

By Mr. Backman and Mr. King of Boston, a joint petition (accompanied by bill, Senate, No. 1138) of Jack H. Backman, Melvin H. King, other members of the General Court and others for legislation to end the investment of public pension funds in firms doing business in South Africa. Public Service.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-one.

AN ACT ENDING THE INVESTMENT OF PUBLIC PENSION FUNDS IN FIRMS DOING BUSINESS IN SOUTH AFRICA.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Paragraph (d) of subdivision (1) of section 23 of chapter
2 32 of the general laws, as most recently amended by section 1
3 of chapter 491 of the acts of 1980, is hereby further amended
4 by adding the following clauses: —

5 (vi) No public pension funds shall be invested in any bank
6 or financial institution which directly or through its subsidi-
7 aries has outstanding loans to the Republic of South Africa
8 or its instrumentalities or to a subsidiary or affiliate of a
9 United States company operating in South Africa after Janu-
10 ary 1, 1982, and no assets shall remain invested in the stocks,
11 securities or other obligations of any company doing business
12 with the Republic of South Africa after January 1, 1982. Any
13 proceeds of sales required under this clause shall be invested
14 as much as reasonably possible in institutions or companies
15 which invest or conduct business operations in Massachusetts
16 so long as such use is consistent with sound investment policy.

17 (vii) Notwithstanding the provisions of the preceding
18 clause, the investment committee may vote to spread the sale
19 of such investments so that no more than one-third the value
20 of said investments is required to be sold in any one year. So
21 long as any funds remain invested in any financial institution
22 or firm doing business in the Republic of South Africa, the
23 investment committee shall annually, on or before January

24 thirty-first, file with the clerk of the senate and the clerk of
 25 the house of representatives a report listing all South Africa-
 26 related investments held by the fund and their book and mar-
 27 ket value as of the preceding December first.

Chapter 100A, Section 100A:10

In the Year One thousand nine hundred and eighty-

one, the following chapter and sections were enacted:

Chapter 100A, Section 100A:10, to read as follows:

1 Paragraph (b) of subsection (1) of section 100A:10 of chapter
 2 100A of the general laws, as last amended, enacted by section 1
 3 of chapter 431 of the acts of 1980, is hereby further amended
 4 to read the following chapter: —

5 (a) No public pension fund shall be invested in any bank
 6 or financial institution which directly or through its affiliate
 7 does any business in the Republic of South Africa.
 8 No investment shall be made in a company which is a subsidiary or affiliate of a
 9 company which does any business in South Africa after Janu-
 10 ary 1, 1982, and no assets shall be invested in the shares,
 11 securities or other obligations of any company doing business
 12 with the Republic of South Africa after January 1, 1982, any
 13 proceeds of sales required under this chapter shall be invested
 14 in such an investment as is authorized in subsection (b) of section
 15 100A:10 of the general laws, or in such an investment as is authorized
 16 in subsection (c) of section 100A:10 of the general laws, in
 17 such a manner as to be consistent with sound investment policy.
 18 (b) Notwithstanding the provisions of the preceding
 19 section, the investment committee may vote to invest the sale
 20 of such investments so that no more than one-third the value
 21 of such investments is required to be sold in any one year. No
 22 sale of such investments shall be made in any financial institution
 23 or other financial institution in the Republic of South Africa, the
 24 investment committee shall annually, on or before January