

# TIAA-CREF DIVESTMENT CAMPAIGN

102 College Hall, Dartmouth College, Hanover, NH 03755 • Telephone: (603) 646-3441

## Steering Committee:

### CHAIR:

James P. Breeden,  
Dean, Tucker  
Foundation  
Dartmouth College

### MEMBERS:

Jennifer Davis  
Executive Director  
American Committee  
on Africa  
Executive Secretary  
The Africa Fund

Willard Johnson  
Chair  
TransAfrica Forum

Barbara Omolade  
The City College of the  
City University  
of New York  
Center for Worker  
Education

Christine Root  
Chair  
Political Action  
Committee  
Association of Concerned  
Africa Scholars

David Wiley  
Director  
African Studies Center  
Michigan State  
University

Robert Zevin  
Vice-President  
US Trust Company

## Staff:

### NATIONAL CAMPUS

ORGANIZER:  
Gregory Finger

ADMINISTRATOR:  
Karen Klucznik

Institutional affiliations  
provided for identification  
purposes only)

To TIAA-CREF Divestment Campaign Steering Committee:

Okay people, time to organize a very important conference call for early August.

As you probably know, the University of California System has voted to divest \$3.1 billion by 1990, and TIAA-CREF has asked some 160 companies to disinvest from South Africa. We will be getting an official statement from TIAA-CREF very soon and I will forward it to you immediately but it sounds like great news.

Also, the TIAA-CREF Board meeting is November 20th and there is a chance that we will be able to meet with the TIAA-CREF Committee on Corporate Social Responsibility again before that time. Thus, once TIAA-CREF's statement arrives, we need to write a letter stating purpose to TIAA-CREF and they will (try to) arrange a meeting.

Thus, it seems we have a lot to discuss. A tentative agenda looks like:

1. TIAA-CREF's new policy and our new strategy
2. New advertisement for the fall
3. Meeting with TIAA-CREF Committee on Corporate Social Responsibility
4. Fall term newsletter
5. Funding
6. TIAA-CREF MTG + DEMONSTRATION

I do have somewhat good news and that is that I've finally transferred most mailing lists onto a computer that makes labels. It'll be a time saver for newsletters, etc.

I will be in touch very soon about the conference call. Barbara and Robert are on vacation until the beginning of August but we should be able to arrange something shortly after that. James goes on vacation in late August and I'd like this conference call to happen before then.

Take care,

*Karen*

*I will be calling either Aug 1 or Aug 4 to ask about good times. I'm hoping for a Wednesday - either Aug 13 or Aug 20, 7:30 am.*



**Teachers Insurance and Annuity Association  
College Retirement Equities Fund**

730 Third Avenue/New York, NY 10017 (212) 490-9000

TELECOPIER: (212) 972-7533

**CLAIRE M. SHEAHAN**  
Assistant Vice President and  
Public Information Officer  
(212) 490-9000, ext. 2287, 2288  
(212) 916-4666

July 28, 1986

Mr. James Breeden  
TIAA-CREF Divestment Campaign  
102 College Hall  
Dartmouth College  
Hanover, New Hampshire 03755

Dear Jim:

Per my conversation with Karen Klucznik, enclosed are the announcement of TIAA-CREF's revised policy on investments and South Africa, and the policy statement as approved by our Trustees on July 17.

Karen relayed to me your interest in another possible meeting with our Trustee Committee on Corporate Social Responsibility. As I explained to her, we've just been through an intensive series of meetings here in developing our revised policy, and no new meeting dates have been scheduled for the immediate future pending the filing of shareholder resolutions supporting our new policy.

The Trustee Committee will, of course, be meeting again prior to November, as its work requires, and as everyone's schedules permit. I would suggest that you write to us about any specific matters that you and your colleagues wish to raise, so that we may apprise the Committee.

Meanwhile, I hope that you and your colleagues find our revised policy a significant shift. It is based on the results of our fact-finding mission to South Africa, our extensive and ongoing communications with the Black leadership there, and our analysis of conditions confronting portfolio companies.

Sincerely yours,

Claire M. Sheahan  
Assistant Vice President  
and Public Relations Officer

Teachers Insurance and Annuity Association • College Retirement Equities Fund  
730 Third Avenue, New York, New York 10017 • 212 490-9000

FROM: Claire M. Sheahan  
Ext. 2287

FOR IMMEDIATE RELEASE  
July 23, 1986

## TIAA-CREF ASKS U.S. CORPORATIONS TO WITHDRAW FROM SOUTH AFRICA

NEW YORK, NEW YORK -- TIAA-CREF announced today that it is asking some 160 U.S. portfolio corporations to withdraw from South Africa.

