

IN THE NATION

LETELIER/SILKWOOD

Investigations uncover spy firm

By Jeffrey Stein

FT. LAUDERDALE, FLA.

IT HAS ITS OWN SECLUDED RUNWAY protected by chain link fences with armed guards at the farthest corner of a private airport. The building's smoked windows and "keep out" signs warn off the casual visitor.

Inside, on the receptionist's desk in the spacious lobby, a placard reads: "U.S. Government regulations prohibit any discussion of this organization or this facility. Sorry, receptionist is instructed not to answer related inquiries."

A company officer tells a reporter, "We don't want any publicity, even favorable publicity."

Although the visitor might be excused for assuming so, the modern, two-story building on the edge of Ft. Lauderdale's private Executive Airport houses a company that officials insist is not a secret CIA facility.

It is, however, the headquarters of Audio Intelligence Development, Inc., a company that specializes in the design, manufacture and sales of highly sophisticated wire-tapping and related electronic spying equipment.

The company sells virtually all of its equipment to local, state and federal police and intelligence agencies, as well as foreign secret police services.

Two of its reported sales have brought this company—which shuns publicity like the plague—into the spotlight of two politically-charged murder investigations.

The first is that of the murder of former Chilean diplomat Orlando Letelier, who died in a still-unsolved car-bombing in September 1976. The Justice department has charged a Chilean secret police agent, an American named Michael Vernon Townley, as a conspirator in the murder.

Investigators suspect that Townley, acting on the orders of the then Chilean secret police chief, Manuel Contreras Sepulveda, hired anti-communist Cuban exiles in Florida and New Jersey to carry out the murder.

It has been learned that the president of Audio Intelligence Development, Inc., John Holcumb, has told officials that he sold electronic equipment to Townley, who made the purchase in 1976 on behalf of the Chilean secret police.

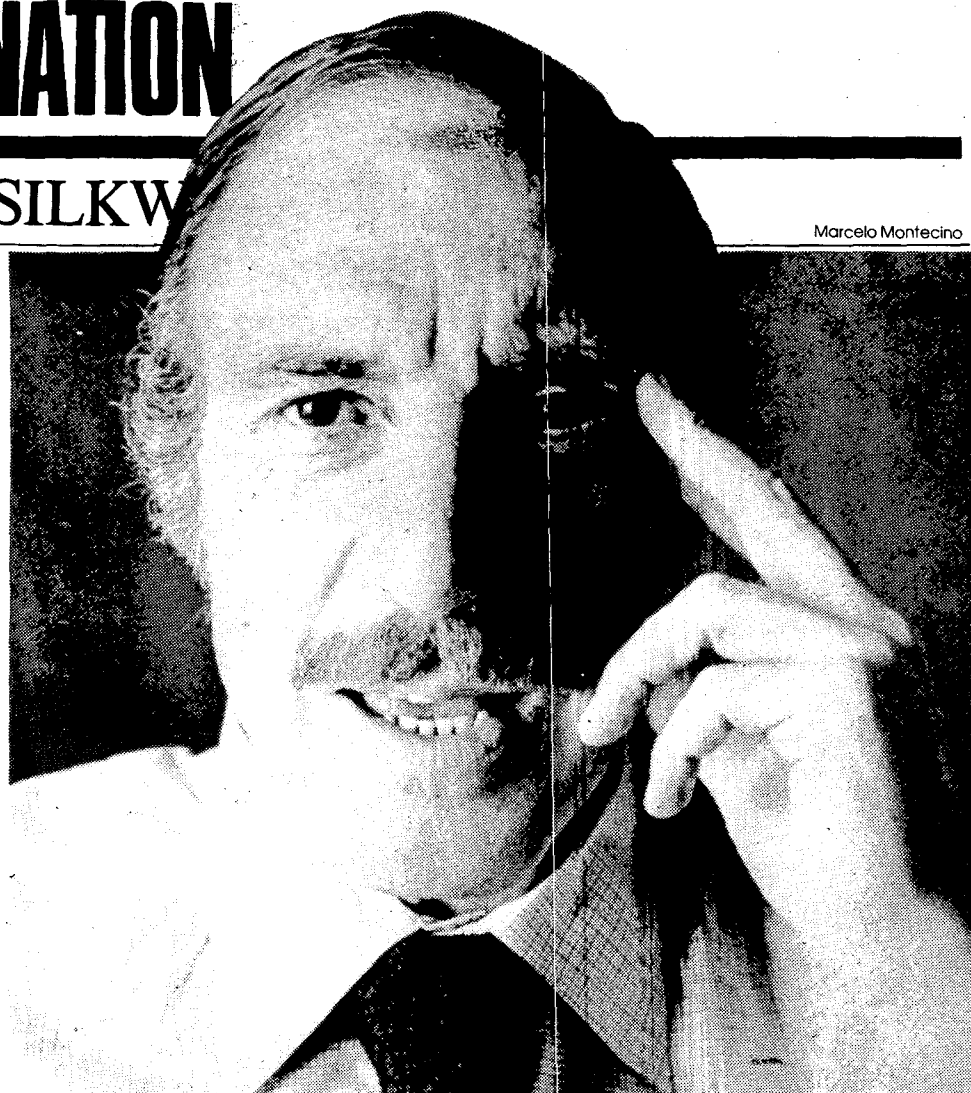
The equipment that Townley is thought to have bought from A.I.D., Inc., is a radio surveillance device that allows one car to follow another from a long distance.

