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Pope dies

Pope John Paul I died in his sleep of an apparent heart attack Thursday night, after serving for more than a month in the papacy. *See Page 28.*

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Sale of stock to be decided in circuit court

By RICHARD SEVEN
Of the Emerald

The People for Southern African Freedon has joined forces with the ASUO to file suit in Lane County Circuit Court next month for declaratory judgment on a ruling made last spring by Oregon Attorney General Jim Redden.

Redden ruled in May that the Oregon State Board of Higher Education does not have the authority to sell South Africa-related stocks from higher education's endowment fund.

The board, five months earlier, had voted to divest $3.5 million worth of stocks in 27 corporations identified as those doing substantial business in South Africa.

Redden's ruling assigned authority for divestiture to the Oregon Investment Council. The OIC later voted to retain the stocks, claiming that the sale would violate state law, which requires attention to how profitable stock investments are.

PSAF and the ASUO are currently seeking persons receiving scholarships, fellowships or any other assistance from the state endowment fund, to act as plaintiffs in the suit.

PSAF member Jim Campbell says the plaintiffs may remain anonymous and probably won't appear in court. They need only allow themselves to be represented in court by PSAF attorney Mike Goldstein.

Campbell believes Redden misinterpreted key statutes in making his May decision.

One statute, better known as the "prudent person rule," says investment managers shall exercise the same caution in handling theri trustees' funds as they would their own.

"The statute was enacted to give the investment managers and the trustees more discretion, not less," says Campbell.

Don Chalmers, director of the Office of Student Advocacy, says the board's recommended divestment procedures would not result in a loss in the endowment fund.

Duff Kennedy, chief executive of Kennedy advisers, one of the state's two investment managers, concurred with Chalmers' assessment in a recent letter sent to the Pacific Northwest Research Center.

In my judgment," he writes, "although it (switching to non-South Africa-related stocks) would reduce what are normally known as good quality names in well-represented industries by elimination of any companies with participation in South Africa. A portfolio could be constructed that would have internal rates of growth equal to present levels of the normal structures portfolio.

"In my judgment," he continues, "sensitivities to political and economic issues will continue to be important factors in constructing 'public portfolios' and should not be ignored in constructing such investments."

John Reuling Jr., assistant attorney general, says he believes divestment for moral, political or other non-economic reasons would have to be done by the Legislature rather than the Board or the OIC.

Neither the board nor the council are considering any further action.

