



ASSOCIATION OF CONCERNED AFRICA SCHOLARS

NEWSLETTER

Windsor House, Austin College, 823 N. Grand Ave., Sherman, TX 75090

Summer 1985

Number 14

CONTENTS

NEWS ABOUT AFRICA

	Page
Uganda Withdraws Mahmood Mamdani's Citizenship	1
"Disaster Prevention: Defining the Problem," by M. Mamdani	2
South Africa and the U.S. Give New Support to UNITA	6
Open Letter on Sanctions against Nicaragua and South Africa	7
Request for Research Collaboration on South Africa	8
Mozambican Refugees in Eastern Transvaal, South Africa	9
New Resources on Africa	10

NEWS ABOUT THE U.S. DIVESTMENT MOVEMENT

Congressional Anti-Apartheid Campaign Builds	11
Going for the Gold: the Krugerrand Campaign	14
The South African Press Response to the U.S. Divestiture Movement	15
Organization of American Historians Supports Divestments	23
Univ. of California Faculty Group Issues Plan for Full Divestment	24
Student Protests Spark Divestment	26
S.A. Divestment Actions by Colleges and Universities: 1977-85	27
Student Anti-Apartheid Newsletter	28

RESOURCES ON DIVESTMENT

South Africans Speak out for Divestment	32
Resolution adopted by the United Democratic Front	34
The Financial Aspects of Divestment	35
Annotated Resource List on Divestment	38

ACAS NEWS

39

Uganda Withdraws Citizenship of Professor Mahmood Mamdani

The Association of Concerned Africa Scholars has joined other scholars and scholarly organizations in urging the government of the Republic of Uganda to renew the citizenship of a well-respected, progressive scholar Dr. Mahmood Mamdani. Dr. Mamdani was serving as Acting Dean of the Faculty of Social Sciences at Makerere University in Kampala at the time his citizenship was revoked.

ACAS urges its members to write to President Obote of Uganda in support of Dr. Mamdani. The details of the case are presented in the following letter that was sent by Henry Bucher on behalf of ACAS. We also reprint here the text of Dr. Mamdani's speech to the Uganda Red Cross Conference on Disaster Prevention in April 1985 which was apparently the cause for the action taken against him.

To keep abreast of the current status of Dr. Mamdani's case write:
Committee for the Restoration of M. Mamdani's Ugandan Citizenship (CRMUC) 720
Mass. Ave., Suite 5, Cambridge, MA 02139. Or call Jordan Gebre-Medhin at
(617) 354-8678 (home) or 437-3148 (office).

Sample Letter on Behalf of Dr. Mahmood Mamdani as sent by ACAS

May 14, 1985

His Excellency Dr. A.M. Obote
President of the Republic of Uganda
and Chancellor of Makerere University
The State House
Entebbe, UGANDA

Dear Mr. President:

I am writing to you about the recent decision of your Commissioner for Immigration to withdraw Ugandan citizenship and the right to work from Professor Mahmood Mamdani, Acting Dean of Social Sciences at Makerere University.

We have learned that the Commissioner, Mr. Z.A. Doi, wrote to Dr. Mamdani on 13 April, 1985, while he was attending a conference in Spain with the permission of the Vice Chancellor of the University. Mr. Doi informed Dr. Mamdani that his file did not contain a renunciation of British citizenship. This was the basis for the decision, and Professor Mamdani was told to surrender his Ugandan passport within seven days.

Yet, we have come to learn that Professor Mamdani did, indeed, renounce his British citizenship in 1963, when he became a citizen of the Republic of Uganda.

It has also been brought to our attention that certain statements made by Dr. Mamdani to the Uganda Red Cross Conference on Disaster Prevention, in March, 1985, were considered unacceptable by your Minister of State for Security. We understand that it was officials from his office who subsequently opened up the question of Dr. Mamdani's immigration status.

Professor Mamdani is a scholar of international standing. His academic work is widely acclaimed in this country and abroad. His presence as a representative of Uganda at the 1984 annual meeting of the African Studies Association

in this country was highly appreciated. A graduate of Harvard University, Professor Mamdani is known as a person of the highest commitment and integrity.

Therefore, on behalf of the Association of Concerned Africa Scholars, we respectfully urge that Commissioner Doi's decision be reversed, and that Professor Mamdani be permitted to retain his Ugandan citizenship, his passport, and his position at Makerere University.

Sincerely yours,

Dr. Henry Bucher, Jr.
Executive Secretary, ACAS

Disaster Prevention: Defining the Problem

Speech by Mahmood Mamdani, for which he was stripped of his Ugandan citizenship. Delivered to the Uganda Red Cross Conference on Disaster Prevention in Kampala, Uganda, March 19, 1985.

... I remember hearing a story, during the Sahelian famine of the 70's, of a fat man and a thin man. Said the fat man to the thin man, "You should be ashamed of yourself. If someone visiting the country saw you before anyone else, he would think there was a famine here." Replied the thin man, "And if he saw you next, he would know the reason for the famine!"

The simple point I am trying to make is that if you divide our society into two, into the majority prone to disaster and that minority resistance to it, you are likely to find some sort of a relation between the two.

Last year, I was doing research in Lira District. I met a capitalist farmer in one village. She had over 500 acres which she had bought (technically leased). I wondered how she could buy land in an area where people observed clan right to land quite strictly. She replied, "The 1980 famine helped. People were in need. For the first time, they were willing to sell land, cows -- things they wouldn't dream of selling in normal times." Famine, it would seem, is a disaster for the poor but an opportunity for the rich. The former are disaster-prone, the latter disaster-resistant.

Disaster: Natural or Social Calamity?

I read the book on Natural Disaster: Acts of God or Acts of Man? by ICRC [International Committee for the Red Cross] which was handed out today. It is a good little book. But it does not go far enough. It only scratches the surface.

True, disasters are not natural but social catastrophies. Also true that they are the result of social conditions: deforestation, soil erosion, desertification. Lack of rain does not cause a famine, it is simply the occasion for it. It triggers off the famine. But, why do people cut down forests? Why do they overgraze? Why do they work the same old tired land without resting it? Is it out of malice? Or sheer ignorance? Not really. My basic point is that, so long as they look for individual solutions to what are in fact social problems, they have very little choice given the social relations they are trapped in. What are these relations? How and when were they created? Can they be changed? These are some of the questions I intend to discuss today.

The Colonial Background

I am going to talk about Uganda because this is where we are meeting. You heard earlier that Africa has become much more prone to disaster in this century, and particularly in the past two decades, than it ever was before. So, I want to begin with the impact of the colonial period on the major producers of wealth, the peasants, in this country.

An analysis of how this country was integrated into the colonial imperialist economy would show that there were two major forms of integration, depending on the region we may consider. The first was whereby an area was turned into a cheap labour reserve. This was the migrant labour system whereby the wife remained a peasant producing food in the village, but the husband migrated as a worker to a plantation. He was employed only part-time; the rest of the year, he returned to the village and lived off the food cultivated by his wife.

The second form of integration was whereby an area was turned into a reserve of cheap raw materials. You take the above system, with the wife producing food and the husband cheap labour, collapse the distance between the husband and the wife; with the wife still producing food and the husband producing an export crop, you now have a cheap raw material reserve. Cheap because the family produced its own food. The cash it got from selling cotton or coffee was just to pay tax and to buy a few manufactured necessities.

Now, in Uganda, there were quite a few cheap labour reserves at the outset of colonial rule: Lango, Acholi West Nile, Kigezi. But in the 1920's, as the Belgians increased exploitation in Rwanda, the Banyarwanda peasants began to emigrate to Uganda. In the late 50's once again there was out-migration from Rwanda due to a political crisis. As a result, the British introduced cash crop production in Lango and Acholi in the 1920's and then in West Nile in the 1950's. Today the only remaining cheap labour reserve is Kigezi. The rest of the country continues to be a cheap raw materials reserve.

Now the whole system of cheap raw material production required two conditions. One, that labour meet a substantial part of its own cost of production (food cost). And two, that labour remain the major input in production; or, to put it differently, that the technological base remain low.

Peasant Exploitation

The above remains the general condition of the Uganda peasantry today. The Uganda peasant is essentially trapped in two main types of exploitation.

The first is exploitation through unequal market relations where you sell cheap and buy expensive. This is monopoly exploitation, whether by state or private agencies.

Let me give two examples from my own research. In July of 1984, I investigated the millet trade in Lira District. The post-harvest price for fresh millet in the village was Shs. 50 per kilo. That same kilo sold in Kampala at Shs. 200 per kilo. Transport was usually free since the trader had access to institutional transport, maybe a Red Cross lorry coming back from having delivered relief supplies! But, if paid for, transport would have cost Shs. 12 per kilo. The point is that the peasant received just 25 % of the final price of millet.

In December of 1983, I researched the coffee trade in Buganda. My data showed that the peasant received exactly 18.96 % of what the government got in the world market for the same coffee. You would be surprised by how constant this proportion has been since the colonial period, whether in the first independent government, or in the Amin period, or now. No wonder the peasant considers changes in regimes as so many storms in the political sky while the hard realities on the ground remain unchanged.

To return to the peasant then, the millet producer in Lira gets a quarter of the final price and the coffee producer in Buganda a fifth of the final price. Not much difference. Both are super-exploited. This is why a simple shift from export crop (coffee) to food crop (millet) production would in itself mean no major difference to the peasant -- unless the unequal position of the peasant in the market changes. For the market, from the point of view of the small producer, is more unpredictable and less friendly than the climate!

Once again, the details vary from region to region. But together, they amount to three types of forcible exactions. These may be forced labour (bulungi bwansi for the road or a well, or labour for a school or dispensary), together amounting to as much as a quarter of the peasant's total labour in certain villages. Or these exactions may take the form of forced crops, usually those for export, or forced cash contributions for the party or the church.

The Result

The result of this dual exploitation of the peasant, that through unequal market relations and that through direct force, is that the peasant operates with a permanent handicap: his surplus product is regularly siphoned off. His cash income is barely enough to meet immediate needs: for tax, to replenish a hoe or buy some slat or medicine. Peasants don't eat sugar any more; in many villages in [illegible] they can't even buy soap anymore.

The point is that the peasant is forced to begin the production cycle each time with roughly the same or even a worse technical base than the previous time around. Walter Rodney wrote that the African peasant entered colonialism with a hoe and came out of it with a hoe. He should have added that the hoe the peasant entered with was locally produced; the one he came out with was imported.

To grasp the point better, let us look at the peasant's labour process. It consists of three elements: land, labour, and implements of labour. We have seen that the peasant has little choice so far as the implements are concerned; his technology is relatively stagnant. To get out of a crisis or to endeavour for prosperity, what does a peasant do? He uses whatever control he has over land and over labour.

He works the tired land over and over. Why is it that periods of fallow are getting shorter and shorter in Kigezi? Or that cassava is replacing moko and beans on Entebbe Road? (Someone talked of the introduction of drought-resistant crops like cassava during the colonial period. Imagine, permanent malnutrition as a solution to starvation?)

At the same time, the peasant has as many children as possible to maximize the labour at his disposal. For a middle class family, a child may be just a mouth to feed for 20 years, but for a peasant family after only four years the child is also two hands to work! My point is that people are not

poor because they have large families; really they have large families because they are poor!!

Of course, each of the solutions arrived at by the peasant is contradictory. It solves the problem in the short run, only to reproduce it much worse in the long run: on the one hand soil erosion, on the other "over-population."

The sharpest expression of this is Karamoja... The Karamoja famine can't be understood without an historical analysis. Its starting point must be to understand that the Karamojong people lost roughly 20 % of their grazing land, in phases, through either the redrawing of administrative boundaries in the 1920's or creation of national parks like Kidepo later. It is this fact which called forth a change in pastoral practices. No longer could dry grasslands be rested up to the annual burning. Not only was all grazing land used throughout the years without any annual burning, forests were progressively cut down to increase the grazing area.

The British saw this as a problem of "overgrazing," not one of land confiscation! So, having first grabbed some land, their "solution" was to grab some cattle now!! This they did indirectly by introducing simultaneously a tax and a government monopoly on buying, so that the buying price of cattle could be adjusted to the tax assessed. To make my point, the end result was a change in the whole ecology of Karamoja.

As peasants try to find individual solutions for their social exploitation, they increasingly face a twin crisis: ecological and demographic. Rationality exists in a context. When you act, you choose between alternatives that actually exist. A peasant does the same. His decision to reduce the fallow period or to have more children is actually a judgement of what choice his circumstances leave him.

What is to be done

... To begin with, it is necessary to safeguard against utopian thinking, against looking for a solution outside the parameters of the problem by introducing it from without. We must be realistic and find the solution internally. From this perspective, we can correctly define the role of relief or foreign "aid." It can only be complementary to a local solution, not a substitute for it. Failure to understand this can even compound the problem. The ICRC book I cited earlier gives several examples. During the Sahel famine of the 70's for example 20 % of the population of Mauritania was entirely dependent on relief food by 1974!

Such assistance is not an antidote to disaster. It becomes a handmaiden. I am sure you have known doctors who made you feel that doctors need diseases, in the sense that without these they would be out of business. Or that lawyers need crime? That churches need sin? In this same sense, there are relief agencies which need disaster!

Only that relief is worthwhile which undermines itself in the long run; which restores the initiative of the victim, and does not strangle it; which sees victims not simply as objects to be helped, but as subjects potentially capable of transforming their disaster-prone situation.

My main point is that any strategy that claims to be a solution must seek to revive the creativity and the initiative of the people. Central to this must be to educate people about these relations which make them disaster-

prone. This education must be based on investigation, concrete and independent. And it must lead to organization, both popular and around concrete issues.