Government investigators are still at a loss to explain why A.I.D., Inc., was allowed to sell such equipment to a foreign police agency representative. A congressional ban passed in 1974 prohibits the sale of security and police equipment to Chile. Applications by private American companies to sell security or military-related equipment to Chile must be approved by the Commerce and State departments.

Bugging equipment manufactured by A.I.D., Inc., has also turned up in the background of an investigation into circumstances surrounding the death of Karen Silkwood, a young lab analyst at the Kerr-McGee nuclear power plant in Oklahoma, who died in a car accident in November 1974.

On the night of her death, Silkwood was on her way to a meeting with a *New York Times* reporter. She reportedly had documentation of faulty nuclear safeguards and accidents that the plant had covered up.

Although the FBI and two congressional committees have dropped their investigations of the case, attorneys for the Silkwood family have filed a \$2.5 million suit against Kerr-McGee on charges that it had been deliberately callous and negli-



Marcelo Montecino

Orlando Letelier (above) was a prominent Chilean exile when he was murdered. Karen Silkwood (right) was on her way to a meeting with a reporter with information about nuclear dangers at the plutonium plant she worked at when she mysteriously died.

gent in its safety performance. The attorneys have also established that the Oklahoma City Police Department intelligence unit had acquired bugging equipment from A.I.D., Inc.

Attorneys want to know why and how the OCPD bought the equipment, since Oklahoma is one of the few states that prohibit wiretapping of any sort. The Silkwood family hopes to prove that A.I.D., Inc., equipment was used in surveillance of Silkwood.

Curious about A.I.D., Inc.'s involvement in the Karen Silkwood case, congressional investigators from the House Oversight and Investigations subcommittee recently began to look into the company's operation.

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Jeff Stein is a reporter in Washington.



BOONDOGGLE

Downed Supersonic Transport may fly once again

By John Markoff

THE SUPERSONIC TRANSPORT (SST), the proposed faster-than-sound airliner shot down by Congress in 1971 after a bitter dispute between environmentalists and the aerospace industry, appears to be taking wing again, spurred by renewed government and corporate interest.

Proponents of the aircraft suggest that technical developments over the past seven years have come close to solving most of the major problems, such as excessive noise and unprofitability, which led to defeat of the first SST and continue to plague the British-French SST, the Concorde.

Opponents are already on the defensive, arguing that if the problems have been solved and the plane is environmentally and economically sound, why must private industry continue to rely on government development subsidies?

The National Aeronautics and Space Administration has requested \$15.9 million for research on various SST technologies in fiscal 1979. Since 1972, the year Congress cancelled the SST program, NASA has spent \$69 million researching SST propulsion systems, electronics, aerodynamics and raw material.

In a new five-year plan released by NASA several weeks ago, the agency revealed it is considering funding a prototype SST in fiscal 1983. NASA sources indicate the cost of the development of this demonstrator aircraft with sophisticated new "variable cycle" jet engines may reach as much as \$400 million.

The idea for the demonstrator prototype—a much smaller version of the proposed aircraft—was submitted to NASA by the Boeing aerospace company last year following a request from NASA.

"We suggested that maybe it would be a good idea if NASA thought about building this demonstrator, which would be a small airplane to pick up additional data," says Boeing spokesman Tom Cole. "We are not building it now and have no intention of building it at this point."

Cole says, however, that Boeing would almost certainly bid on the project if NASA decides to go ahead.

NASA is now funding both in-house and industry research on a second generation SST. "It's the economic aspects, it's the refinement of the aerodynamics, the reduction of weight and structure, the improvement of noise signature, all of those technical issues which are inherent in your ability to make a decision" that have led to the renewed interest, says Jack Suddreth, the NASA official responsible

for the Supersonic Cruise Research Aircraft program. "We are working to bring along the technologies that were a barrier to the last SST or in the Concorde... All we're really doing is exploring whether or not it makes sense to fund the SST."

