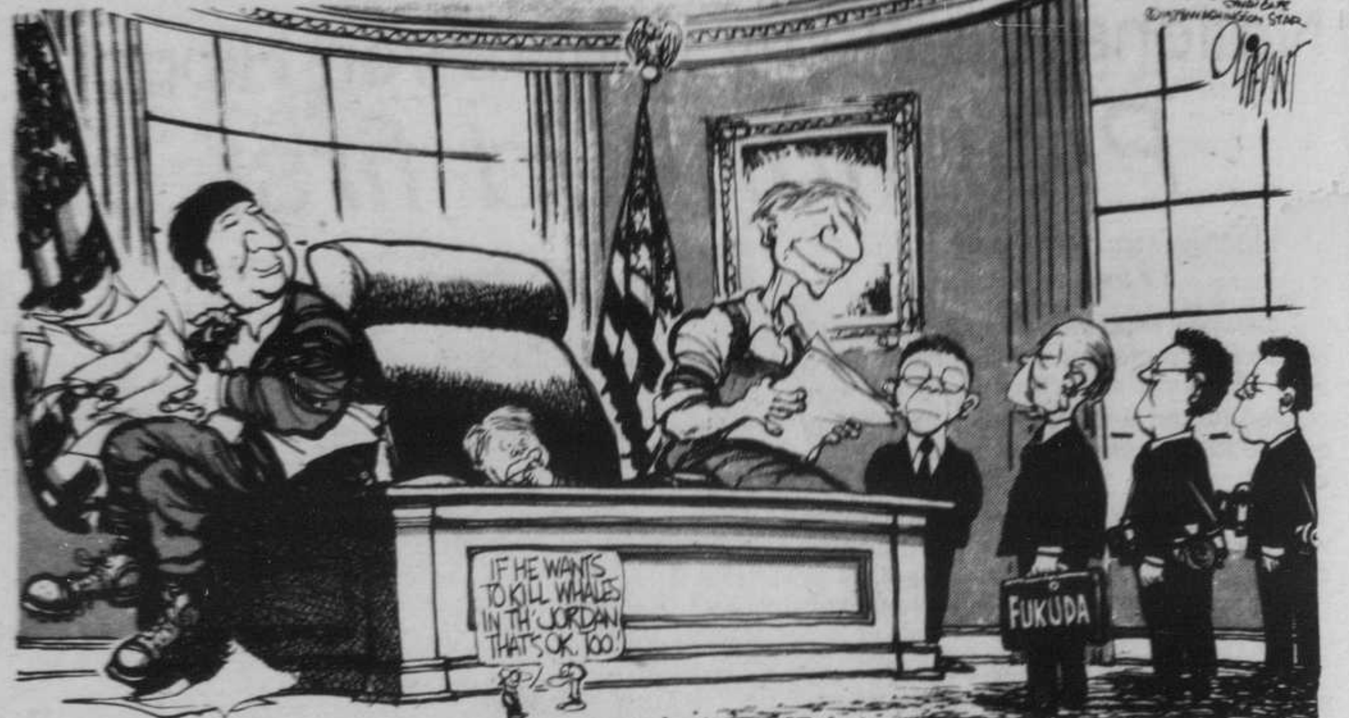
editorial

Vote for Warren

During the ASUO presidential election last week, we gave our support to Jeff Warren. In the belief that he is the most qualified of the two candidates now running in the general election, we reiterate our support for Warren.

Warren will work closely with the branches of the ASUO, and he will be effective in one of the most important areas of ASUO concern next year: The state legislature. We agree with Warren that faculty evaluations should be released, that tuition should be kept to a minimum and that the ASUO can work as an effective student government.

Warren has the experience and the savvy to make the ASUO as effective as possible next year. Give your support to Jeff Warren during the ASUO presidential vote Wednesday and Thursday.



"YOU TELL HIM OL' JIMMY SAYS IF HE WANTS WARPLANES, OK! — IF HE WANTS A HOMELAND ON THE WEST BANK, OK! — IF HE'S AGAINST THAT, OK! — BUT THAT DON'T MEAN WE DON'T LIKE ARABS!"