According to TIAA-CREF chairman James G. MacDonald, the \$49 billion pension fund is urging these companies to withdraw for economic reasons, in that "the growing world outrage against apartheid may be translated into additional sanctions against South Africa and boycotts against U.S. corporations doing business there," and that "the financial risks of portfolio companies remaining in South Africa increasingly outweigh the potential rewards."

### Shift in Policy

Today's shift in TIAA-CREF policy on investments and South Africa stems from the Trustees' recognition that the crisis in that country "has become predominantly political" and "there is now little opportunity for U.S. corporations to intrude successfully into that political arena."

Until now TIAA-CREF has supported the continued U.S. corporate presence in South Africa so long as portfolio corporations could be an effective force for change. TIAA-CREF has urged portfolio companies to implement the Sullivan Principles; to publicly condemn South Africa's racist "homeland" concept and influx control laws; to refrain from making new loans to South Africa's public and private sectors; and to increase quality mass education and training for Blacks.

- more -

Commitment of U.S. Corporations Recognized

TIAA-CREF trustees and management acknowledged "the notable accomplishments and progress" of many U.S. corporations in reaching beyond the work environment to improve the quality of life for Blacks in South Africa.

"In recent years, this commitment by some U.S. companies has been one of the more visible sources of external pressure against the racist policies of South Africa," TIAA-CREF officials said.

Events of recent months, however, have "eclipsed the ability of private good works to translate into positive public policy" they said. "We view the withdrawal of U.S. corporations from South Africa as a potent action against the Botha regime at this time, as well as a prudent economic judgment that is in the best interest of shareholders."

Resolutions to Be Filed

TIAA-CREF's common stock holdings in portfolio corporations having subsidiary operations in South Africa currently represent some \$6.5 billion in invested assets. Such holdings are in large U.S. multinational corporations -- including IBM, Eastman Kodak, Exxon and General Motors -- whose South Africa activities represent less than 1% of their total worldwide operations.

TIAA-CREF intends to begin submitting shareholder resolutions in support of its new policy calling for withdrawal of its portfolio companies from South Africa as expeditiously as possible.

TIAA-CREF provides the nationwide pension system for some 3,700 colleges universities and related nonprofit educational organizations. Today some 850,000 persons are accumulating pension benefits in TIAA-CREF, and another 150,000 are receiving income from their TIAA-CREF annuities.



## **TIAA-CREF's Investments and South Africa: Revised Statement on Corporate Social Responsibility**

July 17, 1986

TIAA-CREF continues to believe that the long-run economic interests of its policyholders are best served by investments in corporations that give clear evidence of adopting and implementing socially responsible policies in conducting their affairs.

South Africa continues to be the only country in which TIAA-CREF, through investments in U.S. multinational corporations, has an economic interest in corporate activities that are directly affected by government and social policies clearly designed to maintain the economic and political dominance of a white racial minority over other races.

For many years, TIAA-CREF has examined with special care the relationship between its investments and conditions in South Africa. It concluded that it would support the presence of U.S. portfolio corporations having operations in that country, but only if they represented a positive force for change. Accordingly, TIAA-CREF set forth specific areas of concern on which portfolio corporations should focus, including implementing the Sullivan Principles, making no loans to the South African private or public sectors, denying support of the homeland concept and refraining from expanding their operations in South Africa.

TIAA-CREF recognizes the notable accomplishments and progress of many U.S. corporations in South Africa in their sphere of influence. However, TIAA-CREF also recognizes that U.S. corporations are severely restricted in what they can do to bring about the dismantling of the apartheid system. In no case is the proportion of their total worldwide operations in South Africa substantial. Even in the aggregate, their resources for effecting political change are limited, especially under current conditions there. The South African government, moreover, has indicated that it will rebuff any further intrusion of the U.S. corporate community into the political arena. Despite its efforts, some of which have been substantial, the U.S. corporate community, as a whole, has been unable to gain credibility among many in the Black majority community who believe that the U.S. corporate presence supports the apartheid system through its management, its products, loans, and required tax payments. This belief is reinforced by the fact that South African law requires U.S. corporations to supply the government with their products, under penalty of fines and imprisonment, if the South African government declares that such items are needed for that country's security.

There is no indication that South Africa's ruling National Party is prepared to meet the demands of the Black majority and completely dismantle the apartheid system. And, regrettably, TIAA-CREF does not believe that there is a consensus among the white minority to force such action. TIAA-CREF believes that the violence in South Africa will continue to escalate and escalate rapidly. As a consequence the country's much needed economic recovery will be stymied; currency will continue to devaluate and unemployment will continue to rise. Moreover, a growing world outrage may be translated into additional sanctions against South Africa and boycotts against U.S. corporations doing business there. In this environment, the financial risks of portfolio corporations remaining in South Africa will increasingly outweigh the potential rewards.

Therefore, TIAA-CREF believes that U.S. portfolio corporations should withdraw from South Africa as expeditiously as possible.