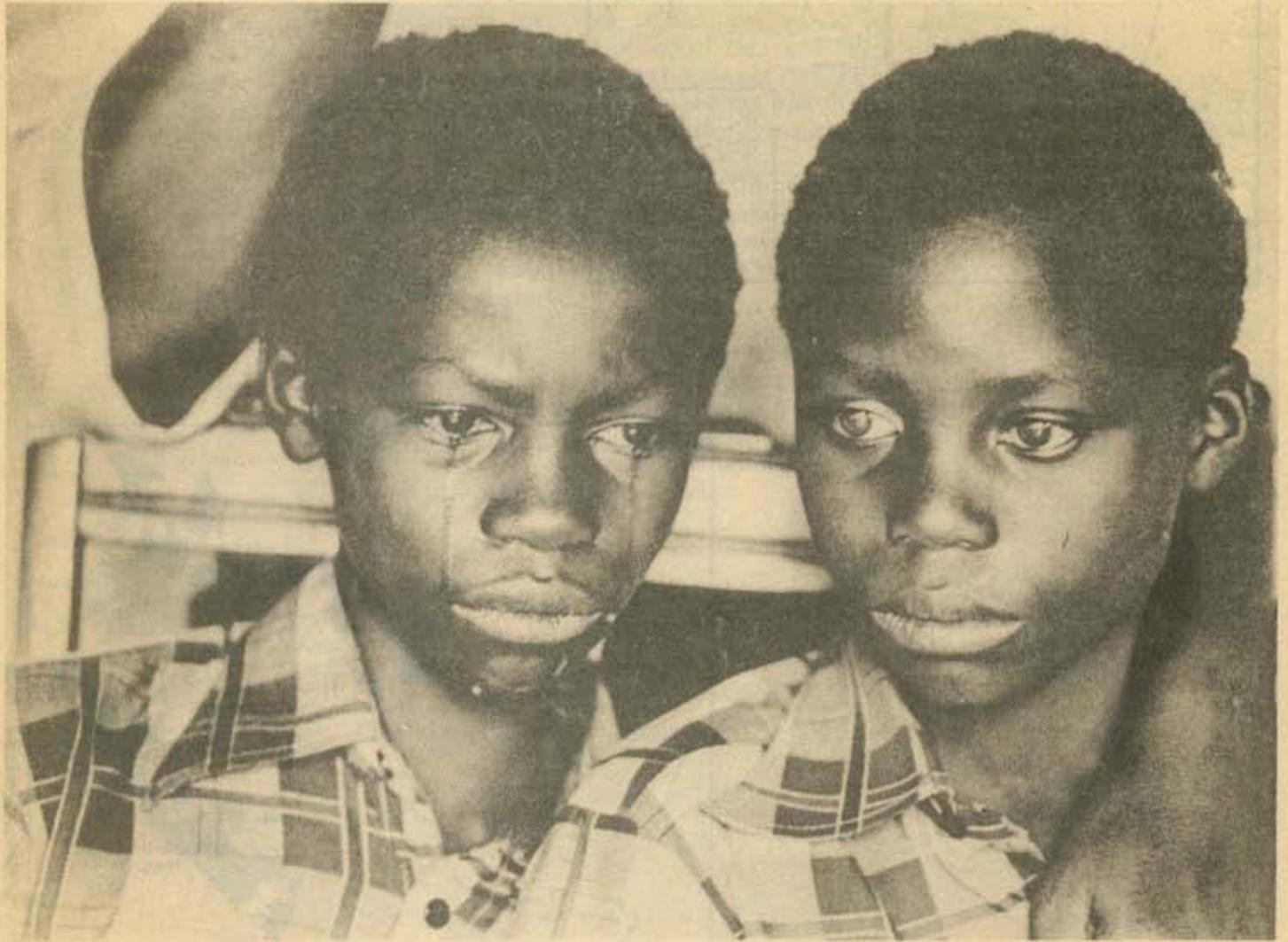


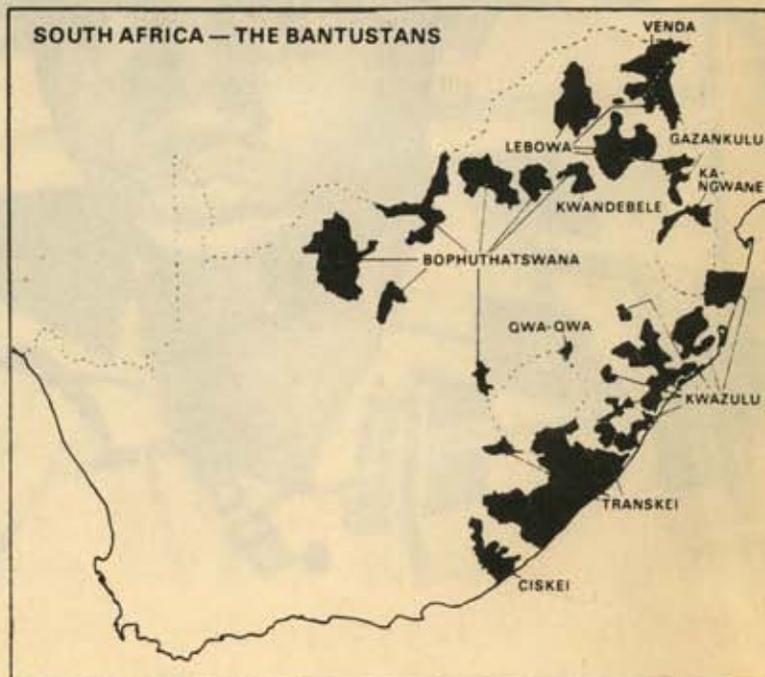
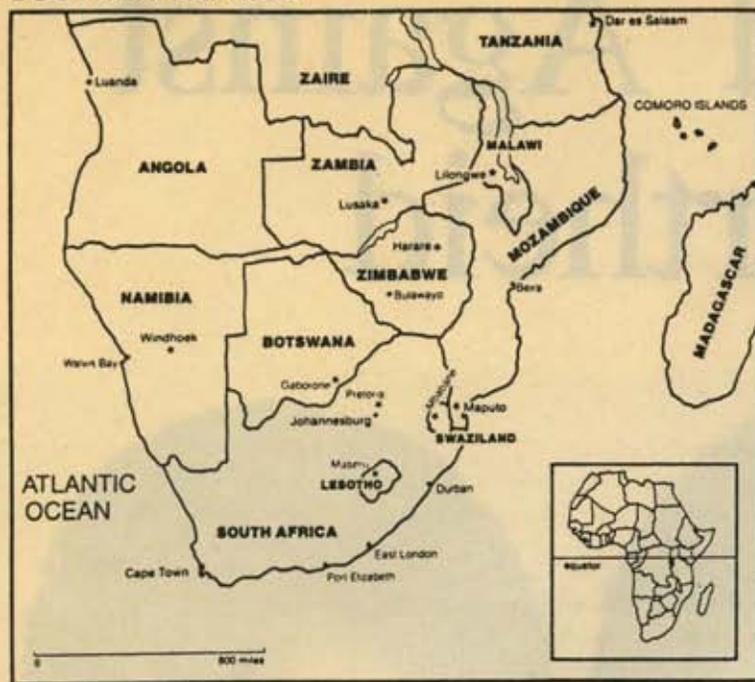
Stanford Against Apartheid



