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DIVESTMENT CAMPAIGNS

Bodies like the World Council of Churches and numerous corporate action groups on South Africa and Latin America have been placing steady pressure for six or seven years on banks and corporations to withdraw their investments in South Africa and Chile.

Fear of publicity, if not a sense of responsibility to suffering peoples, has spurred some degree of corporate reform.

The two largest Dutch banks decided in 1977 they will not loan any more funds to the South African government until apartheid is ended. In March 1978 the Midland Bank of England announced it would not make any general purpose loans to the South African Government. Six major American banks have qualified their loan policy, basically committing themselves to no more general purpose or balance of payment loans to the South African government.

In Canada the Royal Bank on March 31, 1978 stated it would not make any new loans to the government "under present circumstances", though it still owns 20% of the Orion Bank of London, England which continues to deal with South Africa.

After the U.N. Security Council passed a resolution calling for a mandatory arms

embargo on South Africa in November of 1977, the Canadian government announced it would seek to "phase out all government sponsored, commercially supported activities in South Africa". While the government adopted four measures to help achieve this end, groups such as Canadians Concerned about South Africa have criticized the government's actions as largely symbolic.

It came as no surprise that at the recent gathering of over 90 heads of state for the 6th Summit of the Movement of Non-aligned Nations, Canada was condemned as an "imperialist country" for its economic support of South Africa.

Divestment campaigns at universities have had mixed success.

In 1977 the University of Winnipeg declared it would refrain from investing in companies "which violate or frustrate the enforcement of rules of domestic or international law intended to protect individuals against deprivation of health, safety or basic freedoms." American institutions like the University of Massachusetts, Hampshire College and Smith College have adopted similar policies.

In February of this year the Board of Governors at McGill formed a standing committee on social responsibility in investments after they were presented with a petition containing over 3,000 protest-

ing McGill's holdings in South Africa.

At the University of British Columbia, however, when a committee for the defence of human rights in Chile asked UBC's Board of Governors to, at the very least, give its vote as a shareholder in Noranda Mines to a church group protesting the firm's support for Chilean dictator Augusto Pinochet, the board refused. Only under pressure from a student representative on the board did it finally pass a resolution of "regret" over human right violations in Chile.

DIVESTMENT CAMPAIGNS AT DALHOUSIE

Protests concerning Dalhousie's "blood money" have had little positive response from the Board of Governors, the university's governing body which determines its investment policies.

In 1974, Dr. Webster, a Dalhousie history professor who has lived for many years in southern Africa, and several students were allowed to attend a Board of Governor's meeting to protest Dalhousie's investment in a corporation working in Angola and South Africa.

Webster says he compared the investment to financing a house of prostitution for students—immoral and intolerable whether it was profitable or not.

Most of the Board remained quiet and seemed sympathetic, says Webster, except

for "real hard-line", —Frank Covert, a prominent Halifax lawyer who has since left the Board.

"He was like a bull in there and said it was none of the students' goddamn business where they invested."

Eventually, says Webster, it was decided to check the profit margin for the company in question and when it turned out to be exceptionally high that quashed any hope of divestment.

According to Webster, Covert was the director of an insurance company working in South Africa and "something obviously bothered him about the issue".

Covert subsequently carried on a correspondence with Webster, arguing that companies were justified working in South Africa.

Copies of these letters show Covert based a lot of his case on the "fact" that the whites were in South Africa first and, therefore, their system of government was somehow justified.

"I felt very discouraged about the whole thing", says Webster. Today, Dalhousie still invests in companies and banks operating in South Africa and Chile, to the tune of over \$22 million.

THE BOARD'S DILEMMAS

It is of course unfair to condemn Dalhousie's Board of Governors before one has appreciated the very difficult situation they are in.

Profits accruing from questionable investments they make go toward keeping down the price of tuition and paying for faculty, staff and university operating expenses.

As vice-president MacKay observes, it is difficult to buy shares in a company which does not invest in a country where some repression occurs. Further, he notes there would be some difficulty in establishing criteria by which the Board could base its decision to invest or not to invest in a company.

Edward J. Nichols, director of financial planning and secretary to the Board's investment committee says, "Students often want to have their cake and eat it too—they complain about the cost of tuition and then criticize where we make our investments."

But the indifference on behalf of some of the Board's members to these questions is harder to appreciate.

Donald McInnes, chairman of the Board of Governors and a member of the investment committee, refuses to make a statement about the investments.

"That matter has been ironed out by banks.

"You're digging up things passed around Canada several years ago. It's an old, old story", he said in a recent telephone interview.

"My first reaction would be, who the hell cares?" says Nichols. "I say let the whole thing roll."

The crux of the problem is that no one is looking at the repercussions of these investments.

Asked if the committee uses any human rights criteria in

making its investment decisions, Nichols says only financial criteria are considered.

"We stay out of the political scene."

He says he thinks that is the investment committee's mandate and that it amounts to "good management".

Meanwhile, MacKay says he is unaware of the activities of the companies the Board invests in and that they are a matter for the committee to judge.

Student council vice-president Graham Wells, a representative on the Board, says he has been working with other Board committees and never been involved in reviewing its investments. He says no one has ever raised political doubts about Dalhousie's investments during the time he has sat on the Board.

He does say, however, that he is "categorically opposed" to the human right violations in Chile and South Africa, though he is unsure about what action should be taken about it.

While it might be too much to expect the Board to immediately pull out the over \$18,000,000 it has indirectly invested in Chile and South Africa, they should be responsible enough to address the question of what their dollars are doing to the exploited, suffering people in the world.

One would hope they could formulate a policy like one suggested by Harvard's Committee on University Relations with Corporate Enterprise: "1. Harvard will not make investments which, according to information which has come to our attention and which we believe is reliable, support activities whose primary impact is contrary to fundamental and widely shared ethical principles. 2. Harvard will give due weight selecting among investment opportunities, making decisions to retain or sell securities, and voting corporate shares, to the extent to which, according to information which has come to our attention and which we believe is reliable, a business concern acts as a good citizen in the conduct of its business."

A committee made up of Board members, faculty and students could determine how this policy would be implemented by examining the political conditions in these countries, looking at the effects of possible economic boycotts, considering ways they can pressure companies to pay fair wages to their workers, and searching out profitable alternatives to investing in Alcan, Falconbridge and the like.

Mike Lynk, a Dalhousie Law student who was student council Community Affairs in 1974 and participated in the protest against the Board's investments that year, says what he learned from that experience is that only through "broad-based student support" is change in the Board's policy possible.

Hopefully either that student support will come or pangs of conscience will cause the Board to review their own decisions.

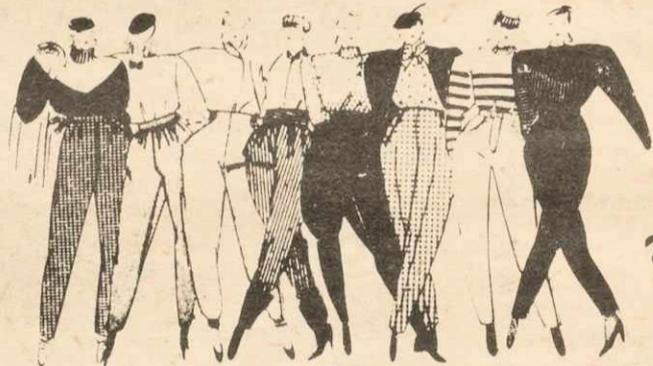
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