Simply put, we must organize concretely, organize on the basis of a common education and educate on the basis of independent and popular investigation.

[Note: Another publication by Mahmood Mamdani, The Nationality Question in a Neo-Colony..., is available for \$3.00 from Africa Research and Publications Project, P.O. Box 1892, Trenton, N.J. 08608.]

South Africa and the US give New Support to UNITA
by Christine Root

While divestment advocates are winning victories in the anti-apartheid arena in the US, South Africa and the US are becoming more belligerent in another arena -- Angola. The pattern of new aggression and strengthened ties with UNITA is disturbing.

In late May, a South African army unit equipped with contact mines, silencer-equipped guns, and firebombs was intercepted by Angolan troops close to the of the Gulf Oil operations in the northern enclave of Cabinda. The raid came more than a month after South Africa announced that it had withdrawn its forces from Angola in accordance with an agreement it had made in early 1984. South African government officials claimed the men were on an information--gathering mission; Angolan officials believe their goal was to attack the oil operations. It is likely that if the attack had been successful the South Africans planned for UNITA to take credit for the attack, bolstering their image as a serious threat to the MPLA government. The operation may also have been intended as an additional pressure for Cuban troops to remain in Angola -- despite South Africa's public position of wanting the Cubans to withdraw. This would be consistent with South Africa's already having made the decision to install a new internal government in Namibia on June 18 in defiance of efforts to achieve an internationally-acceptable solution including SWAPO.

Less than two weeks after the bungled South African attack, Lewis Lehrman, chairman of the Washington-based Citizens for American, carried a message from President Reagan to a meeting he convened in the southern Angolan town of Jamba of rebel groups from around the world backed by the U.S. Guerrillas from Angola, Nicaragua, Laos and Afghanistan attended. President Reagan sent them this message: "Around the world we see people joining together to get control of their own affairs and to free their nations from outside domination and an alien ideology. It is a global trend, and one of the most hopeful of our times." "Their goals are our goals," he told reporters. According to Africa News, the meeting was discussed at the highest levels within the administration. "Pat Buchanan [White House communications director] was pushing for an official U.S. delegation," said one informant who asked not to be named. "Sending the letter to Lehrman was a compromise everybody could live with." (Africa News, June 17, 1985)

The group calls itself the Armed Movements Fighting Against Soviet Expansionism. They plan to hold a second meeting in Washington in July. Lehrman, a conservative Republican millionaire whom the Washington Post describes as a close personal friend of Reagan, will provide a "central clearinghouse" for

the group. Lehrman also told reporters that he was lobbying the Congress to repeal the Clark amendment that has made CIA covert operations in Angola illegal since 1977.

On June 12 the US Senate did vote to repeal the Clark amendment by an overwhelming margin of 63 to 34 as an amendment to the State Department Authorization Act. [See how Senators voted on page 13.] The vote probably represented a piggy-backing on the sentiment expressed in the vote a few days earlier to give aid to the Contras fighting in Nicaragua, more than an indication of Lehrman's influence. Leaders of the anti-apartheid legislation in the House also believe that the Clark amendment repeal is intended to divert the attention of their supporters away from lobbying senators on the South African sanctions issue during the home stretch in that campaign. They believe that the Clark amendment repeal will be rejected by the House conferees and is therefore not a major threat. Nevertheless, when coupled with Reagan's public support for UNITA at the conference in Jamba, the Senate vote should not be taken lightly.

South Africa's open aggression in the region makes Reagan's support for anti-government forces there politically difficult. The Angolan raid, coupled with the attack on Botswana a few weeks later in which 12 people were killed by South African commandos, pushed Reagan to recall the US Ambassador Herman Nickel from South Africa for "consultations" indefinitely.

**Open Letter on Sanctions against Nicaragua and South Africa
from Americans in Zimbabwe**

Several ACAS members and other Americans living in Zimbabwe wrote the following letter to U.S. officials highlighting the contradictory use of sanctions against Nicaragua but not South Africa. The same letter was also signed by twelve Americans in Mozambique and presented to American officials there. This opposition to U.S. government policy received prominent media coverage in Zimbabwe.

To the Ambassador of the United States of America:

May 7, 1985

As United States' citizens living in Zimbabwe, we strongly condemn the Reagan Administration's recent imposition of economic sanctions against Nicaragua.

In an effort to overthrow the Nicaraguan Government, the Reagan Administration has backed rebel military forces and mined Nicaraguan harbours to prevent the flow of trade. In the face of Congressional refusal to continue financial support for the anti-government "contras," the Executive Branch has chosen to ignore the sentiments of the representatives of the American people, imposing a trade embargo against Nicaragua. Having already dismissed the World Court ruling against the mining of Nicaraguan harbours, the Reagan Administration has announced that it will reject a similar judgement on the sanctions issue.

Not only are we dismayed by this blatant display of U.S. might against a significantly smaller neighbour, we are appalled by the Reagan Administration's double standards. As residents of Southern Africa, we have witnessed the rapid rapprochement of the United States and South Africa, the only country in the world where racism is constitutionally enshrined. Throughout the period of U.S. "constructive engagement" in South Africa, the minority regime's violent repression of the black majority has intensified. Its campaign of military destabilization against neighbouring countries has reached new heights, and its illegal occupation of Namibia has continued unabated.

South Africa's incessant violation of international law is cause for economic sanctions under the United Nations Charter. However, the United States has consistently vetoed such sanctions, claiming that South Africa must be courted so that an embargo will hurt the common people most. Alternatively, the U.S. maintains that sanctions will have no effect whatsoever. The Reagan arguments have been rejected by the South African and the American people who have shown their support for sanctions through mass protests in both countries.

In the case of Nicaragua, with a new Government struggling to develop along its chosen path, the Reagan Administration's anti-sanctions arguments have been conveniently swept away. Implicit in the U.S. action is the assumption that economic sanctions can indeed be a potent political weapon. We charge that the Reagan Administration has embargoed the wrong country. The enemy of freedom, justice, and human dignity is not Nicaragua, but South Africa. We demand that sanctions against Nicaragua be lifted and sanctions against South Africa be imposed -- immediately.

Signatories: Concerned United States citizens in Zimbabwe -- academics, members of religious organizations, and representatives of non-governmental organizations -- who signed the letter opposing the trade embargo against Nicaragua and in favour of economic sanctions against South Africa:

Terry Barnes	Edgar Lockwood	Elizabeth Schmidt
L.L. Bessant	Patricia Made	Anne Schneller
Diana Cammack	Janice McLaughlin	Susan Schwartz
Peter B. Coley	Ginny McNally	Jim Seawell
Warren Day	Theresa Mangier	Pat Seawell
John Elfe	Sharon Manuel	Kathryn Shannon
Doris Peterson Galen	Michael Marciniak	Bob Thelin
Noel Galen	Robert Mazur	Carol Thompson
Claire Jones	Janet Miller	Jacques Wilmore
Alexander Katz	Denise Osterhaus	Jean Winter
Mary Frances Kobets	Steven Rubpert	Suzanne Zipperer
Sharon Ladin	Deborah Sanders	Michele Chandler

Request for Research Collaboration on South Africa

The Transnational Institute (TI), based in Amsterdam and affiliated with the Institute for Policy Studies in Washington, D.C., is undertaking a project of documentation and research on the South African economy. According to a letter from TI,

[The project] aims at economic planning on post-apartheid South Africa. It is intended to be the forerunner of a larger-scale training and research project to establish a post-graduate research centre for South Africa in one of the neighbouring independent African states... The initial emphasis of the research activity here will be mainly economic but it is envisaged that the eventual scope will be very much wider and include many other aspects of post-apartheid society.

Researchers and institutions interested in exchange of information and possible cooperation in this effort are invited to contact Angelika Muenz, South Africa Economic Research Project, Transnational Institute, Paulus Potterstraat 20, 1071 DA Amsterdam, Netherlands, (020) 626608.

Mozambican Refugees in Eastern Transvaal, South Africa

by Winfreid Moser, 12 March 1985

[The following report was forwarded to us from an Association of Concerned Africa Scholars member travelling in Southern Africa.]

A. Introductory Note

On 26 February 1985, I attended a meeting of the Justice and Reconciliation Commission, South African Conference of Churches, Johannesburg, South Africa. At that meeting the status of the Mozambican refugees in South Africa was discussed. Earlier I had opportunity to visit the Eastern Transvaal region and to discuss the situation of the refugees.

Three categories of people describe the Mozambican refugees and the related Shangaan people in the Eastern Transvaal area of South Africa:

(1) Legitimate refugees -- these are Mozambicans who continue to flee across Kruger Park to escape from the MNR (Renamo) guerrillas, who oppose the Mozambican government. They flee under incredibly difficult situations.

(2) Prohibited immigrants and illegal aliens -- these are people who come from Mozambique to look for work in South Africa. They lack documentation which would make them legal.

(3) South African citizens who belong to the Shangaan people in South Africa.

Because the people in these three categories speak a generally similar language and many belong to the same Shangaan "ethnic group," the South African police treat all three groups as suspected prohibited immigrants. They are holding many in detention for an indefinite period of time, some for as long as thirteen months.

B. The Problem

Why do the refugees leave Mozambique? The principal reason is that the MNR (Renamo), the South Africa-sponsored anti-government forces in Mozambique, are attacking rural villages, destroying crops, and conscripting young men sixteen years of age and older. Refusal to cooperate with and join the MNR means death. The MNR also demands tribute from local villages. Although the number of refugees is uncertain, one Catholic priest in the Eastern Transvaal estimates that there are 50,000 or more in the area.

Legitimate refugees need help as refugees, just as the South African government (SAG) earlier provided recognition and assistance for refugees from Lesotho. The International Red Cross has raised this issue with the SAG. There would seem to be precedent for establishing legal procedures to protect refugees and citizens from illegal detention and imprisonment.

C. The Present Situation of Mozambican Refugees

On February 20, 1985, at Nespruit, a town located not far from the Mozambican border, an attorney who has defended many refugee cases reported that the SAG police and security forces have recently arrested and detained many refugees without charges.

This attorney says the police commissioner has formed special police units to search for "illegals." However, they identify people by language, and people on both sides of the border speak the Shangaan language. Many South African citizens with documents have been taken and beaten in an effort to force them to confess that their documents are false and that they are actually Mozambicans who have entered South African illegally. Of those who

have been sent back to Mozambique, some have been killed, and others again fled to South Africa because of the difficult conditions which presently prevail in Mozambique.

The attorney recently conferred with the director of education of the Khangwane "homeland" Government. According to this "homeland" official, the local Khangwane Government was in a predicament. It cannot control the police, who are under the authority of the South African Government. In addition the security forces place heavy fines on anyone assisting "illegals." Last year the SAG increased the penalty for sheltering illegal immigrants from R 500 and three months imprisonment to R 5,000 and two years imprisonment. The police continue to deny these allegations.

Because of police harassment, the refugees tend to remain hidden in the bush where they have suffered harshly during the recent heavy rains. Many have been forced to work in near slavery conditions on local farms and plantations in order to survive.

In the Eastern Transvaal the churches attempt to assist the refugees with blankets and clothes. The International Red Cross has also provided some assistance, but the refugees face many problems. The SAG security forces arrest and/or fine anyone who in any way provides assistance to the refugees. Consequently, the refugees and the local residents are very fearful. They are reluctant to trust anyone, including Church personnel whom they suspect are collaborating with the police.

The SA government to this point has not granted refugee status to those who are fleeing Mozambique. There seems to be a precedent for doing so. Ten years ago, during the struggle for independence in Mozambique, many Portuguese fled to South Africa, where the SA government welcomed them.

New Resources on Africa

"The Saharawi Refugees: Origins and Organization, 1975-1985," by Anne Lippert. An occasional paper published by the SPSC LETTER, 217 E. Lehr, Ada, Ohio 45810. Available for \$6.00.

"United States Policy Toward Africa: Silver Anniversary Reflections," by M. Crawford Young, African Studies Review, September 1984.

"With All Deliberate Delay; National Security Action Memorandum 295 and United States Policy toward South West Africa," by William Minter. African Studies Review, September 1984.

"South Africa: Aspiring Arms Merchant," is the subject of the Africa Today 2nd quarter, 1984 issue. Includes articles by W. Andrew Terrill and George Shepherd.

"The September 22, 1979 Mystery Flash: Did South Africa Detonate a Nuclear Bomb?," written by Ronald Walters, researched and edited by Kenneth Zinn. Report of the Washington Office on Africa Educational Fund released May 21, 1985.

Crippling a Nation: Health in Apartheid South Africa, by Aziza Seedat. International Defence and Aid Fund for Southern Africa, 1984. Available for \$6.70 from IDAF, P.O. Box 17, Cambridge, MA 02138.

Congressional Anti-Apartheid Campaign Builds

by Christine Root

"After more than four years of quiet diplomacy, time seems to have run out on the Reagan administration's policy of 'constructive engagement' toward South Africa, at least in Congress." That is how David Ottoway opened his analysis of the House of Representatives 295-127 vote in favor of the Anti--Apartheid Act of 1985, H.R. 1460, in the June 10th Washington Post. Secretary of State Schultz, Secretary of Commerce Baldrige, and White House aide James Baker all lobbied members of the House in the final days before the vote, and still lost 56 Republicans votes, almost one-third of the total.