What Can We Do?

An Information Booklet by the Stanford Coalition Against Apartheid.

SOUTHERN AFRICA



The small and scattered areas designated by the apartheid regime as 'homelands' of the African population.

Reprinted from *Crippling a Nation* by Aron Secdat

Apartheid is unique.

It is a system of laws under which people are denied the most basic of human rights because of the color of their skin. Many countries *allow* widespread injustice, but in South Africa, *injustice is the law*. Because of their race, 75% of South Africans cannot vote, or live and work where they choose. This is the government's explicit policy.

Ultimately, it will be for all South Africans, black and white alike, to determine their own political destiny. Under apartheid, however, blacks are deprived of the rights they would need in order to bring about peaceful change. We, as informed outsiders, have a responsibility to hear them and to help them obtain these rights. In the words of Bishop Desmond Tutu,

Hardly any significant change in this country has taken place without the exertion of pressure from the outside world... Effective economic pressure is the one strategy that could well resolve our crisis with the minimum of violence.¹

We need to take action because *we are already involved in South Africa*. Our investments there have strengthened and continue to support the apartheid regime. It is our responsibility to understand our role in upholding this unjust system, and to do what we can to change it. Our actions, by themselves, will not end apartheid--but they will help.

1. In telephone conference with the Indiana University Board of Trustees, 20 September 1985 (Mimeo, American Committee on Africa, New York: 1985).

What is Apartheid?

We are dying under the system. We are treated like foreigners in our own country. At best, we are sent to small little barren areas, and we die there. The system itself is an act of violence.

--O.R. Tambo, President of the African National Congress (ANC)

Apartheid is an Afrikaans word meaning the separation of the races. In South Africa, apartheid also means that only whites may vote for the national government. It means that only whites may live where they please or take any job for which they are qualified. Blacks are deliberately and systematically discriminated against in every area of life. This has been the explicit policy of the government since the Nationalist party came to power in 1948.

The government now classifies the population into four groups: whites (about 4.5 million in the 1980 census), "Coloureds" (people of mixed race, 2.6 million), Indians (sometimes called Asians, 0.8 million) and Africans (21 million). But because only whites hold signifi-

cant political power, the anti-apartheid movement generally refers to all others as black, and this booklet will follow in that convention.

Enforcing apartheid has never been a peaceful process. It has required brutal military and police action to maintain a bewildering array of laws. These laws enter into virtually every area of South African life. Three broad policies, however, are generally identified as the underpinnings of apartheid: the homelands policy, which tries to deny citizenship to blacks; the pass laws, which regulate their movements and rights to work; and the denial of political and civil rights, which is necessary to enforce the system as a whole.

The Homelands

Under the homelands policy, almost all South Africans classified as "African" are assigned to one of ten bantustans. Each consists of fragmented patches of barren desert. Their total area is 13% of the country. White South Africans get the rest: 87% of total land area. This includes virtually every valuable farm, road, mine or factory.

The homelands are purported to be "National States," and their residents are denied South African citizenship. Already, four bantustans have been declared independent, and about eight million South Africans have been denationalized: denied the right to set foot ever again in the land of their birth, unless given an official contract to work there.²

The areas which are now the homelands were originally set aside for blacks under the South African Natives Land Acts of 1913 and 1936. They were simply the places that no white person wanted. In these areas, it is virtually impossible to earn a living. An independent American study has reported, "In 1975, per capita GNP in the homelands... averaged U.S. \$99. In the common areas of South Africa, per capita GNP was approximately U.S. \$2,087."³ In order to survive, homelands residents must commute into "white" South Africa, often travel-

ling six or eight hours each day.

In addition, poverty in the homelands is increasing as more and more blacks are moved into them. Between 1960 and 1980, an estimated 3.5 million people were forcibly moved into the homelands--and an additional million were relocated within them. This amounts to about 20% of all Africans in the country.⁴ As a consequence of overcrowding, the homelands have some of the highest malnutrition and child mortality rates in the world. South Africa, however, is agriculturally rich--in most years, a net food exporter. Hunger in the homelands is a deliberate, direct result of apartheid.

The governments of the homelands are largely financed and controlled by the South African government. Several black politicians, such as Gatsha Buthelezi of KwaZulu and Lennox Sebe of the Ciskei, have already risen to power using the homelands policy. Their large police and paramilitary forces are financed by the apartheid regime, and their often brutal tactics have made the homelands centers of frequent violence. These confrontations are sometimes described as "tribal" or as "black-against-black" violence--but they are as much a part of apartheid as the actions of white policemen or soldiers.



Blacks wait to go to work in White South Africa.
(from *Magubame's South Africa*).

2. J. Davis, J. Cason, and G. Hovey. "Economic Disengagement and South Africa: The Effectiveness and Feasibility of Implementing Sanctions and Divestment." *Law and Policy in International Business*, the International Law Journal of Georgetown University Law Center (Vol. 15 No. 2, 1983, pp. 529-563), p. 536.

3. Foreign Policy Study Foundation. *South Africa: Time Running Out*. (University of California Press, Los Angeles: 1981). p. 150.

