

MICHIGAN STATE UNIVERSITY

INTRAMURAL SPORTS AND RECREATIVE SERVICES
(517) 355-5250

EAST LANSING • MICHIGAN • 48824-1026

January 16, 1986

MEMORANDUM

To: Members of CARAC
From: Frank Beeman, 5-5250 
Subject: MSU Foundation Investment in Corporations Operating in South Africa

Attached is the Foundation's Resoultion and the Board Members. The use of the Sullivan Principles has been overwhelmingly rejected as inadequate from leaders such as Mandela and Tutu to grass roots people like those of us in CARAC.

I think it necessary for us to meet to determine which option to pursue. Some are:

1. Write to the Foundation and Board Members indicating their action action is not sufficient - then go public with their response.
2. Go public now with the August 1 letter plus their action.
3. Accept their action as adequate until May 7, 1987.
- 4.
- 5.

Please contact me by January 22 concerning a meeting and I'll ask Barrie to reserve the Berkey loung.

MICHIGAN STATE UNIVERSITY FOUNDATION

SUITE 220, NISBET BUILDING

1407 SOUTH HARRISON ROAD

EAST LANSING, MICHIGAN 48824

517/353-9268

January 13, 1986

MEMORANDUM

TO: Frank Beeman

FROM: Ron Laughter

SUBJECT: MSU Foundation Investment Resolution

As you requested, enclosed is the resolution adopted by the MSU Foundation Board regarding investment in companies doing business in South Africa. This resolution was adopted at the Foundation Board meeting held on December 13, 1985. Foundation administration has been instructed to implement this resolution in a prudent and timely manner.

Enclosure

MICHIGAN STATE UNIVERSITY FOUNDATION
BOARD RESOLUTION
SOUTH AFRICAN INVESTMENTS

1. The Foundation will not own stock in a company domiciled in South Africa or one that does a substantial amount of its business in South Africa.
2. The Foundation will not own stock or debt securities in banks which make loans to the South African government.
3. The Foundation may own stock in an American company which does business in South Africa provided 1) the company does not do a substantial amount of its business in South Africa, 2) the company is a signatory to the Sullivan Principles, and 3) the company falls within rating categories I or II.
4. The Foundation shall support shareholder agreements which 1) call for compliance with the Sullivan Principles, 2) support anti-apartheid practices, or 3) call for companies to desist from activities that support the apartheid system.
5. If on May 7, 1987, a deadline set by Reverend Sullivan, the system of apartheid has not been statutorily abandoned by South Africa, then the Foundation shall undertake a review of its investment policy with regard to American companies doing business in South Africa. An analysis of the ongoing anti-apartheid activities of American companies and the effectiveness those activities have had in bringing about meaningful change in the apartheid system since the adoption of this policy shall be conducted by the Finance Committee in an effort to determine whether complete divestiture is warranted. The Finance Committee shall report its findings and recommendations to the Board no later than the regularly scheduled Fall, 1987 meeting of the Board.

Adopted December 13, 1985