Letters

Bookstore problems

My name is Pete Shepherd and I am a candidate for a graduate position on the Bookstore Board of Directors.

As an undergraduate I had an opportunity to observe the store from the inside out as a part-time and summer employee. By and large the store does an above average job of serving its constituency. The 10 percent discount on texts is an example of a service which should be retained. I do have some concerns about other parts of the operation. There has been public criticism of the security arrangements maintained by the store. Although I believe the security personnel have been and continue to be conscientious and competant, I favor a review of the security policy. I also favor giving preference to students in hiring for all part-time positions. Finally, the problem of fair compensation for employees needs continuing supervision by the Board.

Undergraduates and faculty are free to vote for graduate candidates in the upcoming elections.

Pete Shepherd
2nd Year Law

Inconsistent

In the past, the Oregon Daily Emerald has insisted that its editorial thought not be part of any advertising policy. This is the old credo of journalistic objectivity, and represents the notion that opinion in business is nonexistent.

It's also bullshit. And this is evidenced by the Emerald's recent onslaught of pro-Mallard Drake publicity, coupled with an editorial favoring Donald Duck's demise as the University's mascot. Granted, this is a non-issue. But why is the intrusion of editorial thought into the paper's advertising appropriate in this instance?

Students and faculty will remember the controversy last fall concerning the placement of a DeBeers ad in the ODE. The DeBeers company mines its diamonds in South Africa. About the same time, the Emerald editorialized in favor of State Board divestment of stocks in particular South African countries specializing in apartheid.

The Emerald and other locals argued that the paper's acceptance of the DeBeers ad was far more hypocritical. It was, in fact, professionalism at its best. Come on, now. Running ads of businesses that profit through racism and outrageous exploitation is never professional.

The matter of running the DeBeers ad is an important one. The issue of Mallard Drake is silly. Nevertheless,, the ODE has shown that its objectivity is inconsistent.

We are foolish if we pretend that a separation exists between money and mortality. We cannot continue to be strong when talk is cheap, and "objective" when dollars are at stake.

I think we would all appreciate an explanation of the Emerald's advertising policy and its relationship to the paper's editorial positions.

Keli Osborn
Senior, Journalism

Editor's note: The campaign to appoint Mallard Drake as University Duck was performed without the urging or the assistance of the editorial department. It was an effort by the members of the Committee to Appoint Mallard Drake as University Duck to replace Donald with Mallard. In no way did the campaign for Mallard indicate advertising influence on news or editorials nor did it indicate news influence on advertising. The editorial for Mallard was a standard endorsement of a measure on a public ballot; one with which we happened to agree.

Puzzled

I am amazed to see the large number of letters concerning the so-called Donald Duck/Mallard Drake "controversy." I find it puzzling to see so many supposedly educated people devoting their energy to affairs that couldn't be less important.

Irene Scheck
Grad Student, German

Letters Policy

The Emerald will accept and try to print all letters and opinion columns containing fair comment on ideas and topics of concern or interest to the University community. Letters and opinions will be run on a first-come, first-served basis. Both letters and opinion columns must be typewritten, using 65 character margins, and should be triple-spaced. Letters and opinions must be signed and the author's field of study (or faculty status) noted.

opinion

A legal case against a disappointing ruling

Submitted by Walt Sheasby for the People for Southern African Freedom

As one of the groups that has actively worked for State Board of Higher Education divestment of stocks and bonds of corporations operating in southern Africa, we are outraged at the attempts that have been made to thwart the democratic process, and we are deeply disappointed by the Attorney General Opinion No. 1616 released on May 2, 1978.

The Attorney General Opinion is based on four assertions:

1. The State Board is not the trustee of endowment funds, and therefore the legislature may decide that another agency has complete authority over the investments, and that the 1975 Act (ch 363) transferred the investment role entirely to the Oregon Investment Council.

2. The State Board does not have access to the Uniform Management of Institutional Funds Act and cannot apply its provisions relating to the authority of trustees to delegate power and to the standard of care for trustees of charitable and educational institutions; The State Board is therefore unable to take the steps followed by other endowed institutions in divesting of South African-related stocks or other holdings.

