

Branding Iron Oct. 7, 1987

UW completes South African divestiture

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EW

Divestiture (1986) Branding Iron

In 1977 it was brought to the national level. In 1981 it became a hot topic on campuses nationwide and in 1986 it made it to UW.

In April 1986 students and faculty members staged demonstrations and sit-ins to protest the apartheid government of South Africa and called for the UW board of trustees to divest all money in companies doing business in that country.

Later in April, the trustees voted to begin to divest from these companies. This decision came after the trustees had earlier voted to table the matter and refer it to a committee. This made UW the first university in the Rocky Mountain Region to approve total divestiture.

By early May 1986 the divestiture process had begun. The university, in conjunction with its investment advisers, began to replace stocks formerly invested in South Africa with those of equal or greater value.

Rob Works, co-founder of the UW Coalition for Total Divestment, said in a 1986 Branding Iron interview, "They sell the stocks off over a period of time so they don't lose money."

Now, nearly 17 months later, the divestiture process is complete.

Linda Nydahl, acting director of Fiscal Operations, said, "At this time nobody does business in South Africa that we invest in."

Currently, two companies handle the \$8 million investment portfolio of university endowment funds. They are Dreman and Embrey Inc. in New York and Steinroe and Farnham Inc. in Chicago.

The university endowment funds come from the Coe estate trust fund, the Coe school trust fund and the Kuehn estate trust fund.

"I know we do not purchase any new stocks without a review of the current conditions of the company to assure that we are not investing in a company still doing business in South Africa," Nydahl said.

Representatives of each company said that identifying companies still doing business in South Africa is not that hard.

"Companies are researched by a number of organizations that compile lists showing where their holdings are, we just want them listed," Nelson Brown, of Dreman and Embrey, said.

A representative of Steinroe and Farnham said, "Although we use the lists, we primarily do what the investor wants us to." One such research organization is the Investor Responsibility Research Center in Washington, D.C.

"The university has a very dynamic portfolio," Brown added. "We are constantly looking for better investments for the university," Nydahl said.

Ford, IBM and Burlington Northern top the list of current investments the university has.

Divestiture completion leaves UW funds elsewhere

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Besides the endowment funds, the university also has \$25 million in short-term money invested to "keep the university running," said Bonnie Johnson, investment coordinator for UW.

The short-term funds come from external scholarships where people donate money to the university for scholarships, and the university invests that money, student loans, general funds from the state and facility user fees.

"There is a state statute that says what I can invest in and what I can't," Johnson said. "I usually invest in certificates of deposit in Wyoming banks, other governmental agencies or FHA loan discount notes," Johnson said.

While UW has completed its divestiture, other universities are targeted for anti-apartheid protests in October.

A recent College Press Service article said activists expect the pressure to divest on campuses will be "more intense than ever."

"I think a lot more schools will feel more pressure. There is less justification not to divest," said Josh Nessen, student coordinator of the American Committee on Africa.

University of Pennsylvania spokesman Fred Riechers said the trustees plan to sell the school's stocks in companies doing business in South Africa if the companies do not pull out by June 1988.

Alex Huppe, a spokesman for Dartmouth College, said the trustees prefer to remain as stockholders in

companies operating in South Africa, hoping the school can influence corporate decision-making.

"The only way we feel we can make a difference is as a stockholder," Huppe said.

Brown University spokesman Eric Broady said, "If there is pressure for a university to divest, it will come from the students."

In June 1987 Oberlin College's trustees voted to divest primarily because of student pressure, spokewoman Barbara Chalsma said.

Anti-apartheid protests at Oberlin were disrupting the campus and taking too much time out of our real mission: to educate students," Chalsma said. "The trustees voted to divest because South African-related holdings 'placed burdens on other educational opportunities,'" Chalsma said.