4. J. Davis et. al., op. cit., p. 535.

The Pass Laws

Every black South African over the age of 16 is required to carry a Reference Book at all times. This book gives his or her official life history and status. It is difficult for an American to imagine the significance of these pass books. They contain accounts of the work history, taxes paid, and marital and residence status of their bearer. It tells where blacks are allowed to live, and what sort of work they may do.

Blacks are routinely asked to show these pass books and are routinely arrested for any irregularity. Between 1967 and 1980, an estimated 6.1 million people were tried for pass law offenses--at an estimated annual cost of over 112 million rand. In contrast, total expenses for the education of blacks in 1975-76 came to 150 million rand.⁵ Currently there are, on average, over 500 pass arrests every day.⁶

The original law governing the movements of blacks is the Bantu (Urban Areas) Act of 1923. Its Amendment Act of 1964, section 10[1], lists the conditions under which blacks may remain in the "white" areas. These conditions are: [a] if one was born in the area and has

lived there continuously since birth; [b] one has worked continuously for the same employer for ten years or has lived lawfully and continuously for fifteen years in the area; [c] one is married to a man who qualifies under [a] or [b], entered the area legally and resides with the husband; or [d] one holds a labor contract issued through an official government labor bureau in one of the homelands.⁷ In 1983, this law was further amended to allow men with 10[1][b] rights to live with their families only if they hold the lease to their home in their own name. Since many blacks must share houses, this keeps an even larger number of families separated.⁸

Few blacks qualify under these provisions, and even fewer have been able to obtain the necessary stamps and signatures in their pass books. Pass law violators are either imprisoned (one third of all South African prisoners are pass law offenders), or are "endorsed out" to some bantustan they may never have seen. The end result of the system is the disruption of families and the criminalization of everyday life.

Political and Civil Rights

Black South Africans have very few rights under apartheid. We have already mentioned that they may not own land outside the bantustans, or even look for work without official permission. This situation persists largely because they are also denied political rights: they cannot vote for the national government.

Blacks have tried to win political and civil rights in a wide variety of ways. The apartheid regime has responded to these attempts with ever-increasing repression. Blacks now have very little leverage with which to support peaceful change. Nelson Mandela, at his treason trial in 1964, gave a brief history of black efforts to make South Africa a free country for all its residents:

The African National Congress was formed in 1912 to defend the rights of the African people

which had been seriously curtailed by the South Africa Act, and which were then being threatened by the Native Land Act. For thirty-seven years--that is until 1949--it adhered strictly to a constitutional struggle. It put forward demands and resolutions; it sent delegations to the Government in the belief that African grievances could be settled through peaceful discussion and that Africans could advance gradually to full political rights. But White Governments remained unmoved, and the rights of Africans became less instead of becoming greater. In the words of my leader, Chief Luthuli, who became President of the ANC in 1952, and who was later awarded the Nobel Peace Prize: Who will deny that thirty years of my life have been spent knocking in vain, patiently, moderately, and modestly at a closed and barren door? What have been the fruits of moderation? The past thirty years have seen the greatest number of laws restricting our rights and progress, until today we have reached a state where we have almost no rights at all.⁹

5. Ibid., p. 539.

6. *The Star* (SA), 16 March 1985, quoted by Kevin Danaher in *South Africa: Hunger in a Land of Plenty* (Food First, San Francisco: 1985).

7. J. Davis et. al., op. cit., p. 537.

8. *IRRC Proxy Issues Report* (Investor Responsibility Research Center, Washington DC: 28 January 1986), p. B10.

9. Mandela's writings are collected in *No Easy Walk to*

To prevent blacks from gaining power, the apartheid regime has used appalling force against them. National leaders like Mandela, whom all polls of South African blacks show to be their most popular leader, are serving life sentences for "treason." Countless thousands of other activists have been and are now detained, often without trial. They are commonly tortured, to extract confessions which are admissible evidence in South African courts. South African prisons are unbearably harsh, and political prisoners frequently die in jail.¹⁰

Another important method of silencing political opposition is the banning order. A banned person typically may not appear in public, be quoted, or meet with

more than two people. Over 1650 people have been banned since 1948.¹¹

Political activity in South Africa is controlled by the 1982 Internal Security Act, which replaced a number of previous laws. Under it, the Security Police has almost unlimited powers to disrupt meetings and imprison activists. The survival of the apartheid regime depends on these tactics. Without them, the government would be forced to negotiate openly with black leaders--which would mean the end of apartheid. But there will be no peace in South Africa until whites give up their monopoly of power. They will have to accept that every adult can be a citizen, entitled to equal rights under the law.

The Call For Divestment

The fact that U.S. investment supports the apartheid regime is accepted by most everyone. In 1978, the Chairman of the U.S. Senate Sub-committee on African Affairs reported that "*the net effect of American investment has been to strengthen the economic and military self-sufficiency of the apartheid regime.*"¹²

For precisely this reason, black South African leaders have been calling on us to withdraw our investments since the 1960s. They ask us to divest (sell our shares in companies with subsidiaries in South Africa), and they ask foreign companies to disinvest (sell their subsidiaries). The logic of divestment is simple and direct: the less support we give to the apartheid regime, the quicker it will negotiate for a peaceful settlement.

Divestment would have an immediate *political* impact, expressing our lack of confidence in the apartheid regime. Any divestment action, but particularly one from a prestigious school such as Stanford, would receive enormous publicity in South Africa and in the U.S.. This publicity would be significant in itself.

Divestment would also have an *economic* impact, lowering the value of assets in South Africa and of the South African currency, the rand. Ultimately, the economic impact may lead American companies to leave South Africa altogether, further damaging the South African government's power and claim to legitimacy.

Because of the potential impact of divestment,

virtually all major anti-apartheid groups and leaders have called for it. This includes the major black trade unions, political bodies, and church groups. On December 1 1985, at the founding convention of the Council of South African Trade Unions (COSATU, a new organization of unions, which represents 500,000 workers or about 10% of the total black workforce), a resolution was passed explicitly calling for divestment and the withdrawal of foreign companies.

