

IN THE NATION

University won't sell stock

By John Fleming

CHICAGO

UNIVERSITY OF CHICAGO trustees have firmly refused, after three months of steady debate on campus, to change, or even re-examine, their investment policy in regard to corporations that do business in South Africa. That policy, they say, is "to earn as much money for the university as possible." In fact, according to one trustee, the university "has a duty to invest in South Africa if it means a higher rate of return."

The trustees, who govern a largely white school that stands like a Gothic fortress in the middle of Chicago's black ghetto, also have refused to consider a petition signed by over 1,500 students asking the university to sell its holdings in companies active in South Africa. The trustees dismissed the petition and the ongoing campus debate as "much ado about nothing."

The resistance of the trustees to the protest is no surprise. Twenty-three of the University of Chicago's 55 trustees are directors of corporations with operations in South Africa; ten trustees direct banks that make loans to the South African government.

A close relationship also exists between the university and Continental Illinois Corporation, a banking firm with strong South African connections. (Continental has made loans to South Africa's government steel agency, ISCOR, for the construction of steel mills and furnaces, and the bank also sells the South African Kruggerand, a gold coin.)

The university holds \$2.4 million in Continental stock; it's also a major depositor of the bank. Six of Continental's 20 board members are university trustees. In a classic example of interlocking directorships Continental chairman Roger Anderson is a university trustee, and university chairman Robert Reneker is a Continental director.

The university now owns securities in 31 American companies active in South Africa. Its investments in those companies are valued at \$65 million and represent approximately 25 percent of the market value of all the university's stock holdings. The university investments in corporations that do business in South Africa include shares in Exxon (\$7.1 million), IBM (\$6.7 million), General Motors (\$5.1 million), General Electric (\$2.5 million) and Motorola (\$1.5 million).

Controversy over the role of American business in South Africa has forced other college and university trustees to change their investment policies, but so far only one university with large holdings has decided to sell any stock. The Oregon state board of higher education voted last year to sell the investments of its eight universities in companies that have substantial South African business.

Smith College recently sold shares of stock worth \$687,000 in Firestone Tire and Rubber Company because college trustees were dissatisfied with answers from Firestone about the company's South African activity. The University of Massachusetts last fall sold its South African investments for about \$620,000. And the trustees of Hampshire College, under student and faculty pressure, sold all of the institution's common stock—about \$200,000 worth—until guidelines for "ethical investments" could be worked out.

University of Minnesota regents last year agreed to begin supporting resolutions submitted to shareholders' meetings



Army

Priorities Coalition blasts Carter's budget requests

By John Markoff and Chris Paine

WASHINGTON

REP. PARREN MITCHELL (D-MD) and a coalition of more than 20 public interest, labor and religious organizations sharply attacked President Carter's Fiscal Year 1979 budget request and announced a major new effort to "save our communities and reorder our national priorities" in a press conference here Jan. 31.

"The FY '79 military budget seems to indicate that the administration has decided to continue the trend toward real growth in defense spending begun during the Ford administration," Mitchell said.

"This trend is particularly unfortunate in light of the vast unmet domestic needs that demand our attention. If we are to respond in a reasonable fashion to the problems of unemployment, the decay of our cities, and the special needs of youth, minorities and the aged, we must go beyond the President's budget and adequately fund domestic initiatives aimed at these problems." Mitchell is chairman of the Task Force on Human Resources of the House Budget committee.

Endorsing the efforts of the Priorities Coalition, Mitchell said, "President Carter has prepared his budget. Now it's Congress' turn. I think we have to re-examine the priorities reflected in the budget if we are able to address in a serious way

the problems facing the American people today."

Representatives from the Urban League, Americans for Democratic Action and the Coalition for a New Foreign and Military Policy criticized Carter for "standing still or cutting back on badly needed social programs while allowing substantial real growth in military spending."

Bob Brammer, a spokesman for the Coalition, said in an interview that the Priorities groups will focus on organizing around a Transfer amendment that will be introduced in Congress and a "Save Our Communities Week" scheduled for March 26. The Transfer amendment, if passed by Congress, would take \$12 billion out of the defense budget and spend it instead on economic conversion, rural housing, health care and support for farmers, who have been hard hit by the new Carter budget.

