

UC Office of the President

Working with University Constituencies, Within and Without

Title

Statement on the University Investment Policy, Regents' meeting, San Francisco, California

Permalink

<https://escholarship.org/uc/item/520920s6>

Author

Gardner, David P.

Publication Date

1985-06-01

Copyright Information

This work is made available under the terms of a Creative Commons Attribution-NonCommercial-NoDerivatives License, available at <https://creativecommons.org/licenses/by-nc-nd/4.0/>

STATEMENT ON UNIVERSITY INVESTMENT POLICY

David P. Gardner Regents' Meeting June 21, 1985
President, University of California San Francisco

This morning we shall be considering issues associated with University of California investments in companies doing business in the Republic of South Africa.

The disposition of these holdings--that is, whether to sell them or to keep them, and under what conditions and circumstances to sell them or to keep them--will be the focus of our discussion this morning, as will be the policies and practices of apartheid in South Africa which such investment action is intended to influence.

The issue of divestment possesses moral, economic, and political significance; affects The Regents' policy on investments, and, therefore, their fiduciary duty; influences the University's pension and endowment funds; and raises questions about the role and character of a state-supported university and the range of authority that may properly be exercised in the name of the institution by its governing board.

Since January of this year, when The Regents voted to review their current policy on University investments in companies doing business in South Africa, members of the Board have endeavored to

inform themselves as fully as possible, not only about the issue itself, but also about the opinions held by interested parties. The Regents have attempted to do so in as open and thorough a fashion as possible. I have deeply appreciated the seriousness of purpose and the genuineness of motive that have animated and guided the members of this Board these past five months as they have listened to a broad spectrum of opinions and read about, considered, discussed and debated every facet of this issue.

Members of the University community who have come to possess deeply held, albeit conflicting, views on this issue have urged The Regents to see the matter their way; and, with few exceptions, they have done so in ways consistent both with the law and with University policies. Some who have participated in this debate have tended to observe both the law and UC policies with less regard and respect, but have for the most part behaved nonviolently even when engaged in acts of civil disobedience. Their views have also been taken into account. Those who have not protested or demonstrated, but have shared their opinions with The Regents in more conventional ways, have also been heard and their views welcomed.

One can criticize how this debate has been carried on within the University, for it has not infrequently taken on more of a political or coercive character than a reasoned and analytical quality. However, one should not fault, in my opinion, the concern for social progress and the cause of individual and

personal freedom that has activated and enlivened student, faculty, and staff opinions in recent months. People do care deeply about this issue.

The University, of course, must also be cognizant of and sensitive to its own traditions, customs, and purposes. The issues before the Board this morning encompass more than the injustices of apartheid, divestment of the University's interest in companies doing business in South Africa, fiduciary duty, investment options and legalisms; they also reflect a dispute about the nature of the University itself and how it is to respond to injustices in the larger society.

The University of California, like all universities in America, is committed to the established values of academic life: patient inquiry; the sequential development of ideas; the emphasis on reasoned discussion and criticism; and the continued reference to evidence. These values affirm the University's faith in intelligence and knowledge and its obligation to ensure the conditions for their free exercise. Ideas are to be welcomed, exchanged, critically examined, freely debated, and respected.

These values are the means by which the cause of truth is carried forward. They are the values that distinguish the university from governments, churches, business and other institutions, parties, groups, and associations in our society. They form the core of the enterprise and the basis of whatever respect and

freedom the university can hope to command from the larger society. They should be nurtured and protected, not contravened; and these values stand in contrast to economic sanctions, boycotts, institutional pressuring, and similar means of effecting change which are more coercive than they are reasoned expressions of the human will.

