

HOUSE No. 5596

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, November 16, 1993.

The committee on Public Service, to whom was referred the petition (accompanied by bill, House, No. 5577) of Byron Rushing, other members of the General Court and another relative to the investment of certain public funds in the Republic of South Africa, reports recommending that the accompanying bill (House, No. 5596) ought to pass.

For the committee,

BYRON RUSHING.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Three.

AN ACT RELATIVE TO THE INVESTMENT OF CERTAIN PUBLIC FUNDS 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 SECTION 1. Section 35 of Chapter 23A of the General Laws,
2 as appearing in the 1992 Official Edition, is hereby amended by
3 inserting, in line 101, after the word “Africa” the following
4 words: — absent compliance with the platform of guiding
5 principles as defined in subdivision (5) of section 23 of
6 Chapter 32.

1 SECTION 2. Paragraph (d) of subdivision (1) of section 23 of
2 Chapter 32, as so appearing in the 1992 Official Edition, is hereby
3 amended by striking out clause (ii) and inserting in place thereof
4 the following clause: —
5 (ii) subsequent to the date of such determination no new
6 investment of funds shall be made in any bank or financial
7 institution which directly or through any subsidiary has
8 outstanding loans to any individual corporation engaged in the
9 manufacture, distribution or sale of firearms, munitions,
10 including rubber or plastic bullets, tear gas, armored vehicles, or
11 military aircraft for use or development in any activity in South
12 Africa, and no new investment of funds shall be made in the
13 stocks, securities or other obligations of any company so engaged;
14 provided, however, that if the investment committee elects to
15 invest in banks, financial institutions or any companies doing
16 business in South Africa, excluding the aforementioned, the
17 investment committee shall review the platform of guiding
18 principles defined in subdivision (5) of this section and monies
19 shall be invested as much as reasonably possible in such banks,
20 financial institutions or companies which have adopted said
21 platform of guiding principles so long as such use is consistent
22 with sound investment policy;

1 SECTION 3. Paragraph (g) of subdivision (2) of section 23 of
2 Chapter 32, as so appearing in the 1992 Official Edition, is hereby
3 amended by striking out clause (ii) and inserting in place thereof
4 the following clause: —

5 (ii) subsequent to the date of such determination no new
6 investment of funds shall be made in any bank or financial
7 institution which directly or through any subsidiary has
8 outstanding loans to any individual corporation engaged in the
9 manufacture, distribution or sale of firearms, munitions,
10 including rubber or plastic bullets, tear gas, armored vehicles, or
11 military aircraft for use or development in any activity in South
12 Africa, and no new investment of funds shall be made in the
13 stocks, securities or other obligations of any company so engaged;
14 provided, however, that if the board elects to invest in banks,
15 financial institutions or any companies doing business in South
16 Africa, excluding the aforementioned, the board shall review the
17 platform of guiding principles defined in subdivision (5) of this
18 section and monies shall be invested as much as reasonably
19 possible in such banks, financial institutions or companies which
20 have adopted said platform of guiding principles so long as such
21 use is consistent with sound investment policy;

1 SECTION 4. Paragraph (h) of subdivision (2A) of section 23
2 of Chapter 32, as so appearing in the 1992 Official Edition, is
3 hereby amended by striking out in line 449 through line 454 the
4 following words “provided, further, that no funds are to be
5 invested in stocks, securities, or other obligations of any company
6 doing business in or with the Republic of South Africa” and
7 inserting in place thereof the following: — subsequent to the date
8 of such determination no new investment of funds shall be made
9 in any bank or financial institution which directly or through any
10 subsidiary has outstanding loans to any individual corporation
11 engaged in the manufacture, distribution or sale of firearms,
12 munitions, including rubber or plastic bullets, tear gas, armored
13 vehicles, or military aircraft for use or development in any activity
14 in South Africa, and no new investment of funds shall be made
15 in the stocks, securities or other obligations of any company so
16 engaged; provided, however, that if the board elects to invest in
17 banks, financial institutions or any companies doing business in

18 South Africa, excluding the aforementioned, the board shall
19 review the platform of guiding principles defined in subdivi-
20 sion (5) of this section and monies shall be invested as much as
21 reasonably possible in such banks, financial institutions or
22 companies which have adopted said platform of guiding principles
23 so long as such use is consistent with sound investment policy.

1 SECTION 5. Section 23 of said chapter 32, as so appearing,
2 is hereby further amended by adding at the end thereof the
3 following subdivision: —

4 (5) The platform of guiding principles for investment in South
5 Africa shall mean, without limitation, the following standards of
6 corporate activity:

7 (a) Worker's Rights: Companies should uphold worker's
8 rights, including the recognition of representative unions and their
9 rights to bargain collectively, to strike, to picket peacefully, and
10 strike breakers will not be hired. Investment should enhance
11 employment creation;

12 (b) Equality of Opportunity: Companies shall eliminate all
13 discrimination on the basis of race, religion, sex, political opinion
14 or physical handicap and will implement affirmative action
15 programs;

16 (c) Environmental Protection: Investment shall incorporate
17 environmentally sound and clean practices and technology;

18 (d) Training and Education: Investment should enhance the
19 productive capacities of South Africans, and in particular,
20 institute training and adult education programs for workers in
21 consultation with the trade union movement;

22 (e) Conditions of Work and Life: Conditions of work and life
23 offered by companies shall compare favorably with the best
24 conditions in the relevant sector domestically;

25 (f) Security of Employment: Investment should contribute to
26 the security of employment of South Africans;

27 (g) Empower Black Business: Companies should, where
28 possible, adopt business practices which enhance the development
29 of Black Business in South Africa;

1 SECTION 6. Section 12 of Chapter 40D of the General Laws,
2 as so appearing, is hereby amended by inserting in line 90, after
3 the word "Africa" the following words: — absent compliance with

4 the platform of guiding principles as defined in subdivision (5) of
5 section 23 of chapter 32.

1 SECTION 7. Section 6 of Chapter 64H of the General Laws,
2 as so appearing, is hereby amended by striking out, in lines 441
3 and 442, the words “except the Republic of South Africa or
4 Namibia”.

1 SECTION 8. The cities of Boston, Newton, and Watertown
2 may invest their public pension funds in any financial institution
3 or corporation doing business in or with the Republic of South
4 Africa in accordance with the provisions of clause (ii) of
5 paragraph (g) of subdivision (2) of section 23 of Chapter 32.

1 SECTION 9. Chapter four hundred and ninety of the Acts of
2 nineteen hundred and eighty-four, chapter six hundred and
3 ninety-eight of the Acts of nineteen hundred and eighty-five and
4 chapter two hundred and fifty-two of the Acts of nineteen hundred
5 and eighty-six are hereby repealed.