The United Democratic Front (UDF), a coalition of South African church, labor and community groups founded to oppose the government's 1984 constitutional reforms, has also repeatedly called for divestment. On June 28, 1985, the National Conference of the South African Council of Churches passed a resolution stating, "*divestment and similar economic pressure are now called for, as a peaceful and effective means of putting pressure on the South African government, to bring about those fundamental changes this country needs.*"¹³

These calls by black leaders are echoed by public opinion polls. In August, 1985, in a major poll by the London Sunday Times (UK), 77% of urban blacks in South Africa supported sanctions. In September, a second poll done by a South African research group found 73% of urban blacks supporting some form of disinvestment (the actual withdrawal of foreign companies), either immediately or conditionally on the companies' active opposition to apartheid.¹⁴

These opinions are expressed despite the fact that the Internal Security Act classifies advocating divestment as "subversion," punishable by five years to life in jail. When the Rev. Allan Boesak and 15 other leaders of the UDF were arrested last year, supporting divestment was an important charge against them. Less dramatically--but just as effectively--the South African Government has spent millions of dollars on lobbyists and public relations

Freedom (Basic Books, NY: 1965).

10. Between 1963 and 1983, at least 57 political prisoners are known to have died from torture in detention. This includes prominent student leaders such as Steve Biko, and trade union officials such as Dr. Neil Aggett. See *Apartheid: The Facts* (International Defense and Aid Fund for Southern Africa, London: 1983), p. 63.

11. *Ibid.*, p. 60.

12. Quoted in Stephanie Urdang, *South Africa: Questions and Answers on Divestment* (American Committee on Africa, New York: December, 1984).

13. IRRC, op. cit. p. B8.

14. *Weekly Mail* (SA), 13-19 September 1985.

firms in the U.S. and Europe to fight the divestment movement. The principal Washington firm is Smathers, Symington and Herlong, paid an annual retainer of about \$300,000.¹⁵

To understand why our investments are so important, we must see the crucial role which they have played in the development and maintenance of apartheid.

The Role of U.S. Investments in Apartheid

Each trade agreement, each bank loan, each new investment is another brick in the wall of our continued existence.

--J.B. Vorster, former Prime Minister of South Africa

Historically, the level of total direct investment by U.S. firms has led, not followed, trends in the South African economy. With U.S. investment growing from \$490 million in 1966 to a peak of \$2.6 billion in 1981,¹⁶ U.S. firms brought the technology and capital needed by South African whites to exploit the natural resources and control the labor force of the country.

At the end of 1984, U.S. firms owned about 10% of total fixed capital in South Africa. But this investment is not spread evenly throughout the economy. It is concentrated in the areas in which advanced technology has some advantage over unskilled labor. For this reason, U.S. firms employ disproportionately few workers--and of those workers, disproportionately few blacks. While U.S. firms own 10% of the capital, they employ only 6% of all manufacturing sector workers, and less than 1% of the black workforce. For all their investment, U.S. firms have managed to provide very few employment opportunities for blacks.

Furthermore, U.S. firms have tended to concentrate on only a few sectors of the economy. They own 70% of the electronics industry, 44% of petroleum refining and marketing, and 24% of automotive companies. These are precisely the areas the government relies on to control the country.

1. *Electronics*: The administration of the pass laws, prisons, police and military activities would be impossible without modern electronics. U.S. companies, led by IBM, Control Data, Burroughs and NCR, provide the machines which make apartheid more systematic and harder to evade. In the case of IBM, at least a third of their sales have been directly to the government. Private uses of computers can also hurt blacks, by replacing them in the workplace.

2. *Petroleum*: South Africa has no domestic oil. Mobil and Caltex (a joint venture of Texaco and Standard Oil of California), share about 40% of this market. Few details about oil are known, however, because it is classified as a "munition of war" under the Official Secrets Act. Under another law, the National Supplies Procurement Act, the government is entitled to requisition oil, the amount of which the supplier cannot disclose even to its parent company.

3. *Motor Vehicles*: Ford, GM and Chrysler share about a quarter of auto and truck sales. Under the National Key Points Act, this industry has been targeted for direct control by the military, in the event of "civil unrest." These firms already provide equipment directly to the police and military, but in the event of a larger war against blacks, they would be forced to provide even more.

15. Brooke Baldwin, *Economic Action Against Apartheid: an Overview of the Divestment Campaign* (The Africa Fund, New York: 1985).

16. All figures in this section are drawn from IRRC, op. cit., pp. B10-11.

The Effects of Divestment

The threat of our withdrawal most seriously affects the white community, not the blacks. Indeed, white businessmen have recently been very active in calling for fundamental political change, in an attempt to head off the movement for sanctions.

In January 1985, a group of major South African businessmen published a memo in the South African press calling on the government to "change its ways, before it draws down on South Africa universal odium, sanctions, and disinvestment."¹⁷

Nine months later, another group of businessmen travelled to Lusaka, Zambia, to try to open the process of negotiation with the exiled leaders of the African National Congress. In conjunction with many other forces, the divestment movement is already having a profound political effect in South Africa.

The economic effects of the anti-apartheid movement are also already being felt. In 1985, the value of the South African rand dropped to less than half its 1984 level. In the month of August 1985, an estimated 60% of

foreign loans coming due were not renewed. The government was forced to impose a moratorium on the repayment of loans, and sent the Chairman of the Central Bank on a hastily arranged world tour to restore confidence.¹⁸

Unfortunately, on February 20th of this year, U.S. and other foreign banks agreed to a gradual repayment plan which, in essence, accepted South Africa's moratorium. This was done after several prominent black South African leaders had explicitly called for no such agreement to be made, until the government begins to negotiate the transition to majority rule. It was a major victory for the apartheid regime, and a significant set-back for black leaders.

As long as the government has not taken significant steps to end apartheid, we should not accept doing business with them. We should continue to press for divestment and sanctions, until apartheid is replaced with a system of equal rights for all, regardless of race.

Why Total Divestment?

Some people ask, "Why should we sell *all* our South Africa-related stock? Aren't *some* companies in South Africa doing a good job?"

The unfortunate answer to this question is that, however good an individual company may be, it cannot

overcome the harm done by apartheid itself. *Total divestment is needed because the issue is apartheid itself.* Individual corporate behavior is not the issue. The fact of apartheid makes South Africa unique, and it is from apartheid that we should divest ourselves.

Stanford's Investment Policy

In 1977, in response to widespread student protests, the Board of Trustees adopted an explicit policy on investment responsibility.¹⁹ The policy calls on the University to be an active shareholder, to initiate correspondence with companies in South Africa, and to consider divestment from individual companies as a last resort, when the company can be demonstrated to be causing

substantial social injury in some particular instance, and when the company does not respond to Stanford's requests.

