

By JIM SHOCH

Stanford's April Third Movement this spring raised a seemingly reasonable set of demands concerning war-related activity at the university and its wholly-owned affiliate, Stanford Research Institute (SRI). The most important demand was for the climination of military counter-insurgency studies at SRI.

Despite wide support for the demands; the Trustees deciden that I: would be "neither feasible nor desirable" to and such research. Why did they come to this decision? The answer requires a thorough understanding of America's economic and political structures, and the position of the Trustees in this system.

American corporations are mearthing the globe for raw materials, markets and outlets for investment capital. Direct, private U.S. Investment in foreign countries has risen from \$7.2 billion in 1946 to mearly \$60 billion today. Houghly 60% of this money, or \$24 billion, has been pumped into the underdeveloped nations of Latin America, Asia, and Africa.

Half of U.S. investment abroad is controlled by 45 corporations. The stockholders, directors and executives of the multi-national organizations are members of the uppermost layers of America's ruling class-the same class from which are drawn many important government leaders.

The Stanford Board of Trustees is a microcosm of the American ruling class. As individuals, they have important economic interests in the Third Wurld. Union Oil, represented on the Stanford board by a director, Arthur Stewart, and on the SRI board by its president Fred Hartley, has a drilling operation off the Thai coast and owns the connessionary rights to all 55,000 square miles of Northeastern Thailand, the area where the Thai insurgency has its greatest strength. Shell Oil, whose president Richard McCurdy is a trustee, runs the largest oil refinery in Southeast Asia, in Thailand. Tenneco, the massive conglomerate whose president Gardiner Symonds is both a Stanford trustee and an SRI director, moved into the Indonesian oil business after the right-wing military massacre of 100,000 Indonesian and Chinese leftists in 1965:

Castle and Cooke, owner of 55% of the Thai-American Steel Works, is represented on Skt's board by its president Malcolm MacNaughton. Castle and Cooke is also developing a \$50 million operation in the Philippines.

Stanford trustees and SRI directors have broad aconomic interests in Latin America. Utah Construction and Mining owns the controlling interest in the Marcons Mining Corporation, an iron fire located in Peru. Utah has recently begun operation in Chile as well. Trustee Brass Arbuckle and Stanford's Vice-President for Business Affairs, Alf Brandin, are both Utah directors. Arbuckle is also a former executive with the W.R. Grace Corporation, a firm with extensive sugar and shipping interests in Latin America.

Kaiser Industries, represented on the SRI board by Edger

The Corporation Expands...

Kaiser, controls mining and manufacturing operations throughout Latin America, in addition to maning Thei Aluminum.

tpon his retirement from the presidency of Stanford last year, Wallace Sterling was made a Kaiser director.

Their invostments in the Third World are not as score as Stanford's trustees would desire. Since World War II national literation movements throughout the underdeveloped world have posed an increasingly serious threat to U.S. investments. Why are nationalists in underdeveloped countries opposed to U.S. acommic involvement in their homelands?

The answer is clear: foreign investment stunts and deforms the development of Third World economies. Diverting profits to industrialized countries deprives energing nations of the capital they need so desperately for internal devel-

Foreign investment produces a lopsided form of development. American corporations want maximum return on their investments in the Third World. The groatest returns come from extracting oil, copper, bauxite, tin, and other unrefined commodities. As a result, most Third World nations depend on one or two exports (usually agricultural products or raw materials) and are forced to import manufactured

"...their investments in the third world are not as secure as stanford's trustees would desire..."

goods. The terms of this trade leave such nations in a precarious economic condition.

Recently some American roney has been going into the production and marketing of luxury goods for high-income groups in the Third World. Auto assembly plants in Brazil and Rockefeller's supermarkets in Argentina are examples.

But the profits from these markets return to American companies, further darkening the balance of payments picture for underdeveloped countries. While local capitalists are often drawn into these ventures, in the long run foreign investment inhibits the development of independent, native entreprendurs. The international corporations, of course, see no point in encouraging people who might eventually demend that the resources of their countries be used to develop those countries themselves rather than experting them to the industrialized nations.

Very little American investment goe. Into the capital goods sector (steel, machinery) of Third World economies.

Foreign comparations want a guaranteed demand for their pro-

(CONTINUED ON PACE 8)

corporate expansion, cont.

(FROM PAGE 6)

ducts, which cannot be provided in underdeveloped nations. The large amounts of capital that are necessary for heavy industry cannot be raised locally -- what money there is usually goes into safer joint investments with foreign firms.

