



Washington Hot Line

by Congressman Ron Wyden

The Supreme Court recently conducted a special course in civil liberties for the Reagan administration and the more than 100 schools in this country that practice racial discrimination. It did so by upholding the right of the Internal Revenue Service (IRS) to deny tax breaks to such schools.

This ruling repudiates the administration's claim that the Internal Revenue Service lacked legal authority to deny charitable tax exemptions to two schools involved in the recent case before the Supreme Court.

These schools, one of which bans blacks from admission and the other which admits blacks but specifically

denies interracial dating or marriage, had sought charitable tax exemptions on the basis of the church-connected activities at the schools.

In its decision, written by Chief Justice Warren Burger, the court held that the IRS has the authority to deny exemptions to any institution acting "contrary to public policy."

Further, the decision said that "there can no longer be any doubt that racial discrimination in education violates deeply and widely accepted views of elementary justice."

The Court's ruling does not bar the schools from continuing their discriminatory practices, but, as Chief Justice Burger noted in the decision, the denial of tax benefits

will inevitably have a substantial impact on the operation of private religious schools.

The Court's ruling comes almost a year-and-a-half after the Reagan administration revoked the IRS' authority to deny tax exemptions, saying it required explicit congressional authorization. This action touched off a storm of protest within the Congress and around the country, which caused the Justice Department to switch sides before the Supreme Court in an attempt to head off a ruling.

Despite efforts to minimize publicity about the abrupt policy change and later attempts to soften it, the action raised considerable controversy even within the administra-

tion, including a letter signed by 200 officials of the Justice Department's Civil Rights Division.

The actions of the administration combined with continued reports of racially motivated vandalism and violence unfortunately have proven that, twenty years after the civil rights fervor of the 1960's, the United States is still struggling to find a way to a truly equal society.

The Court's decision is a beacon of hope for those who have witnessed the seeming backward slide in civil rights progress during the past two-and-a-half years, but it is also a warning that we must be ever-vigilant in our pursuit of equal justice under the law for all Americans.

Investing in South Africa

Moral issue with a bottom line

by Carl A. Penn

With legislation now pending in more than 25 states and cities calling for withdrawal of public funds from companies doing business in South Africa, church, educational, labor and community groups are leading the call for United States divestment from South Africa. And the momentum of their efforts parallels the rapid growth in public ownership of corporate America.

Through their pension funds, Americans today own nearly 50 percent of corporate America, and with United States minorities currently holding a \$75 billion interest, it's not surprising that when the question of investing in South Africa arises, so does the question of investment social responsibility.

Last January, following the lead of Michigan, Connecticut, Philadelphia and other major cities and states, Massachusetts passed legislation that called for total withdrawal of \$100 million of its funds from banks and corporations doing business in or with South Africa. While many investors have toed the middle line for years, claiming that both divestment and investment involve great ambiguity, a large group is now beginning to move left of center on this issue.

The main question on disinvestment is what is the total impact of American investment and does it contribute more to the welfare of nonwhites or does it strengthen the apartheid regime's reluctance to install real changes? For proponents of divestment that question is answered clearly by reviewing some current statistics: The average monthly wage in the mining industry is still discriminatory depending on color. White workers earn \$1,056 a month, compared with \$175 for blacks. The infant mortality rate is 12 per every 1,000 births for whites and 282 for blacks.

It is extraordinary, if not alarming, that all principle discussion has focused on equity for minority workers and has not included dialogue on the transfer of necessary economic assets to the majority. In other words, in order for the majority to cooperate with the minority-controlled government, the majority must gain control over one or two of the major sectors of basic industry, i.e. coal mining or rail transportation.

Moreover, American corporations are concentrating most of their investment in high technology and manufacturing, producing capital-intensive equipment that will lessen

the economy's dependence on black labor.

Yet, South Africa still requires large amounts of foreign investment to remain self-sufficient and a withdrawal of investment and restraint on new investment would force dependency on imports of all categories, thus making the government more reliant, perhaps responsive, to the world's concerns about apartheid.

In a study conducted by our firm on institutional portfolios over a 10-year period, we sanitized those securities of companies that had invested in South Africa and allocated the value of those securities into the remaining non-South African investments. In some cases, the allocated value went into companies of the same industry, but which had no South African investments.

