Alumni start S. African fund

By Andrew L. Fish
A group of MIT alumni has estab-
lished a trust fund designed to
pressure MIT to divest itself of its
holdings in companies doing business
in South Africa. Since its inception five
years ago, the Alumni Divestment
Fund for South Africa has raised
$100,000 for a South Africa divest-
ment campaign. Pattie Johnson, a
member of the fund, said that
"the fund will [be] effective after
several years, and there will be
many people in the future who
will see the value of divestiture.
Fund activity may help bring
South Africa to its knees [and]
push it out of the world economy.
"The fund should cause the ad-
ministration to be concerned
that alumni will stop giving to
MIT," Johnson added.

The fund has already
received $28,000 from MIT
alumni, including Ray K.
Johnson '62, and will receive
$4,000 from the donation
by a corporation composed of
former residents, organized to
hold title to the house when
the fraternity chapter bought it.
In 1983, around 58 percent of
MIT undergraduates received
aid through the Undergraduate
Office of Financial Aid. This
number has steadily dropped since
then, falling to 40 percent in
1989. Leonard V. Gallagher '54,
director of student financial aid.
In 1983, around 58 percent of
MIT undergraduates received
aid through the Undergraduate
Office of Financial Aid. This
number has steadily dropped since
then, falling to 40 percent in
1989. Gallagher attributed this trend
to the tax reform, which, he
told, "has increased the tax
burden on most people."

"The message must be sent that
the campaign is not a fund
raising effort, but a tax evasion
effort," Gallagher added.

Additional taxes on students
and their families have increased
the cost of educational
expenses, Gallagher pointed
out. "The impact of the tax
reform act on undergraduate
financial aid is difficult to forecast,
"Gallagher said. Additionally, the amount
of charitable contributions to the
Institute may decrease as a result
of the reduced financial incentive
for giving. "The current tax law does not
favor the wealthy," Gallagher said.

"Scholarships that total less
than tuition plus supplies will not
be taxed," Gallagher explained.
"Very, very few MIT undergraduate
students have scholarships that exceed
tuition plus supplies."

The federal tax reform act also has
an effect on financial aid recipients,
"Gallagher said. They may consider
taking out home equity loans instead,
but the interest on these loans
will not be tax deductible.

The effects of the tax reform act on
undergraduate financial aid
are difficult to forecast, according
to Gallagher. "The movement must now
begin to change its tactics," he
said. "We have to be more
creative in terms of finding
funds to help MIT students."

The movement must now
begin to change its tactics," he
said. "We have to be more
creative in terms of finding
funds to help MIT students."

Gallagher also suggested that
the movement should consider
organizing a direct mail campaign
to bring pressure to bear on the
administration.

The movement must now
begin to change its tactics," he
said. "We have to be more
creative in terms of finding
funds to help MIT students."

Gallagher also suggested that
the movement should consider
organizing a direct mail campaign
to bring pressure to bear on the
administration.