The Carter administration is asking for \$128.4 billion for national defense (including both the Defense department's request and the amount used for military-related activities of the Energy Research and Development Administration). This represents a 3.4 percent real growth increase over last year.

Non-defense spending for fiscal year 1979 is projected to increase by \$28 billion under the proposed Carter budget—a real increase of less than 2 percent. ■

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urging corporations with South African business to sign the "Sullivan statement" against racial discrimination in employment. The Sullivan statement, named for a General Motors director, requires corporations to provide nonsegregation in their South African plants, equal pay and fair employment practices, and professional training for non-whites.

The University of Wisconsin board of regents recently voted to sell its holdings in corporations that have at least 250 employees in South Africa and have not endorsed the Sullivan statement. Less than 60 American corporations have signed the Sullivan statement.

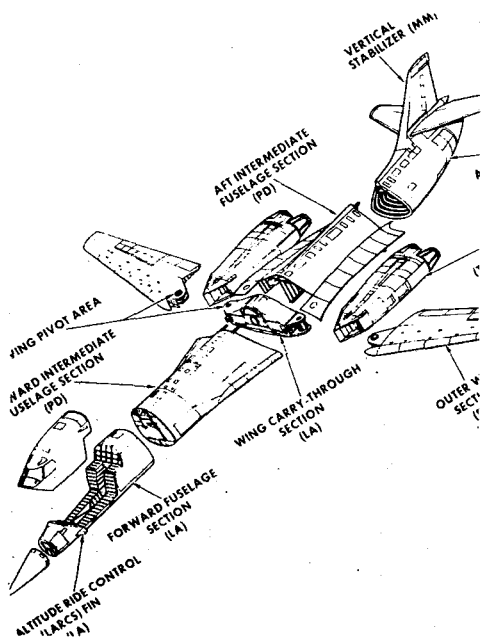
Trustees of Stanford University, however, rejected proposals to avoid investment in companies with South African ties last year on the basis of a cost-benefit study conducted by the school's develop-

ment office that identified at least 318 American companies doing business in South Africa. These companies include all the major corporations in six industries—automotive, chemical, electrical, office equipment, oil and gas, and drugs. One hundred-eleven of the corporations active in South Africa represent about half the market value of common stocks in Standard and Poor's list of 500 stocks, according to the study.

If Stanford trustees were to approve divestiture, the study said, "The securities eliminated would be those which our investment managers believe are the best to hold for investment purposes." Divestiture also could be expected to reduce the gifts to Stanford from the corporations involved, or gifts from others in the form of stock in these corporations, the study said.

The study concluded that divestiture and the predicted reduction in the value of Stanford's investments would raise questions about the university's legal obligation as a charitable trust to manage its funds responsibly. Stanford's trustees did adopt a new policy that established an advisory committee to investigate corporate activity that causes "substantial social injury," but so far the university has sold none of its investments worth \$125 million in 59 American companies with South African business. ■

John Fleming is a free-lance writer in Chicago.



Senate finally kills B-1

By John Markoff and Chris Paine

WASHINGTON

THE B-1 BOMBER LOST ANOTHER one of its nine lives Feb. 1 when the Senate voted 58-37 against spending \$462 million for construction for two more prototypes.

President Carter scrapped the B-1 program last summer in favor of the development of the unmanned Cruise missile, which can be launched in great numbers from ships, planes and the ground and has a range comparable to the B-1.

Since Carter's announcement of the B-1 cancellation, however, B-1 opponents have had to fight a rear-guard battle against congressional and industry supporters who contend that at least two more planes are needed to keep production lines open and for research and development purposes. Supporters also argue that keeping the production lines open would put the U.S. in a stronger position in the Strategic Arms Limitation talks.

The Senate defeat for the B-1 now means that the House must vote again on whether or not to fund two more planes. The vote, which will take place later this month is expected to be close and Speaker of the House Tip O'Neill (D-MA) has apparently decided not to let the vote come up until he is sure that the B-1 can be defeated. The House voted in December 191-166 to fund two extra B-1s.

