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STANFORD—

Two black students from South Africa were among more than 20 persons calling for Stanford to divest its stock in U.S. corporations operating there at a campus hearing Monday, March 6.

None of the 26 speakers favored staying in South Africa.

"We want you to leave, to get out. You are not helping us," Jeanne Hendrickson of the Berkeley Graduate Theological Union declared. She worked with Steve Biko, South African black leader who died while imprisoned.

Paul Isaak, a Namibian now at Pacific Lutheran Theological Seminary, said black leaders "absolutely favor" immediate divestment.

About 75 persons attended the orderly 2½ hour-long hearing, which was called by the Commission on Investment Responsibility. The CIR makes recommendations on stock proxies and investment issues to the Stanford Board of Trustees.

Prof. Raymond Giraud, French and Italian, reminded the CIR that 238 faculty signed petitions last spring urging the Trustees to unequivocally oppose expansion or continued U.S. corporate presence in South Africa in shareholder proxy votes.

He suggested Stanford sell all but one or two shares in companies operating in South Africa, thereby keeping a voice in the firms. Stanford should "disregard unequivocally" any impact its investment decisions might have on corporate support of the University, he added.

Noting that President Richard W. Lyman has said universities should avoid becoming the captive of any political movement, Giraud declared they also should "keep free from becoming captives of corporate interests."

Prof. Nannerl Keohane, political science, said the arguments against having the University make moral decisions on behalf of donors were "quite cogent." But she suggested the institution's responsibility could be met by informing donors of the decisions it had made and the rationale for them.

"Owners have some moral responsibility for what a corporation does," she declared. The "worst possible outcome" would be for moral concerns to simply "evaporate" where companies are concerned.

Keohane urged the Commission take "take a more activist role" on proxy questions, in some cases voting for proxies "even when you don't like the wording." As an investor, the University has a responsibility to society as a whole, she added: "If we don't do it, who will?"

John Hunter of the Memorial Church task force on South Africa said U.S. corporations are "failing to improve conditions" in South Africa, a charge reiterated by many other speakers. He urged the use of proxy votes and open letters to corporations.

Quoting from the Founding Grant, Hunter said that if change proves impossible, "the statement of the reasons for the University becomes a lie."

Bob Howe, speaking for the board of directors of the United Campus Christian Ministry, urged CIR to prepare a program for divestment. Noting that black intellectuals "overwhelmingly back" this course, he said it was "unconscionable and demeaning" for an educational institution not to divest.

Speaking for the Stanford Black Student Union, Keith Archuleta said U.S. firms "don't provide employment (opportunities) remotely proportionate to their investment" in South Africa.

"Since 1948 apartheid has become more repressive as South Africa has become richer," he added.

Chris Coleman of SCRIP said South Africa students who wrote companies urging withdrawal have received 5- to 10-year jail sentences under South African law.

"Blacks have universally proclaimed their willingness to undergo short-term hardships" to end apartheid, he added. "SCRIP doesn't believe the South African government would refuse to repatriate capital" of firms seeking withdrawal since this would lead to a "tremendous reluctance" among others to invest there.

Apartheid may change only when whites feel the economic impact of withdrawal "dramatically," he added. Ending apartheid may involve a "general war of liberation," in which case the loss of life would be lower if South Africa has fewer U.S. resources.

Walt Spivak, Stanford alumnus active in SCRIP, said a recent study by U.S. Senator Dick Clark had found U.S. firms "lax, and highly selective" in pursuing equal employment opportunity for blacks and "offering little more than lip service" to the formation of black trade unions. U.S. policy should discourage future investment there, Clark concluded.

Connie Replogle of the Revolutionary Communist Brigade charged that there "isn't any such animal" as responsible corporate investment. "It's clear only people in hundreds, thousands are going to force divestment."

Student Senate head Fred Grethel said the Senate does not regard CIR as legitimate because its student members were not chosen through normal channels. But he urged divestment "decisively and passionately."

Margaret Goud, a geology senior active in SCRIP, said 88 campuses in 23 states now have organized groups working for divestment. The University of Oregon, Hampshire College, the University of Massachusetts-Amherst, Smith, Brandeis, Wisconsin, and Illinois are among those who have taken action on this issue, she said.

Another SCRIP speaker said 70% of those asked to sign its petition for divestment have done so this year. Last year more than 3,200 names were obtained in a similar drive.

John Leung, assistant president of United Stanford Employees, protested the way in which CIR members were chosen by President Lyman. Labor opposition to apartheid is growing, he noted, with the United Auto Workers recently voting to divest.

Anne Henkels of the Associate Students Council of Presidents said the Trustees' concern for preserving the University is "not a matter of life or death for Stanford," but for improving and enlarging endowment income.

Lloyd Dixon of SCRIP said "no doubt divestment would cost the University something" but suggested that it "think of divestment as an operating expense."

Any corporate outrage at such an action would be "tempered by their vested interest" in the University, Dixon added.

A staff study published last fall by the University indicated that complete divestment of U.S. firms operating in South Africa would cost Stanford several million dollars annually. The study estimated the University's income from U.S. corporate assets in South Africa at roughly \$25,000, "certainly no more than \$45,000."

The biggest impact of divestment would be on the University's ability to realize above average returns on its investments. University endowment managers have consistently outperformed market indices, adding more than \$8 million in this fashion last year alone, the study indicated.

At the time of the study, Stanford owned securities in 59 firms active in South Africa with a total market value of \$125 million. This represented 37% of Stanford's stock holdings.