S. African rally held

By Kenneth Hamilton

"The Sullivan Principles are a backward movement," declared Professor Willard Johnson at a rally Friday evening to demonstrate the steps of the Student Center. The rally promoted MIT's investment in corporations doing business in South Africa.

If all American corporations in South Africa were to adopt the Sullivan Principles, only 1.5% of the labor force would be affected," said Johnson. "American corporations could not make much of a difference without an enormous expansion in South Africa, and that would be a step in the wrong direction. American banks and corporations continue (however) to supply South Africa with high technology, loans, and capital investment. In our society the Sullivan Principles would be illegal and irrelevant (to black oppression in South Africa)."

The Sullivan Principles form an act of corporations that seek to promote racial equality in South Africa. The rally was sponsored by the MIT-Weisley Coalition Against Apartheid. The speakers included Professor Willard Johnson of MIT, Sheryl Streteh '80 from the Black Student Union, Greg Williams, and Thamba Vilakazi.

"Why do we ask MIT to literally divorce us from certain corporations," asked Johnson. "Because investment in these corporations is an act of association."

Johnson argued that "this association supports the regime of Apartheid. The speakers included Association for Research and Personnel, and approved by Chancellor Paul Gray '54.

"Spacewar" computer game is demonstrated to a young visitor to the Joint Computer Facility during Tuesday night. (Please turn to page 1978, MIT will make loans to students only if the loans are guaranteed by the federal government or co-signed by a "credit-worthy" third party.

This and other changes in the Institute's loan policy were made on the recommendation of the Ad Hoc Committee on Student Loan Policy, headed by John M. Wynne, Vice-President for Administration and Personnel, and approved by Chancellor Paul Gray '54.

Loans will only need to be co-signed when a student borrows beyond the limits of the National Direct Student Loan (NSDL) or the Federal Insured Student Loan (FISL) programs, and only for the amount not covered by these programs. The co-signer for the student's loan is considered "credit-worthy" if he lives in the United States or Canada and can provide evidence that he will be in a reasonable financial position during the repayment period of the loan.

The majority of loans made to US students by MIT are covered by the federal programs, so only two percent of the undergraduate and five percent of the graduate students will be affected by the policy change.

Foreign students, however, are ineligible for the government loan programs and may have difficulties finding suitable co-signers for loans. As a result MIT is establishing an International Student Loan Fund, financed by MIT allocations and outside contributions.

Foreign undergraduates will be able to borrow money under this program to meet the self-help portion of their financial aid package. Foreigners can borrow all of the self-help, up to $2,500, while US residents are expected to raise part of it through term employment, co-signed loans, etc.

Non-US graduate students will be the group most affected by the loan policy changes. First-year students will no longer be able to include MIT loans on their visa applications along with their expected departmental support, and others will only be able to get MIT loans if they are properly co-signed.

The policy changes are part of a continuing effort by MIT to place its loan program on a sounder financial base. The committee has found that the demand for student loans is rising at a rate of 17 percent a year, and to meet this demand MIT has been borrowing about $5 million in short-term bank loans.

The amount MIT is borrowing from commercial banks is increasing at about $1.6 million per year. The prime interest rate is currently eight percent and MIT while student loans carry a seven percent interest rate, representing a constant drain on the loan program's resources.

By Jordana Kallman

Beginning Fall Term 1978, MIT will make loans to students only if the loans are guaranteed by the federal government or co-signed by a "credit-worthy" third party.

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