The House Takes Strong Action

The victory in the House was indeed impressive, and is due in no small part to six months of highly visible protest actions by the Free South Africa Movement and its supporters. Last year, the House passed virtually the same package of economic sanctions but balked at taking a recorded vote. This year, the House margin is wide enough to overturn a presidential veto. The provisions of the bill adopted by the House (often called the "Gray bill" after William Gray of Pennsylvania) are summarized in the box below.

The House also beat back a string of weakening amendments by equally large margins. The intent of these amendments, which were defeated, was to (a) invalidate the ban on importation of Krugerrands if it violated the General Agreement on Tariffs and Trade (GATT); (b) waive the economic sanctions in the bill if a poll of "non-white South Africans" conducted by the Secretary of State or an "internationally supervised referendum" (in another amendment) found that a majority opposed prohibition of new investment or US divestment; and (c) eliminate these sanctions unless the ANC renounced violence in 1 year.

In addition, in the second day of debate on the measure, Representatives Siljander (R-MI) and Gunderson (R-WI) offered substitute amendments which were very similar to language drafted by Senators Lugar, Mathias, and others and adopted by the Senate Foreign Relations Committee the previous day. Their amendments were defeated by votes of 108-310 and 112-313. The strong votes against the Senate approach provide an important record House proponents will be able to point to later in conference with the Senate.

Perhaps as significant as the defeat of the weakening amendments was the surprisingly strong support given to a comprehensive sanctions package -- including a total trade embargo and immediate disinvestment or corporate withdrawal from South Africa -- that was offered by Rep. Ronald Dellums. Although his amendment failed to pass, it did receive 77 favorable votes. The Washington Office on Africa had urged constituents to lobby in support of the Dellums as an expression of the sentiment against all US corporate involvement with South Africa which is building across the country.

The Anti-Apartheid Act of 1985 as passed by the House contains the following provisions: (1) prohibition on new US investment in South Africa; (2) ban on bank loans to the South African government; (3) ban on importation of Krugerrands; (4) ban on export of computers to South African government agencies; (5) ban on nuclear collaboration [Conyers amendment]; (6) request for presidential effort to secure multi-lateral sanctions [Zschau amendment]; and (7) direction to Congress to consider additional sanctions if the above do not lead to the dismantling of apartheid [Zschau].

The Senate Steers a Moderate Course

The Anti-Apartheid Act of 1985 has been introduced in the Senate by Senators Kennedy and Weicker and seven cosponsors as S. 635. But the Republican leadership of the Foreign Relations Committee crafted a more moderate bill in consultation with administration officials (though administration spokespeople publicly deny their involvement). The Foreign Relations Committee adopted this bill on June 4 by a vote of 16-1 (with only Senator Helms voting in opposition) after defeating the Kennedy-Weicker bill by a vote of 7-9.

The Lugar bill, S. 995, would do the following: (a) ban computer sales to South African security services or other agencies involved in enforcing apartheid; (b) end nuclear trade and cooperation (though not covering some aspects, such as training of South African nuclear scientists in the US, which are included in the House bill); (c) make mandatory the implementation of fair employment practices by U.S. firms operating in South Africa; (d) consider stiffer economic sanctions after 18 months if the President determines that "significant progress has not been made toward ending the policy of apartheid"; (e) grant \$15 million in scholarships to black students from inside South Africa; (f) remove the current prohibition against Overseas Private Investment Corporation and AID programs in South Africa; and (g) encourage the Export-Import Bank to promote black entrepreneurs in South Africa. The Lugar bill does not include a ban on new investment or on importation of Krugerrands into the U.S.

Next Steps in the Senate

The Senate is expected to consider S. 995 before the July 4th recess. It will probably come up as a separate bill, not as an amendment to the State Department Authorization bill as had been previously discussed. Proponents of the stronger Kennedy-Weicker bill are still working out their strategy, but we expect that Senators Kennedy and Weicker will offer their language -- essentially that already passed by the House -- as a substitute. Senators will therefore be asked to vote on the Anti-Apartheid Act of 1985 (S. 635). This is what we should urge them to support. It is extremely unlikely that this language will pass, so other strengthening amendments to S. 995 are being developed.

Senate opponents of economic sanctions are also making plans to offer amendments on the floor, including one that would prevent state and local governments from legislating divestment of public funds under their jurisdiction.

What You Can Do

Communications with senators are still urgently needed, particularly from prominent people in their states who might be able to speak with a senator directly. So, too, are visible editorials and opinion pieces in newspapers. (A model op ed piece supporting the sanctions is available from the Washington Office on Africa.)

Lobbying is still needed, especially among moderate Republicans. Members of the Banking as well as Foreign Relations committee are still especially important, since both committees have jurisdiction over the bills. (It is still unclear whether the Banking Committee will vote out a bill, though it has held hearings.) Key members include: Banking - Sasser (TN), D'Amato (NY), Gorton (WA), Heinz (PA), Mattingly (GA); Foreign Relations - Boschwitz (MN), Evans (WA), Mathias (MD), Pell (RI), Pressler (SD), and Zorinsky (NE).

In addition, do not forget members of the House, all of whom face re-election next year. Write a special note of thanks to your representative if he or she was among the 77 people who voted for the Dellums amendment (see below). And let your representative know that you noticed and will remember his or her vote on the Anti-Apartheid Act of 1985 (see below).

House Vote on the Anti-Apartheid Act of 1985
(HR 1460) June 5, 1985

House Supporters of Dellums
Amendment, June 5, 1985

YEAS—295

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Bellinson
Bennett
Berman
Bevill
Blaggi
Bliley
Boehert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Brown (CA)
Brown (CO)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Casper
Carr
Chappell
Clay
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Darden
Dachle
Daub
Davis
de la Garza
Dellums
Derrick
Dicks
DioGuardi
Dixon
Donnelly
Doran (ND)
Dowdy
Doxney

Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Erkart (OH)
Edgar
Edwards (CA)
Engliah
Erdreich
Evans (IA)
Evans (IL)
Pascell
Fazio
Feighan
Flash
Filippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Frost
Fuqua
Gallo
Garcia
Gaydos
Gelderson
Gekas
Gephardt
Gibbons
Gilman
Glickman
Gonzales
Goodling
Gordon
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Hall (OH)
Hamilton
Hatcher
Hawkins
Hayes
Hefner
Hefiel
Hertel
Hiller
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaplan
Kasich
Kastenmeier
Kennelly

Kildee
Kiecicka
Kolter
Kosimayer
LaFalce
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowry (WA)
Luken
Lundine
MacKay
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McGrath
McHugh
McKernan
McKinney
Mica
Mikubki
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrasek
Murphy
Murtha
Natcher
Neal
Nelson
Nowak
Oskar
Oberstar
Obey
Olin
Ortiz
Owens
Panteta
Passe
Penny
Pepper
Perkins
Pickle
Porter

Price
Rahall
Rangel
Royer
Reid
Richardson
Rinaldo
Robinson
Rodino
Roe
Roemer
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Saxton
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sharp

Shirby
Sikorski
Slusky
Skellon
Slattery
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
St Germain
Staggers
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauke
Tausin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler

Udall
Valentine
Vento
Vucelovsky
Volkmier
Walgren
Watkins
Waxman
Weaver
Weber
Weiss
Whelan
Whitley
Whitton
Williams
Wirth
Wise
Wolpe
Wortley
Wright
Wyden
Wyllie
Yates
Yatron
Young (AK)
Young (MO)

AYES—77

Ackerman
Addabbo
Akaka
Bates
Berman
Boxer
Brown (CA)
Bryant
Burton (CA)
Bustamante
Clay
Collins
Conyers
Coyne
Crockett
Driluma
Dixon
Downey
Dymally
Edgar
Edwards (CA)
Evans (IL)
Fazio
Foglietta
Ford (TN)
Frank
Garcia
Gelderson
Gonzales
Gray (IL)
Hawkins
Hayes
Hoyer
Jarvis
Kastenmeier
Kildee
Kosimayer
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levine (CA)
Lowry (WA)
Markey
Matsui
Mikulski
Miller (CA)
Mineta
Mitchell
Moody
Morrison (CT)
Oskar
Ortiz
Owens
Panteta
Perkins
Price
Rahall
Ranari
Richardson
Rodino
Roybal
Russo
Savage
Schroeder
Sikorski
Stark
Stokes
Studds
Torres
Towns
Traficant
Waxman
Weiss
Wheat
Wise
Yates

NAYS—127

Archer
Army
Bartham
Bartlett
Barton
Bateman
Benley
Bereuter
Billrakis
Boulter
Broomfield
Broynhill
Burrton (IN)
Callahan
Campbell
Carny
Chandler
Chapple
Chirney
Clinger
Coby
Coble
Combat
Craig
Crane
Daniels
Dannemeyer
DeLay
DeWine
Dickinson
Dorman (CA)
Dreier
Eckert (NY)
Fawell
Fiedler
Fields
Franklin
Frenzel
Ginrich
Grubberg
Gunderson
Hall, Ralph
Hammermichl
Parris

Hansen
Hartnett
Hendon
Henry
Hillis
Holt
Hunter
Hutto
Hyde
Ireland
Kemp
Kindness
Kolbe
Kramer
Lagomarsino
Latia
Leath (TX)
Lewis (FL)
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
Marlene
McCain
McCandless
McCollum
McEwen
McMillan
Meyers
Michel
Miller (OH)
Monson
Montgomery
Walker
Myers
Nichols
Nielson
O'Brien
Osley
Parkard
Parris

Pashayan
Petri
Quillen
Regula
Ridge
Ritter
Roberts
Rogers
Roth
Rudd
Schaefer
Schuette
Sensenbrenner
Slaw
Shumway
Shuster
Siljander
Skeen
Slaughter
Smith (NE)
Smith (NH)
Smith Denny
Smith, Robert
Solomon
Sprnce
Stanseland
Strang
Stump
Sundquist
Sweeney
Swindall
Taylor
Vander Jagt
Vucanovich
Walker
Whitehurst
Whittaker
Wolf
Young (FL)
Zachau

Senate Vote to Repeal the
Clark Amendment, June 11, '85

YEAS—63

Abdnor
Andrews
Armstrong
Bentsen
Boren
Boehwits
Byrd
Chafee
Chiles
Cochran
Cohen
D'Amato
DeConcini
Denton
Dixon
Dole
Domnick
Durenberger
East
Evans
Exon
Ford
Garn
Goldwater
Gorton
Gramm
Grassley
Hatch
Hawkins
Hecht
Heflin
Heins
Helms
Hollings
Humphrey
Johnston
Kassebaum
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
McConnell
Mitchell
Murkowski
Nickles
Nunn
Premier
Quayle
Roth
Rudman
Sasser
Simpson
Stennis
Stevens
Symms
Thurmond
Tribie
Wallop
Warner
Wilson
Zorinsky

NAYS—34

Baucus
Biden
Bingaman
Bradley
Bumpers
Burdick
Cranston
Dodd
Eagleton
Glenn
Gore
Harkin
Hart
Hatfield
Inouye
Kennedy
Kerry
Lautenberg
Leahy
Levin
Mathias
Matsunaga
Melcher
Metzenbaum
Moynihan
Pell
Proxmire
Pryor
Riegle
Rockefeller
Sarbanes
Simon
Specter
Weicker

NOT VOTING—11

Dingell
Edwards (OK)
Emerson
Ford (MI)
Gradison
Miller (CA)
Pursell
Spratt
Stallins
Thomas (CA)
Wilson

NOT VOTING—3

Danforth
Packwood
Stafford

Going for the Gold
by William Minter

As daily protests at the South African embassy approached the six-month mark, Free South Africa Movement (FSAM) leaders also singled out another target a couple of miles south in downtown Washington. On May 7, several months after an earlier sit-in there, the five protesters entered the 18th and K St. offices of Deak-Perera, one of the country's leading Krugerrand dealers. This time they were prepared with provisions and even portable toilets for a long stay.

Deak-Perera officials at first refrained from calling police, suspending business while employees conversed with the group: D.C. Representative Walter Fauntroy, TransAfrica Director Randall Robinson, U.S. Civil Rights Commissioner Mary Frances Berry, Sylvia Hill of the Southern Africa Support Project, and Roger Wilkins of the Institute for Policy Studies. After 42 hours the protesters were arrested when Deak-Perera complained they had entered a "high-security" area within the office. Until then, passers-by could greet the group through the firm's large display window. A week later the U.S. attorney dropped charges, following the strategy of denying further publicity through "show trials."

The Targeting Deak-Perera called attention to the substantial gold link between the U.S. and South Africa, and in particular to one of the provisions of the Anti-Apartheid Act now before Congress. This would prohibit the import of the South African gold coin, the Krugerrand. Krugerrand sales have been a target of the FSAM since the embassy demonstrations began last fall, and the campaign against the Krugerrand has long been a feature of anti-apartheid protests.

The coin was introduced in 1967 as a way of expanding the market for gold, attracting small investors and buoying the price for gold bullion. The Krugerrand sells at a premium above the bullion price. By 1980 Krugerrands accounted for 25% of South African gold sales. In 1983 the coin returned income of some \$1.4 billion, including about \$450 million from the U.S. As many as five million U.S. citizens are estimated to own Krugerrands, the largest single U.S. import from South Africa. The Krugerrand lobby last year mounted a massive and successful lobbying campaign against an anti-Krugerrand provision attached to the Export Administration Act.

In recent months the campaign against the Krugerrand has picked up steam. FSAM demonstrators repeatedly occupied Deak-Perera offices in Boston. In the Netherlands the four largest banks announced in March that they would halt Krugerrand sales, in response to an intensive campaign by the Holland Committee on Southern Africa. Local banks from Tucson to Nashville as well as the national Best Products chain announced an end to sales. The D.C. City Council passed an advisory resolution expressing opposition to sales, and Mayor Tom Bradley of Los Angeles proposed a tax on Krugerrand sales. The city did not have legal authority to ban sales, he said, but the tax proceeds could finance anti-apartheid activities.

