH ASH
WICHITA, KANSAS 67214



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
MEMBER: WAYS AND MEANS
EDUCATION
CLAIMS AND ACCOUNTS
AGRICULTURE AND LIVESTOCK

September 22, 1983


The Honorable Bob Whittaker
United States Representative from Kansas
332 Cannon House Office Building
Washington, D. C. 20515

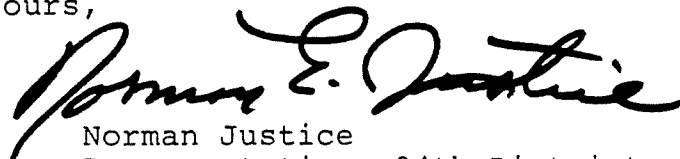
Dear Congressman Whittaker:


Please support any legislation which opposes the investment of municipal, state and/or federal funds in the country of South Africa (apartheid racial practices).

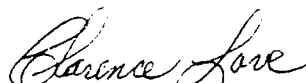
Also, we would like for you to support legislation which would cause the divestiture of existing companies which are presently investing government funds in that country.

Sincerely yours,


Billy Q. McCray
Senator, 29th District


Norman Justice
Representative, 34th District


Theo Cribbs
Representative, 89th District


Clarence Love
Representative, 35th District

cc: Dumisani Kumolo
Dave Scott

Press Release

From: The Coalition Against
Apartheid
Yale University
6763 Yale Station
New Haven, CT 06520

A major victory was scored for the anti-apartheid movement this Tuesday, when Yale's senior class voted to hold its class fund out of South Africa. 90% voted in favor of the resolution. Money donated by their class to Yale will be invested only in companies and banks which do not do business in South Africa, thus avoiding any support for that country's apartheid regime. The fund, called the Quarter Century Fund, will be held by the class until its 25th reunion in 2009, at which time it will be given over to Yale. It is estimated to total some \$2-3 million by that date.

The referendum was organized by Yale's Coalition Against Apartheid, with the approval of the class officers and administrators responsible for the fund. In three days of voting, 834 seniors voted for the S.A.-free fund, with only 88 against it. The referendum firmly established the student body's commitment on this issue. "We are very pleased with the results", said the coalition's Mia Lewis. "This is one issue which brings a lot of people together, no matter what their differences on other issues. It's such a basic one: not investing in apartheid. But this is only the first step. We want Yale's entire endowment out of South Africa." Matt Walker, also of the coalition, pointed out that "this kind of a majority has to be listened to, it will be listened to. There is widespread support, not just among students, for keeping Yale money out of South Africa."

Yale currently has about 20% of its \$1.1 billion endowment in S.A.-related companies, according to the Coalition's research. The money is held in about 70 of the 350 or so companies under the Coalition's ban.

For more information: Mia Lewis (203) 365-6110
Matt Walker (203) 776-0417

American Committee On Africa

198 Broadway, New York, N.Y. 10038 / (212) 962-1210 / Cable AMCOMMAF

Cape Times, January 19, 1982

Union reviews Sullivan Code

Own Correspondent
PORT ELIZABETH. — The Motor Assemblers' and Component Workers' Union of South Africa has submitted a hard-hitting four-page document on the implementation of the Sullivan Code's fair employment principles to the company at its request.

According to the union, Ford's request follows an evaluation by an independent observer in the United States, Mr Arthur Little, who reported that the company is "making good progress".

In the document presented to Ford last week, Macwusa, one of the unions organizing black workers at Ford, slammed the Sullivan Code as a "toothless package" and a "piece-meal reform that allows this cruel system of apartheid to survive". Ford acknowledged receipt of the document, but has declined to comment.

This is the sixth year since the Sullivan Code guidelines were established for US multinationals in South Africa.

In its document, Macwusa listed the six principles and the union's comment on each:

● **Principle 1: Non-segregation of the races:** The union says this has no significance to the needs of black workers, of whom 78 percent are employed in job categories which have no white workers. "The system of job discrimination on the basis of race is being perpetuated in its entirety."

● **Principle 2: Equal and fair employment practices for all employees:** The union says: Practical experience at Ford shows for a black worker to

qualify for a supervisory position he must possess an academic Junior Certificate or undergo a

company-offered two-year technical course while whites who have lower primary school education fill supervisory and even senior appointments.

● **Principle 3: Equal pay for equal work:** The union's comment: 84 percent of the workers in the lowest job categories are black and 98,5 percent of the workers employed in the top job category are white. Since the black worker does not occupy job seniority equal to that of the white, the "equal pay for equal work" statement is simply lip service and an empty slogan.

● **Principle 4: Initiation of and development of training programmes for blacks:** Macwusa claims that 99 percent of the black workers are misinformed about the education and training centre at Ford. Over the past five years the company has reported only on the number of black and white employees trained, but has failed to reveal the discriminatory amounts of money spent in training them.

● **Principle 5: Increasing the number of blacks in supervisory and management positions:** The union says the appointment of blacks to managerial positions is "simply tokenism". The company abides by the law that prohibits black supervision over white, and "as such these

black managers have no decision-making power or authority in the company".

● **Principle 6: Improving the quality of employees' lives outside the work environment:** The union says Ford has failed to address itself to the major, question of black housing. Ford gave large sums of money to the East Cape Administration Board for the "improvement" of the then Emaplangeni area, subsequently demolished to make way for the new KwaFord township.

This resulted in exploitation as rents ranged between R72 and R80 and the original residents, removed by Ecab, now lived in black townships in conditions of squalor. "The new Fordville, with limited houses selling at some R45 000 each, is a window-dressing scheme aimed at promoting a black middle class."

Macwusa also says "substantial sums of money" from the company are directed towards apartheid organizations and "pro-government" sports bodies.

In summary, Macwusa says the Sullivan Code "circles around apartheid's basic structures. The Code does not demand apartheid to be abolished, but merely to mordenize and ensure its perpetuation". It does not call for an end to passes or require companies to recognize black and white trade unions on an equal basis regardless of registration.



Direct foreign investment in SA falls

THERE has been a marked shift away from direct investment in South Africa towards short and medium-term loans, according to the first census of the foreign assets and liabilities since 1973.

Outlining the census findings, Dr Ernie van der Merwe, head of the Reserve Bank's balance of payments section, says that direct investments, which give foreigners direct participation in the running of South African undertakings, fell from 61% of foreign liabilities in 1969 to 48% at the end of 1980.

South Africa's foreign liabilities totalled R25 500-million in December 1980.

In contrast, loan funds increased from 36% of foreign liabilities in 1956 to 49% at the end of 1980.

Dr Van der Merwe ascribed the shift to foreign-currency controls in South Africa and abroad, to heavy borrowing by State-owned corporations, such as the Electricity Supply Commission and South African Transport Services.

Political factors are also a factor.

The public corporations' shares of SA's foreign liabilities jumped from 3% at the end of 1956 to 16.5% in 1980.

Dr Van der Merwe said increasing political pressure on foreign companies to limit their investments in South Africa had contributed to a change in investment patterns.

"Under these pressures, many institutions have begun

to give preference to short- and medium-term investments instead of those of a more permanent nature".

Four sectors — manufacturing, financial institutions, commerce and mining — accounted for four-fifths of foreign investment at the end of 1980.

The share of manufacturing and financial institutions has grown particularly fast at the expense of mining.

According to a census based on 264 000 questionnaires sent out by the Reserve Bank, manufacturing accounted for 41% of all direct foreign investment in 1980.

Foreign companies dominate the oil, pharmaceutical, office machinery and motor industries, among others.

European Economic Community countries remain the largest source of foreign investment in South Africa, but their share fell from 71% in 1956 to 58% in 1980. — Financial Times.

Divesting from Apartheid:

A Summary of State and Municipal Legislative Action on South Africa

by
Sandy Boyer

1982 was a year of major victories for the movement to withdraw public funds from companies whose investment in South Africa subsidizes the apartheid system. Massachusetts, Michigan, Connecticut and the cities of Philadelphia, Wilmington and Grand Rapids all enacted legislation that will force the divestment of up to \$300 million.

The Massachusetts bill, which requires state pension funds to sell all stocks and bonds in companies doing business in South Africa, is the most comprehensive divestment legislation yet passed by any state. Philadelphia is the first major American city to pass a divestment ordinance.

Both the Massachusetts and the Philadelphia bills call for full divestment of pension funds, and both are being used as model legislation in campaigns around the country. Already in 1983, legislative action against apartheid is being worked on in 21 states and 8 cities and counties. The following summary provides detailed information on this legislation. We hope it will be useful not only to legislators, but to many concerned people from the churches, the unions, and civil rights, community and campus organizations who have been working to end public investment in South African racism. We hope this summary will help you in your efforts to win many more victories in 1983.

ALABAMA

STATE ACTION: State Representative James Buskey will introduce a bill on April 14 modeled on the successful Massachusetts bill. Representative Cain Kennedy is co-sponsoring the legislation.

CALIFORNIA

STATE ACTION: Assemblywoman Maxine Waters introduced on February 23, 1983 AB 808 providing that no state funds will remain invested in securities of any banks with outstanding loans to the South African government after January 1, 1985 unless the bank agrees to make no future loans to South Africa and not to extend the repayment date on any present loan. It also provides that no state funds will remain invested in companies doing business in or with South Africa after January 1, 1988.

