PROTEST

Princeton's Financial Support of Racism in Southern Africa

JOIN US FRIDAY, APRIL 19
4:30 NASSAU HALL

TRUSTEE FINANCE COMMITTEE

The letter which follows has been sent to each Trustee as an expression of our outrage. Please read it and join us.
Investments of Princeton University in U.S. Companies with Known Direct Holdings, Operations, or Subsidiaries in Southern Africa

A.C. Nielsen
Aetna Life Insurance Co.
American Express
Avco Delta
Beech-Nut Life Savers
Bristol Myers
Chrysler Corporation
Deere & Co.
Dow Chemical
Eastman Kodak
Firestone Tire & Rubber Co.
First National Bank of Chicago
General Electric
General Motors
Gillette
Goodyear Tire & Rubber Co.
Gulf Oil
International Business Machines
International Harvester
Johnson and Johnson
Litton Industries
Mack & Co.
Minnesota Mining & Mfg. Co.
Nobil Oil
Parke Davis
Pepsico
Philips Lamp
Richardson Merrell
Royal Dutch Petroleum
G.D. Searle & Co.
Shell Oil
Singer
Smith, Kline & French Laboratories
Sterling Drug
Standard Oil of California
Union Carbide
United Artists
Upjohn Co.
Weyerhaeuser
Xerox Corporation
8 Quarry Street
Princeton, New Jersey
08540
April 15, 1968

The Trustees
Princeton University
Princeton, New Jersey

Gentlemen:

In light of the continuing revelation of the extent to which all we Americans participate in structures of institutionalized injustice and racism, and as part of our general attempt to examine the relationship of various persons and institutions in New Jersey to the problem of social injustice in southern Africa, we have had occasion to look at the location of the investment of the monies and endowments of Princeton University.

As you may realize, ca. $100 million of your funds are invested in American companies which are operating in the Republic of South Africa. This figure does not include either your funds in companies with indirect investments in southern Africa through British and European corporations or the gifts and bequests to the University which derive from profits in the southern African economies.

Because the University has sought over the years to profess a tradition of service to humanity and to values above the narrow confines of short-term economic self-interest, we feel it is not unreasonable to ask you to reconsider this current policy of investment in those American financial institutions which undergird one of the most rigid systems of racial injustice in the world. Furthermore, some other American institutions already have pioneered this re-thinking of investment policy and have begun selectively to sanction and reward American companies to encourage those which choose to serve value above narrow immediate profit considerations.

Specifically, we feel that the following steps can be taken by the Trustees of the University in response to a morally intolerable situation in which we all presently participate:

1) Resolve that no future monies, endowments, or investments of the University will be invested in banks, companies, and other financial institutions which presently participate in the South African, Rhodesian, Angolan, and Mozambique economies.

2) Resolve to begin the process of reinvestment of present allocations of stock, bonds, and other investments, taking funds from such economic organizations and reinvesting those funds in organizations which choose not to become involved in the southern African area.

3) Refuse to accept monies, bequests, and endowments which come to the University primarily from the profits made in southern Africa.
We realize that, over the years, there have been many arguments about the most effective means of change in southern Africa. On the basis of this past ambiguity, American individuals and institutions have continued to enjoy the rich (almost exorbitant) profits extracted from southern Africa under the protection of the repressive governments there. We now believe that there exists clear evidence that continued U.S. investment in southern Africa does not encourage change in those systems of political, economic, and racial injustice. Rather, our continued investment in and support of the southern African countries is serving to strengthen the powers of coercion and repression by the white, minority regimes. Furthermore, from such positions of strength these minority regimes are able to plot strife and disruption in the independent black and multi-racial states of Africa and to flaunt the resolutions of the United Nations. In support of these contentions, may we note the following facts:

1. The South African policy of apartheid has systematically and increasingly oppressed the majority of the population which is non-white, i.e., African, Asian, and colored.
   - 87% of the country is reserved for the minority whites (19.6% popln.)
   - Africans have no representatives in the Parliament of the Republic.
   - black farmers cannot acquire freehold title to their land.
   - black farm labor is controlled by laws which make it a criminal offense to leave employment without permission of the employer.
   - in 1967, 700,000 Africans were arrested for violation of the "Pass Law", by which urban workers are strictly controlled, made subject to the whim of officials, and frequently deprived of rights to live with their families.
   - freedom of speech, movement, and assembly have been eliminated or greatly limited (see Criminal Law Amendment Act of 1953, Bantu Laws Amendment Act of 1964, and numerous municipal laws against assembly.)
   - all African attempts to seek peaceful change in the system are labeled and suppressed as "Communist-inspired" through the "Suppression of Communism Act."
   - expenditure for the educations of those Africans allowed into school is $17 per pupil per annum and $170 for white pupils.

