



**COUNCIL COMMITTEE ON
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**MINUTES OF JOINT MEETING OF LAW
AND LEGISLATION AND BUDGET
AND FINANCE COMMITTEES**

December 11, 1986

dealings in South Africa. He stated he would come back to the Council later with more information and detail. There was considerable discussion as to the companies that we do business with that also have business dealings in South Africa. Tom's report was based upon the "Sullivan principles" (elaborated in his December 11th memorandum, attached hereto). Councilman Johnson stated his feeling that the Sullivan principles were not significant. There was a great deal of discussion about the validity of the Sullivan principles, with Tom Friery concerned that without utilizing the Sullivan principles, he will be without a standard by which to judge which companies are offensive.

Council members Chinn and Smallman left the meeting at 4:50 p.m.

Jack Crist and Frank Mugartegui spoke to the Committees regarding the proposed divestiture ordinance and how it relates to procurement for the City. A memo was distributed (copy attached), which identifies suppliers of various products purchased by the City. It was noted that in some instances certain parts and equipment needed by the City are not available by any company other than one which would be a divestiture candidate. Grantland Johnson explained that in his ordinance, when there are no alternatives available for procurement, the City Manager is given discretion.

At this time, members of the audience were given an opportunity to speak on this issue.

The first speaker was Vincent Harris, a City resident and coordinator of a loose-knit group of community organizations concerned with businesses dealing in South Africa, Sacramento Area Free South Africa Movement, who spoke in favor of the proposed ordinance. He pointed out that when the U.S. companies withdraw from South Africa, the black and white workers both suffer unemployment. He made the following points: (1) municipalities can divest; (2) the City's policy, whatever, should include the notion of total withdrawal; (3) that the City effect and continue the public effort to impose the sort of harsh sanctions that are required to bring South Africa to their senses; and (4) the Sullivan principles are pretty much a farce. We have an obligation to reject the Sullivan principles. We are trying to change South Africa, not the firms doing business there. He suggested we pass an ordinance or resolution that will divest any economic relationships with firms doing business with South Africa and encourage firms we are affiliated with to do the same. He then passed out copies of a brochure (attached) entitled "Voices of Withdrawal".

The next speaker was Gary Turner of the Sacramento Area Black Caucus, who recommended we adopt the proposed ordinance.

It was agreed by Grantland Johnson that using the ordinance method rather than resolution method for this issue would be in the best interests of the City, and would hold more weight.

Grantland Johnson explained that his proposed ordinance calls for a two-year period from the date of Council adoption in which to accomplish this divestiture: 50% phasing the first year and 100% the second year. The ordinance also covers future investments and requires restriction of purchasing.

The ordinance calls for the City Attorney and Treasurer staff to present a status report on this measure four months after the date of adoption, in order to come up with administrative procedures. Another status report would be due back to Council nine months after adoption. A third report would be due back to Council in another six months, and then, upon reaching the two-year deadline, a report in terms of total divestiture should be submitted to the full Council.

There was some closing discussion regarding the Oakland ordinance which Grantland Johnson used as the format for his proposed ordinance.

Tom Friery stated that he thought he would be presenting a more detailed report to the two committees regarding the businesses dealing with South Africa, but it was agreed that no further hearings would be needed on this issue, and that it should go directly to the Council for vote.

It was agreed by all Council members present that the proposed ordinance regarding South African Divestiture be presented at the Council meeting of December 30th, as Tom Friery would be on vacation on December 23rd.

Grantland Johnson motioned, Joe Serna seconded, and it was unanimously agreed to support an ordinance relating to South African Divestiture, to be presented to the City Council for adoption on December 30, 1986.

The meeting was adjourned at 5:37 p.m.

/jmv