CITY ACTION: *Berkeley:* On April 17, 1979, the citizens of Berkeley overwhelmingly approved a referendum mandating the removal of public funds (with the exception of pension, deferred compensation and other employee benefit funds) from banks and other financial institutions doing business in or with South Africa. Approximately \$4.5 million was involved.

On May 1, 1980, the Citizens Committee on Responsible Investment which had been created to carry out the referendum mandate, submitted its 45 page report. Details of how to divest from banks which loan to South Africa, and alternative investment plans which include the creation of jobs, improvement of housing and enhancement of business opportunities are included in the report.

Cotati: In 1978, the city of Cotati divested money from banks and corporations that operate in South Africa. About \$350,000 was involved.

Davis: In 1978, the citizens of Davis passed a non-binding referendum which called on the city of Davis, the University of California, the State Treasurer, and the Public Employee Retirement System to divest from banks and corporations doing business in South Africa. The resolution set up a task force to study how divestment could be carried out and called for investments which would contribute to solving the problems of unemployment, hunger, housing, crime, education, energy and the environment in the State of California.

In 1980, the city council passed an investment policy which prohibits investment in any corporation which directly or indirectly discriminates on the basis of race, religion, color, creed, national or ethnic origin, age, sex, sexual preference or physical disability. Guidelines to carry out this policy were also passed. They include making no further investments in banks doing business in South Africa.

COLORADO

STATE ACTION: State Representative Arie Taylor introduced HB 1360, on February 22, 1983 which provides that after July 1, 1983 no state funds shall remain invested in any bank with outstanding loans to South Africa or any company doing business in or with South Africa. The bill allows the state treasurer to postpone selling securities to avoid taking a loss but requires that he or she report annually on any funds still invested in prohibited banks or corporations.

CONNECTICUT

STATE ACTION: A law was passed in June 1982 requiring divestment from companies which fail to meet all the following minimum requirements: the corporation must not supply strategic products or services to the South African government, military or police; the corporation must recognize the right of black workers to organize and strike; the corporation must have received a performance rating in the top two categories of the Sullivan Principles rating system. It is estimated that this law will result in the sale of \$70 million worth of securities. The Connecticut Anti-Apartheid Committee which campaigned for the bill, is planning to continue to press for total divestment.

CITY ACTION: *Hartford:* In 1980 Hartford passed an ordinance prohibiting the investment of city pension funds in corporations operating in South Africa which have not signed the Sullivan Principles.

DELAWARE

CITY ACTION: *Wilmington:* Wilmington passed an ordinance sponsored by Councilman Penrose Hollins on July 18, 1982 which provided for the sale of securities of companies doing business in South Africa from the city's pension funds within 180 days. Approximately \$400,000 in corporate bonds was affected.

FLORIDA

STATE ACTION: Speaker Pro Tem of the Florida House of Representatives Steve Pajcic has introduced a bill providing that all state trust funds (including pension funds) will be divested over no more than three years from banks with outstanding loans to South Africa and corporations doing business in or with South Africa. The bill is being co-introduced in the state senate by Senator Arnett Girardeau and Senator Carrie Meek.

GEORGIA

STATE ACTION: State Senator Julian Bond and State Representative Tyrone Brooks are drafting divestment legislation for the January 1984 session of the state legislature.

CITY ACTION: *Atlanta:* In 1982 the Atlanta City Council passed a resolution requesting the removal of all city pension funds from banks making loans to the South African government or to state corporations and from corporations operating in South Africa. This year Councilman John Lewis has introduced an ordinance to make the resolution legally binding.

ILLINOIS

STATE ACTION: State Representative Carol Moseley Braun has introduced a bill to prevent the deposit of state funds in banks making loans to South Africa or to corporations doing business in or with South Africa. She introduced a similar bill last year which was voted out of committee but failed on the house floor.

INDIANA

STATE ACTION: In January 1983 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 public funds. The bill also provides that no public funds may be deposited in banks making loans to the South African or Namibian government.

CITY ACTION: *Gary:* In December, 1975, the city council passed a resolution calling on the city to stop doing business with four corporations that support apartheid by their practices in South Africa. The corporations were IBM, ITT, Motorola, and Control Data. This was the first time in the United States that a city council passed a concrete resolution against support for apartheid.

IOWA

STATE ACTION: On February 1, 1983, State Senator Thomas Mann introduced a bill providing that the State Treasurer shall not deposit funds in or purchase the securities of banks making loans to the South African government.

KANSAS

STATE ACTION: In 1982 the state legislature passed a resolution sponsored by State Representative Norman Justice calling on the trustees of the Kansas Public Employees Retirement System to discontinue the investment of pension fund monies in corporations or banks which support the apartheid system in South Africa by investing in that country. This year Representative Justice is working to have the resolution passed into law so that it will force the trustees to divest.

MARYLAND

STATE ACTION: In the 1983 legislative session Delegate Sylvania Woods has introduced a resolution urging that no state pension funds be invested in any banks which make loans to the South African government or South African national corporations or which operate in South Africa. The campaign began in 1982 when the resolution was first introduced.

COUNTY ACTION: *Howard County:* Vernon Gray, a member of the Howard County Council, is planning to introduce legislation to prohibit the county from depositing funds in banks that do business with South Africa.

MASSACHUSETTS

STATE ACTION: On January 4, 1983, the Massachusetts legislature overrode a veto by Governor Edward King and

voted to withdraw all public pension funds from corporations doing business in South Africa. The bill, which was sponsored by State Senator Jack Backman and State Representative Mel King, is the most comprehensive divestment legislation passed to date by any state and is becoming the model for bills in other states. It received strong support from Mass Divest, a statewide coalition of civil rights, religious and community groups. The bill requires that within three years an estimated \$90 million be withdrawn from 42 corporations.

CITY ACTION: *Cambridge:* On November 6, 1979, the citizens of Cambridge voted overwhelmingly to advise the city government not to invest monies in banks and other financial institutions doing business in or with the Republic of South Africa. In February, 1980, the Cambridge Retirement Board announced that it would invest no further money in corporations presently in its portfolio that do business with South Africa nor would it make new investments in any company doing business in South Africa.

MICHIGAN

STATE ACTION: The state legislature passed a law in December 1982, requiring public educational institutions 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 passed in 1980 already prohibited depositing state funds in banks making loans to South Africa.

State Representatives Perry Bullard and Virgil Smith sponsored both bills. Smith is planning to introduce a bill dealing with state pension funds, similar to the Massachusetts bill, in the 1983 session of the legislature.

CITY ACTION: *Grand Rapids:* The Grand Rapids City Commission passed an amendment to the City Investment Policy on October 26, 1982, prohibiting the deposit of "idle" city funds in banks making loans to the South African government or to corporations doing business in South Africa.

East Lansing: On August 3, 1977 the city council passed a resolution authorizing to the extent applicable by law selective purchasing, favoring suppliers of goods and services who do not have investments, licenses, or operations in South Africa. A statement to this effect, signed by the mayor, was to be attached to all invoices and bids.

MINNESOTA

STATE ACTION: Representative Randy Staten is introducing divestment legislation in the 1983 session of the state legislature. In 1982 a bill to prohibit future investment of state funds in corporations doing substantial business in South Africa or Namibia passed the state legislature but was vetoed by the governor.

CITY ACTION: *Minneapolis-St. Paul:* In December, 1982, Minneapolis City Councilmember Vann White and St. Paul City Councilmember Bill Wilson indicated their intention to introduce divestment legislation in 1983.

NEBRASKA

STATE ACTION: State Senator Ernie Chambers introduced LB 553 on January 19, 1983, which calls for a two step di-

vestment process. By January 1, 1984, no state funds will remain invested in the stocks of banks making loans to South Africa unless they adopt a policy of making no new loans and amortizing all existing loans. After that date the state will make no new investments in corporations doing business with South Africa. By January 1, 1986, all state funds will be divested from corporations doing business in or with South Africa and from banks making loans to South Africa.

In 1980 the legislature passed a resolution introduced by Senator Chambers calling on the Nebraska Investment Council to review the list of corporations and banks which invest in South Africa and to remove them from the approved list for investment of Nebraska Trust Funds. This was the first state divestment action taken in the country.

NEVADA

STATE ACTION: State Senator Joe Neal has introduced in the 1983 session of the legislature a bill to prohibit the investment of any Nevada state funds or pension funds in banks making loans to South Africa or to any company doing business in or with South Africa. The bill includes a provision that local government funds cannot be deposited in banks making loans to South Africa.

NEW JERSEY

STATE ACTION: State Senator Wynona Lipman is preparing divestment legislation to be introduced in the 1983 session of the legislature.

NEW YORK

STATE ACTION: Assemblyman Herman Farrell is the sponsor of a series of divestment bills in the 1983 session of the state legislature. On February 28 he introduced a bill modeled on the Massachusetts law which provides that all state pension funds will be divested within three years from banks with outstanding loans to South Africa and any company doing business in or with South Africa. Farrell has also introduced AB 3380 which makes the state comptroller responsible for seeing that no state funds are deposited in any bank making loans to the South African government. He is also reintroducing a bill requiring all banks in New York State to file an annual report revealing the nature and extent of their dealings with the South African government or national corporations. In 1982 this bill passed the state assembly but did not come up for a vote in the state senate.

CITY ACTION: *New York City:* In 1982 Councilwoman Ruth Messinger introduced a resolution in the New York City Council calling on the city to divest pension fund monies from corporations and banks investing or making loans to South Africa. Although no hearings were held Councilwoman Messinger is planning to introduce a divestment measure in 1983. Discussions have begun with city officials and municipal labor leaders about divestment of the estimated \$1 billion in city pension funds currently invested in South Africa-related corporations. The funds are jointly controlled by the unions and the city.