Carter administration opposition to the B-1 program has led to an ironic situation in which Department of Defense officials are working hand in hand with anti-B-1 bomber lobbyists.

B-1 opponents who once had absolutely no friendly contact with the Pentagon now report that they are working with the military on a daily basis developing strategy to stop the bomber.

The Defense department recently reported that there are currently 800 people employed on B-1 production programs. If ended, employment would be reduced to about 25 individuals in FY 1979. If two more planes are produced, employment at Rockwell International will rise to 4,800 direct employees in FY 1979. ■

SPACE SATELLITES

Nuclear disaster barely avoided

Had the Soviet nuclear satellite crashed into a populated area the consequences could have been devastating. The U.S. and Soviets kept quiet, however, hoping that luck would be with them... It was.

By Ernest Sternglass

WHILE THE JAN. 24 CRASH of Cosmos 954 unleashed international shockwaves, it brought sighs of relief to the Pentagon scientists who had tracked the flawed satellite since the Soviets launched it Sept. 18.

The fear that had obsessed the American skywatcher was simple: what would happen if the nuclear-powered satellite smashed into Chicago, Denver or Los Angeles? Although it was loaded with some 100 pounds of highly enriched uranium, there was no certainty that the on-board reactor's failsafe design would prevent it from exploding on impact as an atomic bomb.

Explosions aside, the consequences could still have been devastating had the reactor not disintegrated in the atmosphere. Intense gamma radiation from such fission products as Cesium 137 could have produced lethal doses within hours. Air, water and farming areas would have been contaminated with Iodine 131, Strontium 89 and Strontium 90 released from the broken reactor.

Depending on meteorological conditions and based on the sharp increases in leukemia and cancer rates all over Japan following the detonation of two bombs in 1945, cancer rates could have jumped between 100 and 1000 percent with comparable increases in infant mortality, birth defects and other chronic diseases in the immediate area.

Massive population evacuations and the sealing of food and water supplies would have been the only possible counter-measures. The long-term consequences from the release of such uranium products could well have led to as many as tens of thousands of deaths from lung cancer and other causes—approaching the numbers calculated in the original Brookhaven study of the effects of a possible nuclear power plant accident near New York City.

Because the potential for a major disaster was too frightening for public discussion and because it might help to turn the people of the world against all forms of nuclear energy, both the American government and the Soviets decided to keep the story quiet. If neither an explosion nor widespread human contamination occurred, they gambled, public hysteria and alarm could be avoided and the whole matter passed over lightly.

Outright deceptions.

That is exactly what happened. Fortunately, the satellite re-entered the atmosphere over a sparsely populated area of the world. Fortunately, it did not survive re-entry in a compact form that might have led to a nuclear explosion upon impact. And fortunately, it appears to have largely vaporized, allowing only some small fraction of the highly radioactive debris to contaminate the ground.

Thus, a spokesman for the Soviet government was able to reassure the public a few days after the crash: "Soviet and American designers build spacecraft in such a way as to avoid disaster under any circumstances," adding that "complete safety was a basic law for all those who build nuclear devices."



"DID WE ORDER A STOVE?"

Yet we now know that these statements were outright deceptions and that the claim of "complete safety" was false. The latest site measurements have revealed that sizeable quantities of radioactive debris did in fact reach the ground over an area hundreds of miles long.

Statements by spokesmen from both nations implied that so long as the reactor "burned up" in the atmosphere, it would disappear and present no hazard. In fact, as the uranium and fission products did vaporize into the atmosphere they were transformed into the finely divided form of insoluble oxides, well known to be the most hazardous chemical form for the production of lung cancer.

Neither did the Soviet government spokesman ever mention Strontium 90, the most important of all the fission products created during the operation of this marvel of nuclear engineering.

Neither the Soviets nor the American government spokesmen ever mentioned the fact that the total amount of biologically serious radioactivity released in the satellite crash to the world's air, water, food and milk equals that of the detonation of about ten modern atomic weapons.

Nor has any of them mentioned that animal studies at the University of Rochester carried out over a period of nearly ten years showed that even the less toxic

natural uranium, when released as fine oxide dust, was found to induce a startlingly high number of lung cancers seven to ten years after very low concentrations of this material were inhaled by dogs.