Consequently, the emerging nations are formed to import nearly all of their coultal goods from the industrialized countries. Without heavy industry of their own, planned and integrated on a regional basis, developing nations cannot hope to achieve rapid, balanced, self-sustained growth.

The alliance of foreign and domestic capitalist interests produces economic stagnation and an intolerable distribution of income and wealth among the people of the underdeveloped world. Capitalist "development" means, in practice, the plunder of the Third Warld's resources by the advanced na-

It is becoming increasingly clear to the peoples of the emerging nations, that only through some form of socialist planning will it be possible to raise and allocate the large amounts of capital necessary to develop the basic industry that is essential to real development. Control of the underdeveloped economics must be taken away from foreign cap-Italiats and their macive all'es and vested in governments that will plan development to the interest of their own peuple.

But here is where the trouble arises. To be able to trade and invest on their own terms, American businessmen must work in a capitalist environment. Nationalized heavy industry in the emerging nations would compate with exports from the developed countries. More important, socialist means the control and possible expropriation of foreign hold ings and the climination of areas of investment profitable to American capitalists.

It is for this reason that the United States supports right-wing military regimes throughout the Third World. The so-called "Free World" is free in one sense only all about capital.

When nationalist sentiment to so underdeveloped country leads to armed revolution, open military Intervention may be used by the United States, as in Viernam. It should by noted that, while the American economic stake in Vietnam may not seem to justify our massive involvement there, American policy makers know that a withdrawal at this would give a great stimulus to revolutionary movement other Third World mations.

Stanford University and the Stanford Research Tustiful have made real and extensive contributions to direct t.S. military intervention in Victuam. ski has been involved in the Vietnamese conflict almost from its beginning.

In 1961, senior commodist Eugene Staley, travelled to Salgon to bring back suggestions for meeting the Dien regime's "mast pressing figaroial, military, and political needs." After a'x weeks, Staley vector ended large incrosses in military and enumeric aid, "measures could respect to within eighteen souths." could respond to the equation within eighteen months."

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from Michigan, Cornell, and MAND. From 1956-65, SRI's Bangkok group performed thirty-seven contracts that can unambiguously be termed military counterinsurgency. The list of contracts included the following:

-- "Development of Communications Traffic Requirements to Repress Medium Level Insurgencies in the Northeast"

-- "Counterguerilla Surveillance Processes"

-- "The Malayan Emergency: A Study of Communist Population Control in Southern Thailand"

-- "Communist Terrorist Lugistics in Southern Thailand." A metal detector to locate enemy weapons caches and a "people aniffer," used to detect human body whar, have been developed by SRI scientists and techniclans.

in 1968, SRI held \$6.2 million wurth of contracts in Southwast Asia, (about top per cent of its total finding) a great part of which was for counterinsurgency research.

The Institute is also interested in Latin America. Robert Davemport wrote a secret report In 1966 entitled "COIN (counterinsurgency) Peru." Also In 1966, SRI's John Hutzel wrote a similar report entitled "COTN Honduras."

But the use of armed force is a crude response to Third World nationalism. Our marional and corporate leaders would clearly like to defeat unationalist uprisings without massive military Intervention. They know that American institutions other than the military can serve the same purpose in less obvious ways. Universities are among the most valuable tools of those who have interests to defend in the Third world. Stanford is a good example of a university bent to this purpose.

Even if the university and SBI were to eliminate research contributing to direct military latervention, they would contimue to provide a more subtle kind of protection for American investments. SRI has been busy for many years developing sophisticated scientifle devices and political and nonnumber ways to manipulate third World mutions. These techniques are designed to make U.S. domination possible without a Vietnma style commitment of military force.

example of this more subtle kind of protection is "udevelopment persearch," frequently funded by the focoveragent.

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vestors. do This

"s.r.i. has been especially active in thailand, where it began working in 1966..."



"I bet that's how they plan to get us out of Vietnam. They're going to send us all to Thailand."

corporate expansion, cont.

(PHOM PAGE 8)

government-owned lands, usually of poor quality; and only infrequently include the expropriation of private holdings-a step that must be taken if land reform is to prove meaningful.
In order to rapidly increase agricultural productivity, it
is necessary to employ improved types of seed, fortilizer,
posticides, and farm machinery. Such large-scale agricultural investment cannot be undortaken by poverty-stricken peasamis. Only massive expropriation of large estates, coupled
with some form of collectivisation, can create the type of
agricultural organization that can efficiently employ the
needed technology.

