

# Anti-apartheid rhetoric cheap when action is possible

By GENE DESFOR

The response to W.W. Small, "Trustees' Diligent Work Misunderstood" in the March 20, 1986 issue of *Excalibur* is an artful dodge of the essential issues that are at stake in the current divestment effort at York. Despite the seven so-called "facts" that Small draws to our attention, he neglects the fundamental point that the Board of Trustees should and could have had the financial information it said was necessary prior to its March 5th meeting. The absence of this information was said to be the cause for delaying a divestment decision. Small describes the vast amount of material that was circulated to the Board, but fails to indicate why a basic financial analysis of the impact of divestment was not available. This failure to anticipate the essential elements of a situation seems to be a reoccurring theme for Small as he admits, "I regret that I did not anticipate the intense feelings of those waiting outside the meeting..." One must ask how is it possible that he did not anticipate those feelings, and in an identical manner how is it possible that he did not anticipate that the Board would want to know what the financial impact of divestment would be? When such obviously fundamental material is not made available one suspects that other motivations are at play.

It should be noted that as far back as November, 1985, the Board's Sub-Committee on Investment Performance began investigating the question of the impact of divestment on the Pension Fund. At that meeting the Fund managers reported on their investment considerations regarding South African linked corporations. I will summarize their statements as recorded in the minutes of that meeting. G. Kiddell from the firm of Gryphon Investment Counsel Inc. said the firm's policy is geared to

securing the highest return within reasonable risk. Hence, there was no interest in direct South African issues. In a gold-producing country, the South African mines were not attractive. L. Wickerson of Jarislowsky, Fraser & Co. Ltd. stated that his firm had considered the question of South African linked corporations with other clients, and the firm took the position of seeking to optimize the rate of return. In view of conditions in South Africa there was at present no direct involvement. He pointed out there were holdings in large multi-national corporations, where the South African business reflected a very insignificant portion of total business. M. Wiggan of Sceptre Investment Counsel said there was no direct investment in South African securities. In general his firm makes an effort to avoid any relationship with South African enterprises because of economic insecurity and the danger of loss.

It is clear that this sub-committee had begun a process that could have readily lead to the required information being made available long before the March 5th meeting. If as Small says, "The primary focus of the Trustees was on the adequacy of information available to make responsible decisions..." then I wonder why the work of this sub-committee was not brought to fruition.

While I believe that the performance of the Board's Chairperson, E. Kernaghan, after the March 5th meeting is largely responsible for the anger and intensified commitment of those who were present, the Board as a whole is accountable for the unanimous motions which it passed. Those resolutions provide the Board with a classic opportunity to delay and delay without ever taking any

decision on divestment. The rhetoric of abhorring apartheid is cheap when significant actions were possible. The investment managers could and should have reported long before March 5th, if the Board had wanted that information. The Board already had a legal opinion about divestment which was circulated prior to the March 5th meeting and the need to obtain another one after the financial analysis would be complete makes no sense. A legal opinion does not depend on financial impact; consequently, even if additional legal opinions are sought there is no need to wait for the financial analysis.

I believe that a direct reply to Small's misleading article is necessary, but of greater importance is the understanding of why York University's Pension Fund should be divested of holdings in corporations investing in South Africa. These Pension Fund holdings form part of the foreign investments in South Africa that support the apartheid policies of the government. The subjugation of the black majority to the white minority under apartheid could not be maintained without the suppression of legitimate dissent, brutal repression, and outright violence. Much of South Africa's most repressive legislation was imposed over the past two decades, a period which witnessed a massive upsurge in foreign investment. The Task Force on Churches and Corporate

Responsibility observed that, "A spectacular increase in the rate of economic growth and the increase of foreign investment have coincided with a continually increasing repression of blacks." (TCCR, Investment in Oppression, 1979)

There is no evidence to support the contention that foreign investment has served as an instrument for social change in South Africa. On the contrary, the record of the past twenty years clearly shows that foreign investment, rather than liberalizing apartheid, has in fact, bolstered it. In the words of the US Senate Subcommittee on Africa (1978), "The net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's apartheid regime." It does so in a number of ways:

First, it brings in the capital South Africa needs to offset its chronic balance of payments deficit. In this regard, the Western banking system has been crucial to the regime's survival.

Second, foreign companies bring in a particular type of capital providing the apartheid system with the sophisticated technology and equipment necessary for its efficiency and survival.

