

# Reactions to Pension Fund Board of Trustees Meeting

## Board of Trustees chairman Kernaghan offered patronizing and jumbled responses

By GENE DESFOR  
and DAVID HIMBARA

The Pension Fund's Board of Trustees met on March 5th with divestment at York on the Agenda. At that meeting, the Board, apparently, did not even consider the motion of the All University Pension Committee (AUPC) proposing that the Fund be divested of all holdings in corporations investing in South Africa. This indifference to the expressed interests of the Pension Fund beneficiaries is difficult to understand. Not only does the AUPC have representatives from all members in the Pension Fund, but the Board's own subcommittee (the Sub-committee on Investment Performance) had specifically requested the AUPC's advice about divestment. Additionally, it should be recalled, YUFA, YUSA, the Osgoode Hall Faculty Association, as well as President Harry Arthurs all endorsed the divestment motion. These unions and the association comprise over 85% of the membership in the Fund. We would like to know what is going on with the Board of Trustees. Do they think they can totally disregard the expressed desire of the beneficiaries?

The Chairman of the Board of Trustees, E.J. KERNAGHAN was quoted in *Excalibur* on February 27th (only five days prior to the March 5th meeting) as saying he was

not aware of the AUPC motion and had not seen it. The AUPC motion had been passed at a meeting which occurred a full 36 days prior to Kernaghan's quotation appearing in *Excalibur*. What kind of Pension Fund Trustees do we have at York; are they not even aware of critical motions being passed expressing the interests of the beneficiaries? Or, is it possible that Kernaghan was being disingenuous? If so, what was he trying to accomplish?

Kernaghan's performance after the March 5th Board of Trustees meeting inspired utter disbelief and seemed to confirm all the suspicions that arose from his earlier actions. The Board members had apparently agreed that Kernaghan would provide a statement following its meeting. To the shock and amazement of those who had gathered for a peaceful vigil outside the meeting, Kernaghan emerged without a word only to walk away. The demonstrators quickly ran after him, blocked his exit and asked what had happened during the meeting. In the next half-hour or so Kernaghan would not, or could not, answer forthrightly a single question. If we are to believe his jumbled, inarticulate, and patronizing responses, the Board of Trustees took more than two hours to decide that they abhorred apartheid and needed more information before they could decide about divestment at York.

Kernaghan obfuscated about the kind of legal and financial information that seemed to be needed. At one point his intentions were revealed when he said that the next Board meeting would be in June, only to be corrected by the Secretary of the Board who said that the Trustees would be acting expeditiously to gather the information and would have a meeting as soon as possible. Although repeatedly questioned, Kernaghan did not provide any information about why the Board did not consider the AUPC's motion, nor would he say whether any other motions on divestment were introduced or debated at the meeting.

The Board should be aware that the insulting and offensive manner with which Kernaghan dealt with the participants of the peaceful vigil has heightened our resolve to have the Pension Fund divested of South African linked corporations. They should know that every participant in the peaceful vigil who listened to the abhorrent manner that the Chairman responded to questions has become even more committed and energized to do battle against those who collaborate with apartheid.

We believe that the Board has violated the good-will among all interests and destroyed the unity of purpose that characterized the earlier phase of the divestment campaign at York.

they must proceed "prudently" in the months ahead! If only they know that South Africa proceeds "prudently" on a daily basis to kill, maim, imprison and exploit the non-white majority! If only they care to admit that no one except a cynic needs expert research to know that a bullet through the heart kills *instantly* and that by continued investments in South Africa, the board of trustees is forcing York against our moral will to continue to buy and supply the racist regime bullets for wiping out those who must say NO! to fascism! And do you know that after the meeting the board chairman E.J. Kernaghan and the not so small Secretary W.W. Small did not have the smallest courtesy to talk to delegates from York university on peaceful vigil of solidarity and anticipation? They ignored the professors, staff and students who had come to hear their vote. They had to be chased and begged to talk to those who employ them to be trustees.