OREGON

STATE ACTION: Representative Carl Hosticka has introduced HB 2772 in the 1983 legislative session which would

prohibit the new investment of state pension and trust funds and general state funds in corporations doing substantial business in countries where the law requires discrimination on the basis of race, color or creed after January 1, 1984. Divestment would take place in a reasonable time after that date with the state treasurer filing annual progress reports. All investments are to be made with an eye to benefitting the Oregon economy as much as possible. The bill would also prohibit depositing state funds in banks making new loans to countries that require discrimination. It is estimated that between \$820 million and \$1 billion would be divested if this passes.

COUNTY ACTION: *Multnomah:* The Multnomah County Commission (the county that includes Portland) passed a resolution in April 1982, urging the public employee retirement system to divest funds from corporations doing business in South Africa.

CITY ACTION: *Portland:* A divestment bill has been introduced in the Portland City Council in 1983.

OHIO

STATE ACTION: State Senator William Bowen is sponsoring SB 53 in the current session. It would prohibit the investment of state funds in corporations or banks doing business in or with South Africa. Senator Bowen introduced a similar bill in 1982. Divestment legislation was first introduced in Ohio in 1979.

PENNSYLVANIA

STATE ACTION: State Representative David Richardson Jr. is introducing a series of measures concerning South Africa. Among them are a divestment bill, a bill dealing with krugerrands and a resolution memorializing Congress concerning the arms embargo on South Africa.

CITY ACTION: *Philadelphia:* On June 4, 1982 the Philadelphia City Council unanimously passed a divestment ordinance making Philadelphia the first major American city to pass divestment legislation. The ordinance provides for the withdrawal within two years of all city pension funds from the securities of any corporation doing business in South Africa or any bank making loans to the government of South Africa or Namibia. The city finance department estimates that it will result in the sale of \$60 to \$70 million in securities from the city's pension funds.

RHODE ISLAND

STATE ACTION: Senator David Carlin has introduced a divestment bill in the 1983 session modeled on the Massachusetts bill.

TEXAS

STATE ACTION: State Representative Al Edwards and State Representative Larry Evans have introduced divest-

ment bills in the 1983 session of the Texas legislature. Representative Edward's bill would prohibit the investment of state education funds in corporations investing or operating in South Africa. Representative Evans has introduced two bills dealing with the Texas Teachers Retirement Fund and the Texas Employees Retirement Fund which between them have approximately \$12 billion in assets. The first bill would require the pension funds to divest from corporations or banks investing in South Africa. The second merely calls for a prohibition on future investments and represents a fall back position if the first bill cannot pass. Senator Craig Washington has also introduced divestment legislation in the state senate.

CITY ACTION: *Dallas:* An ordinance has been introduced in the Dallas City Council to prohibit companies doing business with South Africa from receiving city contracts and to remove city funds from banks which make loans either to the South African government and its national corporations or to U.S. companies which invest in South Africa.

WASHINGTON

CITY ACTION: *Seattle:* City Councillors Norman Rice, Dolores Sibonga and Sam Smith are planning to introduce divestment legislation in the 1983 session in the Seattle City Council.

WISCONSIN

STATE ACTION: Assemblywoman Marcia Coggs has introduced a bill in the 1983 session to extend the already existing ban on investing state educational funds in corporations doing business in South Africa to all other state funds. The ban on investing educational funds resulted from a ruling by the state Attorney General that the state law forbidding investment in companies that practice or condone racial discrimination required the Board of Regents to divest all educational funds from companies operating in South Africa. Over \$11 million was involved, and after two years the head of the investment advisors concluded that the university's portfolio had been reconstructed with no ill effects.

CITY ACTION: *Madison:* In December, 1976, the city passed a bill establishing the principle of selective purchasing. The city was required to make public the corporations with which it had contracts and to seek contracts with firms that were not in South Africa. Being in South Africa was an enforceable reason for ending contracts.

WASHINGTON, DC

DISTRICT OF COLUMBIA: An ordinance requiring the divestment of all public funds from corporations doing business in South Africa and from banks making loans to the South African government or its national corporations has been introduced by Councilmember John Ray. The divestment would take place over a two year period. Hearings were held on the bill on March 3, 1983. At least \$180 million in pension funds will be affected if the ordinance passes.

Please join with thousands of others whose voices are united:

STOP ALL BANK LOANS TO SOUTH AFRICA!

PARTIAL LISTING OF THOSE ENDORSING THE BANK CAMPAIGN:



American Friends Service Committee (Midwest Regional Office)
Americans for Democratic Action
Black Students Organization - Columbia University
Black Theology Project
Center for International Education
Church of the Intercession
Coalition of Concerned Black Americans
District 65, United Auto Workers
District Council 1707, AFSCME, AFL-CIO
District 1199, AFL-CIO
Furriers Joint Council of New York
Institute for Sport and Social Analysis
International Longshoremen and Warehouse Workers Union, Local 6
International Union, UAW
National Lawyers Guild
Northern California Interfaith Center for Corporate Responsibility
Pan African Students Organization in America (PASOA)
Philadelphia Namibia Action Group
Potomac Association, United Church of Christ
Robert R. Merton Institute
San Antonio Committee Against Mercenary Recruitment
Southern Africa Committee
The East Organization, New York
United Church of Christ Commission for Racial Justice
United Electrical, Radio and Machine Workers of America (UE)
Women's International League for Peace & Freedom

Bank Campaign Affiliates

A.F.S.C., 1817 N.E. 17th Street
Portland, ORE 97212

Boston Coalition for the Liberation of Southern Africa, POB 8791,
Boston, MASS 02114

Chicago Coalition on Southern Africa
22 East Van Buren, Chicago, IL 60605

D.C. Bank Campaign, 110 Maryland N.E.
Washington, D.C. 20002

Minnesota CALC, 122 West Franklin
Ave., Minneapolis, MINN 55404

People for Southern Africa Freedom
1414 Kincaid St., Eugene, ORE 97401

Rochester Coalition for Justice in
Southern Africa, 713 Monroe Avenue,
Rochester, N.Y. 14607

Seattle Committee to Oppose Bank
Loans to South Africa, 814 N.E.
40th St., Seattle, WASH 98105

Stop Banking on Apartheid,
464 19th St., Oakland, CA 94612

Southern Africa Support Coalition
POB 3586, Pasadena, CA 91103

American Committee on Africa
198 Broadway, New York, NY 10038

American Friends Service Committee
1501 Cherry St., Phila., PA 19102

Clergy & Laity Concerned, 198
Broadway, New York, N.Y. 10038

Interfaith Center for Corporate Respon-
sibility, 475 Riverside Dr., NYC, NY 10027

Washington Office on Africa, 110 Mary-
land NE, Washington, DC 20002



U.S. Banks Finance Apartheid

Is Your Money Used To Support Racism?

NAME: _____
ADDRESS: _____
CITY: _____ STATE: _____
ZIP CODE: _____ DATE: _____
ORGANIZATION(if any): _____

Return to:
COBLSA, 1901 Que Street, NW
Washington, D.C. 20009

- I have/will withdraw(n) my personal/organizational account from _____ Bank making loans to South Africa on ____/____/198____.
Type of acct: _____
Amount of Acct(optional): _____
- I/my organization endorse(s) COBLSA. You may use my/our name on a list of endorsers.
- Please send me _____ additional brochures. (50 or more at 5¢ each)

CAMPAIGN TO OPPOSE BANK LOANS
TO SOUTH AFRICA
1901 Que Street N.W.
Washington, D.C. 20009

Carole Collins, National Coordinator
(202) 234-9382

WHAT IS APARTHEID?

South Africa is the only country in the world where a citizen's rights are based solely on color. It has become a society of walls isolating racial groups from one another to maintain white minority rule. A person's complexion determines whether their life will be one of privilege or deprivation.

The 84% of South Africa's people who are black cannot vote for the government that rules them; cannot live and work where they choose; and cannot strike for better wages without severe legal penalties. Passbooks - which record a person's fingerprints, work history, taxes, family status and tribal identity - must be carried by all black people at all times. The apartheid system destroys black family life through racial residency and job restrictions, forced relocations to bantustans [so-called "homelands"] and a brutal contract labor system that separates husband from wife, parents from their children. In South Africa:

- 87% of the land is reserved for whites, including all mines and major cities
- the 73% of the population who are African are forced to live in the remaining 13% of the land in barren bantustans
- per capita spending on black education is one-eighth that for whites; less than 1 in 20 African students finish high school
- in mining, black workers earn 16% the average wage of whites (in manufacturing, 24%)

U.S. FINANCING OF APARTHEID

Over 125 U.S. banks provided more than \$3 billion in loans and trade-related financing between 1972 and 1979. These loans and credit have enabled white South Africa to:

- expand strategic investments, especially its arms and nuclear industries, to become less vulnerable to international sanctions;
- buy advanced technology to strengthen its military/police apparatus for controlling and repressing Black protest.

This credit was critical in helping South Africa overcome a balance of payments crisis in the mid-1970s caused by high oil prices and rising arms imports. During 1974-76, South Africa's foreign borrowing tripled to help finance a doubling of its military budget.

HERE ARE THE BIG LENDERS

Here is a state by state listing of banks making loans to South Africa.

