SUMMARY OF SUCCESSFUL UNIVERSITY DIVESTMENTS

Compiled by

Joshua Nesson

ACOA Student Coordinator

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SECTION ON SUCCESSFUL DIVESTMENT ACTIVITY

\section*{Summary of University and College Stock Divestments}

Since the growth of U.S. student activity following the 1976 Soweto Rebellion, the following 7 schools have sold all their stocks in banks and corporations doing business with South Africa. At an eighth school, the University of Oregon, a decision was also taken for divestment but it has not been carried out pending a court ruling that will be made soon:

- Michigan State University: 13 companies---about $7.2 million (1978)
- University of Wisconsin: about 25 companies---$10 million (1978)
- University of Massachusetts: about $620,000 (1977)
- Hampshire College: about $350,000 (divested in 1977 & 1979)
- Antioch College: $25,000/30,000 (1978)
- Ohio University: 3 companies---about $60,000 (1977)
- Indiana Central University: amount unknown (1980)

A dozen auxiliary organizations of the University of California college and university system have also totally divested and well over two dozen colleges and universities have sold part of their South Africa-linked portfolio among them:

- Amherst College ($1 million), Boston Univ ($5 million), Brandeis, Colby ($900,000), Columbia, Harvard ($52 million in Bank deposits), Mount Holyoke (over $2 million), Smith ($687,728), Tufts, Eastern Michigan Univ ($2.5 million), Univ of Michigan, Vassar, Williams ($700,000 + deposits in 6 banks), Yale ($1.6 million).
Evidence That Divestment Does Not Have A Negative Financial Impact

Statements by financial officers reveal that at schools where total divestment has taken place (of South Africa linked stock) there has been no adverse impact on portfolio performance. There are alternatives, and at the schools where the largest divestments took place (Mich State Univ and University of Wisconsin) these alternatives have proven more profitable:

Michigan State University (Divested $7.2 million from Dec 1978 to Dec 1979)

"The disinvestment worked out much to our advantage because the firms that are involved in South Africa are the big industrial firms that have not been doing as well as other types of firms. By getting out of those stocks and into other relatively smaller companies doing better, we have come out ahead. Our stock portfolio today has a higher value than it would have if we had remained in South Africa-related companies. In figuring this we compared the current market value of the companies we sold versus the market value of the companies we got into. As of nine months ago (June 1980) we had earned an additional $1 million."

-Mrs. Nancy Elliot, Director of Investments and Trusts

University of Wisconsin (Divested about $10 million beginning in 1978)

"Disinvestment of South Africa-related stocks has not hampered or limited our ability to find suitable sources of investment."

-Mr. Dave Konshak, Accountant for the University Trust Fund

Note: The University of Wisconsin reported a higher return on its investment in "clean" stocks at the end of 1979 than it would have gotten from the companies it sold linked to South Africa.

Hampshire College (Divested $350,000 in 1977 & 1979)

"We've made out all right since the stock sales. There are plenty of other things to buy besides South Africa-related companies. We've invested in hotel chains, domestic airlines, and Canadian oil companies."

-Mr. Torrey, Treasurer

Antioch College (Divested $25,000 to $30,000 in 1978)

"The sale of these stocks had a minimal effect. It was not difficult to find alternatives."

-Mr. Rudawski, Assistant Treasurer

Ohio University (Divested about $60,000 in 1977)

"There was no problem in replacing the stocks we sold. The sale had no measurable impact on the portfolio."

-Mr. William Kennard, Comptroller/Treasurer

[The above information was gathered from telephone interviews conducted March and April 1981 by Mr. Joshua Nessen, American Committee on Africa]
C) **Recent Divestment Actions (at U.S. campuses)**

During the past several months at least six universities and colleges from Harvard to Eastern Michigan to the University of California have acted to divest well over $80 million in stock and deposits in U.S. corporations and banks doing business with South Africa. A major target has been New York's Citibank subsidiary of CITICORP, involved in a recent syndicated loan of $250 million to the South African Government.