Meanwhile, the South African Chamber of Mines' Krugerrand Information Service, which recently moved from New Jersey to an office on Mifflin Street in Madison, Wisconsin, continued its campaign to promote coin sales. And more than 15,000 miners were dismissed at South African gold mines in later April, the response to wildcat work stoppages. The mass firing, most from a mine owned by Anglo American Corporation, was the largest such incident in South African history. After talks with the National Union of Mineworkers, the company pledged to give priority in rehiring to the fired workers, who had been deported to their "homelands."

(See also box on page 40.)

Response to the U.S. Divestiture Movement in the South African Press

David Wiley, Michigan State University

The US divestiture movement has not only caught the attention of South African authorities as indicated by articles in its press, but also has resulted in a large government and corporate campaign to counter the divestment movement. The intensity of the South African (SAfn) response is indirect evidence that the movement also may be contributing to change in SA.

Regardless of the resulting decisions of US corporations to stay in SA or to leave, clearly the divestment movement in the USA has captured the attention of the SA Government and publics. A variety of articles and editorials in SA rail against the movement, catalog its economic and political dangers, and point to needed action to counter the campaign "against Reagan" and "against SA." For instance, the Port Elizabeth Oosterlig (3/14/85) editorializes:

Botha is right when he warns that the possible consequences of these resolutions and disinvestment should not be underestimated. All South Africans and citizens of neighbouring states could be hard hit. Hence it is in their common interest that countries in Southern Africa stand together to oppose this sort of action.

The Citizen (2/26/85) also concludes in an editorial that,

...nobody stops to think what might happen if the disinvestment campaigners succeeded in breaking this country...Commerce and industry would grind to a halt as thousands upon thousands of Whites left for countries where they could find secure lives and they could use their entrepreneurial and technical skills to better advantage. The whole infrastructure built up and run by Whites would collapse. Blacks would lose their jobs by tens of thousands. The economy would fall apart...Disinvestment might force American firms to leave or curtail their operations here. And their example might be followed by others...

R.F. (Pik) Botha, Minister of Foreign Affairs, warned the House of Delegates in Cape Town that,

"...the disinvestment campaign in the US could lead to 'significant economic damage' - including the loss of jobs...He said the Government viewed the threats seriously and would do all it could to contain and defeat them...He called on all South Africans to speak and act together - promptly, systematically and in co-ordination to counter disinvestment campaigns." (Rand Daily Mail 3/13/85).

The combination of the depressed price of gold, the fall in the sales of Krugerrands in the USA, and the stagflation, the unemployment (more than 2,000 retrenched per week according to the Sowetan - 2/2/85), and financial shortages of the SA economy have made the SAG more vulnerable and more sensitive to criticism in the US.

Simultaneously, the coverage in the press of the divestment movement and the escalation of FSAM activity have occasioned new pressures from the South African corporate community on the government to seek significant changes. Several spokesmen were:

oGM Managing Director Lou Wilking, who called for the SAG to scrap certain laws and to seek "black political representation."
(Oosterlig 2/22/85);

oThe Director General and President of the South Africa Foundation, representing a large group of corporations pressed the Minister of Cooperation and Development for "speedier reform," reflecting "the intense criticism in business circles of the Government's economic and political programmes," and simultaneously "combating the present disinvestment campaign against South Africa."

(The Citizen, 3/14&15/85)

oReported deputations seeking government change from the Afrikaanse Handelsinstituut, Associated Chambers of Commerce, Chamber of Mines, National African Federational of Chambers of Commerce, Federated Chamber of Industries and Steel, and Engineering Industries Federation of SA. (Citizen, 3/14&15/85)

oThe Chairman of Pick 'n Pay Stores called for a "Sullivan-type code to monitor South African companies" to be developed with a monitoring panel which includes black leaders in order to spearhead the "blunting of the disinvestment campaign by South African businessmen." (Rand Daily Mail 4/15/85)

oThe New Southern Africa Club, "of influential SA businessmen has entered the disinvestment fray with a wide-ranging programme." Their activities include inviting presidents of 12 large US business clubs on a fact-finding mission, sending a multi-racial panel to the US to discuss disinvestment with American decision makers, building a fund to fight disinvestment, and hosting a "mini disinvestment summit" in Cape Town attended by leading businessmen, Government and Opposition representatives. (Sunday Times, 4/7/85)

Indeed, the image of SA as an attractive place for investments has declined in recent years, according to the Afrikaanse Handelsinstituut (AHI). A member of AHI's executive committee and managing director of the Boland Bank said "the disinvestment campaign was cause for concern and must not be viewed lightly." After a long period of large overseas investments of capital, foreign organizations seeking to liquidate their investments recently have been "giving preference to loans instead of investments." (Eastern Province Herald 5/31/85)

As a consequence, the ratio of loan capital to long-term foreign liabilities has increased from 23% in 1956 to 45% in 1983. In the same 27 years, foreign liabilities in SA increased from almost R3,000 mill to R46,000 mill, an average increase of almost 11% per year, failing to increase only in 1960 (following the Sharpeville massacre) and 1979 (at the gold price peak).

Clearly, the divestment campaign in the USA has worried a broad cross-section of South African leaders, precipitated a major and costly response to oppose the movement in the USA, and the occasioned of re-thinking discriminatory legislation, especially "petty apartheid", which might be eliminated in order to win support from US business and political leaders.

The major features of the South African response during winter/spring 1985 is revealed in the articles and their headlines taken from the the South African press and from the SA government-disseminated SA Digest:

1) Publicity about Attacks on Divestment and its Proponents by the Reagan Administration and Corporate Leaders

US Ambassador to SA Herman Nickel is frequently quoted, such as from his February 21 address to the Johannesburgse Afrikaanse Sakekamer (SA Digest, 3/1/85, 182-3), where he suggests that American westward pioneers could have learned some "many valuable lessons" from the Voortrekkers. Nickel then notes that many of his fellow countrymen,

"believe that in order to hasten the process, SA must be threatened and punished with economic sanctions, with a prohibition on investments, with stricter control of trade, with a ban on Kruger Rands, the denial of landing rights to South African Airways, and a host of other punitive actions. The theory is that such measures will force the SAfn government to transfer power to the Black majority and that the great majority of Blacks would be prepared to endure additional suffering to achieve this end. Both premises are wrong."

After reviewing the "authoritative survey" of Lawrence Schlemmer (funded at least in part by the U.S. embassy in Pretoria) to show that 75% of the South African respondents oppose divestment, Nickel adds,

"Let me assure you here this evening: the Reagan Administration will do all in its power to defeat punitive measures designed to damage the South African economy...The Administration's battle in Washington will not be an easy one...For let no one kid himself: Even "mere" prohibitions on new investment would have the effect of driving American business from the country.

The daily group arrests before SAfn diplomatic and consular establishments have kept up a drum fire of hostile attention towards your country. The plain fact is that images of repression - whether they involve police action against rioters at Crossroads or the swoops on leaders of the UDF will always blot the more complicated story of reform. I am only telling you the facts when I say that such news makes our task on Capitol Hill very much more difficult.

I am here before you this evening to ask for your help in the difficult months ahead of us in this legislative struggle we face together. I am often asked how SAfn business can best help. The answer, in my view, is your...efforts in support of demonstrable reform and change in SA.

oUS policy towards SA making 'good progress'

American policy towards SA had achieved "a good measure of progress", the US Secretary of State, Mr. George Schultz, told the National Press Club in Washington..."We are engaged as a force for peace and constructive change throughout Southern Africa...we will not be deflected from it...It is not our business to cheer on, from the sidelines, the forces of polarisation that could result in a race war...We cannot have influence with people if we treat them as moral lepers, especially when they are beginning to address the agenda of change." ...The US role, he said, was to encourage what was already happening - he noted specifically the proposed repeal of the mixed Marriages Act and Section 16 of the Immorality Act - and to help Blacks to gain such economic and political clout that White SA would have no choice but to include them in a "just society"...He took a dim view of various proposed sanctions in Congress, incl. curbs on US investment in SA, aimed at speeding change."

Reacting, the SAfn Foreign Minister, Mr. R. F. (Pik) Botha, said that while there was much in the speech the SAfn government disagreed with, Mr. Schultz had made several "important admissions" of positive steps taken by the SAfn Government to bring about reform. (Rand Daily Mail 4/17/85, The Citizen 4/17/85, SAfn Press Association, 4/17/85)

o"Accept Responsibility":

While anti-apartheid demonstrations are intensifying throughout the US, a senior associate at the Carnegie Endowment for International Peace has warned that "those who are ready to play with the destabilisation of SA should be prepared to accept responsibility for triggering an unmitigated disaster." Mr. Dimitri Simes, just back from a trip to SA, says..."Both SAfn White and Black communities are not monolithic. There are moderate Blacks who are opposed to violent revolution. And a growing number of moderate Whites, including those in P.W. Botha's own government, increasingly realise that the current situation is intolerable." (South African Press Association, 4/16/85)

oViolence solves nothing - Reagan:

Violence in SA would solve nothing, said Pres. Ronald Reagan in an interview with the Washington Post. He said the US Government would "encourage the SAfn Government in its course."

Asked whether the time had come to go beyond "constructive engagement and silent diplomacy"... Mr. Reagan said...: "We think that what we are doing has the best effect ...of anything we could do." The President added "We do know ...It isn't just a simple question of...the Government versus a group. In this group there is a division and there is a sector that wants violence as the answer. They are even violent to others and not to the Government alone."

Apartheid was the main problem to be resolved and the US Government was doing all it could to encourage the SAfn Government in its course.

He said violence did not stem only from the SAfn Government moving against demonstrators. There was violence among rival factions in the Black community.

"...some of the 40 deaths among Blacks have come about without the Government participating." There was an element fighting the SAfn Government and...fighting their fellow citizens - even in the same communities." (South African Press Association 4/3/85)

oUS support for SA:

A flood of letters expressing support for SA and denouncing American liberals and activists demonstrating at SA's missions in the country has been received by the State President, Mr. P W Botha.

The flood began when the TV programme, Sixty Minutes, in which an interview was held with President Botha, was broadcast countrywide in America at the end of last year. Reaction became a great deal stronger after reports appeared in the American media on the visit of Sen. Edward Kennedy to SA in early January.

Some (writers) even apologised on behalf of their country for the behaviour of the demonstrators and assured President Botha of their support and that of their friends. (Beeld 2/20/85)

o'Demos won't bring change'

Demonstrations would not change the policy of the Reagan Administration towards SA, said Dr. Chester Crocker, US Asst. Secretary of State for African Affairs. He said in an interview with the Daily News of New York that the critics of the Reagan Administration had overestimated the political and economic impact of withdrawing investment from SA and had underestimated how economic activity can generate social change...and would only impose greater economic hardship on the nation's Blacks. (The Citizen 4/13/85)

oSA reform genuine - US

There was genuine reform going on in SA and the SAfn Government was determined to move away from apartheid towards constructive change, according to a statement issued the the US State Dept...Other statements issued by senior officials emphasised that American would not support economic sanctions against SA. One official said: "Tutu has had his say and the barking dogs (protesters) outside the embassy in Washington have had their say. Now constructive engagement is firmly back on course."

An analyst at the UN said: "These statements...mean that for as long as Reagan or his political heirs are in the White House, SA can count on reasonably sympathetic treatment." (South African Press Association 3/4/85)

2) Publicity for any new indications of US corporate commitments to SA

oGM in SA to stay/GM invests R40-m:

GM SA has announced a substantial new production line investment.- a clear indication GM intends remaining in Port Elizabeth... A GM spokesman...said Ford had spent R30-m re-tooling the Sierra plant and, taking inflation into account, GM's investment would "naturally be more." (Business Day 2/21/85)

GM SA has not modified its attitude on disinvestment in SA and firmly believes that it can achieve far more by continuing to operate in SA. Increasing American awareness will have no impact on its involvement here... (SA Digest 4/85)

oCitibank extends network:

Citibank has extended its global telecommunications network to Port Elizabeth, scotching rumours that it is scaling down its South African representation...

Citibank's senior vice-president responsible for No. Europe and SA, Gordon Phelps, said reports of Citibank's withdrawing from SA were erroneously reported in New York as reflecting a major policy decision to cease lending to the So. African Government. (SA Press Association 4/85)

oStrong US-SA bank links

While most leading American banks have stopped lending to the Sahn Government, their lending to South African banks and the private sector has snowballed, the NY Times reports. Since 1981, banks' loans to South Africa's private sector have more than doubled, while loans to the country's banks have more than tripled, the paper says.

(South Africa Press Association 4/30/85)

oTraining skilled workers

Firestone USA is to spend 1.5-million dollars in the next three years in SA on education...to meet the serious shortage of skilled workers amongst Blacks...