The return on investment from the sanitized portfolio stock proved to be superior to the return from securities that had invested in South Africa. It should be noted that our study was completed in June 1982, and does not include the last six months of market surge.

Apartheid, a persistent discrimination against people of color in South Africa, has steadily become more thorough, more efficient and more severe. It impedes family sta-

bility, spirituality, intellectual, personal and moral growth. It violently suppresses free speech. Worse yet, for 23 million people, it offers no vote in its government. This is slavery, no matter how sophisticated its design.

There is no question that the continuance of South Africa's racially repressive government has caused a qualitative shift to armed struggle by the South African nationalist movement. Guerrilla activity will intensify through this decade. Resolution of this struggle will depend on the timeliness of South African concessions to nationalists at the negotiating table, or Western-backed demilitarization of this struggle.

As segregationists continue to deflect, channel and absorb nationalist opposition with broken promises of improved conditions, the brightest hopes for peaceful resolution fade. Demilitarization of the nationalist movement through increased military and financial aid, in light of no concessions and broken promises, will only strengthen the thoroughness, efficiency and severity of apartheid, and thus continue to add risk to American investment in South Africa.

Carl A. Penn is at Daniels & Bell, a New York brokerage firm.

Apartheid, nuclear power and mine safety

(Continued from page 1 column 6)

touting for nuclear scientists and technicians. It also seems clear the purpose of this is to get a nuclear bomb on the cheap."

Last June the apartheid regime restructured and brought into centralized control and direction its various nuclear agencies. Beginning on July 1, 1982, an overall Atomic Energy Corporation of South Africa began functioning. Under it are two large subsidiary bodies, the Uranium Enrichment Corporation of South Africa and the Nuclear Development Corporation of South Africa.

Included on the board of directors of the new state corporation,

the chairman of which is Dr. J.W.L. Villiers, former president of the old Atomic Energy Board, are the following: S.J.O. de Plessis, director-general of Mineral and Energy Affairs; D.A. Etherridge, chairman of Nufcor; M.G.A. McMillan, chairman of Palabora Mining Group; J.H. Smith, chairman of Escom; J.A. Stegmann, managing director of Sasol (the oil from coal extraction plant); Dr. N. Stutterheim, chairman of Telephone Mfrs. of SA and vice-chairman of Mintek; Donald Sole, outgoing Washington ambassador; and J. van Dalsen, director-general of foreign affairs and information.

The Beisa mine is a part of the nuclear complex now run by the new Atomic Energy Corporation. It is a supplier of the pilot plant at Valindaba, which is now producing enriched uranium and delivering it to the nuclear power plant at Keoberg. Formerly South Africa sent its uranium abroad, particularly to the U.S., for enrichment. Its attainment, with the help of its Western allies, of its own enrichment process, is an ominous development: South Africa has refused to sign the Nuclear Non-Proliferation Treaty.

U.S. supplying of South Africa with nuclear materials, suspended for a time due to international pressure, was resumed by the Reagan administration in mid-1982. According to Carlton Stoiber, director of the U.S. State Department's Nuclear Export and Import Control Office, this was done "as an inducement to the South Africans to be more forthcoming on non-proliferation issues." Beside this vastly unbelievable statement needs to be set the many continuing declarations of South African generals that they possess the nuclear weapon capability of dealing with their anti-apartheid enemies.

At least five new unions are now recruiting among black, colored (mixed race), and Asian mine workers. Most of the organizing is occurring in the gold mines and so far about 11% of the non-white miners have been recruited. However, unions are barred in the uranium mines (including in the huge Rossing uranium mine in

Namibia owned by the British Rio Tinto Zinc company). The white gold mine companies were compelled to deal with unions so that orderly negotiations could be conducted with black miners, instead of having to confront the type of chaos and disruption that has occurred at the Beisa mine. As the foothold of Black unionization spreads, the struggle against conditions in the mines is bound to reach all sections of the South African mining industry.