We all know that it is money that is at stake. And when it comes to money—millions—private capitalists know where to pitch their tent. Every other consideration is a deliberate mystification to delay any positive action that says *morality before monetary prudence*. If the trustees are saying they are not obliged to their beneficiaries, we are not surprised because they are obliged to a higher god—the god of profit and accumulation. And if they say there are legal and economic issues involved, we also know where they are coming from. YSMAA believes that the progressive forces at York will have the moral courage and academic integrity to resist these obvious manoeuvres and go boldly ahead (not like the shame-faced U of T), but like McGill University to divest. And this must be soon before people make up their minds that York harbors liars, hypocrites, and accomplices of apartheid in truth.

YSMAA is convinced more than ever before, that the struggle has just begun. In the meantime, we salute all supporters of justice and liberty here at York, especially *Excalibur* for responsibly highlighting the issues that will make or mar York's integrity.



Participants of the peaceful vigil at Glendon last week.

## Trustees betray trust

By GARY HACKENBECK

On March 5 of this year, a group of students and faculty gathered outside the Glendon College committee room. I don't know how many of us there were—enough to effectively congest the immediate area in any case.

We were there for some three hours. Some sang. Some danced. But we all hoped. We hoped that the Board of Trustees deliberating inside would decide to finally once and for all, divest the York Pension Fund from all companies originating in, or "doing business" with the South Africa of Apartheid, Emergency Laws, Sharpesville and P.W. Botha.

We hoped, because we knew that the principle beneficiaries of (and contributors to) the Fund, the staff and faculty represented by YUSA and YUFA respectively, had made their divestment wishes well-known. We hoped, because we had heard York President Harry Arthurs speak publicly, at convocation, against apartheid, and proclaim his support for the aims of the York Student Movement Against Apartheid. Finally we hoped, because we (most of us) believed the members of the Board of Trustees to be men and women of honor and principle, surely unable to ignore the fundamental injustice of apartheid, and unable to bear the blood of its victims on their hands any longer.

As the members of the Board began to leave their meeting in small groups, our hopes seemed well-placed. The members refused official comment, deferring instead to the chairman, still inside. This caused no dismay, indeed if the Board had voted to divest, we would not deny its leader the honor of passing on the glad tidings himself. The signs seemed positive. Most of the Board members smiled and waved at us. One, after refusing to give a yes or a no in the response to the question, "Should we at least be smiling?" said, "Well, I'm smiling." Another member told us that, "It'll take a little time." Most of us presumed that to mean that divestment was now policy, but that the logistics of implementation might take a few weeks.

I doubt that any of us were cynical enough to anticipate the farce that was being played out. After two especially distinguished gentlemen left without a word, it occurred to us by this time that a *great number* of people had passed by us. I looked into the committee room. It was empty! We had been quite plainly lied to. Not only was the chairman of the "Trustees" not going to address us, as his fellow board members had stated, but he was now attempting to slink away, without even the courage to even acknowledge our presence, and address our concerns.

I've been at York too long to not be cynical about the degree of social or tactical deftness inhabiting the rarified heights of the York Administration, especially its various boards. But even I was astonished by the performance we were subjected to. We were told that the board had determined the necessity of seeking

further advice on certain questions, and that they hoped to have this information in hand before the next scheduled meeting in June. In June! Having seen our two friends sidestep the political, intellectual, social, and moral issue, I thought that they might at least be able to *understand* financial dimension of the question. I suggested that were there to be a full-scale revolution in South Africa (a probability), and were the African National Congress to emerge victorious (a certainty), then perhaps the possession of stock in corporations which depend on South African slave labor for their profits, might not prove to be the most inspired of investment decisions. By way of analogy, I reminded Mr. Kernaghan, that the more farsighted pension funds in 1917 would not have been carrying overly large portfolios of Imperial Russian Railway Bonds.

I honestly believed that our friends would understand the analogy (or even what an analogy is). I apologize. Mr. Kernaghan's colleague fairly leaped into the breach, pointing out to me that my information was "outdated," and that the Fund no longer had South African bonds. I must heartily congratulate the board on the courage and foresight it demonstrated in selling-off bonds issued by a regime condemned by the United Nations more than 20 years before York University was even created. When did the Fund unload the last of its I.G. Farben stock? However, I would like to suggest to the board that stock in DeBoers Consolidated Mines (\$250,000 of which the Fund acquired late in 1984) is as near to a share in the Botha regime as one can get. Diamonds may be forever, but DeBoers decidedly is not.

