Divestment is inappropriate and inadvisable

(Editors' note: The Tech re-prints this letter, which appeared in the Spring 1985 issue of The Tech, in response to your letter.)

To the Members of the Coalition:

I am writing in response to your letter ("Coalition is tired of waiting for actions," March 25) concerning the governing board of the Institute of members of corporations that operate in South Africa and asking that the MIT community be involved more directly in the formulation of investment policy.

While this response expresses my own views and judgments and has not been discussed specifically with the MIT Corporation, I believe it reflects the judgments of the Executive Committee of the Corporation, as well as the views of many Corporation members.

Let me begin with the question of divestment. There are two principal reasons that lead me to conclude that such a step is inappropriate and ineffective.

First, while, for many people, dialogue and confrontation have an intrinsic moral value as a means of expressing abhorrence of apartheid, I believe there are few if any examples of such events leading to significant changes in the nature of influencing events.

Second, divestment appears to be based on two premises:

1) That divestment by shareholders will cause US corporations to reconsider their position in South Africa.

2) That divestment will bring pressure on the South African government to eliminate apartheid.

To date, there seems to be no evidence that either of these premises hold true. Very few of the corporations under discussion have a major stake in their South African operations; for most, operations of a small, occasional nature, there are no significant prices of management judgments about their presence in South Africa.

My conversations with the chief executives of several of the corporations have convinced me that divestment by MIT will have no tangible impact, will influence their future in次要的 functions in South Africa. (Purchase restrictions or boycotts are another subject.) Further, any move toward divestment is likely to cause a transfer of assets to a South African or other foreign owner on-site sales and to facilitate the acquisition of such alter-

cative, non-US suppliers.

Regardless of the position of Sept. 15 support these observations. A number of subsidiaries will be sold to new owners, most of whom are South Africans; but the US suppliers, both European and Far Eastern, will continue at fairly high prices in many markets. Such changes have neither weakened nor strengthened the black ma-

To provide evidence that there have been some measure of the effective ness of divestment as a tactic, I would like to know about.

Beyond the question of wheth er divestment has any practical impact lies the question of the impact that divestment, were it to occur, would have on the people, the social fabric, and the fu-

ture of South Africa. I recognize that responses to this question are in the absence of the MIT Corporation. There are a few facts to be addressed, and I recognize that your opinions differ depending on your views of the facts of the situation. I call your at-

tention to the opinion of Helen Hoffman Brown, a member of the South African Parliament since 1983 and a courageous and outspoken critic of apartheid.

While no man can open the eyes of the public about the mitigation of their own citizens, I would like to know about their views and positions. Of particular utility to the MIT Corporation, I call your attention to the members of the MIT Corporation, of the views held by those who are at the MIT and as part of being in-

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