

Students Against Apartheid
FK-30, Box 88
University of Washington
Seattle, WA 98195
17 September 1987 *

Dear Friend,

Last year the University of Washington Regents voted to divest from companies operating in South Africa. This victory for the anti-apartheid movement was the culmination of years of work by a number of groups and individuals. Students Against Apartheid (SAA) is now concerned about holding on to that victory.

At issue are an increasingly large number of companies which are doing what we call "sham divestment." They claim to pull out of South Africa, but in reality only transfer their assets there and continue to operate as before under franchise and licensing agreements.

The UW administration believes that investments in these companies are allowed under the Regents' divestment resolution. SAA disagrees. To their credit, the administration has been willing to discuss the issue with us.

We request that you write a letter in support of full divestment of University funds. Please write to:

Regent Samuel Stroum
AF-50
University of Washington
Seattle, WA 98195

and please send a copy of your letter to SAA.

To provide further background, I am attaching a copy of an SAA letter to Regent Stroum and also a copy of an SAA statement which analyses three examples of companies which have performed sham divestments.

Southern Africans continue to ask for the disinvestment of American corporations. They are clear in their rejection of sham divestments. We urge you to help us in this work.

Thank you,

Gary Nelson

Students Against Apartheid
FK-30, Box 88
14 July 1987

Regent Samuel Stroum
AF-50

Dear Regent Stroum,

In recent meetings with Dr. Trask, Students Against Apartheid has been impressed with his commitment to see that the Regents' 1986 divestment resolution is conscientiously implemented and with his openness to consider our point of view on the matter. We are glad to learn from him of your similar commitment and openness. We understand that the two of you will soon be discussing how to deal with companies which do not have direct investments in South Africa but operate there through franchise and licensing agreements. We would like to make our position clear on this issue.

American companies provide the economic underpinnings for an Apartheid society in many crucial areas such as high technology, motor vehicles, and energy. This was, we believe, the reason that the Regents decided to divest from such companies last year. Whether a company has direct investments in South Africa or whether it operates through franchise and licensing agreements is irrelevant to its fundamental role in the South African economy. The Regents' resolution in our view excludes investments in any of these companies.

We continue to endorse the "Guidelines for Divestment" drawn up by five United States anti-apartheid groups, a copy of which is attached. Companies which do not meet these guidelines are "operating in South Africa", and the University of Washington must not invest in them.

A large number of corporations are now transferring their South African assets to local concerns but continuing to operate as usual through franchise and licensing agreements. We are especially concerned that the University of Washington not invest in any such firms. To do so would constitute a serious violation of the Regents' own resolution and would mark a reinvestment of University of Washington funds in apartheid. Day by day, the repression in South Africa increases; recently the police attacked and opened fire on students at white campuses, as they have been doing at black campuses for a long time. This is no time for the Regents to be backing away from their stand against Apartheid.

Students Against Apartheid has been very pleased with the talks we have been having with Dr. Trask. We do not want to return to the days of acrimonious public debate between the Regents and SAA. Therefore we hope this process of negotiations will lead to a mutually acceptable conclusion.

Sincerely,

Gary Nelson

cc: Tallman Trask III, Vice President for Finance and Administration

Guidelines for Divestment

We support an end to all corporate involvement in or with South Africa and Namibia. A corporation is doing business in or with the Republic of South Africa or Namibia if it, its parent, or its subsidiaries:

- 1) have direct investments in South Africa or Namibia, or have entered into franchise, licensing or management agreements with or for any entity in those countries; or
- 2) are financial institutions that have not prohibited new investments, loans, credits or related services, or the renewal of existing financial agreements, including those for the purposes of trade, with any entity in those countries; or
- 3) have more than 5% of their common stock beneficially owned or controlled by a South African entity.

A company with operations in South Africa or Namibia for the sole purpose of reporting the news shall not be considered doing business in those countries.

American Committee on Africa

American Friends Service Committee

Interfaith Center on Corporate Responsibility

TransAfrica

Washington Office on Africa

January 1987