Fortunately for all government leaders, lung cancers, congenital defects and rises in other chronic diseases many years later cannot be readily traced to a given "nuclear ingredient." For nearly a generation, the governments of the world have been able to deceive their own people as to the true nature of the biological hazards in the name of national security.

Convinced of the absolute necessity of nuclear weapons, nuclear submarine re-

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Anti-satellite programs in full swing

By John Markoff

WHEN ENERGY SECRETARY James Schlesinger told a congressional committee in late January that there was little the U.S. could do about nuclear-powered Soviet spy satellites like Cosmos 954, he contended, "We have no way, I think, of effectively monitoring what may be aboard these vehicles."

The U.S. has for some time been desperately trying to learn how—as part of an arcane intelligence war being fought in space by Soviet and American spy agencies.

"Secret-sentry" satellites like Cosmos 954—which supply military intelligence gleaned from high-powered cameras, radar, infrared sensors and radio "ferrets"—have become potential targets of anti-satellite development projects carried out by both American and Soviet scientists.

Last March President Carter became the first American leader to publicly discuss the possibility of a space war. Carter told a White House press conference he had suggested to the Soviet Union that "we forego the opportunity to arm satellite bodies and also forego the opportunity to destroy observation satellites."

Carter's concern is based on the fact that both America and the Soviet Union have advanced anti-satellite warfare programs in the works. The Soviet program is so far advanced that two years ago they were able to blind an American spy satellite—at least temporarily—by "illuminating" it five times with a powerful laser beam.

American and Russian spy satellites now gather photo intelligence with extremely powerful cameras capable of re-

solving from outer space features as small as the headlines of newspapers. American Big Bird photo reconnaissance satellites now process photographs on board and then transmit data to earth, which are then reconstituted by computer.

Other American satellites provide early warning of Soviet missile launches, police the U.S.-Soviet nuclear test-ban treaty by monitoring for ultra-violet and X-ray radiation and conduct electronic intelligence-gathering by pinpointing the location of Soviet air and missile defense radar systems.

The latter type of satellite, known as a "ferret," also locates military radio communications, taps Soviet microwave telephone communications, and is even able to turn on a ground-based transmitter to discover its electronic characteristics.

Cosmos 954 was one of a pair of satellites used by the Soviets to track the movements of the American Navy with space-borne radar.

At the end of their missions these Soviet ocean surveillance satellites are designed to be broken into three major segments; the nuclear fission reactor that powers the satellite is then supposed to be boosted into an 800 mile-high circular orbit to endure for centuries. A malfunction forced Cosmos 954 to lose altitude and burn up in the atmosphere.

The U.S. conducted successful anti-satellite tests—using weapons known as "satellite killers"—beginning in 1963 and 1964. The American test projects were originally code-named "Early Spring" and "SAINT."

American interest in anti-satellite warfare dropped during the mid-'60s but picked up again when the Soviets began conducting their own satellite killer tests.

American intelligence sources report that the Soviets began conducting anti-satellite tests in 1968. Most of the Soviet tests have been accomplished by launching a target satellite and then attempting to destroy it with a satellite killer. Since late 1975 intelligence sources have reported that the Soviets have also been experimenting with laser and particle-beam satellite killers.

Dr. Richard Garwin, a former Defense department scientist, recently disclosed that the U.S. is considering developing particle-beam weapons mounted in satellites. They could also be used as space-mounted anti-ballistic missile systems to jam the electronic guidance equipment in ICBM missiles, or even to melt the plutonium in a nuclear warhead.

The Defense department is also developing the capability to capture satellites in space. The space shuttle, scheduled to become operational in 1980, will have "retrieval" capability. The space shuttle is designed to ferry astronauts and space experiments back and forth between space and earth.

A spokesman for the Air Force Space and Missile System Organization in El Segundo, Calif., said in an interview that the shuttle would experiment with the retrieval of an orbiting American satellite during its first six flights. "It would be nice if you had the capability to run around and pluck up all these dead things that might be a safety hazard or radiation hazard," he said.

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