Firestone USA says its total income from SA had averaged \$6 mill a year from 1982/84 and felt that it could respond more effectively to its ethical...responsibilities as a US investor in SA. (Sunday Times, Business Times 2/11/85)

oExport coup

Goodyear SA believes it has pulled off an export market coup -ironically through the signing of a deal which will see it importing radial ply earthmoving tyres from Japan...(Sunday Star 5/26/85)

3) Publicity of any other Foreign Support for SA:

oROC looks again:

The success of last year's Sahn week in Taiwan (ROC) has prompted the giant Far Eastern Department Stores (Feds) group to expand the concept to 10 stores this year and offer more than R1-million worth of SA goods. The vice-president and managing director of Feds...were in SA this week on a buying mission to equip their Taiwanese stores for the second Sahn promotion at the end of this year. (Sunday Times 5/5/85)

oRecord figure:

Austria's foreign trade with SA in 1984 reached record heights. SA export to Austria increased by 20.8 per cent. (SAN Press Assn. 4/85)

oDutch know-how for plant:

A Dutch firm of contractors, Voskamp Agroprojecten BV, considered to be the world's leaders in mushroom-growing technology, has been engaged for the R9-million turnkey project (for a new hi-tech agricultural project in the Western Cape). (Engineering News 2/8/85)

oNorway increases SA trade:

Norway's trade with SA increased by 37% in 1984 despite stringent attempts to strangle it. Figures released in Oslo show Norwegian exports to SA totalled R1345.8-million. Imports from SA were worth R72.3 mill.

Mr Hans Christian Andersen, a Norwegian businessman, opposed increased boycotts of Sahn goods. "Norwegian imports from SA are largely manganese ore used in alloy manufacture. Bans would mean unemployment in Norway since alternative supplies would cost an extra R40.2-million per year," he said. (The Star 2/25/85)

o'Tangible' reforms in SA:

The West German Government did not support sanctions and boycotts against SA because they would affect the poorest people first, the spokesman for a West German parliamentary foreign affairs committee ...said recently...who are members of the Christian Social Union (CSU) ..."Certain developments in this country seem invisible to Europe but have a revolutionary character here..." (The Citizen 2/13/85)

oCommitted to invest in SA:

British companies were committed to maintaining their investments in SA, the chief executive of the British Overseas Trade Board, Mr. Christopher Roberts, told a meeting of the SA-Britain Trade Association in Johannesburg.

He said that while British companies were aware of the disinvestment issue in the US, they were unlikely to bow to similiar pressures.

..."Continued economic development, strengthened trade, provides in the view of many observers, the best means by which peaceful change can be encouraged." (South African Press Association 3/15/85)

oSA manufacture possible:

The Italian typewriter and computer company, Olivetti, is swimming against the disinvestment stream...Paolo Tosi, managing director of Olivetti's SAfn operation, says the company is considering manufacture of 60% of the M24 personal computer, using some SAfn electronic components. Olivetti sells between 500 and 600 personal computers a month in SA.

Olivetti has been in SA for 14 years...Net revenue has increased by 30% each year for the past five years. (Sunday Times, Business Times 3/31/85)

Other articles reported on the visit of 15 Chilean exhibitors at the Rand Commerical Show, the steel parastatal ISCOR selling 77,200 tons of rails to Turkey, signing of an agreement in agricultural science and technology with Taiwan (ROC), increased SAfn exports to Mauritius and Zimbabwe, establishment of an Austrian company in SA to sell fire-fighting equipment, groundbreaking for a new British Dunlop R4.5-million factory for steel belted radial truck types, increased trade and joint ventures with Portugal, potential European investments and tourism in SA because of the weak rand, consulting on nuclear safety of the Koeberg nuclear power station by the French builders Framatome, and new exhibits this year at the Rand Show (commercial) by Italy, Israel, West Germany, Austria, Taiwan, Chile, Mauritius, and Greece.

Reviewing these trade increases, Malcolm Fothergill concludes,

"While America agonizes over the morality of investing in SA and other trading partners such as Britain and France maintain low profiles, some nations are making no secret of the fact that they see rich pickings here...

All of which suggests that although the threat of American disinvestment to the South African economy should not be underestimated, this country is by no means the international pariah which pessimists might imagine.

Many nations see profit in dealing with this country and want more of it. (Sunday Star 4/14/85)

4) Publicity of the Potential Ill Effects of Sanctions and Divestment on Independent African Nations:

oSanctions bad for Mozambique

The Mozambican Foreign Minister, Mr. Joaquin Chissano, told a group of American businessmen in Maputo (led by former US Defence Secretary Melvin Laird)...that his country would be badly hit if international economic

sanctions were imposed on SA. He stressed that sanctions against SA would be effective only if observed by all nations. (South African Press Assn. 4/22/85)

oMr. Botha, Mr. Young on TV

...Mr. Botha said disinvestment could lead to large-scale unemployment, not just among South Africa's Blacks but among 1.5 million immigrant Black workers from neighbouring African states. He warned that millions and millions of Black people, women and children, would starve. "We look at this as possibly only the beginning of...an assault on the Black people of South and Southern Africa," Mr. Botha said.

oUS, Britain chided for stand on SA

...Mr. Botha called for greater co-operation between leaders and governments of Southern Africa to combat the effects of the disinvestment campaign and the hostile mood of the UN Security Council..."For all the countries of Southern Africa it has now become of the highest priority that this threat should be overcome. If we do not, every one of us will pay a high price." (The Citizen 4/14/85)

5) Advertising Proposals of Change as Significant and to Avoid Divestment

In a variety of articles, SA trumpets "White domination past" (eg. SAfn Press Association 5/2/85). Specific measures listed as evidence of this are almost exclusively "proposals" and "measures being considered", such as:

- proposals to alter the black local authority system
- proposals to end the "provincial school system" by transferring all education to the "own affairs" section of the House of Assembly. The Pretoria News (5/8/85) notes in an editorial that these moves in fact would ensure a constitution to allow "...that, if the Nationalists win the white elections, they take power at all meaningful levels. And if the Conservatives oust them at the white elections, then Conservative Party control would likewise extend far beyond its areas of support, even in the most regionally intimate matters." The paper also terms the reforms as a "blatant plan to seize power for the National Party."

- proposals to abolish provincial councils for hospital services, although "fees and the general running of hospitals would remain unchanged." (Star 5/7/85)

- on "influx controls" on urban workers, SA Minister of Cooperation and Development Viljoen says, "The Government acknowledges the urgent need for reform and revision of the present arrangements, but we must accept that the complete abandonment of controls is unlikely." (South African Press Association 5/7/85)

- appeals for black/white talks made by the SA Labour Party and the student parliament at the University of Stellenbosch are noted (Star, 5/2/85).

- separate development devolution of power to "Black local authorities (which) were the basis of democracy and the Government would not allow them to be destroyed." (South African Press Association 5/4/85)

- proposals of the Government to repeal the Mixed Marriages Act and Section 16 of the Immorality Act, which was "welcomed by all four parties in the House of Representatives", although it was met "with mixed reaction" in the White House of Assembly, where CP whip van der Merwe said the National Party had once again yielded to pressure from "liberalists and their associates in the multi-racial cabinets." (The Citizen and the Star 5/16/85)

- National Party publication of "a new policy booklet, What About the Black People?, in which past mistakes of policy are openly admitted...although setting out little that is new in policy guidelines..." "...attempts to make Blacks 'citizens' of homelands and to gain international recognition for these 'independent states'" is admitted to have failed. (Citizen 5/7/85)

- Government consideration of proposals to allow Blacks who have worked for one employer for 10 years or different employers for 15 years and who have "permanent urban rights" to be allowed to move from one urban area to another retaining those rights. (The Star 2/25/85) 99-year leases for "qualifying Blacks" living in three areas of Capetown, but specifically excluding residents of Crossroads and other squatter areas. (Rand-Daily Mail 2/22/85)

- a proposal by the SA Minister of Home Affairs for a "common identity document" for "all population groups" beginning in 1986 (The Citizen 4/17/85)

- proposals from the Commission for Administration for "an important shift in Government policy" that would "do away with race discrimination in the 'employment and utilisation' of people in the public service..." (The Star 3/28/85)

- a speech by SA Ambassador to the USA, Brand Fourie, to the Washington Press Club that "problems regarding citizenships, influx control and forced removals would possibly be solved within months - and not years..." (Die Burger 2/15/85)

6) Direct Action to Counter the Divestment/Disinvestment Campaigns

oAttack on Boycotters

A former member of the Reagan administration announced this week he would lead a new organisation to fight the disinvestment lobby in the US. Mr. Stephen Bisenius, now living in SA, was the executive director of the American Chamber of Commerce (Amcham) in SA until he resigned a week ago. While on the Reagan staff Mr. Bisenius worked on international trade. (Ed: He also is a former Iowa state senator, married to the daughter of Rand Afrikaans University professor Carl Noffke, who was a former information attache at the SA embassy in Washington) ...His new organisation, the American Association for Trade and Investment in Southern Africa, will be directly involved in the campaign to thwart the disinvestment movement...(and) would combine the vested interests of corporations in this country with those of the 8,000 US corporations which traded with SA. He reckoned that if \$1 bill in exports supported 30,000 jobs, 90,000 to 100,000 US jobs were at risk if trade with SA was halted...The term 'disinvestment'...aimed to affect almost all trade, licensing agreements and technology exchanges between the US and SA.

"In terms of the US constitution, it is unconstitutional for cities and local government to try and act the way they are against SA. The proposed ban on sale of Krugerrands will make an interesting court challenge."

The seriousness of the situation is underlined by the fact that last year Intergold, the marketing arm of the SA Chamber of Mines, sold 1.6-mill ounces of gold in the form of Krugerrands in the US - more than half of the world sales of just over 2.6-mill ounces. ..US sales were worth \$578-mill...With this in mind...it was imperative that a proper coalition of investors and trading partners be established to co-ordinate an aggressive response to the disinvestment movement.

He said a steering committee - to include representatives of various industry sectors - would be established and would make recommendations for action. The association has plans to establish a US office within 30 days. The organisation would be independent, highly flexible, and funded only by the private sector, he said.

"I've had telephone calls from people wanting to put in money even before they had seen the prospectus. To emulate our opponents this organisation must also work around the clock and maintain constant vigilance against anything which would affect trade and investment between the US and SA."

Mr. Bisenius said South Africans could expect to receive a sponsored visit by US procurement and investment missions - small, state-based groups representing specialised markets looking for import and export possibilities - within 90 days. (Lawrence Bedford, Sunday Express 3/3/85)

oK'rand sales: 50/50:

SA was losing the propaganda battle in America to those who are proposing disinvestment in the country, according to a prominent American businessman and chairman of the American Council on South Africa, Mr. Don McAlvary... Although SA had friends in the US and conservative Americans were mobilising to try to stop disinvestment, the chances of the sale of Krugerrands in the US were now 50/50.

He said SA was losing the propaganda battle in the US and both the Government and businessmen would have to spend more money on it.

The Council of South Africa was formed eight years ago to give Americans the real facts about SA. (The Citizen 2/7/85)

oSA shows concern:

The Department of Foreign Affairs has created a special post to deal with the mounting campaign in the USA for disinvestment in SA. The new job is an indication of the seriousness with which the Government is treating the campaign. Further evidence of its concern came in an all-party seminar to inform public representatives about the extent and implications of the anti-South African drive. (Sunday Times 3/3/85)

Resolution for Divestment Passed Unanimously by the Organization of American Historians at its Executive Board Meeting, April 18, 1985

Whereas:

Discrimination based upon race is incompatible with the purposes and principles of the Organization of American Historians, and the system of apartheid is a particularly invidious form of such discrimination, it is inappropriate for the Organization to invest in corporations that do business under the laws of South Africa, which are based on racial discrimination.

Therefore,

Resolved: That the Organization of American Historians proceed as expeditiously as possible, to sell its holdings of stocks and bonds in companies that invest or do business in South Africa,

That the Organization announce its intention to refuse, beginning immediately, to purchase further stocks or bonds in such companies,

That this decision be communicated to the American Council of Learned Societies and other professional organizations.

UC Faculty Group Issues Plan for Full Divestment

Press Release issued June 9, 1985

University of California Faculty for Full Divestment has drafted a plan for full, phased divestment of all University of California investments in companies that do business in South Africa.

The University's Treasurer's report misleadingly mentioned only one full divestment option: immediate divestment. The Faculty for Full Divestment plan, called "the California plan," is a positive alternative. It demonstrates the feasibility of full divestment over a period of five years, in two phases:

Phase I of the California plan would be devoted to political pressure and selective divestment. Over the next two years, unless the South African system of apartheid is dismantled, the University would (a) freeze further investments in corporations or banks doing business in South Africa; (b) divest itself of stocks and bonds in companies or banks which directly or indirectly aid the South African government or its agencies (including aid to government-controlled corporations) or energy plants; (c) withdraw its deposits from banks lending to the South African government, its agencies, or South African banks.

In Phase II, if apartheid has not been abolished at the end of two years, the University would, over a three-year period, proceed to divest itself fully of all remaining stocks and bonds of any companies or banks with any operations in South Africa, and to withdraw deposits from any banks lending to South Africa.

The progress of this divestment would be monitored by an administration-faculty-staff-student committee.

More than 1,500 University of California professors have signed petitions for full divestment distributed by Faculty for Full Divestment.