ALABAMA
City National Bank
Merchants National Bank
ARIZONA
The Arizona Bank
First National Bank
Northern Trust
Northwestern Trust
CALIFORNIA
Security Pacific National Bank
United California Bank of America
Crocker National Bank
Wells Fargo
COLORADO
American National Bank
Continental National Bank
First National Bank
CONNECTICUT
Connecticut Bank and Trust
Union Trust
Hartford National Corp.
DISTRICT OF COLUMBIA
Riggs Bank
FLORIDA
Southeast First National Bank
Security Trust
GEORGIA
Citizens and Southern Bank
First National Bank
Trust Company Bank
IDAHO
Bank of Idaho
IOWA
Merchants National Bank
Union Bank and Trust
Council Bluffs Bank
First National Bank
Key City Bank and Trust
First Trust and Savings Bank

ILLINOIS
Central National Bank
Continental Bank
First National Bank
Harris Trust and Savings
Northern Trust
American National Bank
INDIANA
Indiana National Bank
Merchants National Bank and Trust
KENTUCKY
First National Bank
Kentucky Trust
LOUISIANA
First National Bank of Commerce
MARYLAND
Equitable Trust
Columbia Bank and Trust
Farmers and Merchants Bank
Truckers and Savings Bank
University National Bank
Maryland National Bank
MASSACHUSETTS
First National Bank
MICHIGAN
City National Bank
Bank of Lansing
First Citizens Bank
First National Bank
National Bank of Rochester
Union National Bank and Trust
MINNESOTA
First National Bank
Northwestern Bank
MISSOURI
Mercantile Trust
MONTANA
Bank of Glacier County
Conrad National Bank
Montana Bank
Northwestern Union Trust

NEBRASKA
First National Bank
Northwestern Bank
United States National Bank
Center Bank
First Northwestern Trust
NEVADA
Bank of Nevada
First National Bank
NEW JERSEY
New Jersey Bank
NEW MEXICO
Bank of New Mexico
First State Bank
New Mexico Bank and Trust
Roswell State Bank
Santa Fe National Bank
NEW YORK
Manufacturers Hanover
Citibank
Chemical Bank
Bankers Trust
Bank of New York
Chase Manhattan
Morgan Guaranty
Irving Trust
NORTH CAROLINA
North Carolina Bank
Wachovia Bank and Trust
NORTH CAROLINA
First Northwestern Trust
OHIO
Central National Bank
Cleveland Trust
National City Bank
Huntington National Bank
Winters National Bank
Sutton State Bank
Euclid National Bank
Farmers and Savings Bank

OREGON
First National Bank
Bank of California
United States National Bank
PENNSYLVANIA
Fidelity Bank
First Pennsylvania Bank
Girard Trust Bank
Philadelphia National Bank
Mellon Bank
Pittsburgh Bank
Provident National Bank
RHODE ISLAND
Industrial National Bank
SOUTH DAKOTA
First National Bank
Northwestern Bank
First Northwestern Trust
TENNESSEE
Commerce Union Bank
Citizens Bank
TEXAS
First National Bank
Republic National Bank
Houston National Bank
UTAH
Walker Bank and Trust
WASHINGTON STATE
Pacific National Bank
Bank of California
Peoples Bank
Rainer Bank
Seattle First National Bank
VIRGINIA
United Virginia Bank
WISCONSIN
First Wisconsin Bank
WYOMING
First National Bank

1980-81 LENDERS TO SOUTH AFRICA

Citibank (NY) [over \$300 m. in consortium loans to the S.A. gov't & its agencies]
National Bank of Dallas [\$50 m. consortium loan to S.A. gov't agency]
North Carolina National Bank [loan to S.A. Airlines]
Bank of America (CA)
Merrill Lynch/Dean Witter/Salomon Bros./Dillon Read [\$67 m. consortium loan to S.A. government]
Bache Halsey Stuart Shields/Morgan Stanley & Co./Lazard Bros./Kidder Peabody/Salomon Bros./Dean Witter/Dillon Read [\$52.1 m. consortium loan]



American Committee On Africa

198 Broadway, New York, N.Y. 10038 / (212) 962-1210 / Cable AMCOMMAF

September 1983

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.

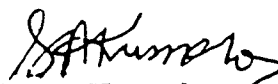
Massachusetts which also passed a divestment law has already sold most of its holdings in banks and corporations dealing with South Africa. The Massachusetts State Treasurer's office, which actively opposed this bill, circulated a story that some of the stocks lost money because they had to be sold at 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 Councilmember 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



CIDSA

Coalition for Illinois' Divestment from South Africa

P.O. BOX 578413

Chicago, Illinois 60657

312/660-8671

January 16, 1984

The passage of House Bill 0569 by Illinois' State Legislature in March, will contribute greatly to stopping South Africa from continuing to legalize racism. It is the only country in the world today, where white supremacy is written into the constitution and laws.

House Bill 0569 requires Illinois' state pension funds to be divested from corporations doing business in South Africa, and makes banks ineligible for state funds if they loan to such firms for activities in South Africa.

This bill would permit state funds now invested in South Africa to be reinvested in Illinois. Well over \$1.8 billion could be invested in job-creating enterprises in this state.

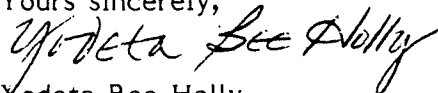
As U.S. investment in South Africa has increased, so has the suffering and repression of blacks. Since 1960, U.S. financial involvement in South Africa has risen to over \$14 billion!

The Coalition for Illinois' Divestment from South Africa (CIDSA) is anxious to promote wide publicity for this important issue; and is able to make available speakers and literature upon request. Among those who will be available for speeches, as well as radio/television interviews include: **Cheryl Johnson:** Convenor/ CIDSA, Director of the Program of African Studies, Northwestern University, **Prexy Nesbitt:** Convenor/CIDSA, Union Organizer, former Director, World Council of Churches' Program to Combat Racism, **Carol Thompson:** Treasurer/CIDSA, Coordinator, South Africa Task Force: Clergy and Laity Concerned, **Norm Watkins,** Member, South Africa Task Force: Clergy and Laity Concerned, Author: Illinois' Corporations' Involvement in South Africa, **Dennis Brutus:** Exiled South Africa poet, activist, and professor at Northwestern University.

We will be glad to supply further names and information upon request.

Looking forward to hearing from you and collaborating with you on securing passage of **House Bill 0569;** signpost of an end to the heinous violation of human rights in **Illinois' South African Connection.**

Yours sincerely,



Yodeta Bee Holly
Publicity Chairperson: CIDSA

Encls./

AD HOC COMMITTEE TO KEEP SOUTH AFRICA OUT OF THE OLYMPICS

c/o Federation For Progress
620 W. Olympic Blvd
Los Angeles, CA 90015
(213) 746-5028

December 26, 1983

Dear Friend,

We have reason to believe that there will be an attempt by the expelled South African Olympic Committee to regain membership in the International Olympic Committee. Some indication of this has appeared in the *Economist* (September 3, 1983) which states, "The South Africans are going to plead in some foreign high courts that their exclusion from international athletics is contrary to signed international athletic agreements. . . If they get their declaration, they intend to ask the California courts to enforce it."

In addition, it has recently come to light that James Zumberge, president of the University of Southern California, an Olympic Village site, paid a three-week visit to South Africa. Of his trip, he stated: "The worst thing we can do for South Africa is to shut them off from the rest of the world." Such incidents strengthen our suspicions that South Africa will press very hard in their attempts to be readmitted into the Olympics in a process that will start with the Games to be held in Los Angeles in July and August of 1984.

We, the following individuals and organizations, therefore wish to address an appeal to the President of the International Olympic Committee, to the President of the U.S. Olympic Committee, and to the Chair of the Los Angeles Olympic Organizing Committee, that they should in no way collaborate with these efforts since it is clear that the basic policy in South Africa is discriminatory against people who are not white, and that this discrimination has been more deeply enshrined in the South African system by the constitutional changes which were approved in the recent referendum.

The South African Olympic Committee was expelled from membership of the International Olympic Committee by a formal resolution of the IOC at Amsterdam in May 1970. The grounds for that expulsion were the clearly established fact that the South African Olympic Committee was guilty of racial discrimination in its organization of sport in South Africa. This is in clear violation of the Olympic Charter which forbids discrimination on the grounds of race.

Since South African sport continues to be dominated by legalized racism, there can be no readmission of South Africa to the Olympic movement until these impediments are removed.

Furthermore, we propose supporting a resolution passed by the International Conference on Sanctions Against Apartheid in Sport, held in London last June. This resolution requested that the International Olympic Committee adopt a principle similar to that passed by the Commonwealth Games Federation in 1983. As with the CGF, the IOC would agree that any nation that competes with South Africa in a major event would be banned from the next (1988) Olympic Games.

U We therefore call on the President of the International Olympic Committee, the President of the U.S. Olympic Committee, and the Chair of the Los Angeles Olympic Organizing Committee to:

- 1) *issue a clear, public declaration that they will oppose any efforts by the racist regime of South Africa to regain membership in the International Olympic Committee;*
- 2) *support the Commonwealth Games Federation resolution;*
- 3) *issue a public declaration opposing the establishment of a South African information center in Los Angeles to promote propaganda legitimizing apartheid in sport.*

Sincerely,

Dennis Brutus

President, South African Non-Racial Olympic Committee

Randall Robinson

Executive Director, TransAfrica

Assemblywoman Maxine Waters

48th District Ca

Richard Lapchick

*National Chairperson of
American Coordinating Committee
For Equality in Sports and Society*

Vusi Shangase

Representative, African National Congress

Judy Chu

*President, Los Angeles Chapter
Federation For Progress*

Elliot Barker

Representative, Unity in Action

Robert Farrell

*Los Angeles City Councilman
8th District Ca*

Midge Costanza

Former Assistant to President Carter

Reverend Thomas Kilgore

Second Baptist Church, Los Angeles

Frank Beeman

*Athletic Director of
Michigan State University*

J

EISURE

Can Art Match the Reality of Apartheid?

