

Dear Mr. Nodulander

I would like to express my concern with the moral and political implications of the University of Michigan's current investment policies regarding corporations doing business in South Africa. Despite the fact that students and faculty agree that apartheid's brutal racism is intolerable, the University has taken no significant steps to end its active financial support of the oppression. Every year, the University investors provide South Africa with essential investment capital; capital necessary for the survival of apartheid. John Gaetswe, a member of the South African Congress of Trade Unions, has said, "Foreign investment is the pillar of the apartheid system which keeps in slavery the African worker." As a member of the University community, I am deeply disturbed by this institution's willingness to invest in, and profit from this inhuman system.

Having reviewed the evidence, it is clear that the University's current policy--advocating the adoption of the Sullivan Principles--is inadequate on two counts: 1) the majority of the corporations concerned have neglected to demonstrate any substantial compliance with the Principles. For example, only about 1/3 of the corporations in which the University has holdings have provided an effective response to the IIRC South African Review Service. This Service is the primary source of information which the University uses to evaluate corporate performance in South Africa. 2) Endorsement of the Principles will not substantially effect the racist policies of the South African government. The Principles do not give the blacks the right to vote or to own land, nor do they provide equal access to education and medical care. In fact, they do not affect the lives of most blacks working outside the influence of the corporations. William Bowdler, U.S. ambassador to South Africa, has written: "Measures that only relieve hardships like marginal raises, school fee allowances, and personal loans are seen as panaceas which evade the question of basic rights of the workers."

In opposing divestment, President Smith has said that the University should refrain from taking political action. But what President Smith and the Regents fail to realize is that, like it or not, the University is taking political action everyday. Investing in corporations doing business in South Africa is a political act: through these investments, the University is actively supporting apartheid. Every member of this community must confront the moral and political responsibility of this action for this responsibility will not go away by pretending that it does not exist.

I hope that you recognize and accept the University's responsibility in this matter. I urge you to call for the divestment issue to be placed on the April agenda as an action item, and when it comes to a vote, I urge you to support full and immediate divestment from all corporations doing business in South Africa. Follow the examples set by Michigan and Ohio State Universities and at least ten other Universities across the country (most recently Columbia) and end this institution's financial complicity with apartheid. It has been proven that the resolution from the March 1978 Regents' meeting is both inadequate and ineffective. More than a "reasonable period of time" has passed. The Regents must take responsible action now.

Thanks you,

Lawrence J. Cengel