STANFORD IN SOUTH AFRICA

What is APARTHEID?

24.9 million people live in South Africa. Only the 4.2 million whites enjoy political rights, social justice and economic opportunity. For the vast majority of South Africans these are denied by South Africa's system of separating the races and maintaining white control -- APARTHEID.

APARTHEID means: blacks are not permitted to vote or own land. For all intents and purposes blacks are not allowed to strike or form unions. Blacks can be executed for speaking out against foreign corporations. Blacks have no permanent rights in "white" areas which compose 87% of the country. All black travel is regulated by the elaborate pass system. Over 1000 blacks are arrested daily for violating the pass laws. The infant mortality rate for blacks is close to 50%. Education for whites is free -- blacks must pay.

How are US Corporations involved?

American investments in South Africa total 1.6 billion dollars in book value. Real value is two or three times that figure. This represents over 16% of all private investment in South Africa. Three hundred and fifty U.S. corporations have subsidiaries there. Six thousand more are involved directly through sales to South Africa. U.S. corporations are attracted by the business climate in South Africa, because labor is so cheap and the white minority government has promised to keep it that way through its "separate development" policy.

Cheap labor means large profits. The long-term rate of return on U.S. investments in South Africa is almost 50% higher than in other developing nations.

What is Stanford's role?

Stanford University owns over $120 million worth of stock in 33 companies with operations in South Africa. This stock generates $6 million every year for Stanford. That's one-third of the University's stock income. Seven of these companies (representing over $40 million of Stanford's portfolio) are considering stockholder's resolutions this year mandating the companies' withdrawal from South Africa (Goodyear, Texaco, GE, Standard Oil of Calif., Ford) or a halt to expansion (Union Carbide, Phelps-Dodge). GM has agreed to stop expansion in South Africa as a result of the withdrawal proxy submitted by various church groups.

These companies play a key role in South Africa's economy. The subsidiary of GM is one of the 15 largest companies in South Africa. Texaco's subsidiary has just increased South Africa's refining capability by 20% making the country self-sufficient. IBM makes computers for the South African police and military. GE sells South Africa 80% of its locomotives and manufactures a number of key communication and manufacturing components.

Who are we?

This leaflet was written by SCRIP (Stanford Committee for Responsible Investment Policy). SCRIP is a group of students, faculty and workers that is studying Stanford's investment policy.

We are asking the Board of Trustees to reconsider their abstention on these proxy issues. Abstentions are not even counted. Our position is that Stanford should vote "yes" on all the South African proxy resolutions. If they don't pass Stanford should divest itself of these stocks. This university should not profit from the apartheid system.

SCRIP meets often. It is an open organization and anyone who agrees with our principles can join. For more information call 723-6888 and ask for a SCRIP member.
ABSTENTION IS NOT ENOUGH!

Where do the Trustees stand?

The Trustees have decided to abstain on these resolutions. They use two arguments against U.S. corporations withdrawing from South Africa.

First, they claim that U.S. corporations play a progressive role in South Africa. But Desaix B. Meyers, author of a recent report for IRRC (Investor Responsibility Research Center—a group Stanford pays to do research on investor issues), concludes that "the bulk of American companies doing business in South Africa probably are no more innovative than South African or British or other foreign businesses." The U.S. corporate presence in South Africa has not stopped the gap between black and white wage levels from growing. In fact, the continual deterioration of the economic and political position of the black majority in South Africa over the last few years—a time of ever increasing U.S. investment—shows how tenuous the link between social progress and U.S. corporations is.

The administration also contends that if U.S. corporations leave, even more exploitative owners will take their place. There are a number of problems with this argument. First, Stanford's own experts point out that the other foreign and domestic firms in South Africa are no worse than U.S. ones. Second, South Africa is in a recession now and not a good investment. Third, fear of worse exploiters doesn't excuse continued support for the apartheid system. And finally, if the U.S. pulls out who is going to want to risk going in? The end will be in sight. The U.S. corporations bring in trade, technology, and new capital. Their departure would be a heavy blow to the white regime.

LATE FLASHES!!!!

The trustees have almost agreed to re-open the issue of the South African proxy resolution votes. SCRIP has collected over 1,500 signatures urging a yes vote on the resolutions. Even the ASSU Senate and the new COP have called for yes votes. On the 26th and 27th of April 3 more votes fall due. Watch what Stanford does to see if they listen to the students, faculty, and staff.

General Motors has agreed to halt future expansion in South Africa until apartheid is ended. This is a major victory and proof that change can and will come.

Collapse in South Africa?

South Africa is a complex industrial nation, but its economy is not inherently stable. Because of high military and police costs (up 21% since the Soweto uprising to $2 billion) and a foreign trade deficit, it needs a continual influx of foreign capital.

The white minority will not grant basic rights to the black majority. Prime Minister Vorster states that: "The white man's position is not negotiable." This means war is inevitable. If U.S. corporations continue to supply capital and technical expertise to South Africa they will be directly supporting the white minority and helping to perpetuate the apartheid system from which they clearly profit. If Stanford maintains its heavy investments in these companies, the same will be true of Stanford. Many Stanford community members feel that the University should vote in favor of the resolutions mandating withdrawal, and if the resolutions fail, that Stanford ought to divest itself of stock in these companies. Stanford should not profit from the jugation of black and asian South Africans.