By Michael Gibson

International Herald Tribune

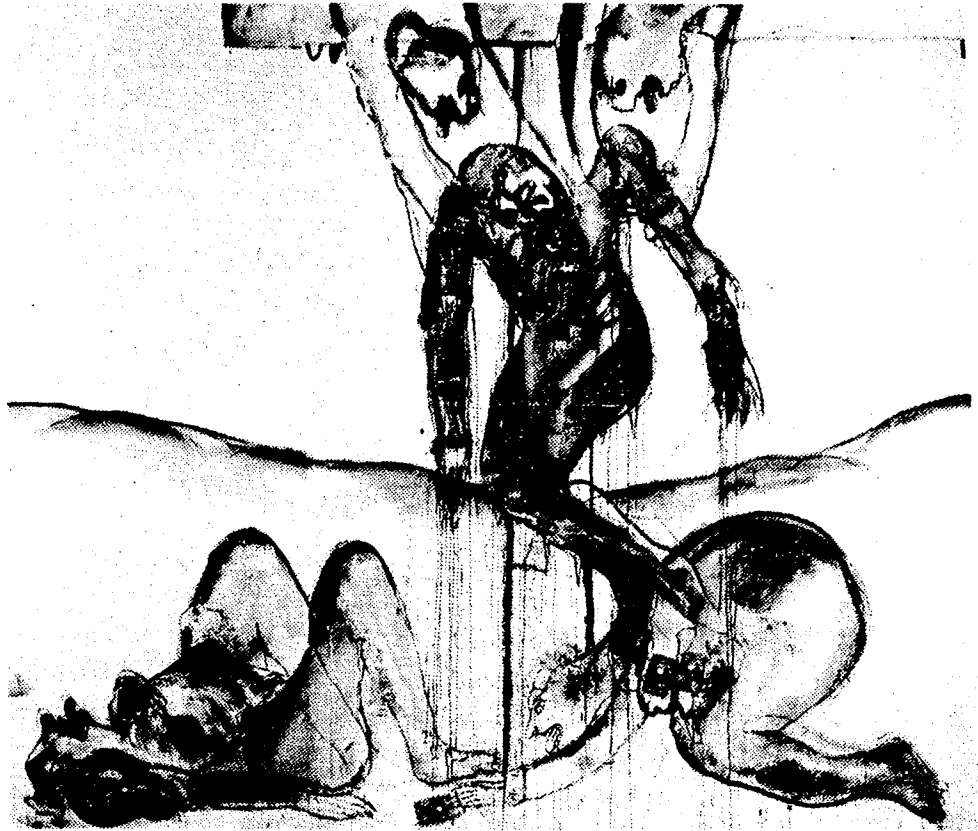
PARIS — The organization of anger is a difficult undertaking. This is something that every artist who decides to voice rage or indignation is bound to come up against and it is the obvious lesson of an exhibition like "Art Against Apartheid."

Eighty-five artists from Europe, Africa, Asia and the Americas have responded to the invitation of "Artists of the World Against Apartheid," and so have a number of writers including Jorge Amado, Michel Butor, Allen Ginsberg, Edmond Jabès and Michel Leiris. The works collected and displayed will in time constitute a permanent "Museum Against Apartheid." The venture is supported by the United Nations, but the initiative came from the artists.

Artists who have contributed to the show include some of the foremost painters and sculptors of the day, among them Magdalena Abakanowicz, Carl Andre, Arman, Don Judd, Wilfredo Lam, Louis Le Brocqy, Roy Lichtenstein, Roberto Matta, Robert Motherwell, Tom Phillips, Robert Rauschenberg, Pierre Soulages, Antoni Tàpies and Zao Wou-ki. Many of these have contributed works characteristic of their style and preoccupations, while others have ventured to deal in one way or another with the subject.

The catalog mentions Picasso's "Guernica" as a model for this sort of work, and this calls for some comment. "Guernica" is probably Picasso's most passionate work because it expresses a sweeping fury and applies the artist's considerable craft to the matter and the emotion at hand, one that touched deep emotions in Picasso because this happened in Spain. But Picasso also gave a sort of universal and prophetic quality to the expression of his feeling and "Guernica" has become a symbolic and sacramental work in Spain today.

Apartheid, like the Nazi concentration camps, is a different matter. Very few artists have been able to express anything about the Nazi camps that was not communicated with a more dreadful intensity by photographs of emaciated survivors and skeletal corpses. Most of us do not know what such a reality actually means — and those who do are, in a sense, left speechless by the experience. Apartheid poses somewhat the same problem. Most of the artists have no direct knowledge or experience of its reality and their indignation is of an abstract nature. When Goya did "The Disasters of War" he was giving ex-



Wolf Vostell's "Black Crucifixion" (1982) is in "Art Against Apartheid" exhibition.

pression to something he had experienced and seen ("Yo lo vi" — "I saw this," is the title of one of the engravings). But the experience of apartheid is buried in the silence of the 6 million people who cannot reach us with works of art.

The reality of apartheid remains an abstract monstrosity that can hardly be adequately expressed by showing a black man with a barbed wire crown on his head (Erro) or even the flayed bodies of tortured men (Cremonini).

We are only beginning to understand what the black experience in the United States really was like — and "we" means blacks and whites together. But the black experience in South Africa is still very much beyond the reach of poetry and art. Consequently an exhibition like "Artists Against Apartheid" cannot achieve more than convey that there is something here which solicits the visitors imagination and pleads for expression in a deeper and more adequate form.

Centre National des Arts Graphiques, 11 Rue Berryer, Paris 8, to Dec. 30; Lundskonsthall, Lund, Sweden, Jan. 28-March 4, Porin Taidemuseo, Pori, Finland, April 10-May 10; Museum of Modern Art, Tampere, Finland, May 15-June 30; Lahden Taidemuseo, Lahti, Finland, July; Udstillingsbygningen, Copenhagen, Oct. 1 to Nov. 15, and in 1985, to various other European countries, the United States, Latin America and Hong Kong

PRESS RELEASE: FOR IMMEDIATE USE

AFRICA NETWORK FORMED

On January 15, 1984 a meeting in Chicago formed an **AFRICA NETWORK** which will serve as a Resource and Information Center on Africa and especially Southern Africa.

The Network will initiate action and work with other organizations.

The aims of Africa Network include **a.** Support for the people of South Africa and Namibia and their liberation struggles and **b.** Relating struggles of people in Southern Africa to struggles for justice in the United States.

Among the issues the Network will take up are the following:

- Divestment of funds invested in Apartheid South Africa
- Cultural Boycott of South Africa
- Release of South African political prisoners
- Uranium deliveries from South Africa to the United States
- Apartheid Sport in the Olympic Games
- National consciousness-raising about Apartheid
- Raising South Africa in the 1984 Elections

The following Interim Executive was elected:

Chairman: Dennis Brutus, **Vice-Chairpersons:** Jan Carew, Nancy Singham, **Secretary:** Yodeta Bee Holly, **Treasurer:** Joy Carew

Coordinators will be invited for local chapters in Amherst, Athens, Boston, Cambridge, DesMoines, Kalamazoo, Los Angeles, Minneapolis, Santa Clara, Seattle, Toronto, Washington D.C. and elsewhere.

The organization will seek tax exempt status.

A Committee was elected to draft a Policy Statement.

The next meeting will be: Sunday, February 19, at 4:00 p.m.

For Further Information, please call:

Africa Network (Y.B. Holly) 24-hour answering service (312) 677-7416

Dennis Brutus (Chairman) 492-5120 Jan Carew (Vice-Chairman) 492-5122

AFRICA NETWORK, P.O. BOX 59364, CHICAGO, IL 60659 (312) 677-7416

Enough Is Enough

By Anthony Lewis

BOSTON — The South African Government had a beautiful advertisement in a number of American publications recently. "South Africa," it said, "is involved in a remarkable process of providing fair opportunities for all its population groups."

The ad told about how the Government is making houses available to black families at low prices — "an integrated part of its drive towards home ownership for everyone." At the bottom an attractive picture showed three black children playing outside a nice row house.

In the interest of completeness, South Africa might take another advertisement giving further details on those happy black children: on the realities they face as they grow up. Here are a few.

• They, and other blacks, 70 percent of the population, may not vote for members of Parliament or take any other part in the country's government.

• They are barred from living in "white areas" — 87 percent of South Africa — unless they are among the minority who qualify for permits under intricate laws.

• The police may stop them at any time and demand their passports showing where they may live. If they have the wrong stamp in the book, they will be fined or imprisoned after a trial lasting a few minutes — and then shipped to a desolate "homeland" where there are no jobs.

• They may be farmers in a black community that has owned the land for generations. But if that area is declared "white," they may suddenly be moved to a remote resettlement area where the only structures are rows of metal shacks.

• If they own any serious movement to demand political rights for the majority of South Africans, they are likely to find themselves arrested, detained in solitary confinement without trial, tortured.

