

Mrs. Kaplan reported that to date 175 acceptances had been received for the Flame of Truth Award dinner, honoring Thornton Bradshaw, on June 18th. The RCA Corporation has made a gift of \$25,000, and CBS has given \$10,000. Co-chairmen for the dinner, which is to be a dinner-dance, are Tom Wyman, Arthur O. Sulzberger and Felix Rohatyn.

Flame of
Truth dinner

The meeting then turned to the question of investments in companies doing business in South Africa.

The discussion of the Board at previous meetings concerning this issue was reviewed, including the points that:

Discussion
of S. Afri-
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1. The market value of the College's total endowment is \$30,972,944 as of March 31, 1985. The College's current holdings in corporations with operations in South Africa consist of \$892,000 in equities (in IBM and GM), or 7.8 % of the College's equity holdings and 2.8% of its total portfolio, and \$795,000 in fixed instruments (a Mobil Corporation bond), or 4.1 % of the College's fixed holdings and 2.6 % of its total portfolio; the combined holdings equal 5.4% of its total portfolio.*

2. The financial impact of partial or total divestment appears to be de minimis according to both:

(1) an article appearing in the Financial Analysts Journal (November-December, 1984) which states (on pg. 22) that "Investment officers, advocates of divestment, and previous studies all agree that divestment restrictions have minimal practical effects on portfolios of \$50 million or less;" and

(2) a letter dated December 14, 1984 from Robert A. Geddes of Lazard Frères Asset Management, the College's investment advisers, which states "The practical effect on the Barnard portfolio if one chose to 'divest' is minimal since slightly under 10% of the total portfolio is presently invested in companies with a South African investment."

*Subsequent to the May meeting, Lazard Frères advised the College that its holdings in fact included two additional corporations with operations in South Africa: American International Group and Rohm & Haas, together valued \$428,437. Thus, 11.58% of equities, 4.1% of fixed income investments, and 6.9% of the total portfolio were invested in such corporations. Investment (continued on next page)

3. The community of students and faculty at Barnard has expressed strong views on this issue and been seriously distracted from the basic educational mission of the College, as evidenced by (a) student involvement in the blockade of Hamilton Hall at Columbia University, (b) the amount of faculty meeting time devoted to the subject and their vote on the issue (reported in the student press and to be discussed by the faculty representatives to the Board), (c) a number of faculty petitions concerning this issue, and (d) the tone and intensity of the two letters received from student groups at the time of the last Board meeting.

Mrs. Kaplan then outlined the three options currently under consideration by the Board:

1. continued investment in only Sullivan Principle Category I signatories with a possible "freeze" on further investments in companies with operations in South Africa;

2. a commitment to divest holdings in any companies with operations in South Africa in two years unless there is improvement in conditions in South Africa; and

3. total divestment in the near future.

It was noted that all could be implemented with appropriate consideration to minimizing transactional costs, which would be minimal in any event.

The Board then engaged in a lengthy and comprehensive discussion of the three options under consideration. After due deliberation and consideration, and based on the factual determinations summarized above, the Board voted in favor of the following resolution:

Preamble to Resolution

The Board of Trustees has a responsibility to invest and administer the College's financial resources in a prudent manner, ensuring that the

Resolution
on S.Afri-
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(footnote continued)
reports for the periods ending April 30 and May 31, 1985 were provided by Lazard Frères after the May 29, 1985 meeting. The status of South African investments from those reports appears on Attachment A to these minutes.

College's basic mission of teaching, learning, research and the free exchange of knowledge will endure. The Board also believes that it is appropriate to take ethical considerations into account in the course of managing the College's resources.

The system of apartheid supported by the government of the Republic of South Africa is abhorrent and contrary to the values and fundamental principles of human decency to which the Barnard community is committed. The Board believes that although there are other areas of the world where violations of human rights exist, the situation in South Africa is so egregious as to require special attention and action. At the same time, the Board is cognizant that constructive changes may occur in South Africa as a result of growing concern, within and outside the country, about the current policies of that government, and that American companies doing business in South Africa often have a positive impact on the situation that exists there now. With this in mind, the Board wishes to proceed carefully and thoughtfully in its effort to foster peaceful exchange and improvements in the conditions of blacks and coloreds living in that country.

RESOLVED, that Barnard College shall make no further investments in companies with operations in the Republic of South Africa and shall divest its holdings in such companies within two years unless conditions in South Africa are deemed to have improved significantly during that time.

The initial vote in support of this resolution was approval by a majority of those present at the meeting. On motion duly made and seconded, said resolution was then unanimously approved.

Committee Reports

It was agreed that, since the debate concerning South African investments had been so long and demanding, the committee reports scheduled should be postponed until the next meeting of the Board.