

REMARKS OF REGENT THOMAS A. ROACH
DIVESTMENT DEBATE APRIL 14, 1983
(Edited for Publication)

There are three issues that have been intertwined in our debate. Probably a better statement would be that there are two propositions and one issue - because there really is no issue unless there is a disagreement.

The first proposition upon which I think we all agree is the autonomy of the University, and the importance over the long run of the independence of the University. I don't think we have any disagreement on that.

The second proposition is apartheid, and I know we don't have any disagreement on that. I don't believe that there is a single member of this board, or perhaps even a single member of the entire University community, that is in favor of apartheid, or who does not consider apartheid to be abhorrent, to be intolerable, to be immoral, to be unconscionable.

The issue upon which the Regents have disagreed has been what do you do about apartheid? What do we do, sitting in Ann Arbor at The University of Michigan, which is effective to end apartheid?

This is not an issue that we have approached for the first time today. Indeed this board has studied this issue for more than six years. We have read about it and we have listened to the discussion and the debate.

Unfortunately, most of the debate, as was true of the excellent speeches heard this afternoon, focussed principally on the question of whether or not apartheid is wrong, or how wrong it is. But that's a fact you don't have to prove. The question is what do you do about it?

The argument that divestment is an effective remedy is one that I cannot support as a matter of logic.

In the first place, when we buy stock we buy in what is known as the secondary market. We don't buy Ford stock from Ford Motor Company. When we buy Ford stock they don't get a dime. We buy Ford stock from someone who held Ford stock and wants to sell it. If we sell our Ford stock, we sell it, not to the company, but to somebody who wants to buy Ford stock.

In all of the debate today, and in all of the debate over the last six years, and all of the discussions among the Regents, the only argument that I have heard that divestment of our stock is effective is that it is a moral statement, and that this moral statement will put pressure upon the oppressive apartheid government of South Africa to change. Divestment is indeed a form of moral statement. But is it going to put effective pressure on the Republic of South Africa to change? As I heard the descriptions of the government of South Africa from our colleagues during the public comments session, I certainly don't see divestment as much in the way of pressure. There are alternatives.

There is a serious issue that could be debated, and has not been well debated on this campus or in this board. That is whether American corporations should disinvest, get out of South Africa, or should American corporations stay as a force for positive change?

I think most of us have read, and I hope that many in the audience have had a chance to read, the report of the Study Commission on U.S. Policy Toward Southern Africa that was published by the Berkley Press in 1981, South Africa: Time Running Out. That Commission, which was headed by the president of the Ford Foundation, and which had as members many black scholars from around this country, came to the unanimous conclusion that divestment was not the appropriate step for investors, and that leaving South Africa was not the appropriate step for American corporations.

President Jimmy Carter, who probably more than any other President in recent times really strove to bring human rights into American foreign policy, believed that American corporations did more to help end apartheid in South Africa than they did to support it. This is a weighing question.

That has not been our debate. Regent Brown's argument is that we ought to force, or attempt to force, or argue to force American corporations to disinvest. But that's not the issue we're talking about. That's not what is being argued

here. What's being argued here is to sell our shares in American corporations who have operations in South Africa.

The alternative to corporations pulling out is to follow some course of conduct such as the Sullivan Principles. The Study Commission of which I spoke of a moment ago recommended that we should do three things. If we were not going to divest, I would urge that we do them. One is that we continue to require all corporations to follow the Sullivan Principles. Two is that we require any corporation in which we invest not enter South Africa and not to expand in South Africa. This is similar to the Solarz Bill pending in Congress. Three is that any corporation doing business in South Africa make contributions to black education, transportation, health, etc., at a rate at least double what they customarily give in the United States. This alternative is for American corporations to stay there and make a contribution for progress, contribute to black education, contribute to black training, contribute to the development and emergence of black trade unions.

One final point on the Sullivan Principles. I know that those who argue for divestment argue that the Sullivan Principles are nothing but a paper tiger, that they have not been effective, etc. The University has monitored the situation carefully over the last five years on the basis of reports from two different reporting firms, the Little Company and IRRC, and also on the

basis of direct correspondence with corporations in which it owns stock. I think that there has been progress - too slow - I certainly agree that the progress has been too slow. Just in the most recent report for instance, it appears that substantially all of the corporations have accomplished the basic principles of desegregation of the work place and fair employment practices. In terms of pay, we know for instance that Ford is a leader. I think their minimum pay scale is now up to something like 2.3 Rand per hour, which compared to what it was five years ago must be like a small fortune. Black pay has increased more rapidly than white pay over the last five years. We know there has been significant training of blacks and coloreds and Asians, and that blacks have been promoted to supervisory positions over whites. Some 30% of the supervisory positions in American corporations are now held by blacks. In the last year alone American corporations contributed more than 12 million Rand to black education and black community development.

It was argued by our first speaker today that Reverend Sullivan said he didn't think his principles were working. I would just like to quote from Dr. Sullivan's speech at the Economic Club of Detroit on January 24, 1983 in response to a question. This is what Dr. Sullivan said. "The Sullivan Principles are limited in themselves in what they can individually accomplish. But combined with other thrusts from world govern-

ments, United Nations, churches, and world public opinions, they can and will be a major force in the ultimate elimination of that system, because they can serve to help eliminate discrimination in the most important private sector of that country's structure, its businesses, factories and industries. The most important role that the principles have played is that they have been a catalyst for change far beyond American corporations. They have become the leading thrust in South Africa for change in industrial relations and equal employment practices for corporations in South Africa, those from America, as well as from around the world. And they have been a leading catalyst in developing a momentum for change in industrial relations in South Africa that is not reversible and will continue to change conditions for black workers."

To me the most significant thing that has been accomplished by virtue of operation under the Sullivan Principles is the emergence of black trade unions. In the last five years black trade union membership has expanded from about 15,000 to over 300,000. All of us know the political, social and economic force that an active trade union movement can and will be.

While I agree with the recitals in the resolution (in fact they sound quite familiar), I cannot support the resolution. It does not follow. It is not the best course of action. If we really are against apartheid, we ought to do something that is more effective than a symbolic act. I respectfully vote no.

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In the resolution just adopted, the majority of the board has substantially complied with what the legislature wanted them to do. In the long run, say a hundred years from now, the question of whether the legislature or the Regents determine the policies of The University of Michigan will be more important than the issue of South African investments.

Those of us who are old enough to remember the McCarthy era can remember the attack on intellectual freedom and on academic freedom.

The intent of the people of Michigan expressed in the 1850 constitution, and continued in every constitution since, of separating this institution from legislative interference and control is clear. It is not only appropriate, but necessary that we file an action to obtain a declaratory judgment from the courts.

The reason why the majority of the board determined to divest is because they truly felt it was the best thing to do, and not because the legislature told them to do it. You felt that that was the best answer. If you had disagreed with the legislature, then your voice would be the one that should control. We jeopardize 133 years of academic freedom at this University if we do not take them on.