• Far from being "integrated" in the American sense of that word, their lives will be totally segregated. They will be confined to separate and grossly unequal schools, housing, trains, hospitals.

Advertisements notwithstanding, Americans are increasingly aware of the realities of life in South Africa. More and more want to do something about the practice of massive institutionalized racism by a country that calls itself part of the "free world."

Those American feelings are taking concrete form in a spreading legislative phenomenon. Three states — Massachusetts, Connecticut and Michigan — have passed laws forbidding the investment of public funds in companies that operate in South Africa. More than 20 cities, the largest Philadelphia, have similar laws. Many universities are under student pressure to take such action in regard to their funds.

Congress has taken a step of a more direct kind. Last fall, in passing legislation to increase the U.S. contribution to the International Monetary Fund, it provided that the U.S. delegate must "actively oppose" any I.M.F. loan to South Africa unless the Secretary of the Treasury certifies in writing that a loan would benefit "the majority of the people," and meet other nonracial tests.

Then the House added significant amendments to the Export Administration Act. They would prohibit U.S. commercial bank loans to the South African Government except for non-discriminatory housing, schools or hospitals; prohibit any further American private investment there; forbid the importation of Krugers, and make all U.S. companies in South Africa comply with the so-called Sullivan Code against discrimination. (Half the U.S. firms there now ignore the voluntary code.)

The Senate is to take up the export legislation shortly and is expected to pass it without considering South African issues. There will then be a fight in conference, with House members trying to keep some of the South African restrictions in the final version. If they succeed, it will be hard for President Reagan to veto a bill that includes essential trade provisions.

Legislative steps of this kind are not going to lead to a change of heart by the South African Government, of course not. But they do keep Americans from participating in evil. And if there is anything that recent history teaches, it is the evil, the corrupting, dangerous evil of racism.

The United States must continue diplomatic efforts in relation to South Africa's external policy: the effort to bring Namibia to independence, for example. But it is also necessary for Americans to make clear our opinion of internal South African policy. Those who rule the country will hear the message, and they do care what Americans think of them.

The ranking members of the House Africa subcommittee — Howard Wolpe, a liberal Democrat, and Gerald Solomon, a conservative Republican — were right when they wrote South Africa's Prime Minister that "there can never be a normal relationship between our two countries as long as the inhuman and destabilizing doctrine of racial separation continues. It is time for Congress and other American institutions to tell South Africa: Enough is enough."

James Reston is on vacation.

NTP
2-5-84

S. Africa Ban Likely to Become Law

By Marcia A. Slacum
Washington Post Staff Writer

A measure to ban all D.C. investments in corporations or financial institutions that have business dealings with South Africa is among the D.C. City Council legislation projected to become law in the first three months of 1984.

All of the measures were adopted by the City Council but must survive a 90-day congressional review period, which had not ended when Congress adjourned Nov. 18.

A resolution recommending disapproval of the South Africa measure, which is projected to become law Feb. 29, already has been introduced in the House of Representatives.

The city's bill is directed at withdrawing any indirect support for South Africa's apartheid policy. If it becomes law, the District retirement board would have to sell common stocks in companies that have dealings with South Africa, and the city would be required to remove money from any banks that have business connections with South Africa.

MEMORANDUM

TO: Representative Norman Justice
FROM: James A. Wilson, Senior Assistant Revisor
RE: Short Description -- House Bill No. 2880
DATE: February 29, 1984

The bill generally establishes a public policy which prohibits certain state money investments and management practices concerning the republic of South Africa and requires divestment of any pre-existing investments which are proscribed by this policy. The bill imposes these restrictions on the Pooled Money Investment Board and the Kansas Public Employees Retirement System. The major provisions of the bill which implement this policy are contained in sections 1 and 16, regarding the Pooled Money Investment Board, and in section 13, regarding the Kansas Public Employees Retirement system.

Descriptions of Major Policy Sections

Section 1. (a) Prohibits pooled money investment board (PMIB) from making or authorizing investments:

(1) In loans to the Republic of South Africa, to national corporations of this country, or to a "subsidiary or affiliates of U.S. companies operating in the republic;

(2) in securities of companies doing business in or with the Republic of South Africa;

(3) in or with financial institutions which are making or maintaining any investment described in (1) or (2) above.

(b) PMIB is required to review existing investments under its jurisdiction and to terminate those which are prohibited by this section within a reasonable time and to reinvest the moneys involved as otherwise permitted by statute.

(c) PMIB is to use information available from the United States Department of Commerce and the American Consulate General in the Republic of South Africa in administering this section.

(d) Defined terms:

"National corporation of the Republic of South Africa" means a corporation or a subsidiary or affiliate thereof which is more than 50% owned or operated by the government of the Republic of South Africa.

"Subsidiary or affiliate of a United States' company operating in the Republic of South Africa" means a company incorporated under the laws of the Republic of South Africa which is domiciled in that county and which is controlled by a United States' company. It does not include a subsidiary or affiliate that is located in the United States.

Section 13. This section imposes the same restrictions on investments as specified in section 1 on investments of the Kansas public employees retirement system (KPERs) by or under authority of the KPERs Board of Trustees.

The KPERs Board of Trustees is similarly required to review the existing investments of the KPERs Fund and to terminate prohibited investments within a reasonable time and cause them to be reinvested as otherwise permitted by this section.

Section 16. This section amends a portion of the state moneys law. It prohibits (in subsection (d) on page 37) the award by the PMIB of active accounts or inactive accounts of state moneys to any bank which makes or maintains any loan to:

(1) The Republic of South Africa, any national corporation thereof or any subsidiary or affiliate of a United State's company, as those terms are defined in section 1;

(2) Any company doing business in or with the Republic of South Africa; or

(3) Any bank or other financial institution which is making or maintaining any investment prohibited by section 1 of the act.

Sections Making Amendments to Implement the Major Policies

Most of the remaining sections relate to the separate investment authority provisions, which are administered by the PMIB, for special revenue funds which are required to be segregated from other moneys in the state treasury and which have the interest earnings thereon credited thereto instead of the state general fund. In each section, the separate investment authority conferred on the PMIB is made subject to the provisions of section 1.

Listing of Special Revenue Fund Sections:

Sec. 2. Debt service reserve fund (sewage disposal facility revenue bonds issued by Secretary of Health and Environment).

Sec. 3. Self-insurance reserve fund (casualty losses to state property).

Sec. 4. Contribution fund (OASDI contributions).

Sec. 5. Health care stabilization fund.

Sec. 6. Employment security fund.

Sec. 7. Real estate recovery revolving fund.

Sec. 8. Radioactive hazardous waste perpetual care trust fund
and Hazardous waste perpetual care trust fund.

Sec. 9. Hazardous waste permittee liability trust fund.

Sec. 10. State freeway fund and
State freeway construction fund.

Sec. 11. All-sports hall of fame trust fund.

Sec. 12. Bond account of the state park and resources authority general fees fund.

Sec. 14. Jane C. Stormont perpetual endowment fund.

Sec. 18. Currently surplus bond proceeds or reserves of any state agency not specifically provided for by law.

Sec. 19. Federal revenue sharing fund.

Sec. 20. KU medical center projects bond proceeds.

Sec. 21. All faiths chapel building fund (Kansas State Penitentiary).

The remaining sections 15 and 17 amend sections of the state moneys law to impose the restrictions of section 1 upon the PMIB regarding the authority to invest state moneys in repurchase agreements and time deposit, open accounts under circumstances when unable to deposit such moneys as otherwise prescribed therein.

HOUSE BILL No. 2880

By Representative Justice

2-7

Proposed Amendments
3-1-84

0017 AN ACT concerning the investment and management of moneys
 0018 under the control and supervision of state agencies; prohibit-
 0019 ing certain investments with regard to the Republic of South
 0020 Africa; prescribing duties for the pooled money investment
 0021 board and the board of trustees of the Kansas public employ-
 0022 ees retirement system; amending K.S.A. 12-3718, 12-3724,
 0023 40-2307, 40-3406, 58-3066, 68-2311, 74-2913, 74-4515, 74-
 0024 4921, 75-2527, 75-4254, 75-4259, 76-818 and 76-2473 and
 0025 K.S.A. 1983 Supp. 44-712, 65-3431, 65-3439, 75-4205, 75-4208
 0026 and 75-4209 and repealing the existing sections.

0027 *Be it enacted by the Legislature of the State of Kansas:*

0028 New Section 1. (a) After June 30, ~~1984~~ the pooled money
 0029 investment board shall not make or authorize the investment of
 0030 any moneys:

0031 (1) In any loans to the Republic of South Africa, to a national
 0032 corporation of the Republic of South Africa or to a subsidiary or
 0033 affiliate of a United States' company operating in the Republic of
 0034 South Africa;

0035 (2) in any stocks, securities or obligations of any company
 0036 doing business in or with the Republic of South Africa ~~or~~
 0037 ~~(3) in or with any financial institution which is making or~~
 0038 ~~maintaining any investment described in paragraph (1) or para-~~
 0039 ~~graph (2) of this subsection.~~

0040 (b) The pooled money investment board shall review the
 0041 investment of all moneys invested by the board to ensure that no
 0042 such moneys are invested in any investment prohibited by this
 0043 section. All investments which were made by or under authority
 0044 of the board prior to July 1, ~~1984~~ and which are prohibited by
 0045 this section shall be terminated within a reasonable time and the
 0046 moneys involved therein shall be reinvested as otherwise au-

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or

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1194 same when so collected such amounts into the state treasury to
 1195 the credit of the fund.