University officials sometimes claim that this policy has enabled them to influence corporate behavior. But they acknowledge that shareholder resolutions rarely get more than 5% of the votes, and that the resolutions are typically ignored. Even so, the University has never initiated such a resolution, for any company. Indeed, it frequently votes against or abstains from the resolutions put forward by other socially responsible investors, such as churches.

For example, in April 1985 Stanford abstained from resolutions urging Timken and Kimberley Clark to sign the Sullivan Principles, a voluntary code of conduct for U.S. firms in South Africa. And this past February, Stanford abstained from a resolution urging

17. *Financial Mail* (SA), 18 January 1985.

18. IRRC, op. cit. p. B10.

19. Information on Stanford's policies are largely drawn from *South African Divestiture Activities at Stanford University, 1984-85: Selected Background Papers and Documents*, compiled by the Dean of Student Affairs' Office, Stanford University, n.d.

Hewlett-Packard to limit its operations there.

To help implement the 1977 policy, the University created a Commission on Investment Responsibility (C-IR). The C-IR is supposed to monitor the behavior of Stanford-held companies, and to make recommendations on shareholder resolutions. But it is clear by now that the C-IR, for many reasons, cannot adequately do so.

For one, corporate activity in South Africa may occur under the Official Secrets Act or other South African secrecy laws. Also, activities may be deliberately or accidentally misrepresented. But in any event, the companies' particular activities are not the issue. The issue is apartheid, a system of laws that condition every aspect of life in the country.

Stanford's C-IR, ten time zones away from South Africa, is meticulously trying to investigate whether a company there has promoted a black to "supervisor", or removed the "Whites Only" sign from its whites-only toilet. This investigation is insignificant and futile. U.S.-owned companies have too few employees in South Africa, and the effects of apartheid are too great, for these questions to be of major importance.

The total number of African employees of Sullivan signatory companies is 27,437.²⁰ In contrast, apartheid directly affects 30 million people. Furthermore, the companies' total number of white employees is 24,710, almost as many, in a country where Africans outnumber whites by more than four to one.

In the past year, the number of white employees rose by 1,061, while the number of Africans declined by 329. These Africans were laid off while whites were hired, in part because it is the apartheid regime's explicit policy to train only whites for the highly skilled jobs U.S. firms offer.

Individual management decisions cannot come close to overcoming the harm done by apartheid itself. The important issue, from most South Africans' point of view, is whether we invest in South Africa-related companies at all.

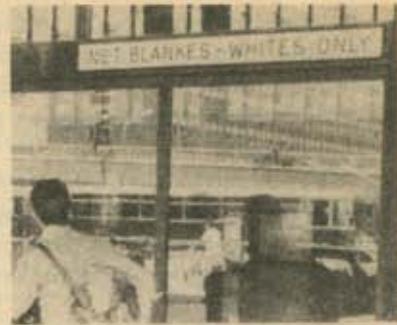
Since the investments policy went into effect in 1977, Stanford has purchased an additional \$100 million of South Africa-related stock, and now holds 35 more South Africa-related companies. The University's policy, for all its attention to detail, is sadly ignorant of South African reality, and of the priorities of the South African people.

President Kennedy and others suggest that there are several options that are preferable to divestment, such as encouraging black South Africans to study in the U.S.²¹

20. Figures in the next two paragraphs are from the latest official report on the Principles: Arthur D. Little Co., *Ninth Report on the Signatory Companies to the Sullivan Principles*, 25 October 1985, p. 12.

21. In passing, we note that Stanford now has two South Africans on scholarship. One is a black law student--the other, a white freshman recruited for athletics. It is one thing to talk about supporting black South Africans (plural) in the U.S., and quite another actually to do so.

These efforts may be valuable--but they cannot substitute for action on the larger issue, which is the extent to which American investment, including our own, supports apartheid.



What Stanford Holds in South Africa

As of January 1986, Stanford's total endowment amounts to slightly over \$1 billion. Of this, about \$421 million (40%) is invested in the stock market, and the rest is in real estate and other assets. Of the stocks, 37% are now invested in companies doing business in South Africa: about \$158 million, in 80 companies. Total divestment would therefore affect about 15% of the endowment.

At the very least, some might argue, Stanford should sell off those companies which enforce apartheid in the workplace, or which sell goods directly to the government. The portfolio certainly includes some seriously offensive firms.

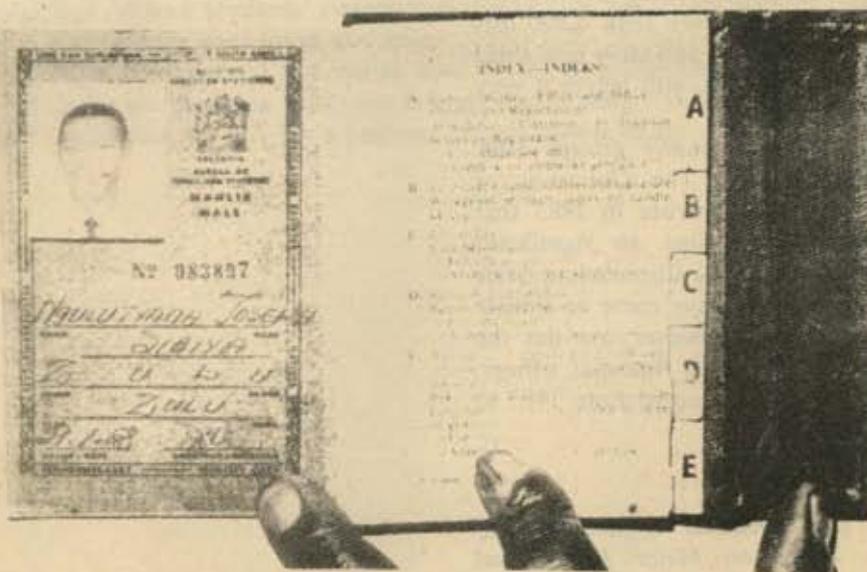
As an illustration, the portfolio includes Newmont Mining, the largest U.S. employer in South Africa. Newmont owns half of the O'okiep Copper Company, whose minimum wages are below even the government's minimum cost-of-living standard. At O'okiep's head office, there is some voluntary desegregation, but only of toilet facilities. Apartheid is enforced in its other workplaces because "any attempt to desegregate would meet with opposition from white miners."²²

While all the company's white employees live in rent-free housing, only one-third of the Coloured workers do. All of the Africans live in single-sex dormitories, twelve to a room. The Africans work on annual con-

tracts; most actually live in the Transkei homeland, more than 1,000 miles away from the mine. Their wives and families may not visit them during their 11-month contract. If they lose their jobs, the government will deport them back to live with their families, and will not allow them to look for other kinds of work.