On March 5 at Glendon College, the members of the York Board of Trustees had an ideal opportunity to demonstrate their responsibility, integrity, foresight, honesty and intelligence. To those who were there that day, the board members failed, on all counts. They failed by not responding in accordance with the expressed desires of the Fund's beneficiaries, President Arthurs, the York community at large, and all those who are revolted by the existence of a regime which condemns the overwhelming majority of its subjects (for they are not considered citizens) to helpless, hopeless bondage, on no other grounds than their pigmentation. Further, the board failed to provide even the shadow of a thorough justification for its outrageous, even criminal, non-decision. Indeed, the board members attempted to sneak away from the necessity to even attempt such a justification.

All facets of the issue, political, moral, social and financial, point to divestment as the only reasonable, thoughtful and just option. Only the current members of the Board of Trustees stand in the way. If they will not act now to remove the South African blood from the hands of the Fund's beneficiaries, then they must stand aside. They have betrayed the trust placed in them, and now they must resign.

## York must not be hypocritical in struggle against apartheid

By ESIRI DAFIEWHARE

What happened at the York University Pensions' Board of Trustees meeting signals a new chapter in the history of this university. It may not have hit home yet that for us all there is more at stake than the hypothetical 'Prudence' of trustees. There is more at stake than the legal and economic implications and analyses that paid experts are wont to giving. There is more at stake than the profit from blood-money which continued investments in South Africa might be yielding.

Whether we like to hear it or not, South African investments insofar as they bankroll apartheid, *ONLY* yields blood-money. And the crime of accumulating blood-money is big enough, even bigger than any university worth its name would want to be associated with. In our case it is much worse because the fear now is not only that York is behind held back from divesting after all expert advice and over 80 percent of York pensions' beneficiaries have sanctioned a motion for divestment, but that soon York will lose face, lose its integrity and dedication to academic excellence and the noble ideals of human rights, freedom, equality, justice and truth (all these are entrenched in the charter establishing a great university now at the crossroads). More damaging, York will come out clearly as an amorphous institution where hypocrisy is master. Hypocrisy and outright discrepancies between words and actions, between noble declarations in public and dubious policies in the secret chambers of high-profile executive meetings like that of the board of trustees; an almost immoral hypocrisy and insensitivity to the contradictions inherent in awarding an honorary degree to Walter Sisulu (incarcerated in South African jail for opposing apartheid) and at the same time investing and financing the same system that imprisons and exterminates those who demand liberty and fundamental democratic justice to all individuals without regards to race, creed or sex.

The issues at stake are as straightforward and grave as these and more because we all are watching those whose grand ploy is to turn back the hands of the clock and keep York still as accomplice to the "crime against humanity," to genocide.

When the board of trustees met on the 5th of March, the members were asked by 80 percent of beneficiaries of York pension fund to vote on a motion sponsored by the All University's Pension's Committee that York should divest, within a year, of all its holdings in apartheid South Africa. The whole university as represented by the AUPC had legal and economic advice and also agreed that York must divest. Even the president himself, Harry Arthurs, has strongly proposed divestment! (Who else would you expect to voice the representative position of York?)

But what happens when the trustees gather? They side-track the explicit motion which was a mandate from York. They decide on two side-issues—they *unanimously* abhor apartheid! Who has not heard that before? If they had not heard and condemned apartheid before March 5th, 1986, they should be ashamed and even resign for their callous indifference to human life! Did not York University openly and *unanimously* abhor and condemn apartheid last spring and go boldly ahead to honor one of the leading fighters against the system that values the rand and the dollar more than human blood? Someone ought to remind these trustees that they cannot hold York University to ransom and to a standstill of moral betrayal. Someone ought to tell them that York had long gone beyond making fine moving speeches condemning apartheid with tongues in the cheeks that grow ruddy from South African wines! Someone ought to remind them that York employed them in the first instance, and if they must mess up the integrity and credibility of York, the progressive forces at York have the legal and moral right and responsibility to demand that they be sacked!

Secondly they equivocate that