

# Students not banking on apartheid

OTTAWA (CUP)—Canadian banks and corporations and their shareholders, among them universities, have long escaped major criticism for their role in supporting the economy of South Africa. They've argued, seemingly successfully, that their presence in the apartheid regime is a liberalizing influence, "keeping the door open and maintaining contacts," one banker claims, "to break down the degree of segregation that exists."

But a series of articles in student newspapers across the country last fall examining the involvement of universities in South Africa, and the realities of the apartheid economy betray this myth. Students and other members of the university community are organizing to bring pressure against administrations that reap profits from investments in the repressive country.

In the last 15 years, while the investments of the "enlightened" nations have increased manifold, life has grown harder for the average person in South Africa. Wages for black workers dropped by 18 per cent, black unemployment has risen to 25 per cent of the work force, and the white-controlled government now spends 45 per cent of its budget, \$2 billion, on military expenditures to control the population.

"No matter what you hear in the press, the black Africans are in worse shape now than they were in South Africa 10 years ago," according to one opponent of questionable university holdings in the corporations.

Canadian universities are tied in with the worst of what is going on in South Africa. Among the most recurrent names on university corporate holdings lists are the big names in exploitive investment:

- INCO, Noranda, Falconbridge and Alcan all own extensive mining interests in South Africa and neighbouring Namibia, a country illegally controlled by South Africa.

In 1973, Alcan's treatment of its black workers was documented by Hugh Nangle for Southam Press. The report showed the majority of blacks working for Alcan were earning well below even that country's poverty line. Blacks were not allowed to train for skilled jobs and hence were cut off from earning higher wages;

- Canadian Pacific Investments, with holdings in steel, railroad and petroleum companies in both countries;
- Hudson's Bay Company, with extensive interests in Namibia. This country produces more than half the world's supply of Karakui, a luxury fur.

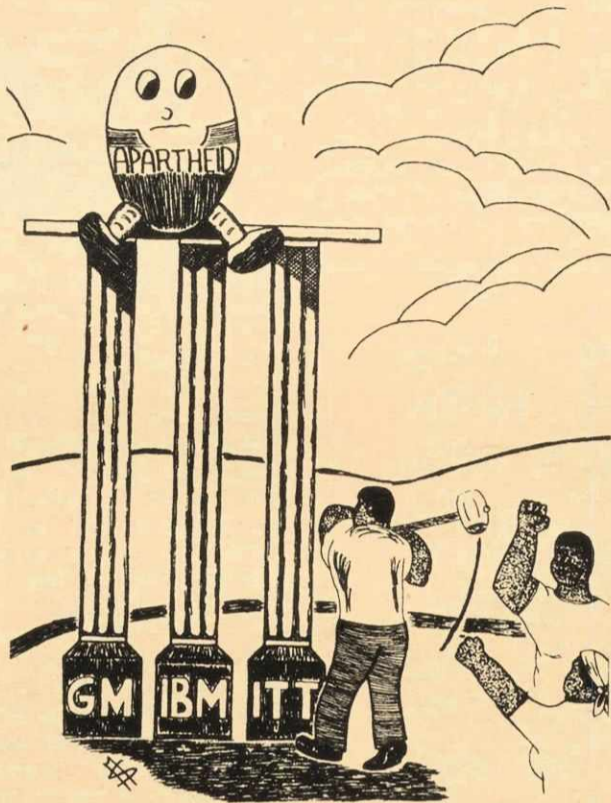
The company employs both black and white workers—the blacks receive \$14 to \$16 a month, while whites working in the same warehouse receive \$244 to \$854 a month. This Hudson's Bay Company policy has been referred to as a "massively discriminatory labour policy" in a report done at the University of Winnipeg last fall. And;

- Rothman's of Pall Mall, a wholly-owned subsidiary of Rembrandt Group Ltd. of South Africa. Rothmans also owns a controlling interest in Carling-O'Keefe.

Until last September, most university administrators were content to turn their heads from these involvements. According to the University of Alberta: "The primary determinant for corporate investment is return . . .". The University of

Winnipeg wants: ". . . good return for the university." And Dalhousie University's investments are ". . . those which have a guaranteed high rate of profit."

But since then, campus campaigns have resulted in two universities, Manitoba and Winnipeg, agreeing to divest what they now term "socially injurious" investments in apartheid. The new policy at Winnipeg is aimed at companies "which violate or frustrate the enforcement of rules



THE GREAT FALL

of domestic or international law intended to protect individuals against deprivation of health, safety or basic freedoms."

The university's only previous criteria were that a corporation be legally incorporated, obey the laws of Canada and contribute to the country by employing many people.

The senate of Queen's University will use its stock in Noranda to protest that corporation's proposed \$350 million investment in Chile, after more than 2,400 students voted late last term to oppose the investment proposal, to be decided by Noranda shareholders at a May meeting.

The university had told students it was seeking direction for its investment policy—"the student referendum and motion before senate are moves to provide direction," one student explained.