I believe that we as Regents should not permit the University to be used in support of one particular set of political views. This principle would be perfectly clear if, as a Board, we were to support a candidate for public office or lend our support or opposition to a partisan political position or apply political or religious tests when appointing members of the University's faculty and staff, admitting students, or selecting University officers; the principle also applies to the issue before us. Moreover, we were not elected nor appointed as Regents to make public policy on a wide range of public issues. We have, on the contrary, a rather narrow charge, and that is to exercise ultimate authority and to bear ultimate responsibility for the University of California, an institution for the advancement of learning and teaching in all its forms. Our steady concern is and ought to be the welfare of the University and the cause it represents. And in the management of the University's funds, we have a fiduciary responsibility, characteristic of trustees, to manage those funds prudently and in the service of the activities and purposes of the institution we are honor bound to serve. But it is also proper that a university should speak for, and embody,

the values of freedom, justice, and racial equality; and it is right that The Regents express our common detestation of political and racial oppression wherever it may exist. It is right that we do so because such practices are a threat to free universities everywhere and because they constrain rather than liberate the human spirit, the informing and freeing of which form the most basic of the university's purposes.

One is tempted, at this point, to advance the arguments for and against divestiture, taking each and according it a thorough analysis. The Regents have had this done for them by those who have been pressing their views upon the Board in recent months. I cannot helpfully add to this mass of material or to the data that have been advanced in support of the conclusions reached, other than to say that I share essentially the same view of the matter as do many of my colleagues. I refer you to the widely circulated statements of Derek Bok, President of Harvard, and of William Bowen, President of Princeton.

What is clear, however, is that reasonable, informed, judicious, and sincere people disagree about divestment. There is no unanimity on that question, as there is not on other political questions, even where the ends are shared. Members of the Board, and all persons of good will, do not disagree about the evils of apartheid. All condemn apartheid; none defends it. Apartheid is an offense to the precepts upon which our own society rests; and I know of no party to this debate who would excuse, defend, or

otherwise justify it. For some, the issue of apartheid and the action of divestment are inseparable. I do not share that view.

For my part, I am simply not persuaded that the selling of UC-held stocks and bonds of companies doing business in South Africa would accomplish much more than a change in ownership of the shares to be sold. It would surely not end apartheid, nor in my opinion, improve the well-being of non-white South Africans. Our opposition to apartheid and the injustices it represents is better expressed in other ways. Our standards for corporate citizenship of UC-held companies doing business in South Africa can be pursued with effect only if we remain shareholders in such companies. Our desire to advance the cause of human freedom and economic enfranchisement in South Africa can be better advanced by remaining involved than by disengaging. Our actions should be calculated to help, not to harm, the gains made by non-white South Africans in recent years, however modest those gains may be. Our decisions should accord with the educational purposes of this University and not contravene them. Our debate over these issues should also take account of the deeply held but conflicting views of members of the University community, including members of this Board, and the public generally. These opinions are sincerely held and should be respected, especially so when debated and challenged here this morning.

The resolution I now put before you is for the most part self-explanatory. In its preparation, I have had the advice of

persons representing a broad spectrum of opinion within the University community, including members of the University's faculty, staff and student body. I have consulted with the Chancellors of the University, the University's Vice Presidents, and other officers of the University. I have had the opinions of the General Counsel and the Treasurer of The Regents. Members of the California State Legislature, alumni of the University, friends of and donors to the University, business and labor organizations, and literally thousands of Californians and persons throughout the country have also offered their opinions and stated their views. I have taken account of this advice and these views but do not attribute to any other person responsibility for the resolution I am proposing for your consideration this morning.

What I am proposing is a policy fitted to a university interested in the corporate conduct of companies in which it invests. It is not a policy for divestment, although it makes provision for selling stock and for refusing to invest in companies doing business in South Africa that fail to meet a presumptive standard of good corporate citizenship. It is a policy of selective investment as well as one of selective divestment. It institutionalizes and enhances The Regents' capacity to consider good corporate citizenship and to take into account the social and moral concerns of the University community in making UC investments.

The Academic Council of the University of California encouraged The Regents to support an "active and principled American presence in South Africa." This resolution responds to the spirit of that recommendation.

I recommend that The Regents of the University of California adopt the resolution I am presenting this morning.