1196 (c) The principal and interest or other income or the pro-
 1197 ceeds of sale of securities as provided in subsection (6) and in
 1198 clause (a) of this subsection shall be reported to the state trea-
 1199 surer and the board and credited to the fund.

1200 (9) The board shall with the advice of the director of accounts
 1201 and reports establish the requirements and procedure for re-
 1202 porting any and all activity relating to investment functions
 1203 provided for in this ~~act~~ section in order to prepare a record
 1204 monthly of the investment income and changes made during the
 1205 preceding month. The record will reflect a detailed summary of
 1206 investment, reinvestment, purchase, sale and exchange transac-
 1207 tions and such other information as the board may consider
 1208 advisable to reflect a true accounting of the investment activity of
 1209 the fund.

1210 (10) The board shall provide for an examination of the in-
 1211 vestment program annually. The examination shall include an
 1212 evaluation of current investment policies and practices and of
 1213 specific investments of the fund in relation to the objective set
 1214 forth in subsection (3), the standard set forth in subsection (4)
 1215 and other criteria as may be appropriate, and recommendations
 1216 relating to the fund investment policies and practices and to
 1217 specific investments of the fund as are considered necessary or
 1218 desirable. The board shall include in its annual report to the
 1219 governor as provided in K.S.A. 74-4907 and amendments thereto
 1220 a report or a summary thereof covering the investments of the
 1221 fund.

1222 (11) (a) After June 30, ~~[1984]~~ ^[1987] the board shall not make or
 1223 authorize the investment of any moneys of the fund:

1224 (i) In any loans to the Republic of South Africa, to a national
 1225 corporation of the Republic of South Africa or to a subsidiary or
 1226 affiliate of a United States' company operating in the Republic
 1227 of South Africa;

1228 (ii) in any stocks, securities or obligations of any company
 1229 doing business in or with the Republic of South Africa ~~[or]~~

1230 ~~[(iii) in or with any financial institution which is making or]~~

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or

1231 ~~[maintaining any investment described in clause (i) or clause (ii)~~
 1232 ~~of this subsection]~~

1233 (b) The board shall review the investment of all moneys of
 1234 the fund to ensure that no such moneys are invested in any
 1235 investment prohibited by this subsection. All investments which
 1236 were made by or under authority of the board prior to July 1,
 1237 ~~1984~~, and which are prohibited by this subsection shall be
 1238 terminated within a reasonable time and the moneys involved
 1239 therein shall be reinvested as otherwise authorized and pre-
 1240 scribed by this section.

1241 (c) In the administration of this section, the board of trust-
 1242 ees shall utilize information available from the United States
 1243 department of commerce and the American consulate general in
 1244 the Republic of South Africa.

1245 (d) As used in this subsection (11): (i) "National corporation
 1246 of the Republic of South Africa" means a corporation or a
 1247 subsidiary or affiliate of a corporation that is more than 50%
 1248 owned or operated by the government of the Republic of South
 1249 Africa; and

1250 (ii) "Subsidiary or affiliate of a United States' company
 1251 operating in the Republic of South Africa" means a company
 1252 incorporated under the laws of the Republic of South Africa
 1253 which is domiciled in the Republic of South Africa and which is
 1254 controlled by a United States' company and does not include a
 1255 subsidiary or affiliate that is located in the United States.

1256 Sec. 14. K.S.A. 75-2527 is hereby amended to read as fol-
 1257 lows: 75-2527. Subject to the provisions of section 1, the state
 1258 pooled money investment board shall invest and reinvest
 1259 moneys in the Jane C. Stormont perpetual endowment fund only
 1260 (a) in direct obligations of, or obligations the principal of which
 1261 and interest on which are unconditionally guaranteed by, the
 1262 United States of America, (b) in interest-bearing time deposits in
 1263 any bank or trust company located in Kansas, or, if the board
 1264 determines that it is impossible to deposit such moneys in such
 1265 time deposits, in repurchase agreements of less than ~~thirty (30)~~
 1266 30 days' duration with a Kansas bank for direct obligations of, or
 1267 obligations that are insured as to principal and interest by, the

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1268 United States government or any agency thereof, or (c) in insured
1269 savings and loan associations to the extent of the insurance
1270 provided by the F.S.L.I.C.

1271 Sec. 15. K.S.A. 1983 Supp. 75-4205 is hereby amended to
1272 read as follows: 75-4205. (a) *Subject to the provisions of K.S.A.*
1273 *75-4208 and amendments thereto*, the board shall designate one
1274 or more banks to receive active accounts. The capital and surplus
1275 of any bank having an active account shall be not less than
1276 \$2,000,000. In determining the amount of the award of an active
1277 account to any bank designated under this subsection therefor,
1278 the board shall give consideration to the amount of service to be
1279 required of it. Active accounts shall bear no interest.

1280 (b) The aggregate moneys in all active accounts shall not
1281 exceed \$40,000,000 at any time, except that in periods of antici-
1282 pated peak disbursements, the board, in its discretion, may cause
1283 the aggregate moneys in the active accounts to exceed such
1284 amount for the duration of such periods of peak disbursements,
1285 not to exceed 10 days. At any time moneys in active accounts
1286 exceed 50% of the award of such accounts, additional moneys
1287 may be deposited in time deposit, open accounts.

1288 (c) If the aggregate of all active accounts exceeds the limit
1289 prescribed in subsection (b), the board shall direct the treasurer
1290 to make withdrawals within 60 days of sufficient moneys to
1291 reduce the amount in the active accounts below such limit, and
1292 such withdrawals shall be made in accordance with the formula
1293 prescribed for the initial award of such moneys. The moneys so
1294 withdrawn shall be transferred to and deposited in inactive
1295 accounts in accordance with the formula prescribed in K.S.A.
1296 75-4207 and ~~K.S.A. 75-4209~~ and amendments ~~thereto~~ to those
1297 *statutes* for initial deposits in inactive accounts except that any
1298 bank which was entitled to an inactive account award of
1299 \$100,000 or more under the provisions of K.S.A. 75-4209 and
1300 amendments thereto, but which contracted for a lesser amount
1301 shall not be entitled to receive such additional deposits.

1302 (d) When moneys are available for deposit for not to exceed
1303 60 days in time deposit, open accounts, the board shall deposit
1304 such moneys in time deposit, open accounts in the banks and in

1305 the proportion prescribed by K.S.A. 75-4206 and amendments
1306 thereto for the making of such deposits of moneys or if the board
1307 determines that it is impossible to deposit such moneys in time
1308 deposit, open accounts, ~~it the board, subject to the provisions of~~
1309 *section I*, shall invest the same in repurchase agreements of less
1310 than 30 days' duration with a Kansas bank for direct obligations
1311 of, or obligations that are insured as to principal and interest by,
1312 the United States government or any agency thereof.

1313 (e) At any time moneys are available for deposits or invest-
1314 ment for a period of time which is insufficient to permit deposit
1315 in time deposit, open accounts the board may invest the same in
1316 repurchase agreements of less than 30 days' duration with Kan-
1317 sas banks for direct obligations of, or obligations that are insured
1318 as to principal and interest by, the United States government or
1319 any agency thereof.

1320 ~~Sec. 16. K.S.A. 1983 Supp. 75-4208 is hereby amended to~~
1321 ~~read as follows: 75-4208. (a) The board shall follow the proce-~~
1322 ~~dure prescribed in this section preliminary to designating banks~~
1323 ~~to receive deposit of state moneys in active accounts and inactive~~
1324 ~~accounts. Such board shall meet on the first Monday in July of~~
1325 ~~each year at such hour and place as is specified by the board.~~
1326 ~~Except in any year in which such board is only exercising its~~
1327 ~~option specified in subsection (c) of this section, at such meeting~~
1328 ~~the board shall prepare and cause to be published in the Kansas~~
1329 ~~register on or before July 15 of such year a notice as prescribed in~~
1330 ~~this section. Such notice shall state that on a day specified in~~
1331 ~~such notice, which shall be not later than September 1 of such~~
1332 ~~year, sealed proposals will be received by the board for the~~
1333 ~~deposit of state and special moneys in active and inactive ac-~~
1334 ~~counts. Such notice shall specify this section of this act as~~
1335 ~~authority for its publication, and shall specify the hour and place~~
1336 ~~that the proposals herein provided for will be received and~~
1337 ~~opened. Such notice shall specify that proposals may be made by~~
1338 ~~any eligible bank or trust company on forms which shall be~~
1339 ~~prepared by the board and approved by the attorney general.~~
1340 (b) At the time and place specified in such notice, all pro-
1341 posals which have been submitted shall be publicly opened and

1342 tabulated.

