Discussion of South African Investment

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Mrs. Kaplan reported that the Committee on Investments had met on February 12th, specifically to discuss the College's policy on investing in corporations that operate in South Africa. Both faculty and student representatives to the Board had attended. The Committee had the background materials which were provided to the Board. They had a full discussion and decided not to make a recommendation to the Board, but rather to allow further discussion by the Board and other appropriate members of the community.

It was noted that at the present time the Barnard portfolio has only 3.1% of its equities invested in companies (General Motors and IBM) doing business in South Africa. Both are Sullivan Principle "Category I" companies. (The College has one bond holding in a company with operations in South Africa, namely, Mobil, which is also a Sullivan Principle signatory in Category I.) Thus, for Barnard, issues of fiduciary responsibilty and prudent financial management related to the option of total divestiture do not appear to be problemmatic. The critical issue is the moral one. There was agreement that the policy of apartheid is abhorrent. There were a variety of views expressed on how Barnard, through its investment policy, can most effectively combat apartheid. Some noted that it can be argued that businesses which comply with the Sullivan Principles improve conditions in South Africa, will continue to do so in the future, and that their abandonment of South Africa might be harmful to the very people we seek to assist. Others felt that total divestment is the strongest, and, therefore, the most effective, statement of opposition to the policies of the South African government toward coloreds and blacks.

The student representatives stated that many students have spoken in favor of divestment, but observed that they may not be completely informed as to all aspects of the situation. It was also noted that Barnard students want the College to act in a manner that is at least equal to any action taken by Columbia.

The possible actions on which discussion focussed were:

1. complete divestiture;

2. investing only in companies that are signatories to the Sullivan Principles and rated "Category I" companies in terms of the adherence to these principles; and

3. option 2, above, plus setting a cap on the percentage of the portfolio which may be invested in companies with South African operations, and/or freezing investments in companies with operations in South Africa at current levels.

The question of the impact on the community and the possibility of discussing the issues with faculty and students was discussed. It was agreed that it would be wise to wait until after Columbia has made its decision concerning South African investment before Barnard makes a final determination. The Board will continue its discussions at the April 24th meeting. In the meantime the faculty representatives were asked to initiate discussion at the next faculty meeting, and the student representatives at the next meeting of the officers of the student government.

The meeting adjourned for cocktails in the renovated Ella Weed Room. It was reconvened at 8:10 p.m. with the same people present except for Mr. Altschul, Mrs. Bradshaw, Mr. Ross and Mr. Shinn. Dean Olton joined the meeting at this point.