But it is not enough for Stanford to divest from companies which treat their own workers badly. Other companies support apartheid in other ways. Consider the two with the largest shares of Stanford's portfolio: IBM, with about \$24 million, and Hewlett-Packard, with \$22 million. They have relatively good employment practices, but their products help the government to enforce its laws, and help private companies to replace black workers. Without a job, a black has no right to remain in white South Africa, and will be jailed or forcibly removed to a bantustan.

At the most general level, all companies pay the South African corporate income tax. This now stands at about 50% of earnings. The actual amount paid is known for only one recent year: in 1977, it totalled U.S. \$260 million. In subsequent years it has been at least that, and probably much more.²³ In itself, this is a major contribution to the maintenance of apartheid and is sufficient to justify total divestment.



A South African Pass Book.

22. O'okiep's General Manager, quoted in the *IRRC South Africa Review: Update on Newmont Mining* (IRRC, Washington: 1984). All information on Newmont is from this source.

23. Actual tax rates vary with exemptions, tax credits, etc. Tax data is from the 1984 Handbook of the Johannesburg Stock Exchange, as submitted to the C-IR by Rob Schechter, 12 May 1985.

The Cost of Divestment

Much of the argument against divestment, unfortunately, has nothing to do with South Africa. It is that divestment might be expensive for the University--and no one wants to be responsible for undertaking that expense.

As more major institutions divest, however, there is increasing evidence that the expense would be negligible--or at least, no greater than the costs of maintaining those investments. Stanford currently spends about \$100,000 every year on the C-IR, whose essential purpose is to avoid divestment. If we also count its considerable intangible costs in divisiveness and confusion, Stanford's current policy seems expensive indeed. Several studies have now been done comparing the performance of hypothetical investment portfolios with and without South Africa-related stocks. A recent survey of these studies reported that "most of the studies have generally concluded that there is a slightly higher risk to a divested investment portfolio, due largely to the smaller market capitalization of South Africa-free stocks and reduced diversification. They also generally agreed that the potential return on a South Africa-free portfolio is substantially higher..."²⁴

Another study found that "the effect on portfolio risk of excluding the companies operating in South Africa... is, contrary to intuition, not particularly important."²⁵ This result holds because excluding South Africa-related stocks, about 350 of the more than 6,000 listings on the major U.S. stock markets and only one third of the Fortune 500 largest companies, still leaves a very large universe of attractive stocks.

In practice, the experience of many groups after divestment has been as predicted. The Governor of Massachusetts, Michael S. Dukakis, wrote in 1983 that "...divestiture has proven to have had no significant impact on our pension earnings." The Connecticut State Treasurer and many other officials have come to similar conclusions.²⁶ Investment returns, however, are not the only important issue. Stanford's chief financial officer, William F. Massy, wrote a public memo in June 1985 in

which he said, "there are additional considerations, related to fund raising, that apply with particular force to colleges and universities. In the long run, these may be of greater consequence than the considerations relating strictly to investment return."²⁷ He is, of course, referring to the threat that certain major donors would stop giving to Stanford, if Stanford were to change its policy.

This threat is very real. We would be foolish to ignore it. But it would be shameful to allow University policy to be dictated by a small group of partisan donors. Stanford's true strength lies in its quality and integrity as an academic institution. There is good reason to believe, therefore, that any donor who did leave Stanford over the South Africa issue would soon return.

In addition, a policy of total divestment would avoid some of the divisiveness--and difficulty--of the current "partial divestment" policy. Stanford would no longer have to sit in judgment on the behavior of individual companies. Our divestment would be from apartheid itself, as simply and directly as possible.

24. Theodore Brown, *The Financial Implications of Divestment from South Africa on Major Institutional Common Stock Portfolios*, in *Economic Action Against Apartheid: An Overview of the Divestment Campaign* (The Africa Fund, New York: 1985).

25. Andrew Rudd, "Divestment of South African Equities: How Risky?", in the *Journal of Portfolio Management*, Spring 1983. Quoted in Kevin Danaher, *In Whose Interest? A Guide to U.S.-South Africa Relations* (Institute for Policy Studies, Washington: 1984), p. 242.

26. For these references and others, see Stephanie Urdang, op. cit.

27. The memo, entitled "On Total Divestment," was included in the booklet *South African Divestiture Activities at Stanford University, 1984-85*, published by the Dean of Student Affairs' office.

What You Can Do

Without pressure from students, faculty, staff, and other concerned members of the Stanford community, the Board of Trustees will not take divestment seriously. We hope you will take the time to learn more about South Africa, and to join forces with the anti-apartheid movement at Stanford and elsewhere. *Make your voice heard!* In particular, we urge you to let the Stanford administration know that you support black South Africans' call for divestment. Make a phone call, send a letter, or write a computer mail message to:

Warren Christopher
President, Stanford Board of Trustees
O'Melveny and Myers
400 South Hope Street
Los Angeles, CA 90017

William Massy (723-2232)
Vice President for Business & Finance
Encina 105
Stanford, CA 94305
Computer mail addresses:

<hk.wfm@forsythe>

Donald Kennedy (723-2481)
President, Stanford
University
Building 10
Stanford, CA 94305

Rodney Adams (326-5782)
Treasurer
209 Hamilton Avenue
Palo Alto, CA 94301

<hk.rha@forsythe>

For other activities, we urge you to contact a member of the Stanford Coalition Against Apartheid, Stanford Out of South Africa (SOSA), Stanford African Students' Association (SASA), or the Black Student Union (BSU). We organize many events and would be glad to have your input and help.

In particular, we encourage all registered students to vote on the divestment referendum in the ASSU election next week (April 15 & 16), and to discuss the issue with your friends. In the long run, the most important thing is to remain aware of the problem, and to continue to look for a positive, progressive position.