1343 (c) *Subject to the provisions of subsection (d) and within two*
1344 *weeks after the meeting date specified in such notice the board*
1345 *shall determine which banks shall receive state active and inac-*
1346 *tive accounts for the following 12 months, with the option of such*
1347 *board to extend such period for an additional 12 months, and*
1348 *shall designate the types of accounts to be awarded each such*
1349 *bank and the initial amount of each award. Such initial awards*
1350 *which are active accounts shall be made as provided in K.S.A.*
1351 *75-4205 and amendments thereto. Such initial awards which are*
1352 *inactive accounts shall be apportioned as is provided in K.S.A.*
1353 *75-4209 and amendments thereto. Upon making the awards*
1354 *provided for above, the board shall notify each bank of its award,*
1355 *and that the same award is subject to approval of securities to be*
1356 *pledged as prescribed in this act.*

1357 (d) *After July 31, 1984, the board shall not designate any*
1358 *bank to receive deposits of state moneys in active accounts or*
1359 *inactive accounts if such bank makes or maintains any loan to*
1360 *(1) the Republic of South Africa, to a national corporation of the*
1361 *Republic of South Africa or to a subsidiary or affiliate of a*
1362 *United States' company operating in the Republic of South*
1363 *Africa, (2) any company doing business in or with the Republic*
1364 *of South Africa, (3) any bank or other financial institution*
1365 *which is making or maintaining any investment prohibited by*
1366 *section 1. In the administration of this subsection, the board*
1367 *shall utilize information available from the United States de-*
1368 *partment of commerce and the American consulate general in*
1369 *the Republic of South Africa. As used in this subsection, "na-*
1370 *tional corporation of the Republic of South Africa" and "sub-*
1371 *sidary or affiliate of a United States' company operating in the*
1372 *Republic of South Africa" have the meanings ascribed thereto*
1373 *by section 1.]*

1374 Sec. ~~17~~ K.S.A. 1983 Supp. 75-4209 is hereby amended to
1375 read as follows: 75-4209. (a) *Subject to the provisions of K.S.A.*
1376 *75-4208 and amendments thereto, inactive accounts shall be*
1377 *apportioned by the board among the banks which propose to*
1378 *receive such accounts and which qualify therefor in the propor-*

1379 tion that each such bank's combined capital, undivided profits
 1380 and surplus bears to the total capital, undivided profits and
 1381 surplus of all such banks. The board may award additional
 1382 inactive accounts or make additional deposits to existing inactive
 1383 accounts at any time. Awards of additional inactive accounts,
 1384 additional deposits to existing inactive accounts and withdrawals
 1385 from inactive accounts shall be made by the same method of
 1386 apportionment, except that any bank which was entitled to an
 1387 inactive account of \$100,000 or more, but which contracted for a
 1388 lesser amount shall not be entitled to receive any such additional
 1389 award or deposit. One hundred percent of all inactive accounts
 1390 shall bear interest in the amounts provided in K.S.A. 75-4210 *and*
 1391 *amendments thereto.*

1392 (b) If any bank does not accept the full amount of inactive
 1393 accounts for which it legally qualifies, the balance thereof shall
 1394 be apportioned in the manner prescribed in subsection (a) of this
 1395 section among eligible banks willing to receive additional inac-
 1396 tive accounts.

1397 (c) In the event the board is unable to deposit all state and
 1398 special moneys which are available for inactive accounts *and*
 1399 *subject to the provisions of section 1*, the board shall deposit
 1400 such moneys in time deposit, open accounts in such bank or
 1401 banks as it shall determine to be in the best interest of the state or
 1402 shall invest the same in repurchase agreements as authorized
 1403 and provided in K.S.A. 75-4205 *and amendments thereto.*

1404 Sec. ~~18~~ K.S.A. 75-4254 is hereby amended to read as fol-
 1405 lows: 75-4254. *Subject to the provisions of section 1*, the pooled
 1406 money investment board may invest and reinvest the moneys of
 1407 surplus proceeds and surplus reserves in:

1408 (a) *In* direct obligations of, or obligations the principal of and
 1409 interest on which are unconditionally guaranteed by, the United
 1410 States of America; ~~or~~;

1411 (b) in interest-bearing time deposits in any commercial bank
 1412 or trust company located in Kansas, except that the amount so
 1413 invested in any such bank or trust company shall not exceed an
 1414 amount equal to the total capital and surplus of such bank or trust
 1415 company and shall be secured in the manner prescribed by

1416 subsections (a) to (e), inclusive, of K.S.A. 75-4218; ~~or and~~
1417 *amendments thereto*;

1418 (c) ; if the board determines that it is impossible to deposit
1419 such moneys in such time deposits, in repurchase agreements of
1420 less than ~~thirty (30)~~ 30 days' duration with a Kansas bank for
1421 direct obligations of, or obligations that are insured as to princi-
1422 pal and interest by, the United States government or any agency
1423 thereof; or

1424 (d) in shares or accounts in saving and loan associations
1425 insured by the federal saving and loan insurance corporation, or
1426 other federal agency, to the extent covered by such insurance.

1427 Sec. ~~19~~ K.S.A. 75-4259 is hereby amended to read as fol-
1428 lows: 75-4259. *Subject to the provisions of section 1*, any moneys
1429 in the trust fund not immediately required for the purposes for
1430 which received shall be invested by the state pooled money
1431 investment board in:

1432 (a) United States treasury bills or notes with maturities as the
1433 board shall approve, but not exceeding six (6) months; or

1434 (b) Time deposit, open accounts or certificates of deposit for
1435 periods of not more than six (6) months, in commercial banks or
1436 trust companies located in Kansas. Interest shall be earned on
1437 such time deposit, open accounts and certificates of deposit at
1438 the same rate as is provided for inactive accounts under the
1439 provisions of K.S.A. 75-4210 and ~~acts amendatory thereof and~~
1440 ~~supplemental amendments thereto~~. If the board determines that
1441 it is impossible to deposit such moneys in such time deposits the
1442 board may invest such moneys in repurchase agreements of less
1443 than ~~thirty (30)~~ 30 days' duration with a Kansas bank for direct
1444 obligations of, or obligations that are insured as to principal and
1445 interest by, the United States government or any agency thereof.
1446 Moneys invested in time deposits under this subsection shall be
1447 secured as provided in K.S.A. 75-4218; *and amendments thereto*
1448 and the provisions of *the statutes contained in* article 42 of
1449 chapter 75 of Kansas Statutes Annotated relating to security shall
1450 apply to such moneys. Investments in time deposits under this
1451 subsection (b) shall be subject to K.S.A. 75-4217 *and amend-*
1452 *ments thereto*.

19

1453 Sec. ~~69~~ K.S.A. 76-818 is hereby amended to read as follows:
1454 76-818. All funds received pursuant to the provisions of this act,
1455 whether as proceeds from the sale of bonds, sale of property,
1456 insurance or condemnation awards, as revenues, proceeds or
1457 otherwise, shall be deemed to be trust funds to be held and
1458 applied solely as provided in this act and as provided in the
1459 resolution authorizing the issuance of the bonds or the trust
1460 agreement. The resolution of the board authorizing the issuance
1461 of the bonds or the trust agreement securing any bonds may
1462 provide that any of such moneys, including the proceeds of the
1463 bonds, the sinking fund and any reserve account or accounts,
1464 may be invested by the pooled money investment board, *subject*
1465 *to the provisions of section 1* and pending the disbursement
1466 thereof, in obligations of the United States of America or obliga-
1467 tions the principal and interest of which are guaranteed by the
1468 United States of America or in interest-bearing time deposits in
1469 any commercial bank or trust company located in Kansas, or, if
1470 the board determines that it is impossible to deposit such
1471 moneys in such time deposits, in repurchase agreements of less
1472 than ~~thirty (30)~~ 30 days' duration with a Kansas bank for direct
1473 obligations of, or obligations that are insured as to principal and
1474 interest by, the United States government or any agency thereof.
1475 Whenever such moneys are invested in interest-bearing deposits
1476 in any commercial bank or trust company such deposits shall be
1477 secured by pledge of securities as provided in K.S.A. 75-4218,
1478 and amendments thereto.

20

1479 Sec. ~~67~~ K.S.A. 76-2473 is hereby amended to read as fol-
1480 lows: 76-2473. The state treasurer shall have the custody and
1481 charge of all moneys in the all faiths chapel building fund.
1482 *Subject to the provisions of section 1*, the pooled money invest-
1483 ment board may invest and reinvest the moneys not needed
1484 immediately in (a) direct obligations the principal and interest
1485 on which are unconditionally guaranteed by the United States of
1486 America or (b) in interest-bearing time deposits in any commer-
1487 cial bank or trust company located in Kansas, except that the
1488 amount so invested in a bank or trust company shall not exceed
1489 an amount equal to the total capital and surplus of such bank or

1490 trust company and shall be secured in the manner prescribed by
1491 K.S.A. 75-4218, *and amendments thereto* or (c), if the board
1492 determines that it is impossible to deposit such moneys in such
1493 time deposits, in repurchase agreements of less than ~~thirty~~ (30)
1494 30 days' duration with a Kansas bank for direct obligations of, or
1495 obligations that are insured as to principal and interest by, the
1496 United States government or any agency thereof, or (d) in shares
1497 or accounts in federally insured savings and loan associations
1498 located in the state of Kansas to the extent covered by the
1499 insurance. The net income from the investments shall be con-
1500 sidered income of the fund and placed in such fund, subject to
1501 reinvestment as ~~hereinbefore~~ provided by *this section*. All
1502 moneys in the fund and income therefrom shall be subject to post
1503 audit.

1504 Sec. ~~22~~ K.S.A. 12-3718, 12-3724, 40-2307, 40-3406, 58-3066,
1505 68-2311, 74-2913, 74-4515, 74-4921, 75-2527, 75-4254, 75-4259,
1506 76-818 and 76-2473 and K.S.A. 1983 Supp. 44-712, 65-3431,
1507 65-3439, 75-4205, 75-4208 and 75-4209 are hereby repealed.
1508 Sec. ~~23~~ This act shall take effect and be in force from and
1509 after its publication in the statute book.

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