#

The following fifty-one University of California faculty Africanists have signed the petition circulated by Faculty for Full Divestment (UCB) and Faculty for Divestment (UCLA) in preference to supporting the recommendations of the Marcum Committee (dated 8 May 1985), which is a select group of eight Africanists appointed by the Academic Council to report on University of California Investment Policy and the Republic of South Africa:

Univ. of California, Berkeley (17)
 Tosun Arcanli, Development Studies
 J.P. Bourdier, Architecture
 Claudia Carr, Natural Resources
 Katherine Demugh, Linguistics
 Louise Fortmann, Forestry
 Matt Kaya, Linguistics
 C. Ladzekpo, Music
 David Leonard, Political Science
 Angela Little, Nutrition
 Pearl Marsh, International Studies
 John Ogbu, Anthropology
 Paul Rabinow, Anthropology
 Thelma Rowell, Zoology
 Haile Semere, Afro-American Studies

Univ. of California, Los Angeles (cont)
 Thomas Hinnebusch, Linguistics
 Derrick Jelliffe, Public Health
 Patricia Jelliffe, Public Health
 Mazisi Kunene, Linguistics
 Peter Ladefoged, Linguistics
 Ian Maddieson, Linguistics
 Peter Marris, Architect.& Urban Planning
 Boniface I. Obichere, History
 Anthony Orme, Geography
 Arnold Rubin, Art History
 Georges Sabagh, Sociology
 Martin F. Shapiro, Medicine
 Edward Soja, Architect.& Urban Planning

Sheila Walker, Education
 Michael Watts, Geography
 Olly Wilson, Music

Univ. of California, Los Angeles (24)

Richard Abel, Law
 Edward A. Alpers, History
 Christopher Ehret, History
 Hassan el Nouty, French
 John Friedmann, Architect.& Urb.Planning
 Victoria Fromkin, Linguistics
 Teshome Gabriel, Theater Arts
 Gerry A. Hale, Geography
 Peter B. Hammond, Anthropology
 Richard Hawkins, Theater Arts
 Robert A. Hill, History

Univ. of California, Davis(1)

Cynthia Brantley, History

Univ. of California, Riverside(1)
 Ronald Chilcote, Political Science

Univ. of California, San Diego(2)

Robert Cancel, Literature
 Edward Reynolds, History

Univ. of California, San Francisco(1)

Tette Kofi, Economics

Univ. of California, Santa Barbara(2)

Nancy Gallagher, History
 Robert Hetzron, Hebrew, Slavic Langs.

Univ. of California, Santa Cruz(3)

Edmund Burke, III, History
 Paul Lubeck, Sociology
 Alan Richards, Economics

ACAS Supports Student Divestment Campaigns

ACAS members have contributed to the explosion of student activism in support of divestment this spring. From the University of Minnesota to Stanford University to the University of Wisconsin, ACAS members have participated in these new campaigns. The national organization also wrote letters of solidarity to the student anti-apartheid organizations at Columbia and Stanford.

To keep the momentum alive in the fall, student activists have called for a National Anti-Apartheid Protest Day on October 11. This action was initiated by the American Committee on Africa (ACOA) and campus groups from Berkeley, Columbia, Iowa, Texas Florida, Yale, Princeton, Wisconsin, State University of New York/Purchase, Colorado, Vassar, Cornell, Louisville, Rutgers, UPENN, Santa Cruz, the US Student Association, Progressive Student Network, and the Black Student Communications Organizing Network. For more information about the Protest Day, call Josh Nessen at the American Committee on Africa at (212) 962-1210.

To help ACAS members keep abreast of student actions, we reprint here two recent reports from ACOA: the May-June issue of the Student Anti-Apartheid Newsletter, which contains accounts of student actions this spring, and a June 10th press release summarizing new divestment victories.

Student Protests Spark South Africa Related Divestment

Press Release from the American Committee on Africa, June 10, 1985

Fourteen colleges and universities took action to divest holdings in corporations aiding South African racism during the past academic year, the American Committee on Africa (ACOA) reported. This brings total campus divestment actions since 1977 to over \$200 million, with \$57 million coming this academic year.

Half the 1984-85 actions took place since the end of April when student protests escalated dramatically. Five of the 14 schools moved to completely end their holdings in South Africa-linked companies.

"This accelerated divestment trend underscores the effectiveness of campus protests," said Joshua Nessen, national student coordinator for ACOA.

While 250 students were holding a campus rally, on April 26 the Dartmouth College Trustees voted to divest \$2 million from two companies involved with South Africa. On May 8 at the California State University campus of Northridge, the Foundation Board moved unanimously to divest all \$2.3 million in Northridge holdings linked to South Africa through US corporations and banks. This action followed a march that day by 100 students into the Board meeting. In May another total divestment policy, affecting \$80,000, was enacted by the Stonybrook Foundation at the State University of New York (SUNY). The full SUNY Board of Regents also voted for a \$4 million partial divestment action which followed several protests at their meetings, including one on April 24 that resulted in 27 arrests.

At the University of Iowa on June 5 near-total divestment was achieved when the trustees voted to sell \$2.25 out of \$2.50 million in South Africa related holdings including stock in IBM, Mobil, Texaco, General Motors, and General Electric. The decision came in the wake of a building occupation in which 137 protesters were arrested. At another Iowa-based school, Grinnell College, the Trustees moved on May 3 for partial divestment that will affect \$9 million in South Africa related holdings. This May, in its first-ever divestment action, the Trustee Board at Georgetown University voted to sell \$11 million in holdings.

These divestment moves were preceded by enactment of total divestment policies at the City University of New York (\$10 million affected, September 1984) and at two Washington state schools this year -- Evergreen State College and Western Washington University. In addition, partial divestment actions were undertaken at Rutgers University (\$7 million between February and April 1985), Harvard University (\$1 million in early 1985), Yale University (\$4.1 million in fall 1984) and Brown University (\$4.6 million in fall 1984).

[See full listing of campus divestment actions that follows on next page.]

I'M IN CHARGE OF OUR CONSTRUCTIVE
ENGAGEMENT POLICY
TOWARD SOUTH AFRICA



MY JOB IS TO POINT TO PROGRESS... HAIL
REFORMS AND
URGE RESTRAINT



I CLAIM SUCCESSES... OBJECT TO
SANCTIONS... EMPHASIZE
THE POSITIVE...



AND DEPLORE MASSACRES AS OFTEN
AS NECESSARY



DIVESTMENT ACTIONS ON SOUTH AFRICA
BY U.S. COLLEGES AND UNIVERSITIES

	SCHOOL	AMOUNT AFFECTED	YEAR
0	Amherst College	\$1,300,000	1978-82
0	Antioch University	NA	1978
0	Boston University	6,600,000	1979
0	Brandeis University	350,000	1979
0	Brown University	4,600,000	1984
0	California, Univ. of (Berkeley)	4,000,000	1979
0	California, Univ. of (LA) Associated Students	25,000,000	1980
0	California State University (Northridge)	2,700,000	1985
0	Carleton College	295,000	1979
0	City Univ. of New York	10,000,000	1984
0	Colby College	900,000	1980
0	Columbia University	2,700,000	1979
0	Dartmouth College	2,000,000	1985
0	Evergreen State College	NA	1985
0	Georgetown University	11,000,000	1985
0	Grinnell College	9,000,000	1985
0	Hampshire College	40,000	1977
0	Harvard University (first)	50,900,000	1981
0	Harvard University (second)	1,000,000	1985
0	Haverford College	NA	1982
0	Howard University	1,800,000	1978
0	Iowa, Univ. of	2,250,000	1985
	(90% total)		
0	Lutheran School of Theology	NA	1981
0	Maine, Univ. of	3,000,000	1982
0	Massachusetts, Univ. of	600,000	1977
0	Eastern Michigan Univ.	2,500,000	1980
0	Michigan State University	7,200,000	1979-80
0	Michigan, Univ. of	306,117	1979
0	Western Michigan Univ.	200,000	1983
0	Mount Holyoke College	459,000	1981
0	New Brunswick Theological Seminary	NA	1982
0	New York, State Univ. of	4,000,000	1985
0	New York, State Univ. of (Oneonta)	80,000	1978
0	New York, State Univ. of (Stony Brook Foundation)	80,000	1985
0	New York Univ. Law School Student Bar Assn.	11,000	1978
0	Oberlin College	NA	1980
0	Ohio State University	250,000	1978-79
0	Ohio University	60,000	1978
0	Oregon State System of Higher Education	6,000,000	1977-78
0	Pennsylvania, Univ. of	800,000	1983
0	Rutgers University (first)	NA	1980
0	Rutgers University (second)	7,000,000	1985
0	Smith College	697,728	1977
0	Swarthmore College	2,200,000	1981
0	Tufts University	100,000	1979
0	Union Theological Seminary	4,000,000	1980
0	Vassar College	6,500,000	1978
0	Western Washington Univ.	NA	1985
0	Wesleyan University	367,000	1980
0	Williams College	700,000	1980
0	Wisconsin, Univ. of	11,000,000	1978
0	Yale University (first)	1,600,000	1979
0	Yale University (second)	4,100,000	1984

0 Total Divestment 0 Partial Divestment NA not available

NB. \$ figure is for amount affected, as in some cases divestment has not yet been completed



STUDENT ANTI-APARTHEID NEWSLETTER

American Committee On Africa

198 Broadway, New York, N.Y. 10038 / (212) 962-1210 / Cable AMCOMMAF

Prepared by Joshua Nessen, Student Coordinator

MAY-JUNE 1985

Anti-Apartheid Protests Sweep Campuses Across the Country --Further Municipal Divestment Victories Registered

This spring has been marked by an unprecedented growth in the breadth and militancy of student protests for South Africa-related divestment. Beginning with protests on March 21, Sharpeville Day, and sparked by the Columbia University blockade on April 4 National Divestment Protest Day, students at over 100 campuses have taken part in anti-apartheid actions.

In addition to Columbia, blockades, occupations and sit-ins of some form have occurred at UC/Berkeley, Rutgers, Cornell (where over 1000 people have been arrested), Tufts, Harvard, Louisville, University of Wisconsin, Oberlin, University of Iowa, UMASS/Amherst, UCLA, State University of New York, Vassar and UC/Santa Cruz. Within five days a national anti-apartheid day on April 24 was organized involving over 70 campuses and the protests received front-page coverage in the New York Times and numerous other publications.

In the wake of these protests, the momentum for divestment of institutional stocks from U.S. corporations and banks involved in South Africa has picked up. On Friday April 26, while 250 students were protesting on campus, the Dartmouth College trustees undertook their first divestment action after 8 years of protests as they voted to sell several million dollars worth of stock in Kimberly-Clarke Corporation and Republic Bank. On April 30 the San Francisco Retirement Board voted 5-2 to divest \$335 million in city pension funds from U.S. corporations and banks involved in South Africa--a policy to be implemented within two years. The San Francisco decision followed a non-binding voter referendum in November and came at a time of militant student protest throughout the University of California system. That same day the city of Burlington, Vermont decided to divest all \$1.8 million in city pension funds in South Africa-linked companies.

What has helped sustain student protests is that the divestment of school funds has not been seen as an end in itself but rather a means to discourage U.S. corporate investment in South Africa. The protests themselves (whether the school takes any action) have succeeded in further discouraging such corporate investment. As John Chettle of the South Africa Foundation, an ardent foe of divestment, admitted in the Financial Mail (February 1, 1985):

"In one respect at least, the divestment forces have already won. They have prevented--discouraged, dissuaded whatever you call it--billions of dollars of new U.S. investment in South Africa."

Columbia University

On April 4, national divestment protest day, 300 students marched from a protest rally to Hamilton Hall where chains were placed on the front doors and a three week blockade began for divestment of Columbia's \$32.5 million in South Africa-related holdings. The protest began 10 days after 7 members of the Coalition for a Free South Africa started a hunger strike and three days after the University Trustees had refused to even discuss the divestment issue.

For 21 days the steps of the renamed Mandela Hall became the site for an unprecedented alliance of student, community and labor groups highlighted by a city-wide march of 2000 people to the Columbia campus in support of divestment. The protest sparked militant campus protests across the country and built momentum for the successful April Actions for Peace, Jobs and Justice (April 19-22) which attracted 75,000 people to Washington DC and 60,000 to San Francisco.

The blockade paralleled the 1968 Columbia Revolt in that both underscored the undemocratic corporate structure of the university and its divorce from student and community opinion. What distinguished the 1985 blockade was the supportive mobilization by the major trade unions in New York City including: District 65 of the UAW (which won a bitter representation battle at Columbia), District 37 (municipal workers union), Teamsters Local 237, AFSCME Local 402, and 1199. These unions have been major backers of state and city divestment legislation, including a phased divestment plan affecting \$665 million in NYC. In the course of their struggle the Columbia students were backed by Bishop Desmond Tutu, the United Democratic Front, the ANC, SWAPO, the Chairman of the UN Special Committee Against Apartheid, ACOA, TransAfrica, and Jesse Jackson who spoke at the blockade site. Many local political and community leaders also gave their support including: City Council member Ruth Messinger, Bella Abzug, Reverend Herbert Daughtry, US Rep Charles Rangel, Assemblyman Arthur Eve, Reverend Calvin Butts, Vernon Mason, Elombe Brath, Rev Wyatt T. Walker and others.

In order to escalate their struggle the Columbia Coalition for a Free South Africa decided to move the blockade on April 25 to other sites of protest. That evening, following a dramatic rally in which the chains were cut from the doors of Mandela Hall, 1000 people marched from Columbia University into the Harlem community to join an important community meeting at the Canaan Baptist Church. As the students streamed into the church, community residents sang chorus after chorus of "Glory Halleluah". This first ever march from Columbia to Harlem underscored the students' commitment to combat racism at home, and the potential for an alliance against Columbia's slumlord practices.

The very next day 55 students were arrested for blockading the Park Avenue office building where Columbia Trustee Board Chairman Samuel Higginbottom works. The Coalition continued the pressure with a protest at the May 6 meeting of the Trustees on campus, as a prelude to an action at the May 15th commencement exercises.

Washington DC

On April 4, following a rally at George Washington University, students from American University, University of Maryland, University of the District of Columbia, Howard and Georgetown staged a "funeral march" to the South African Embassy and joined a protest of 4000 municipal workers in commemoration of Martin Luther King (who was killed on that day).