APPENDIX A: PARTIAL LIST OF COLLEGE AND UNIVERSITY DIVESTMENTS

School	Amount Affected	Total / Partial	Date
Amherst College	\$16,876,850	Partial	1978-85
Antioch College	NA	Total	1978
Arizona State University	3,100,000	Total	1985
Barnard College	945,000	Total	1985
Bates College	5,000,000	Total	1986
Boston University (1st)	6,600,000	Partial	1979
Boston University (2nd)	195,480	Partial	1985
Bowdoin College	1,800,000	Partial	1985
Brandeis University	350,000	Partial	1979
Brown University	4,600,000	Partial	1984
Calif. State Univ. Northridge	2,300,000	Total	1985
Carleton College	295,000	Partial	1979
City Univ. of New York	10,000,000	Total	1984
Colby College (1st)	2,600,000	Partial	1980-84
Colby College (2nd)	6,500,000	Partial	1985
Columbia University (1st)	2,700,000	Partial	1979
Columbia University (2nd)	39,000,000	Total	1985
Dartmouth College	2,000,000	Partial	1985
Evergreen State College	NA	Total	1985
Fairfield University	4,000,000	Total	1985
Florida State University	2,000,000	Partial	1985
Franklin & Marshall College	1,000,000	Partial	1985
Georgetown University	11,000,000	Partial	1985
Grinnell College	9,000,000	Partial	1985
Hampshire College	40,000	Total	1977
Hartford Seminary	5,000,000	Total	1985
Harvard University (1st)	50,900,000	Partial	1981
Harvard University (2nd)	1,000,000	Partial	1985
Harvard University (3rd)	2,800,000	Partial	1985
Haverford College	NA	Partial	1982
Hobart & Wm. Smith Colleges	650,000	Partial	1985
Holy Cross	NA	Partial	1985
Howard University	8,000,000	Total	1978
University of Iowa	2,500,000	Total	1985
Iowa State University (1st)	130,000	Partial	1985
Iowa State University (2nd)	120,000	Total	1985
Lutheran School of Theology	NA	Total	1981
University of Maine	3,000,000	Total	1982
University of Massachusetts	600,000	Total	1977
University of Miami	17,000,000	Total	1985
University of Minnesota	21,000,000	Total	1985
Eastern Michigan University	2,500,000	Partial	1980
Michigan State University	7,200,000	Total	1979-80
University of Michigan (1st)	306,117	Partial	1979
University of Michigan (2nd)	35,400,000	Partial	1984
University of Michigan (3rd)	5,800,000	Partial	1985
Middlebury College	1,500,000	Partial	1986
Western Michigan University	200,000	Total	1983
Mt. Holyoke College (1st)	459,000	Partial	1981
Mt. Holyoke College (2nd)	14,480,487	Total	1985
New Brunswick Theological Seminary	NA	Partial	1982
University of New Hampshire	400,000	Partial	1985
State University of New York	4,000,000	Partial	1985
State University of New York	11,000,000	Total	1985
SUNY — Oneonta	80,000	Partial	1978
SUNY — Stony Brook Foundation	80,000	Total	1985
Northwestern University	7,000,000	Partial	1985
Notre Dame	10,000,000	Partial	1985
Oberlin College	NA	Partial	1980
Ohio State University (1st)	250,000	Partial	1978-79
Ohio State University (2nd)	10,800,000	Total	1985
Ohio University	60,000	Total	1978
University of Pennsylvania	800,000	Partial	1983
University of Rhode Island Foundation	868,000	Total	1985
Rutgers University (1st)	NA	Partial	1980
Rutgers University (2nd)	7,000,000	Partial	1985
Rutgers University (3rd)	7,500,000	Total	1985
Sarah Lawrence College	650,000	Partial	1985
Smith College	697,000	Partial	1977
Swarthmore College	200,000	Partial	1981
Tufts University	100,000	Partial	1979
Union Theological Seminary (1st)	4,000,000	Partial	1980
Union Theological Seminary (2nd)	2,603,537	Partial	1985
Union Theological Seminary (3rd)	1,503,145	Partial	1985
University of Vermont	2,100,000	Total	1985
Vassar College	6,500,000	Partial	1978
University of Washington	800,000	Partial	1985
Wayne State University	NA	Total	1984
Western Washington University	NA	Total	1985
Wesleyan University (1st)	367,000	Partial	1980
Wesleyan University (2nd)	750,000	Partial	1985
Williams College (1st)	700,000	Partial	1980
Williams College (2nd)	672,000	Partial	1983
University of Wisconsin	11,000,000	Total	1978
Yale University (1st)	1,600,000	Partial	1979
Yale University (2nd)	4,100,000	Partial	1984
TOTAL	\$417,563,344	(73 schools)	

In addition to university divestments, by the end of 1984, state and municipal legislation had mandated the divestment of over \$1.3 billion in public funds from five states and over 20 cities.

Data from American Committee on Africa, N.Y., February 1986.