3. There is no authority available to determine which country or countries of those making up the world business community should be considered beyond the pale in human rights violations for the purpose of setting investment policy, and therefore such considerations should not be made by the authorities in charge of higher education investments.

4. The prudent person rule governing trusteeship of endowment funds constitutes a barrier or restriction on divestment since it does not provide for moral or political judgements, but only for the safety and probable return of investments.

Let us briefly respond to each of these assertions:

1. The trusteeship of the State Board was affirmed in at least ten Attorney General Opinions in the period 1929 to 1952 and is defined by these laws: Oregon Revised Statutes 293.790; 351.060; and 351.130. State Board authority to invest in stock is granted by the Oregon Constitution, Article XI Section 6, as amended in 1956. State Board trusteeship means that the 1975 Act (ch 363) either provides for a required delegation of ministerial management of investments from the trustee, the State Board, to the investment specialists, the Oregon Investment Council, with the State Board retaining the discretionary or supervisory authority to set investment policy, or the 1975 Act is unconsitutional as a legislative attempt to provide for a successor trustee.

2. The State Board does have access to the Uniform Management of Institutional Funds Act (ORS 128, 310 to 128, 355) as provided for in one of the statutes defining State Board trusteeship of funds held for charitable organizations or educational purposes (ORS 351.130). Until our organization pointed out that the Legislature had adopted this Uniform Act in 1975, the Attorney General's Draft Opinion maintained that the Act was inapplicable because it had not been adopted by Oregon. The Uniform Act liberalizes restrictions on charitable trustees, empowers them to delegate ministerial management of investments, and allows them to make non-economic institutional needs into consideration in making investments.

3. The issue decided on November 18, 1977 was not the status of human rights in southern Africa, but rather the social performance of corporations having substantial activity there and whether it was morally acceptable for Oregon higher education to participate, through its investment policy, in the perpetuation of grave social wrongs. No corporation in southern Africa is guiltless of collaboration with racist practices and official laws. As the leading legal authority on trusts, Prof. Austin Wakeman Scott, points out:

> "Trustees in deciding whether to invest in, or to retain, the securities of a corporation may properly consider the social performance of the corporation. They may decline to invest in, or to retain, the securities of corporations whose activities or some of them are contradictory to fundamental and generally accepted ethical principles."
>
> Vol. 3 Supplement to Scott on Trusts, Section 227.17

As Scott emphasizes, trustees may make such a decision ". . . even though there might be a diminution of immediate profits."

4. The prudent person rule has never been considered by any other legal authority as a barrier to divestment but only as a requirement that divestment be carried out in a prudent manner. The State Board provided for this in its November 18, 1977 policy, and the Attorney General of Wisconsin has ruled that the provision is not a barrier to divestment by the University of Wisconsin but that the selling and replacement of stock be carried out in a prudent manner. The prudent person rule was adopted to allow trustees to use their cautious discretion in purchasing securities and to allow investment in common stock in particular. To interpret the law permitting stock divestment to mean that divestment of stock is prohibited is rather Orwellian use of language.

We have concluded that the Attorney General Opinion, in trying to erect legal barriers to prevent educational institutions from setting investment policies according to any criterion other than monetary dividends, represents a smokescreen. It would make Oregon unique in rolling back the rights of institutional stockholders to select investments in conformity with the democratic expression of the fundamental moral principles of the community.

Our reaction would be more restrained if the Attorney General Opinion were consistent with prevailing legal authority and if it cited legal authority to build its case. When we checked the list of authorities to be cited provided to us by the Attorney General on March 21, 1978, we were convinced that the Opinion would support the State Board's divestment authority. We received a Draft of the Opinion on April 13, 1978, and it became evident that the Attorney General had rejected virtually every author cited and had asserted arguments contradicted by prevailing legal opinion.

On April 17 five representatives of pro-divestment groups met with the Attorney General and his assistants. The Opinion had been scheduled for release the next day. As a result of the discussion at that meeting, the Attorney General Opinion was formally released that same day. It remains essentially unchanged from the April 13 Draft. Whether the invitation to the pro-divestment groups was intended to seriously solicit legal discussion or placate opponents, it has not had either effect.