One reason the SST was defeated in 1971 was the doubtful profitability of a plane that could carry only 125 passengers—an economic pitfall born out by the continuing need of the French and British governments to subsidize the Concorde SST.

"The American financial community has been sitting on their hands waiting for new technological developments," says Gordon Adams, an aerospace industry expert and research director of the Council on Economic Priorities. "They expect the technology to be ready by 1985, which exactly coincides with NASA's timing on this thing."

Boeing's Tom Cole agrees that the economic factor is an important one in deciding whether to go ahead with an SST. "We feel," he says, "that the SST has to be a fairly large plane to fulfill its mission and it has to have a range capability to make its speed worthwhile. The Concorde has a fairly small capacity and has to land and refuel if it wants to go halfway around the world."

The new American SST, it is believed,

would weigh around 700,000 pounds, as much as the giant Boeing 747 wide-bodied jets.

Environmentalists are generally taking a skeptical, wait-and-see attitude toward the NASA plans. Says one Washington lobbyist who fought the first generation SST, "The burden of proof is clearly on NASA and the corporations. We have all the questions and they don't have any of the answers. I think on cost grounds alone the idea of an American SST is crazy."

NASA is evidently seeking Pentagon support for the SST program as a means to help pave the way through Congress, which is normally sympathetic to requests involving national security issues.

Says NASA official Jack Suddreth, "We do work with the technologists in the Department of Defense and in my view they're favorable toward it."

Earlier this year, NASA's associate administrator Dr. James Kramer told Congress, "Fiscal year 1979 will be a bell-weather year in this [SST] program... We see Fiscal Year 1979 as being of particular importance to the evolution of the technologies necessary for any future decision the U.S. may choose to make in this class of aircraft."

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John Markoff specializing in military issues.

ANTI-APARTHEID

Protests target campus investments



Few universities have complied with student divestiture demands so far. Many have shuffled the issue off onto advisory committees, which have little power and are stacked with unsympathetic people.

Liberation News Service

WHAT BEGAN IN MAY 1977 as a sit-in at Stanford University in which almost 200 students were arrested has swelled this spring into a series of anti-apartheid actions on over 50 college campuses across the country.

Student organizations are resorting to sit-ins, harassment of university trustees and occupations of university buildings in order to press their demand—that their universities sell off stocks and bonds in corporations that support the South African white minority regime by doing business there.

Over a three-week span beginning April 14, students held demonstrations and sit-ins at Amherst, Brandeis, Columbia, Dartmouth, Harvard, MIT, Princeton, Stanford, Tufts, Wesleyan, Williams and Yale.

Students at the University of California's nine campuses, for example, called for a special meeting with the system's Board of Regents. "If they don't make plans to divest," one U.C. activist warned, "...we have militant actions planned to force them to do so."

Many of the student protests have linked the anti-apartheid issue with other ongoing struggles in the U.S. At Brandeis University, for instance, students held a demonstration April 30 to demand that instead of investing in apartheid, the university should use its money to maintain the "Transitional Year Program," a financial aid program for Third World students that is currently being phased out. The university claimed the students' demands were not financially feasible.

To dramatize the reality of apartheid Brandeis students set up a shanty town, like those South African blacks are forced to inhabit, in front of the administration building.

The wave of protests is in large part a result of organizing by a Northeast coalition that formed in December 1977 and planned a conference at Yale at the end of March that turned out to be a rousing success. More than 500 students representing 48 schools brainstormed about strategies for the spring.

Few universities have acted.

So far, few universities have complied

with student divestiture demands. Many have responded by shuffling the issue into "shareholder responsibility committees." Most of these committees have no power and are intended only to give the appearance that the administration is taking the matter seriously.

Many of these committees were set up following student protests in the early 1970s. They are usually composed of students, faculty, alumni and administration members. Most have only an advisory role; and some have lost even that.

During the past six months the committees have come up with a variety of responses. Hampshire College, for instance, followed its committee's recommendation for full divestment. Yale's committee—the only one at an Ivy League school to support divestment as yet—has suggested that the trustees sell off stocks slowly so as to realize their full value. The Yale trustees have yet to decide whether to go along with the committee's decision.

But most of the university "shareholder" committees are basically rubber

stamps and are packed with students, faculty and alumni sympathetic to university interests.

Sullivan principles.

