

RECEIVED OVER TL TYPE...

13140 St. Albert Trail
Edmonton, Alberta
Canada T5L 4R8
17 April 1978

Robben W. Fleming
University of Michigan
Administration Bldg.
Ann Arbor, Michigan
U.S.A. 48104

RECEIVED

APR 17 1978

PRESIDENT'S
OFFICE

Dear President Fleming:

I was very disappointed to learn of the Regents' decision against divestiture of holdings in corporations and banks doing business in South Africa. I feel very pleased and proud, however, for the process, including the forum and the faculty committee investigation, by which the Regents developed background for the decision.

I particularly want to commend the Senate Assembly Advisory Committee on Financial Affairs under the chairmanship of Prof. Allan Emery on the work they did, resulting in the very fair, thorough, and well-reasoned report.

All those participating in the discussions of this matter since last spring are in agreement on the goal, to hasten the end of the racial policies of the South African government. Which course to follow to achieve that goal depends on two major factors: (1) Which course will most effectively achieve the goal, and (2) How does a given course affect the University.

The Advisory Committee mentions the risk involved when the University adopts a political position. The Committee also considers it to be properly the University's role to assume such risks where "fundamental human rights and liberties" are clearly affected. With this in mind, and also considering the relatively small financial cost to the University, as Mr. Herbert has pointed out, Factor (2) above, seems to be unimportant, and indeed it has not been a major part of the recent dialogue.

It is a matter, then, of what course can most severely affect the racial policies. Whatever a corporation is able to do to improve employee working conditions, does nothing to change the government's racial policies. The assumption that improved working conditions in a given factory will affect the government's policy against equal pay or against blacks in supervisory positions over whites is naive. The assumption that the University can in any way influence a major corporation to take steps directly contrary to the South African government's policies is naive.

.../2

Anyone who thinks that major corporations can be influenced to take steps with alacrity which will increase their labor cost with no compensating cost benefit, should recall how little was done by those corporations to reduce pollution before it was made mandatory by law.

The result of the Regents' action is that some years will pass in which attempts are made to exert the influence which is assumed feasible, and after that time, some corporations' facilities for black employees will be more comfortable, but the racial inequalities will not be changed.

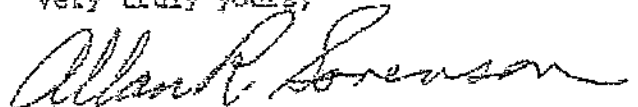
At that time, the next step in the Regents' program, divestiture, may be taken, and the intervening time in which the more effective course might have been in effect, will be lost.

To achieve the goal we all want, radical measures will be needed, measures which severely affect the South African economy. The most the University can do is divestiture, which may seem very little compared to the much-needed U.S. government and United Nation actions. Besides being a move against their economy, divestiture is a symbol. To be sure, the repressed races may be hurt the most by a weakening economy, but this is an unfortunate corollary of any major social change.

I urge the Regents:

1. To consider how ineffective the three steps in Section 4.A. of their resolution will be in changing the racial policies of the South African government,
2. To consider how little is achieved in changing such policies by "effectuating the purposes of the resolution", and
3. To proceed expeditiously with divestiture.

Very truly yours,



Allan R. Sorenson
Regent Emeritus

cc: T. Roach
A. Emery

THE UNIVERSITY OF MICHIGAN
ANN ARBOR 48109

ROBBEN W. FLEMING
PRESIDENT

April 26, 1978

Mr. Allan R. Sorenson
Regent Emeritus
13140 St. Albert Trail
Edmonton, Alberta
Canada T5L 4R8

Dear Mr. Sorenson:

It was good to have your note about the South African matter.
I shall certainly see that the Regents receive copies of it.

There was a thorough discussion of the problem. The Regents
conclude, rightly or wrongly, that divestiture is not the answer.
Whether they will wish to consider that question at some later date
remains to be seen.

Sincerely,


R. W. Fleming

ph

cc: Board of Regents
Vice President Brinkerhoff
Vice President Kennedy