The House Foreign Relations Committee voted 29-6 on May 2 to back a major bill that would bar new private U.S. investment in South Africa, Krugerrand sales in the U.S., computer exports to South Africa and loans to the SA Government.

California

On April 10 students at Berkeley began a blockade of Sproul (renamed Biko) Hall demanding divestment of the University of California's \$1.7 billion in South Africa-linked holdings. In December 1984 38 people had been arrested at a divestment protest, and since April 16 more than 400 arrests have occurred. The arrests by riot-equipped police have sparked class boycotts and rallies of over 5000 people including an additional blockade of University Hall. At this site among those arrested have been Berkeley Mayor Gus Newport, the Almeida County Supervisor, Oakland City Council member Wilson Riles, and numerous union members of AFSCME and the International Longshoremen's Union. The Berkeley Student Government has also voted to terminate all supply contracts between student union stores and computer and electronics firms with links to South Africa. This action resulted in the cancellation of contracts worth \$3.4 million with IBM and Hewlett Packard.

Following Berkeley's lead, protests have occurred at all nine schools of the University of California system--notably at UCLA where 25 students were arrested in conjunction with a sit-in and rally of over 2000 people on the April 24 National Protest Day. Activists at UC/Santa Cruz have played an important role in coordinating actions from their headquarters in Mandela Library and at UC/Santa Barbara 1400 students surrounded the Administration Building on April 24 to protest South Africa-linked investments. At Stanford University on the 24th a noon rally drew 1000 people and was followed by a sit-out that involved 250 protesters overnight. Other actions have taken place at Hastings Law School, San Francisco State College, Los Angeles Community College, San Jose State, Cal State/Northridge and on May 16-17 students from all University of California schools will converge for a protest at Berkeley where the Regents will be meeting.

Northeastern Region

At Cornell University (Ithaca NY) over the past two weeks more than 1000 people have been arrested in ongoing sit-ins at the main administration building. On May 1 the Faculty voted 323 -72 for Cornell to fully divest its \$100 million in South Africa linked holdings.

At Rutgers/New Brunswick there has been a blockade of the student center for nearly three weeks and large support rallies, including one with Jesse Jackson of 5000 people. In the face of student pressure, the university had sold \$7 million in South Africa-linked holdings between February and April, and the blockaders are demanding that they sell off the remaining \$6 million in holdings.

In Albany on April 24, 27 students from state university campuses were arrested at the business office of the New York State University system, after the Regents had voted down a divestment proposal that day. Protests have also taken place at state university campuses in Stonybrook, Purchase, New Paltz, and Binghamton.

48 students occupied the Harvard Corporation headquarters for eight hours on April 24 in a divestment action, and on May 2 200 students barricaded the door of a campus room where South African Consul Abe Hoppenstein was speaking. One protester commented: "We want to demonstrate the parallel with Black South Africans who are imprisoned by officials, to give him a taste of what it is like." In Western Massachusetts, several hundred students at UMASS/Amherst occupied the Administration Building from April 1-4 demanding that the school implement a 1977 divestment policy. In order to ensure swift implementation the students reoccupied the Treasurer's office April 30 and 27 people were arrested. At Tufts University over 150 students occupied the administration building for 3 days demanding divestment, and Princeton has been the site of an encampment for two weeks. At Yale following a rally of 350 students on May 1 a 24-hour sit-out was held and protests have also taken place at UPENN, wesleyan, Bryn Mawr & Swarthmore.

Southern Region

Protest actions for divestment, some involving civil disobedience, have been spreading all across the southern United States.

At the University of Florida in Gainesville protesters chained shut the doors of Tiggert (renamed Mandela) Hall on April 24 and began a blockade. On April 25, 27 students were arrested and since then the blockaders have returned and plan to remain through the summer.

In Atlanta on April 29 nine people were arrested outside the National shareholder's meeting of IBM for refusing to move their protest, and at Georgia State University a student referendum for divestment passed by 70% April 24.

At the University of Louisville, 100 students staged a 24-hour occupation of the campus information center in conjunction with the April 24 National Protest Day and a rally was held that day at the University of Kentucky/Lexington.

In Nashville (TN) students at Vanderbilt University achieved a major victory when their threatened civil disobedience action at a shareholder meeting sparked the Service Merchandisers Company to announce a halt to all sales of the Krugerrand, South Africa's gold coin in late April.

Students Against Apartheid, based on the Tuscon campus of the University of Arizona, rallied for divestment on the National Protest Day and there have also been actions at the University of New Mexico, St Mary's College in Maryland, Louisiana State University, Chapel Hill (North Carolina) and Duke University.

Midwestern Region

On April 24 hundreds of students marched from the University of Wisconsin campus in Madison and occupied the state capitol rotunda, where several hundred remain demanding that the state legislature pass divestment legislation.

On May 1 at the University of Iowa in Iowa City about 200 students occupied the main administration building overnight, before police arrested 137 protesters the next day. An outdoor blockade of the building continues with daily rallies.

At the University of Missouri a student coalition spearheaded by students at the St Louis and Columbia campuses has held divestment protests of several hundred people, including one at the May 2 meeting of the University Regents. Protests will take place on all four university campuses at commencement exercises.

Kansas University has been the site of divestment rallies since April 24, and at Oberlin (Ohio) a rally of 350 students led to a sit-in at the Administration building on that day. Protests have also occurred in Detroit (where protests marches against Ford and General Motors occurred March 21, 28 and April 4), Chicago, Northwestern University, and the University of Illinois at Circle and Urbana.
**On May 3 the Grinnel College Trustees (Iowa) voted to divest \$9 million in holdings.

Northwestern Region

In early 1985 Western Washington University (with a divestment of several million dollars) and Evergreen State College (also in Washington state) became the 12th and 13th U.S. schools to totally divest stockholdings in companies and banks involved in South Africa.

In Eugene at the University of Oregon about 60 persons were arrested May 2 (a day on which over 200 arrests occurred nationwide in divestment protests). In Portland (OR) protest actions forced the South African honorary consul to resign and a major march against apartheid and racism was held on April 6. Divestment rallies have also been held at Reed and Wilamette Colleges.

SOUTH AFRICANS SPEAK OUT IN SUPPORT OF DIVESTMENT

While corporate divestment from South Africa has become a highly visible and much-debated topic in the United States, a growing number of organizations and prominent individuals in South Africa are speaking out on the issue.

Support for divestment among South Africans who oppose apartheid is clearly growing. While there is a diversity of opinion on this issue, it is important to remember when evaluating these various statements that the South African government prohibits free debate of the role of foreign corporations. The increasing number of people who publicly advocate divestment do so at considerable risk. According to the Internal Security Act of 1982, any person who supports divestment either inside or outside the country commits the crime of "subversion," for which the penalty is up to 20 years in prison.

Desmond Tutu, winner of the 1984 Nobel Peace Prize and Anglican Archbishop of Johannesburg:

"Those who invest in South Africa should not think they are doing us a favor; they are here for what they get out of our cheap and abundant labor and they should know that they are buttressing one of the most vicious systems." (1984)

"I give notice that if [within 18 months to two years] apartheid is not being actively dismantled, then for the first time I will myself call for punitive economic sanctions whatever the legal consequences may be for doing so." (February 1985)

Federation of South African Trade Unions (FOSATU), the largest federation of black trade unions in South Africa:

"It is FOSATU's considered view that the pressure for disinvestment has had a positive effect and should therefore not be lessened. FOSATU is definitely opposed to foreign investment that accepts the condition of oppression maintained by this regime." (Statement adopted by the National Executive, 1984.)

United Democratic Front, a national coalition of more than 600 community, religious, and labor organizations:

"... We believe: 1) that foreign investments do not benefit the oppressed and exploited people of South Africa but bolster the apartheid government; 2) that the present disinvestment campaign in the USA shows that the American people are neither fooled by the sham reforms of the Botha government nor the policy of constructive engagement." (Resolution adopted by the Annual Conference, 5-7 April 1985)

Dr. Allan Boesak, president of the World Alliance of Reformed Churches:

Disinvestment is "a practicable, possible, and necessary" tool for pressing against apartheid. "I do believe that without economic pressure on the South African government, there will be no movement towards change." (May 1985)

South African Council of Churches:

"The executive, in the full awareness of the emotional tensions, as well as the division aroused by the issue of disinvestment, nevertheless believes that a growing percentage of blacks, including organizations and trade unions with great influence, increasingly support the call for disinvestment as one of the few remaining methods to achieve justice without violence." (Recommendation adopted by the Executive Committee, April 1985)

Steve Biko, Black consciousness movement leader killed by the South African police in jail in 1977:

"The argument is often made that the loss of foreign investment would hurt blacks the most. It would undoubtedly hurt blacks in the short run, because many of them would stand to lose their jobs. But it should be understood in Europe and North America that foreign investment supports the present economic system of political injustice... If Washington is really interested in contributing to the development of a just society in South Africa, it would discourage investment in South Africa. We blacks are perfectly willing to suffer the consequences! We are quite accustomed to suffering." (1976)

Albert Luthuli, winner of the Nobel Peace Prize and former president of the African National Congress, a banned South African liberation movement:

"The economic boycott of South Africa will entail undoubted hardship for Africans. We do not doubt that. But if it is a method which shortens the day of bloodshed, the suffering to us will be a price we are willing to pay." (1959)

MICHDIVEST
June, 1985

Resolution adopted at United Democratic Front Annual Conference
5-7 April 1985

The UDF notes with anger the support of the imperialist countries, led by the Thatcher and Reagan governments, for the racist South African regime. We know that the U.S. government, through its policy of constructive engagement, is following its own economic interests. Foreign companies invest their capital in South Africa because of the huge profits they make through the exploitation of our people and the natural wealth of our land. This unashamed greed in support for the Nationalist Government by the governments of the USA and Britain is pursued at the expense and welfare and even the lives of the people of South Africa and cannot stop us in our march towards freedom. We further note the collaboration of the governments of Israel, Chile, and Taiwan and other anti-democratic regimes with the South African government and its bantustans. We further note the role of these imperialist countries in the destabilization and economic exploitation of developing countries.

We demand that foreign governments recognise the right of our people to live in a non-racial and democratic country. We believe:

- 1) That foreign investments do not benefit the oppressed and exploited people of South Africa but bolster the apartheid government.
- 2) That the present disinvestment campaign in the USA shows that the American people are neither fooled by the sham reforms of the Botha government nor the policy of constructive engagement.
- 3) That those who claim to believe in democracy have an obligation to support the just struggle of the South African people for liberation from oppression and exploitation, and therefore resolve:

- 1) to demand an immediate end to U.S. and British collaboration with the apartheid regime.
- 2) to demand an end to the exploitation of the people and the natural wealth of our country by foreign investors.
- 3) to reject the argument that foreign investments benefit the oppressed and exploited of South Africa.
- 4) to condemn the support of the governments of Israel, Chile, and the Taiwan puppets for the apartheid regime and its bantustans and to support the struggles for democracy in those countries.
- 5) to pledge our solidarity with all oppressed people in their struggle against imperialism.

Finally we declare to all those accomplices in the crimes of apartheid that we will leave no stone unturned in winning support throughout the world to expose and end their ruthless treachery.

THE FINANCIAL ASPECTS OF DIVESTMENT

What would be the financial implications if the University of California divested fully from companies that do business in South Africa?

Many money managers lacking experience with South Africa-free portfolios believe that the costs could be quite high, while money managers with such experience know the costs can be small or even nonexistent. Analysis of the UC portfolio and of the professional literature on this topic leads to the conclusion that the potential costs, conservatively estimated, would not exceed a very small amount; indeed, by some calculations, the financial benefits may outweigh the costs. The exigencies of prudent fiduciary responsibility clearly do not exclude full divestment from South Africa-related companies.

THE U.C. PORTFOLIO

An investment fund such as the University's typically is diversified among equities, bonds, real estate, various licensing agreements and so forth. The UC portfolio is highly concentrated in equities, and concentrated further in the equities of the very largest corporations in the United States. Much of the controversy concerning divestment costs has focused on the equity portion of the portfolio because very close substitutes for South Africa-related corporate bonds are widely available and transaction costs in bonds are miniscule.

According to the Investor Responsibility Research Center (the most authoritative identifier of companies operating in South Africa), in December 1984, 31 of the 50 largest and 57 of the 100 largest Fortune companies were operating in South Africa. The total market value of these firms with South African operations constitutes approximately one-half of the total value of the Standard and Poor 500 companies and one-quarter to one-third of the total market value of all traded equities in the United States. In several major industries, such as drugs, international oil and office equipment, all or virtually all of the major firms do business in South Africa.

CONSTRUCTING A SOUTH AFRICA-FREE PORTFOLIO

These very large magnitudes suggest to some that pruning a large fund of its South Africa-related holdings could be accomplished only by constraining substantially the universe of available investments. The results that have been predicted include lower rates of return, with increased investment in companies that are much smaller, more risky and more costly to research, monitor and trade. Therefore, both implementation of divestment and ongoing costs of divestment could be quite high.

These concerns have now been addressed by professional money managers, both through conjecture and experience of divestment where it has already occurred. Money managers with the greatest experience with South Africa-free funds find that the costs have been miniscule. Such costs, expressed in percentage terms, need not be higher even for multi-billion dollar portfolios. This result can be surprising, but it results from a very simple reason. Even after removing South Africa-related firms from consideration, the universe of large, medium and small firms available to the University remains enormous relative to the size and number of holdings in the current portfolio. If all 35 of the South Africa-related stocks were removed from the portfolio, 19 of the top 50, 43 of the top 100, well over 100 of the top 250 firms, over 250 of the Standard and Poor 500, and many more smaller but still absolutely large firms could be drawn upon to replace them. Modern professional thinking

tells us that these choices are more than sufficient to recreate a portfolio with all the desirable features of a well-structured fund. For example, one could easily construct a well-diversified portfolio with virtually the same size distribution of companies and of UC holdings in those companies as now exists.