The most common argument university administrators are using against divestment demands is that the corporations can moderate apartheid by taking a role in it. This argument has become known as the "Sullivan Principles," after Rev. Leon Sullivan, pastor of the Philadelphia Zion Baptist church and one of the founders of the national black self-help organization, Opportunities Industrialization Centers. (The Boston *Real Paper* reports Sullivan also is a member of the board of directors of General Motors, which, according to GM director of public relations for overseas operations, Tom Pond, has \$188 million invested in South Africa and the Middle East.)

Sullivan suggests that the way to effect political change in South Africa is to work from within. To that end he has put forth what amounts to a program of af-

firmative action for American corporations there.

His six principles would have corporations in South Africa desegregate eating and work facilities, promote fair employment practices, give equal pay for equal work, develop training programs, increase the numbers of blacks in supervisory positions and strive to improve the quality of life for blacks outside the work environment.

General Motors has already adopted the six principles and, early in 1977, 11 other companies decided to do the same. The list reads like a broker's dream: American Cyanamid, Burroughs Corp., Caltex Petroleum, Citicorp, Ford, IBM, International Harvester, 3M, Mobil Oil, Otis Elevator and Carbide.

Then Sullivan and Columbia President William McGill convened two meetings with a number of officials from prestigious private schools to try to come up with some tactics to defuse the divestment movement. They decided to send out a letter to urge other schools to adopt the Sullivan guidelines. The letter will bear the imprimatur of those schools who sent representatives to the Columbia meetings: Columbia, Dartmouth, Harvard, MIT, Oberlin, Swarthmore, Tufts, University of Minnesota and Wellesley.

At many of the signatory schools themselves, however, news of the letter has been kept very hush-hush. Officials at several didn't even know about it. "I usually hear about everything that's going on," commented one university director of public relations. "This is very peculiar."

Perhaps the silence is because many of the schools endorsing the letter did so without waiting for the final divestment decision from their advisory committees or their trustees.

About 200 other schools can expect to receive the letter any day now, says the *Real Paper*.

The holes in the Sullivan argument are clear. First of all, students as well as South African blacks point out, any foreign investment helps bolster the apartheid regime. Even the American government knows that South African blacks want U.S. corporations out of their country, as a recently leaked government document revealed:

"American firms here will become increasingly controversial and rationale for continued presence will seem less and less persuasive to growing numbers of blacks," the American ambassador to South Africa admitted in the cable.

Furthermore, critics note that the apartheid system denies black people equality in so many ways that corporate pacifiers would hardly make a ripple. ■

Kodak decides to stay in South Africa

Despite pressure from anti-apartheid activists across the U.S., Eastman Kodak Company shareholders defeated a resolution that would have barred the company from selling photographic products to the South African government.

Horace Gale, an official of the American Baptist church, which holds 987 shares of Kodak, introduced the resolution on grounds that profits should not take sole precedence in this issue.

Shareholder tallies cited at the April 25 meeting in Flemington, N.J., favored Kodak's South African sales policies by about 20 to one. Approximately 103 million shares were pro-sales, five million against. These figures, though, can be deceptive. Banks often manage individual accounts and vote by proxy. And American banks have also built up quite a stake in South Africa by extending nearly \$3 billion in loans to the apartheid economy. So many of the 103 million shares voted for continued direct sales to South Africa were not individually or unselfishly cast.

Kodak shareholders were unwilling to follow the lead of Polaroid and get out.

Kodak board chairman Walter A. Fallon insists the company has not disregarded American trade restrictions with South Africa's apartheid government and protests that Kodak is not responsible for the country's racist white minority rule. At present, trade restrictions with the Pretoria regime apply only to military equipment.

Last fall another monolith in the photographic supply business, the Polaroid Company, halted all sales to South Africa, leaving a share of the photo market in the country up for grabs. Polaroid's announcement followed the discovery that the South African government had been secretly buying Polaroid products

through a phony drug store account. The company had previously pledged to cut off supplies to the South African government under pressure from protests by Polaroid workers and anti-apartheid activists. The protesters had targeted use of Polaroid materials in producing the hated "passbooks" which all black South Africans are required to carry. Fallon did not say whether this was one of the uses to which Kodak film will be put.

In 1977 alone, Eastman Kodak amassed \$643.4 million in profits from its worldwide sales. Kodak's profits in South Africa may account for as little as one percent of all sales, according to Paul Irish of the American Committee on Africa. But discontinuing direct sales to one "trouble spot" on the globe, he theorizes, would set a precedent to stop sales to repressive regimes in Chile or the Philippines, for example—a gesture which would cut into millions of dollars in corporate profits a year. ■

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