Oregon Reps buy missiles

Oregon congressmen Les AuCoin (D) and Ron Wyden (D) joined their colleagues in the House of Representatives May 25 to pass 309-92 \$454 million in additional funding for continued production of Pershing II missiles. In a speech on the House floor, AuCoin said the Pershing II appropriation was forced by the "outright arrogance of the Army," in pursuing production of the missiles, "contrary to the directives of Congress."

Congressman Addabo (D-New York) introduced amendments to both reduce and delete funding for the Pershing II, but was defeated by voice votes in the Democratic-controlled House of Representatives. Oregon congressman Wyden and AuCoin voted in favor of the Addabo amendments. Nuclear Freeze advocates say that deployment of the Pershing II will make a nuclear freeze impossible to achieve.

The \$454 million for Pershing II missiles was lumped together in a package of appropriations totalling \$4.8 billion for fiscal 1983. The measure granted additional funds for a variety of other federal programs, including \$12 million for research on acquired immunity deficiency syndrome (AIDS); \$49 million for restoration of the west front of the U.S. Capitol; and \$50 million for Farmers Home Administration (FHA) guaranteed operating loans.

Notice of Public Hearing on the Proposed Statement of Objectives and Projected Use of Funds

CITY OF PORTLAND JOBS BILL PROGRAM

The City of Portland intends to apply to the Department of Housing and Urban Development for \$4,680,000 in supplemental Community Development Block Grant funds that have been made available beginning August 1, 1983 through Title I of Public Law 98-8, the "Jobs Bill."

These funds will be made available to undertake community development activities that will result in productive jobs in the areas of housing, neighborhood improvements, economic development and community services.

Following is a "Proposed Statement of Objectives and Projected Use of Funds" for the Jobs Bill Program. Citizens are invited to submit comments on the proposed statement by June 15, 1983. Comments should be directed to: Mark Davis, Bureau of Community Development, 1220 S.W. Fifth Avenue, Room 1120, Portland, Oregon 97204. Any comments received will be considered before developing and submitting the "Final Statement of Objectives and Projected Use of Funds" to HUD on July 1, 1983.

A public hearing will be held before City Council at 10 a.m. Wednesday, June 15, 1983 in City Hall Council Chambers, 1220 SW Fifth Avenue, Portland, to receive testimony on the proposed Jobs Bill Program.

Additional information and details on the "Projected Use of Funds" can be obtained by calling the Bureau of Community Development at 796-5159.

PROPOSED STATEMENT OF OBJECTIVES AND PROJECTED USE OF FUNDS FOR SUPPLEMENTAL HCD FUNDING (JOBS BILL) FISCAL YEAR 1983-84 CITY OF PORTLAND

The primary objective of the City of Portland's Housing and Community Development Program is the provision of decent housing, a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Program emphasis will be on:

- Improving Portland's public facilities and promoting a healthy economic environment by supporting projects that will result in productive jobs or expanded economic opportunities.
- Providing assistance to low and moderate income persons through housing, community service and employment programs.

Proposed use of the funds made available to the City of Portland in fiscal year 1983-84 under the Jobs Bill (Title I of Public Law 98-8) include:

NEIGHBORHOOD IMPROVEMENTS Street improvements; bike paths; traffic diverters; park improvements; street lighting; Building Code enforcement. Estimated budget: \$2,568,080	ECONOMIC DEVELOPMENT Economic incentive program, site improvements to industrial/commercial land; implementation of urban service policy. Estimated budget: \$1,187,235
COMMUNITY SERVICES Sidewalk subsidy for seniors; emergency food and fuel programs; youth work experience; emergency housing assistance; summer employment for teens. Estimated budget: \$718,920	ADMINISTRATION Estimated budget: \$205,765
TOTAL JOBS BILL PROGRAM BUDGET \$4,680,000	

INTERESTING FACTS



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The Greeks and Romans used butter largely as a medicine, preferring olive oil as a cooking fat.

Tobacco got its name from the Y-shaped pipe called a tabaca, which Columbus saw Caribbean Indians using.

Long before the Susan B. Anthony dollar, there was the Martha Washington one dollar Silver Certificate, in 1891.

Enough hot dogs are produced in the U.S. every year to reach the moon and back 2 1/2 times.

We do not do business with South Africa.



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