What about the exclusion of some major industries implied by a South Africa-free fund? The simple answer is that not every industry must be represented in order to obtain optimal diversification. Modern portfolio theory—as followed by most money managers today—shows how to obtain diversity with even a small number of industries. The results closely mimic the properties of the Standard and Poor 500 index.

THE RATE OF RETURN

Let us then review the conjectural studies that ask the question: what would happen to the Standard and Poor index if the South Africa-related stocks were removed and replaced by others? Several such studies were cited by Mr. John Harrington of Working Assets Money Fund in his April 24 presentation; nine such studies are reviewed in a recent report of the IRRC. Although the methodology used varies by study, every one of these studies finds a higher rate of return for the South Africa-free portfolio. Some find higher risk and others find the same risk. The studies differ considerably on the question of implementation and ongoing transaction costs, with the Wilshire study claiming by far the highest such costs and others finding them to be minor. Examples of the increased rate of return follow.

Study	Time period	Percentage change in rate of return
Capital Management Sciences	1977-1981	+113.3
Daniels & Bell Capital Management	1977-1981	+6.3
Trinity Investment Management	1974-1982	+10.0
U.S. Trust Co. (Boston)	1972-1981	+35.4
Wilshire Associates	1979-1984	+48.6
Shearson Lehman	1972-1983	+17.4

RISK

These studies also find higher risk, or variability, in the South Africa-free funds. The increased risk is not worrisome for several reasons. First, using the standard measures, the increased rate of return more than compensates for the increased risk. Second, the increased risk can be offset by lowering the proportion of the portfolio in equities and increasing the amount in bonds. Third, the above studies are flawed in that they are not based upon an *optimal* South Africa-free portfolio; consequently, the risk in such a portfolio (and perhaps also the return) may be considerably less than these studies suggest.

Analysis of risk must also include the fact that continuing operations in South Africa presents great risk for foreign-owned companies. In 1982, the Business Environmental Risk Information, a Geneva-based firm that does corporate risk analysis around the world, recommended that firms

operating in South Africa de-emphasize South African operations and prepare to shift production elsewhere if possible; protect industrial sites and personnel against violence; consider the cost of exclusion from other African markets because of the South African operations; consider the cost in management difficulties in handling stockholders' initiatives and adverse publicity from anti-apartheid; and examine the possibility of an orderly withdrawal to avoid financial losses.

TRANSACTION COSTS

To some, notably Wilshire Associates, the higher transactions costs appear worrisome, especially for portfolios as large as the UC fund. But several considerations again mitigate these worries. First, implementation costs of divestment can be reduced drastically if divestment proceeds in an orderly manner. Second, the research, monitoring and trading costs can be held to what they are now, if they are assumed to be optimal, by considering the size distribution of holdings as one of the criteria in constructing a portfolio. As discussed above, this can be easily done. The much higher transaction costs estimated by Wilshire result from the unusual way they construct a South Africa-free portfolio; they replace each excluded firm with another from the same industry, but of much smaller size. Diversification does not require such a methodology; in fact, better criteria, such as return and risk, should be used.

Although some brokerage fees will be incurred in the divestment process, they would account for only a small fraction of the cost of managing the fund and should be insignificant in the overall performance of the portfolio. In fact, the divestment process could result in a higher yield, lower risk portfolio if the University used this opportunity to shift some of its assets from equity to bonds and real estate. The University's investment strategy has been criticized by many money managers as being too oriented toward equity, which is 70% to 80% of the portfolio. Since it is arguable that the current investment strategy pursued by the University is optimal, the financial arguments against divestment become ever weaker. Changes in investment strategy that might accompany divestment could improve the performance of the UC portfolio.

CONCLUSION

The political and moral reasons for full divestment are compelling. And now we know that no financial constraints prevent us from pursuing divestment. In fact, the instability of the South Africa government indicates that full divestment would be the prudent path. Other divestment programs show us how full divestment might be implemented in an orderly manner. For example, the New York City Employee's Retirement Fund, which is worth \$8.5 billion, is being fully divested in four phases over a five year period. The first phase of divestment, which is to be completed in fifteen months, covers those companies that operate in a manner which directly supports Apartheid or have not adopted the Sullivan Principles.

The Regents need no longer fear the threat of "large and incalculable" losses as a reason for not divesting, as they did in 1977. Those financial arguments have been shown to be false and misleading. Along with other major universities and governmental bodies, the Regents should take a stand against Apartheid. The Regents can no longer ignore this issue. The appropriate course of action is clear.

This report was written by Clair Brown and Michael Reich, who are Associate Professors of Economics at the University of California, Berkeley. It is based on the presentation by John Harrington to the Anti-Apartheid Convocation in Harmon Gym (April 23, 1985) and a wide array of published and unpublished professional papers on this topic.

Annotated Resource List on Divestment

[In addition to the resources reprinted in this issue, the following documents are valuable materials for use in divestment campaigns.]

- (1) South Africa Legislative Packet, by Washington Office on Africa, 110 Maryland Ave., NE, Washington, DC 20002, @ \$3.00 incl. postage/handling. This packet of 10 fact sheets is designed to assist Americans supporting the current legislation being discussed in the Congress, state legislatures, cities, and institutions. Topics of the fact sheets are: Corporate & Bank Investment, Sullivan Principles, Nuclear/Military Ties, Uranium & Coal, Krugerrands, the Case for Sanctions, Is Apartheid Changing?, US Strategic Interests, Legislation, Glossary.
- Also available from the Washington Office on Africa:
 "The South Africa Information Packet," @ \$2.50
 "The Struggle for Justice in South Africa and Here at Home," @ \$0.25
 "American Steel Jobs and South Africa," @ \$0.25
- (2) Public Investment and South Africa Newsletter, published periodically by the American Committee on Africa (ACOA), 198 Broadway, NY, NY 10038. This is the best source of information on divestment legislation which has already been adopted by cities and states across the country and bills that are currently being considered.
- (3) "The U.S. Corporate Stake in South Africa," by Anne Newman. Africa News, May 20, 1985.
 An up-to-date description of the importance of U.S. corporate involvement in South Africa, with many specific examples based on a study released in March by the Washington-based Investor Responsibility Research Center (IRRC), Foreign Investment in South Africa, which Ms. Newman co-authored. This article is part of a two-part Africa News special report on South Africa, included in the May 4 and May 20 issues.
- (4) "One Step in the Wrong Direction," by Elizabeth Schmidt. Published by Episcopal Churchpeople for a Free South Africa (ECSA), revised January, 1985. Ms. Schmidt continues to provide an excellent evaluation of implementation of the Sullivan Principles by U.S. firms, based on the latest corporate reports to the Arthur D. Little firm, plus a critique of the principles themselves and a political and economic context within which they can be judged.
 [Available from ECSA, 339 Lafayette St., New York, NY 10012 for \$1.00. Telephone (212) 477-0066.]
- (5) "Economic Actions against Apartheid: An Overview of the Divestment Campaign and Financial Implications for Institutional Investors," by Brooke Baldwin and Theodore Brown, The Africa Fund.
- "The Financial Implications of Divestment: A Review of the Evidence," by Fantu Cheru, Interfaith Center on Corporate Responsibility.
- "Divestment of South African Investments: A Legal Analysis for Foundations, Other Charitable Institutions and Pension Funds," by Thomas A. Troyer and Robert A. Boisture, Caplin & Drysdale.

These three reports were commissioned by the New World Foundation for a conference on divestment in New York. They are available from New World Foundation, 100 East 85th St., New York, N.Y. 10028. (212) 249-1023.

(6) "Perspective: College Actions on South African Investments," by Elaine El-Khawas and Barbara McKenna. American Council on Education, May 1985.

A compilation of actual texts of investment policies of colleges and universities concerning South Africa. Where resources by the American Committee on Africa provide the best record of divestment successes on campuses, this document is a more neutral listing of various policies that have been adopted across the country. University administrators may use this document to find alternatives to full divestment when confronted with this demand.

[Send mailing label to ACE, Division of Policy Analysis and Research, One Dupont Circle, N.W., Washington, D.C. 20036-1193.]

(7) "South Africa Divestment," Hearing before the Subcommittee on Fiscal Affairs and Health, Committee on the District of Columbia, U.S. House of Representatives, January 31 and February 7, 1984.

Congressional hearing on the District of Columbia divestment bill which became law in 1984. Contains statements by two financial experts, Robert Schwartz of Shearson-American Express and Joan Bavaria of Franklin Research Corporation. Contains reprints of two documents in their entirety: memorandum from the Washington Council of Lawyers on the constitutional challenge to divestment, and "Divesting from South Africa: A Prudent Approach for Pension Funds," by Lawrence Litvak and published by the Conference on Alternative State and Local Policies.

[Available free from Committee on the District of Columbia, House of Representatives, Washington, D.C. 20515.]

(8) "Fighting to End Apartheid," UAW AMMO, V.23, #12, January 1985, 24 page pamphlet, (available @ \$6/100, \$25/500, and \$45/1000 from United Auto Workers AMMO, 8000 E. Jefferson, Detroit, MI 48214)

This multi-color pamphlet is designed for members of the public who know little of apartheid. Included are pictures of UAW President Owen Bieber being arrested outside the SA embassy, interview with John Gomomo (SA auto union leader whose house was firebombed), brief history of SA, and a list of sanctions urged by the UAW Board.

Hoover Institution Historians Discover ACAS

ACAS has been described in a paragraph of a new book by Peter Duignan and L.H. Gann, The United States and Africa: A History (Cambridge UP and Hoover Institution, 1985). For these authors, ACAS emerged in 1981 (an error of three years) "to oppose the Reagan administration's Africa policy, especially its policy toward South Africa" and "is made up of leftist and liberal activists in academia." (p. 352) The ACAS entry is sandwiched between descriptions of the "Southern Africa Committee ("a radical student group") and a list of the "Communist fronts opposing apartheid" in the USA.

In the middle of their entry on the American Committee on Africa, they note: "Critics of apartheid are apt to oppose with equal fervor the real or imagined machinations of multinational corporations, firms involved in nuclear power, or enterprises that pollute the environment or kill whales. They identify SA with all the real or supposed ill of 'Middle America.' These groups are loosely tied through personal contacts, through bonds of political sympathy, and sometimes through linked directorates; they can therefore mobilize around particular issues with surprising speed and effectiveness and can readily assemble hordes of student demonstrators. They have also managed to preempt certain words for their use: Terms such as 'concerned,' 'peace,' 'liberation,' 'majority rule,' and 'popular' have become widely identified with liberal and left wing issues."

Thank you for enshrining us for posterity, Messrs. Gann and Duignan!

News about ACAS

The Newsletter: Christine Root, ACAS's Political Action Committee chairperson, was guest editor for this issue of the ACAS Newsletter. Special thanks to David Wiley for production assistance. Ned Alpers reports that he will again edit the Fall 1985 issue. Send any articles for publication to him at 727 Chautauqua Blvd., Pacific Palisades, CA 90272.

Executive Secretary: Henry Bucher moves to Texas on July 15 to begin a new job as Campus Minister and faculty member for African and Middle Eastern Studies at Austin. His new address (and therefore the new ACAS business address) is:

Dr. Henry Bucher
Windsor House
Austin College
823 N. Grand Ave.
Sherman, TX 75090.

ACAS Meetings in November, 1985: ACAS will hold a special, half-day meeting open to all members and interested scholars on in New Orleans on Friday, November 22 starting at 2:00 p.m. and continuing through the evening. This is the day before the annual conference of the African Studies Association. The meeting will begin with presentations of ACAS activities during the past year. There will then be three working sessions to develop ACAS policy and program in the following areas: South Africa, the African famine and refugees, and North Africa and the Western Sahara. After a dinner break, we will reconvene at 8:00 for a final plenary to set priorities for 1986.

ACAS is also planning to convene three panels during the ASA meeting:

- * U.S. Policy in South Africa organized by Ann Seidman
- * Oil, Gold and Diamonds: South Africa and the Middle East organized by Bill Minter
- * North Africa: The Horn, POLISARIO, OAU, and the Food Crisis organized by Theresa Smith

For more information about ACAS activities at the time of the ASA meeting, contact Henry Bucher at the address given above. More details will appear in the fall newsletter.

TIAA/CREF Divestment Campaign: ACAS is developing a campaign to urge the Teachers Insurance and Annuity Association and College Retirement Equities Fund to divest billions of dollars of college and university faculty and staff pension funds from companies operating in South Africa. Watch for news of this campaign in the fall newsletter. If you would like to help formulate strategy or organize colleagues on your campus or in professional associations, contact: Christine Root, 729 Sunset Lane, East Lansing, MI 48823.

National Krugerrand Campaign: ACAS Co-chairperson Willard Johnson and other Boston protesters of Krugerrand sales go to court on June 28 to request a jury trial in September for their second arrest at the Deak-Perera offices resulting from protests. ACAS members are urged to organize demonstrations at Deak-Perera offices and other Krugerrand distributors across the country to help build this campaign. Deak-Perera has offices in 60 cities in the US and Canada. Call TransAfrica (202) 547-2550 and ACOA (202) 962-1210 for information on the campaign.