Third, foreign investment has been instrumental in propelling South Africa towards economic self-sufficiency, making the regime less susceptible to international eco-

conomic sanctions. Private capital came to the rescue of the apartheid regime after the horror of the Sharpsville massacre. In the aftermath of that tragedy business confidence had been so badly shaken that South Africa experienced a tremendous flight of capital. In 1960-61 the net outflow of private capital amount to \$194 million and new foreign investment came to a standstill. American banks, together with the IMF and the World Bank stepped in to save the regime from financial collapse by pouring in over \$150 million in loans. Massive foreign investment resumed, ensuring the viability of the apartheid system and neutralizing any internal or external pressure on the government. According to Renate Prate Co-ordinator for the Task Force on the Churches and Corporate Responsibility, there is no record of foreign corporations or banks claiming at that time that their presence in South Africa would bring beneficial change.

In summary, divestment is a peaceful way of bringing about meaningful social change in South Africa.

The York University Divestment Committee calls upon the Pension Fund Board of Trustees to schedule its next meeting by April 11, 1986 as a demonstration of its good faith and to operationalize its abhorrence of the South African Government's apartheid policy.

## End Zone: A recipe for a successful, fulfilling life

By MARTIN ZARNETT

involved in some non-academic activity. Be it political, social, employment, religious or athletic, your outside activity will show you that school does not begin and end in your lecture hall.

### Appreciate your Academics

Of course, the reason you go to school is for school.

In my first year, like many students, I was only interested in the end result; my grades. I cared little for the course material. By November, I realized that one of the reasons that I disliked school was because I was overly end-result oriented.

My philosophy changed mid-way through first year. I began to strive for knowledge and not marks. I enjoyed studying and I did better. I had found another secret of doing well.

The other thing I did was to take what I wanted not what was going to get me a job. I took a college tutorial instead of statistics in my second year. I took courses with professors who were interesting. The Zone took courses for the sake of enjoyment.

### Don't Waste Time

In my first year I also wasted a lot of my time. Most of that time was wasted worrying about my grades. So in my second term I stopped worrying and started working.

Let's face it, you only live once. University is not the place to spin your wheels. If you want to sleep in every day until 2 o'clock in the afternoon, University is not for you. Don't waste your time at York. Because whether you are here for 3 years or 30, you must live each day, and at its conclusion be able to say to yourself, "I have not wasted this day."

Many people look back and say—I had great times at University, I wish I would have known that when I was there. Make sure that you

know now that your days at University are great. The lifestyle which you lead now will not be easy to duplicate once you leave the halls of York, unless, of course, you become a professor.

### The "End" End Zone

I am very fortunate. The Zone is just one of thousands of graduating students this year, yet I have the opportunity to put my thoughts and feelings of my years down in print. York is an excellent University. It is what you make of it. Remember, a University is only the sum of its parts.

This year I was given the opportunity to air my views on a variety of topics. I hope that you enjoyed some of those articles. I had planned to do more pieces but I found 1) many of the things I planned to write about were no longer issues by the time I was to put pen to paper, and 2) the stories that I planned to do were just not all that important in the general scheme of life.

For example, I planned to write a story entitled—"Why should we pay to park on farmland"—a scathing expose on parking at York University, around the time of Remembrance Day last year. But when I was about to write it I was more interested in writing how we as Canadians should remember the sacrifices of thousands of Canadians who died defending Canada and our way of life. Parking at York University didn't seem all that important. It's easy to get caught up in trivial matters.

You may think that I am full of it or you may not have reached this point. But if you did I hope you appreciate some of the points which I have raised. This is not my typical zone but perhaps it is the most important one. If I have helped one or two people—my year of the Zone has been a success. Your years at University, and ultimately in life are only as good as you make them.



**KING OF THE WILD FRONTIER:** Famous trapper Marty Zarnett gives his audience some survival tips in his last offering. He says "Don't waste your time." So don't.

For the past 5 years the Zone has been a student at York University. My first two years were spent in the Faculty of Arts, while my last 3 were spent in the Law Faculty. These have very good years for the Zone. As in anything there were times that the Zone did not want to be in school. But overall, University has been an experience that has enriched my life.

I know what you are probably saying to yourself; I don't need another tearjerker of a story, especially from the Zone. Read on, because I hope what is to follow is not a summary of my years at York but some thoughts that will allow you to appreciate your years at University more fully.

My first term at York was not enjoyable. I didn't like my classes. I didn't like the size of my classes. I wasn't involved in any activities outside of my classes. I came to school in the morning and left in the afternoon. By November of that school year, I was ready to quit. By the end of that same year I loved school and could not wait to return in September. Somewhere between November and April of my first year I learned to appreciate school.

### Get Involved in Extra-Curricular Activities

Here's how I did it. Firstly, I got involved. I got involved in extra-curricular activities. My activity in first year was my involvement in the Faculty of Arts Council. I then became involved in Senate, the Board of Governors and lastly in *Excalibur*.

The details of my involvement in these activities is not particularly important. Suffice it to say that I came into contact with all types of people; some good and some not so good. These activities showed me a different part of life, a part which could not be taught or learned in the classroom.

I encourage everyone to become