"Morality is a big part of the thinking of a university," one Queen's professor said. "Would we have said the universities in Germany should have said nothing about the persecution of the Jews? If morality is not the business of the university, then whose is it?"

In the U.S., campaigns are underway at at least 15 universities, and have resulted in state-wide

divestitures in Wisconsin and Oregon. The University of Massachusetts voted to sell \$540,000 of shares in 16 corporations following two years of students pressure. Hampshire College withdrew \$215,000 after two-thirds of its faculty signed a petition.

At Stanford University, thousands of students demonstrated last May against investment policies in the largest student demonstration since the Vietnam War. Campaigns have also been launched at Smith, Amherst, Princeton, Southern Illinois, Dartmouth, McAllister, Harvard, Yale and Bryn Mawr.

In Canada the campaign has spread to major national chartered banks that are said to have guaranteed as much as 60 per cent of the \$3 billion the South African government owes world-wide.

Some Canadian universities, like the Universities of Toronto and Victoria, own shares in banks, while most at least deal with one of the four major banks—the Royal, the Bank of Montreal, the Canadian Imperial Bank of Commerce and the Toronto-Dominion.

These banks loaned \$8 million to the South African ministry of finance in 1971, \$9 million a year later to the government-owned iron and steel corporation, and another \$2.5 million to another government firm. In 1976, when the apartheid government was officially bankrupt, Canadian banks came through as part of an international consortium to bail it out.

According to a spokesperson for church groups involved in the campaign against Canadian involvement in apartheid: "Bank loans at this time strengthen and back white minority rule . . . Canadian banks making such loans have become partners in apartheid, partners in South African racism."

Students are also withdrawing accounts from the banks and depositing their money in credit unions. Students associations at the Universities of Ottawa, Manitoba, Winnipeg, British Columbia, Saskatchewan and Toronto, the National Union of Students, the Ontario Federation of Students and Canadian University Press have all come out against the banks' support of apartheid. Some student unions have withdrawn funds from the banks and deposited their money in credit unions.

The student council president at one of the universities points out that the "complete denial of human rights in South Africa deserves our attention."

Another in Toronto explained its reasons for withdrawing funds from the Royal Bank: lending money to South Africa "can be of no service to the citizens of that country and no doubt, the funds will be used by the Vorster regime for more of its reprehensible policies."

But students and universities are only a small part of the opposition organizing against the bank loans. Non-governmental service organizations, like Canadian University Students Overseas, are involved organizing a larger scale protest by churches, community and labour groups and African diplomats in Canada.

According to a CUSO spokesperson, the campaign will include public demonstrations, letter writing to banks to protest their policies and withdrawal of bank accounts from the four banks.

He expects the campaign to reach its peak late in March.

## UBC investments criticised

VANCOUVER (CUP)—The University of British Columbia board of governors is coming under fire again for the university's indirect investments in Chile, home of a military dictatorship.

In a five-day crusade beginning Feb. 27 the committee for the Defence of Human Rights in Chile will ask students to sign a petition demanding the board state its opposition to the investments by Noranda Mines, a company in which UBC owns \$260,000 in shares.

About 500 people have already signed the petition which demands that the "UBC board of governors, in its capacity as shareholders of that company (Noranda), send a

representative to its next annual meeting (in May) in order to state its opposition to the investment or, alternatively, turn its proxy over to the Inter-Church Coalition."

Included in the week-long campaign will be films, lectures and presentations of Chilean music and culture.

Last April, another group named Project Chile approached UBC during its campaign against Noranda's plans to invest \$350 million in Chile. UBC owns 8,000 shares of Noranda.

With the support of the Anglican, Catholic, United and Lutheran churches, Project Chile asked the board to turn over its proxy to vote at Noranda's annual meeting last April.

The board refused the request and gave its votes instead to Noranda's management, which is backing the proposed investment in Chile.

## Bank transfer rejected

WINNIPEG (CUP)—Student council at the University of Manitoba Feb. 22 rejected a recommendation from its executive that it transfer its accounts from the Canadian Imperial Bank of Commerce to the campus credit union.

Two days earlier the student executive at the University of Winnipeg recommended that the council there not withdraw its accounts from the Royal Bank.

Both banks have loaned money to the apartheid government of South Africa and many student councils have withdrawn their accounts from the banks in protest.

When the Bank of Commerce was first established at the U of M the administration guaranteed it a

monopoly in banking on the campus despite there being a credit union on campus already. Some U of M student councillors said they feared the bank would attempt to enforce this guarantee and force the credit union off campus if the student council transferred its accounts. As well, some feared the bank would make student council repay a loan from the bank.

U of W student president Hart Schwartz said earlier the U of W student executive found that every bank it checked dealt in some ways with agencies of South Africa.

As well, he said, every credit union it examined dealt with the banks through term deposits or other means. On that basis, he said, it would be in the students' "best interests" to keep their accounts in the Royal.

The only real alternative, Schwartz said, is to keep the council's money in a sock.