Since October Harvard University has sold about $5 million of Citicorp certificates of deposit and about $46 million in intermediate and long-term notes. The decision to sell by Harvard trustees follows several years of demonstrations and other pressures by Harvard activists, including a Fall picket of a Citicorp recruitment meeting. Harvard activists were instrumental in publicizing this divestment action which the Trustees had tried to undertake discreetly.

Organizers have also been involved in MASS-DIVEST—a Boston-based coalition of labor, Black, church and student groups supporting a bill for divestment of stated pension funds linked to South Africa. Harvard students recently held a teach-in at which one of the bill's sponsors, state Senator Jack Brackman called on Harvard to divest its South Africa-linked stocks.

The divestment action at Harvard came shortly on the heels of a decision by Colby College in Waterville, Maine to sell all its stock, worth approximately $300,000 in CITICORP. Sale of the CITICORP stock was the major demand of campus organizers when 80 Colby students occupied the college president's office last spring. Colby also took action to divest holdings worth $600,000 in Dresser Industries for its South African involvement and Englehard Minerals Corporation, a major dealer in South African Minerals.

In January 1981 the trustees of Mount Holyoke College (in Western Massachusetts) voted to sell all stock in First National Bank of Boston, General Motors and Mobil Oil. The amounts involved were considerable:
- **First National Bank of Boston:** 25,000 shares worth $700,000 to $750,000;
- **General Motors Corporation:** 12,000 shares worth $550,000 to $600,000;
- **Mobil Oil Corporation:** about 15,300 shares worth over $1 million.

The action followed demands by seventeen campus groups to divest holdings linked to South Africa, focusing on these companies in particular. Besides divestment work, activists hosted a talk on the Mozambican Revolution by Albee Sachs, and have been engaged in combatting discriminatory admissions policies. Recently a 150-person rally helped force the resignation of an administrator who had made racist remarks about "niggers", and keeping "Black radicals" off campus.

**Continued...**
Recent Divestment Actions (cont.)

At Williams College, the anti-apartheid committee has been raising material aid for the liberation movements and played an important role with the Black Student after a November cross-burning incident. Recently, activists won some significant victories on the divestment front. The college trustees voted in December to stop purchasing certificates of deposit in CITICORP and five other banks lending to South Africa: Morgan Guaranty, Bank of America, First National Bank of Seattle, Bankers' Trust, and Cleveland National Bank. At the same meeting, Williams trustees voted to sell the college's 14,000 shares in Newmont Mining Corporation, valued at $700,000. Newmont is the largest U.S. investor in Namibia and its divestment was demanded at a sit-in and hunger strike last Spring.

At Eastern Michigan University in Ypsilanti, trustees voted in November to sell $2.5 million in shares of Manufacturers' Hanover Trust, participant in loans totalling over $900,000 to South Africa. Stock in Manufacturers Hanover represented EMU's largest single holding, about 22% of the university's stock portfolio. Responding to student protests, the Trustees adopted a policy of no further investments in banks doing business with South Africa.

In California, the Associated students of the University of California at Los Angeles (UCLA) transferred more than $25 million in funds out of the Bank of America and Security Pacific in July 1980 due to South African lending. As one UCLA student representative put it: "We perceive of this action as part of a statewide and ultimately worldwide campaign to break United States links with South Africa."

D) List of Church Actions Against CITIBANK


2) The American Lutheran Church has divested of approximately $2 million of CITIBANK securities in protest against their South African policy.

3) The Unitarian Universalist Association sold 8,728 Citibank shares of common stock in 1980. The value of this sale was $292,119.

4) The Adrian Dominican Sisters based in Adrian Michigan decided at their General Council meeting in early 1981 to divest 6,000 share of common stock because of CITIBANK's new loan to South Africa. This is the first time that this order has divested itself of securities for any reason.

5) In February 1981 the Sisters of St. Joseph in Rochester N.Y. sold 1,000 shares of Citicorp stock because Citibank's loans to South Africa violated their investment policy. One month later the Sisters of Immaculate Heart of Mary in Michigan divested 1,100 shares of Citibank.

6) 14 Protestant denominations and 13 Roman Catholic orders (as of March 1981) have pledged to buy no CITIBANK Certificates of Deposit, notes or bonds because of CITIBANK's South African lending.