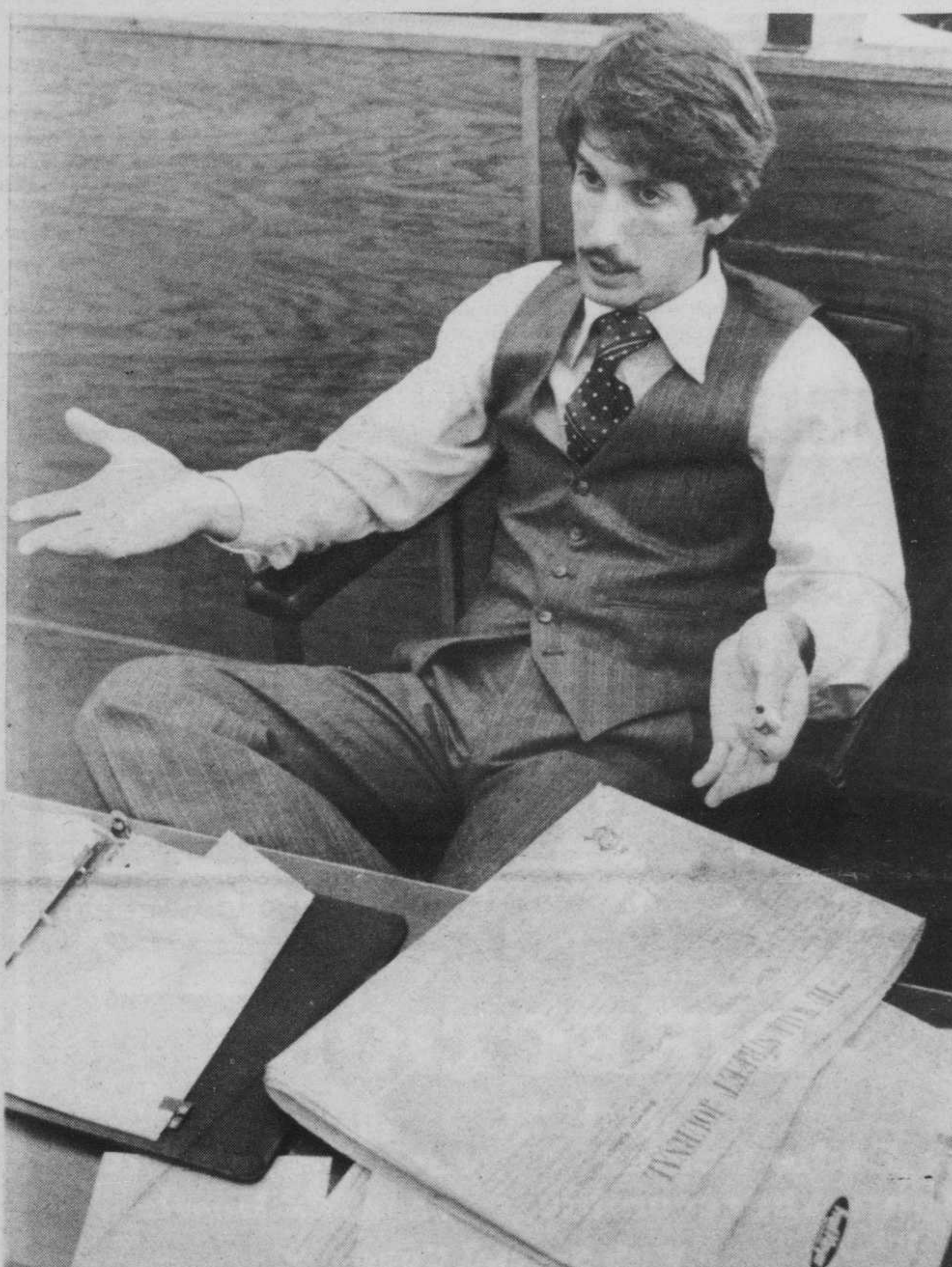

Photo by Doug Williams

Feldman on other side

Divestment is no longer issue for new stockbroker

Last year ASUO Pres. Gary Feldman argued before the state board in favor of South African stock divestment.

Now he's one of 13 stockbrokers for Wedbush, Noble and Cooke in Eugene and spends most of his time in a three piece suit selling some of these same South African stocks.

Feldman discussed the changes in his compartment at 100 East Broadway, where surroundings of carpeting, piped in music and a display board of yesterday's Dow Jones Industrials reflected his change of interests. But Feldman doesn't see any contradictions between his old and new lifestyle.

"Some way I'm just a hypocrite, and that I'll do anything for a buck," he says, "But I believe there is a legitimate difference between individual and institutional investment."

Last year students voted overwhelmingly in a referendum to dump all University stock connected with the apartheid system in South Africa.

"This was an institutional decision," Feldman says. "As president I had a responsibility to represent the student interest, and I took the results to the state."Feldman also sold his personal stocks with South African interests at that time.

"If the majority of members in an institution want to sell their stock, they should be allowed to," he explains. "At this time obviously I also had a personal commitment."

But now that he is working for a firm, Feldman feels he has a responsibility toward his clients, and "maximum profit."

"My responsibility here is to make the maximum profit for my clients. Individual investors can set their own priorities. If they're interested in profit not politics then that's how I'll invest."

Feldman doesn't discourage his clients from buying in South African associated companies, except to say they are involved in unstable areas.

In fact, Feldman says he would now be willing to buy South African stocks himself, if he had the funds.

"If I had the money, I probably would buy into them, he says.

today

The Graduate Teaching Fellowship Federation (GTFF) voted last night to add an amendment to its bylaws providing for a strike vote. Two-thirds of the GTFs must vote in favor of a strike, however, before it can occur. See Page 3.

The Amazon Cooperative Tenants (ACT) opened its own day-care center Monday. The center will be fully funded by the residents of the married student housing project. See Page 8.

A town fit for Pigs? When humans left the little town of Ordinance, the pigs moved in. Ordinance farmer Stafford Hansell and his 27,000 pigs now provide the town's only source of population. See Page 22.

CETA cuts back funding to a number of non-profit programs as part of a belt-tightening move. Emerald staff members took a look at six of those programs to analyze the consequences. See Pages 14 & 15.