

University of Michigan - Forum on Corporate Involvement in South Africa

Report for Board of Regents - February 1978

CONCLUSION OF THE FORUM

There was unanimous and very strong feeling among all present at the concluding sessions on Thursday that U.S. investments and loans support a pernicious and racist system in South Africa. Therefore all such loans and investments should cease and the University should withdraw all and every investment it has in South Africa related stocks. Donald Woods, exiled White South African journalist, said recently on national television that he does not know of one Black South African leader who does not today urge total divestment.

Forum participants also felt that the University should adopt a resolution which gives support to the South African Black people's struggle for self-determination and that the University should commit itself to action which will ensure the University's non-collaboration with the immoral regime of the White South African government. In addition, a South Africa oversight committee should be formed to monitor the University's investments and any other ties it has with South Africa.

CONCLUSION OF THE COMMITTEE

The resolutions passed by the summing-up session on Thursday represent the moral concerns of what seems to us to be the majority of the University community. The Committee feels that the University administration must take these concerns seriously.

The implications of this would be a decision to liquidate University investments in businesses dealing with South Africa as soon as possible. Such a divestment should be accompanied by an express condemnation of apartheid and of White minority rule, and by a declaration of support for majority rule in South Africa. Implementation of the resolutions would also imply the establishment of a South Africa oversight committee to monitor the financial, academic, and other ties the University has with South Africa.

The Committee on Communications believes that the conflict between the University's portfolio and its ethics, or between pragmatic and moral considerations, goes far beyond the ties the University has with South Africa and, indeed, beyond the problem of financial investments. The Committee therefore suggests that the University form a Committee on Social Responsibility, to be composed of persons from the student body, the faculty, and the administration.

SUMMARY OF THE FORUM

MONDAY, 30 JANUARY 1978

"The Nature of U.S. Policy and Investment in South Africa"

Evening Lecture: Ted Lockwood, Washington Office on Africa

Banks and transnational corporations based in the United States support the apartheid South African government by providing tax revenues, by observing and enforcing apartheid policies with respect to employment practices, and by providing the government with loans and good critical to the continuance of minority rule. The U.S. government must change its foreign policy and cease underwriting bank loans to South Africa. Corporations must disinvest from South Africa.

TUESDAY, 31 JANUARY 1978

"Current Socio-Economic Conditions in South Africa"

Afternoon Lecture: Selby Semela, South African Student Movement

One cannot take a middle way; one is either for apartheid or for the Black people of South Africa. The University should divest. The end of the corporate presence in South Africa may cause suffering to the Black people there, but they are suffering already and are prepared to suffer more in order to gain majority rule.

Evening Panel: Deon Erasmus, South African General Consulate

The presence of corporations in South Africa is beneficial to the Blacks. The South African government has made gains in the Blacks' living conditions, but change comes slowly. A boycott would be futile and irresponsible.

Evening Panel: Fred Dube, African National Congress

The United States should impose economic sanctions on South Africa, but the liberation movements will not and can not wait for such a policy to be made.

WEDNESDAY, 1 FEBRUARY 1978

"Alternatives for Stockholder Action"

Afternoon Lecture: Timothy Smith, Interfaith Council for Corporate Responsibility

Many churches and other institutions have taken the position that banks should stop making loans to South Africa and corporations should begin to withdraw from South Africa. The University should become a responsible and active stockholder; it can not have its ethics in one pocket and its portfolio in the other.

WEDNESDAY, 1 February 1978, Continued

Evening Panel: Shaw Livermore, UM (moderator)

The University should take an informed, moral action.

Evening Panel: Timothy Smith

Corporations' presence in South Africa reinforces the status quo. The positive social actions that corporations take are offset by their acts that strengthen the existing system.

Evening Panel: Thomas Pond, General Motors

G.M.'s presence in South Africa has a positive social impact. Withdrawal by G.M. would not be a positive act, and if it withdrew it would lose the influence it has.

Evening Panel: Gunter Dufey, UM

The actions of national and multi-national organizations don't substantially affect the problems and issues between Whites and Blacks in South Africa. The University is not a political institution and should not make political decisions.

Evening Panel: Joel Samoff, UM

The South African issue is unique, because racism is institutionalized in the legal system. The University can exert pressure on corporations and can cooperate with other investors. African leaders support economic pressure. The University should act in the political arena. Difficulties in deciding how to act are no excuse for not acting at all.

THURSDAY, 2 February 1978

"Summary and Conclusion"

Evening Panel: Prexy Nesbitt, American Committee on Africa

The University should relinquish all ties with South Africa, including divesting stock in corporations doing business in South Africa.