**APPENDIX B: SOUTH AFRICA-RELATED STOCKS
IN THE STANFORD PORTFOLIO (AS OF JANUARY 1986)**

Company	Amount Held	South African Activity
Allegheny Int'l	\$ 17,800	Consumer Goods
Amdahl	33,750	Computers
American Brands	337,563	Pumps
American Home Products	86,100	Pharmaceuticals
** American Tel. & Tel.	18,448	Office Equipment
** Baker International	33,750	Mining Equip. & Electronics
Baxter Travenol Labs	3,845,604	Medical Products
Beatrice	102,750	Clothing
Black & Decker	207,050	Power Tools
Burroughs	332,025	Computers
Cigna	4,518,394	Insurance
Champion Spark Plug	109,375	Auto Parts
Chase Manhattan	679,157	Banking
Citicorp	234,375	Banking
Coca-Cola	66,600	Beverages
Cummins Engine	233,625	Diesel Engines
Dart & Kraft	4,332,750	Batteries
** Diamond Shamrock	527,251	Chemicals
Dow Chemical	101,076	Chemicals & Pharmaceuticals
Dun & Brandstreet	40,063	Market & Credit Research
Eastman Kodak	1,329,109	Photo Equipment
Emergy Air Freight	80,000	Air Freight
Exxon	665,907	Petroleum Products
F M C	340,625	Food Processing, Holding Co.
Firestone Tire and Rubber	2,818	Tires
Fluor	7,688	Engineering & Construction
Foots, Cone & Beiding	455,856	Advertising
Ford Motor	9,450,918	Autos & Trucks
G A F	430,875	Chemicals & Films
G A T X	186,750	Construction
G T E	554,700	Tungsten Carbide
General Electric	5,527,598	Electrical Equip.
General Electric Plc	301,185	Electrical Equip.
General Motors	6,370,936	Auto Products
Goodyear Tire & Rubber	724,500	Tires & Rubber Products
Grace, W.R.	150,775	Chemical Compounds
** Grey Advertising	368,600	Advertising
Hewlett-Packard	22,050,138	Computers
Honeywell	903,900	Computers
International Tel. & Tel.	441,531	Auto Parts, Yellow Pages
Ingersoll-Rand	78,925	Industrial Machinery
Ingersoll-Rand Pref'd Stock	37,500	Industrial Machinery
Int'l Business Machines	24,887,939	Computers
Int'l Minerals and Chem.	303,050	Chrome Ore
* Interpublic Group	467,168	Advertising
J W T Group	31,125	Advertising
Johnson & Johnson	124,688	Pharmaceuticals
Koppers	55,414	Grain Processing Equip.
Koppers Pref'd Stock	19,800	Grain Processing Equip.
Lilly, Eli	63,806	Pharmaceuticals & Cosmetics
Loctite	17,009	Adhesives
Mamrot	254,400	Aviation Catering
McGraw-Hill	46,250	Textbooks
Merck & Co.	8,125,000	Pharmaceuticals & Chemicals
Minnesota Mining & Manuf.	5,701,894	Adhesives & Tapes
Mobil	992,691	Petroleum Products
Motorola (now withdrawn)	4,457,250	Communications Equip.
N C R	1,601,750	Computers
** Newmont Mining	9,600	Copper Mining
Norton	185,625	Indust. Equip.
Olin	91,563	Chemicals
Pennwalt	138,250	Equip. for Chemical Proc.
Pfizer	26,688	Pharmaceuticals & Cosmetics
Phillips Petroleum	3,819,956	Carbon Black Production
Rexnord	370,563	Mining Machines & Chemicals
Reynolds, R.J.	1,652,275	Fast Foods
Robins, A.H.	112,363	Pharmaceuticals
Schering-Plough	491,276	Cosmetics
** Schlumberger	3,467,750	Offshore Drilling
SmithKline Beckman	5,641,694	Pharmaceuticals
Sperry	248,750	Computers
Standard Oil of Ohio	382,338	Abrasives & Mining
Sterling Drug	5,507,775	Pharmaceuticals
* Tenneco	380,700	Equipment & Chemicals
* Texaco	315,250	Petroleum Products
Time	6,005,250	Magazine and Book Marketing
** Timken	356,000	Roller Bearings
** U A L	731,250	Hotel Management
Union Carbide	159,063	Mining and Processing
** United States Steel	765,772	Mining
** United Technologies	340,200	Elevators & Equipment
United Techn. Pref'd Stock	430,500	Elevators & Equipment
Upjohn	275,750	Pharmaceuticals
Warner Communications	9,521,875	Films & Music
Westinghouse Electric	3,003,000	Electrical Equip.
Xerox	420,875	Photocopy Equip.
TOTAL	\$158,322,833	

** Not signatory to the Sullivan Principles, a voluntary code of conduct requiring desegregation of the workplace, etc.

* Signed but not implementing the Sullivan Principles (received ratings of IIIA, B, or C).

Data from the Treasurer's Office, Stanford University, January 1986

APPENDIX C: ORGANIZATIONS AND SUGGESTED READING

1. ORGANIZATIONS

African National Congress
of South Africa (ANC)
801 Second Avenue, Suite 405
New York, NY 10017
212/490-3487

American Committee on Africa/
The Africa Fund
198 Broadway, Suite 401
New York, NY 10038
212/962-1210

American Friends Service
Committee
Southern Africa Program
1501 Cherry Street
Philadelphia, PA 19102
215/241-7169

International Defense and Aid
Fund for Southern Africa
PO Box 17
Cambridge, MA 02138
617/491-8343

Pan Africanist Congress
of Azania (PAC)
211 East 43rd St.
New York, NY 10017
212/986-7378

TransAfrica
545 8th Street, SE
Washington, DC 20003
202/547-2550

United Nations Centre
Against Apartheid
UN Secretariat
New York, NY 10017
212/754-6674

Washington Office on
Africa
110 Maryland Avenue
Washington, DC 20002
202/546-7961

2. SELECTED FURTHER READING:

Apartheid: The Facts. (International Defense and Aid Fund for Southern Africa, London: 1983.)

In Whose Interest? A Guide to U.S.-South Africa Relations. by Kevin Danaher. (Institute for Policy Studies, Washington: 1984.)

Move Your Shadow. by Joseph Lelyveld. (New York Times, New York: 1985.)
(An excellent journalistic account of life under apartheid.)

The Political Economy of Race and Class in South Africa. by Bernard Magubane. (Monthly Review Press, New York: 1979.)

The Roots of Crisis in Southern Africa. by Anne Seidman (Africa World Press, New Jersey: 1985.)

'The tragedy of South Africa is not simply in its own policy; it is the fact that the racist government of South Africa is virtually made possible by the economic policies of the United States and Great Britain, two countries which profess to be the moral bastions of the Western world.'

--Rev. Martin Luther King, Jr., in *Where Do We Go From Here: Chaos or Community?* (New York, Harper & Row: 1967), p. 202.

'We say to the international community, for goodness' sake, will you please apply political, diplomatic, but above all economic pressure on the South African government. And let us make it quite clear, we are not asking that you make a political decision. We are not asking you to make an economic decision. We're asking you to make a moral decision. Because whether they like it or not, whether they intend it or not, those who invest in South Africa must know that they do so, and in doing so are upholding and buttressing one of the most vicious systems the world has ever known. And dear friends, let us not kid ourselves. In a situation of injustice and oppression, there can be no neutrality. You have to say, "Am I on the side of justice, or am I on the side of injustice?" When an elephant is sitting on the tail of a mouse and you say "I'm neutral," the mouse is not going to be pleased... You have already made a decision... You have decided to be on the side of the powerful, of the elephant. There is no neutrality.'

--Bishop Desmond Tutu at Stanford, 21 January 1986.