Redden: Divestment declared illegal

By RICHARD SEVEN
Of the Emerald

It's official. Tuesday, Attorney General James Redden issued his formal opinion, severely handicapping higher education divestment of South-African-based stocks.

Redden ruled that the State Board of Higher Education, which voted last November to instruct its investment managers to sell the stock, has only recommendary powers. He also said selling state stock for any reason other than pure economics would violate Oregon state statutes.

Redden's opinion went on to say that not even the Oregon Investment Countil (OIC) has the power to order its managers to divest, but also may merely recommend it.

Roy Lieuallen, chancellor of higher education, has sent a letter of recommendation from the board to the OIC requesting it to forward the board's divestment request to its investment managers.

More than five months ago, the state board voted to sell $3.5 million in stock in 27 companies doing direct business in South Africa. The board listened to more than three hours of moral testimony against the "apartheid system" of South Africa before making its decision to divest.

Shortly afterward, the question of the legality of the board's action was raised, and the attorney general has been studying the question since last Dec. 6.

Meanwhile, pro-divestment groups and the ASUO, in conjunction with the Office of Student Advocacy (OSA), are planning to challenge the opinion to the Oregon Supreme Court.

"We feel we have a valid case for divestment," said ASUO Pres. Gary Feldman. "I

(Continued on Page 13A)

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Don't forget to vote for ASUO presidential, EMU Board and SUAB candidates today and Thursday. Voting booths will be placed in various spots around campus.

Photo by Patrick Sullivan

Sun Day

So you think today is Wednesday. Wrong. Today is Sun Day and hopefully we'll have a little bit of sun to celebrate with. Articles concerning Oregon's solar energy potential, comparing energy alternatives and a student-run solar collector and information service are on Pages 8 and 9.

IFC may gain control of EMU surpluses

Decision to rest with Boyd

By CAROLYN BEAVER
Of the Emerald

Much to the dismay of EMU Director Adell McMillan, EMU Board Chairer Dusty Rhodes cast the deciding vote approving a policy statement that he says gives students more control over the EMU budget.

In an EMU Board of Directors meeting Tuesday, Rhodes presented the policy which states that surplus money accrued by the EMU must be turned over to the Incidental Fee Committee (IFC) unallocated reserve fund.

The policy also says that since revenue producing areas, like the food service and recreation center, should be self supporting, EMU surplus funds should not be used to cover deficits in those areas. Also other incidental fee-supported programs turn their surpluses into the unallocated reserves at year's end.

McMillan lashed out against what she called, the "bad business" policy. "As far as my role in it...I am not in favor of this...If the Board presses this, I will take it to the (University) president's office" and request he not approve it, said McMillan.

She continued that it took flexibility away from the board and EMU management and "put a responsibility on the IFC, which I don't think should be there."

McMillan argued that by forcing the EMU to turn its surplus over to unallocated reserves at the end of the year, trying to balance the EMU budget would be a near impossibility.

EMU Board and IFC member Dave Tyler said the "aim is not to cripple the EMU management." He explained that, as with any other IFC-funded program, the EMU would have to present a request to the IFC to release funds from unallocated reserves.

McMillan reiterated that IFC allocation of the reserves for EMU purposes was bad business and said the IFC should recommend appropriations, not control them.

Following a 5-5 vote on the policy, Chairer Rhodes cast the tie-breaking vote in approval. He said the policy will "bring responsiveness to the way the building is run."

The decision will now rest with Pres. William Boyd.