2. Supporters of the apartheid system have argued that economic growth would create a liberalization in government policies. In fact, the system has grown more rigid and oppressive during the past ten years of greatest economic growth, economic strength, and foreign investment.
   - industrialization has adapted to and reinforced the system of race relations rather than altering it. "The policy of apartheid...is a direct reaction to the new conditions arising from industrialization. It was the industrialization, the growth of towns associated with it, and the movement of Africans to meet the labor needs of the expanding towns and industries which led to the enunciation of this policy as a political doctrine and to the attempt to impose separation between white and black in all spheres" (from Hunter, Guy, ed., Industrialization and Race Relations, London, 1965).
   - net national income spent for African education: 1953-4 = 0.57% 1963-4 = 0.39%
in spite of the labor shortage of at least 40,000 industrial workers, the government of S.A. refuses to open the "job-limitation" laws which exclude available African workers. In fact, the laws were extended in 1965 and 1966 to new positions. As former Prime Minister Verwoerd has said of the African, "...there is no place for him in the European community above certain forms of labor,"

the laws of apartheid and political suppression have been extended (see the Terrorism and Suppression of Communism Acts)

the organization for legal aid and defense of Africans was banned in 1966.

3. South Africa, Rhodesia, and the Portuguese are involved in campaigns of spying, subversion, assassination, and fomenting unrest in black African nations in order to insure the failure of black-led and multi-racial states.

Rhodesia has organized spy networks in Zambia with the aim of securing military information and has sought to sow suspicion between black and white who are seeking to build a multi-racial state in Zambia.

Prime Minister Vorster and the Rhodesian right-wing are threatening a military strike against Zambia, one of Africa's most stable and hopeful multi-racial states.

South African air forces have landed helicopters in Zambia and are engaged in military reconnaissance over-flights of Zambia and Tanzania.

Rhodesia and South Africa are cooperating in the airlift of arms from Portugal to Biafra in order to support and extend the disruption and war in black Africa.

South Africa and Rhodesia are the major sources of mercenary soldiers used by minority governments and foreign interests in Africa.

4. U.S. investment in southern African strengthens and undergirds the governments and, thereby, the apartheid and "separate development".

although the U.S. government officially is "cool" to the South Africans, various U.S. business and banking executives continue to express confidence in the whites and to counsel continued and increased investment there, eg. Mr. N.P. Higgins of the Norton Company; "I think South Africa is going to remain a strong country, led by white people."

One of South Africa's foremost political leaders revealed the importance of U.S. financial support when he remarked, "So long as the United States banks and business back us, we can go ahead."

in 1960-61 large loans were made by U.S. banks to undergird the economy of South Africa after the decline of the mid-1950's. This vote of confidence from the major world power came immediately after the Sharpeville massacre of unarmed African men, women, and children.

U.S. major banks in consortium continue to provide credits and direct loans to South Africa. These banks, eg. Chase Manhattan and First National City Bank, have refused even to reconsider their policies in spite of repeated overtures and pleas of church, labor, and student organizations.

an indication of the strategic quality of U.S. support is evidenced in the expensive and extensive public relations campaigns of the South African and Rhodesian governments among American political and financial elites.

the average net profits of U.S. investment in South Africa rose to 27% per annum in 1964, largely as a result of the profitability of cheap black labor. This rate of profit is almost double the average net profits of all U.S. foreign investments.
5. U.S. corporations are not willing to voluntarily forego the high profits derived from cheap labor under the southern African regimes. While the U.S. government implicitly has sanctioned the South African government through the prohibition of arms sales, U.S. corporations have moved into South Africa in increasing numbers and have reinvested their profits in expanding operations.

- U.S. companies control the major portion of the oil/petroleum and automobile industries of South Africa. U.S. oil companies are reported to be involved in supplying petrol and, thereby, violating U.N. and U.S. sanctions against the illegal Rhodesian regime.

- Mr. Keith Funston of the New York Stock Exchange mirrored the attitude of many American companies when he said in 1962, "The whole western world and all the free nations, of which South Africa and the United States are two outstanding leaders, will have to work together more in the years to come..."

- the United States is the second largest investor in South Africa.

6. It is in the economic self-interest of the U.S. to side with the black and multiracial nations of Africa against the racist regimes.

- Of the $2 billion of U.S. wealth invested in African resources and production, almost two-thirds is invested in the newly independent states who increasingly question the U.S. "business as usual" policy with the nation which denies these men an equal humanity.

- about 60% of all U.S. sales to Africa are made to the black African nations.

- it is recognized that economic disengagement will mean hardship for some of the non-white population; nevertheless, the African nationalists of these nations have stated their willingness to endure this period of hardship and have requested us to disengage ourselves.

Given this evidence of the entrenched and legalized injustice in southern Africa, we think that every American institution of integrity which seeks to inculcate the values of majority rule, freedom, and the equality of man now must give economic and political expression to those rights. If we cannot do this among the world's wealthiest five per cent where our power and opportunity are so great, then our democracy and its supporters cannot expect the world to find any integrity in us.

We shall be happy to meet at the April meeting with the Finance Committee of the Trustees or with the Trustees as a whole to discuss further with you this opportunity for the University to give expression to those basic humanitarian values. We feel such an action on your part at this time would be a very fitting tribute to Dr. Martin Luther King, Jr., and to the other fallen civil rights workers in this land and in southern Africa.

Sincerely yours,

William Scott, Co-Chairman
New Jersey Comm. on Southern Africa

David Wiley, Co-Chairman
New Jersey Comm. on Southern Africa

Rod Hamilton
Association of Black Collegians

Robert Blockum
Committee for Black Awareness

Mohamed Diop
Pan-African Students Association

Fred Bogardus
Students for a Democratic Society