This type of land reform requires socialist planning and directly threatens large native and foreign tandowners. It is not surprising that no such proposals are cade in Bredo's work. The real purpose of these land reform efforts is revealed in his proposal to AID for a 1967 Vietnamese project. He wrote that the program "Is considered most important at this time to...produce political results that will contribute to winning the wat."

Aside from helping to formulate the development plans of Third World nations to obsure that they will allow free access to American capital, SRI actively assists U.S. investors in their efforts to penetrate the economies of the nations of the underdeveloped world. Twenty percent of SRI's work is done for international business.

This consists in large part of investment surveys, like the the ones written by W.B.Dale in 1958 and H.W. Laurant in 1963, entitled respectively "Brozil: Factors Affecting Foreign Investment" and "Factors Affecting Foreign Investment in Argentina." SRI also performed a study for AID entitled "Re-commaissance Survey of Industrial Opportunities on Northeast Thailand and Laos."

Through its overseas management entity, SRI-International, SRI sponsors investment conferences in Asia and Latin America designed to coordinate the participation of foreigh capital in the "development efforts" of the businessmen from the United States and the underdeveloped nations themselves.

SRI-international President Weldom Gibson declares that in Latin America, "The great hope for future progress lies in the creation of an environment conductive to the growth of free enterprise." He added that "political instability has resulted in a certain reluctance on the part of private business to increase its investment in the future of this area." He failed to mention that American business might create an environment intolerable to other people involved, thus producing the political instability it rightly fears.

Military counterinsurgency research, then, is only one of many services provided by an to assist giant fultinational corporations in their efforts to penetrate and control the the community of the Third World. Economic development research and investment surveys and conferences all serve to perpetuate the dominance of American corporations in the underdeveloped nations.

The peoples of Asia, Latin America, and Africa are engaged in a great struggle to throw off the yoke of foreign domination. It is only through understanding the role of American institutions like Stanfard and SRI in the perpetuation of t.S. imperialism that we can aid them in their struggle.

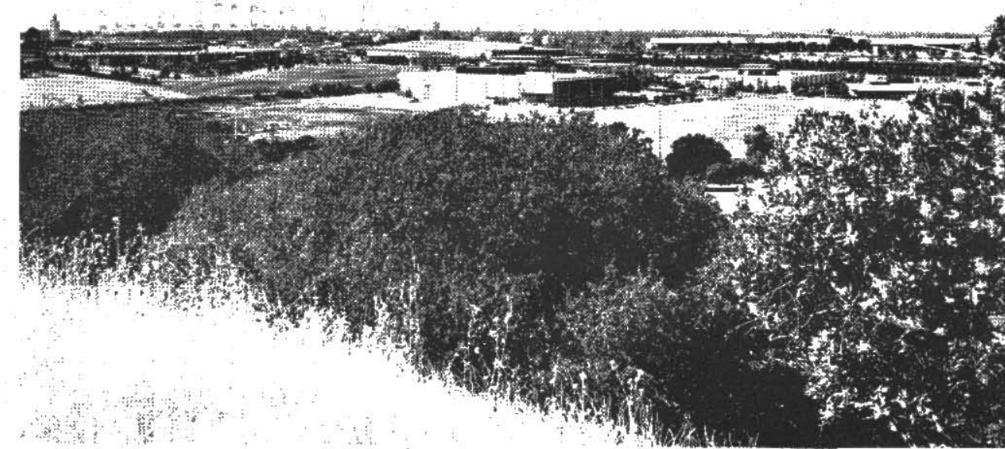
JACK LONDON
International Socialist Review, October, 1913

Young men: The lowest aim in your life is to become a soldier. The good soldier never tries to distinguish right from wrong. He never thinks; never reasons; he only obeys.

If he is ordered to fire on his fellow citizens, on his friends, on his neighbors, and on his relatives, he obeys without hesitation. If he is ordered to fire down a clowded street when the poet are clamoring for bread, he obeys and sees the gray hairs of age stained with red and the life tide gushing from the breasts of women, feeling neither remorse nor sympathy. If he is ordered off as firing squad to execute a hero or benefactor, he fires without hemitation, though he knows the bullet will pierce the noblest heart that over best in human breast.

A good soldier is a blind, heartless, soulless, murderous machine. He is not a man. He is not a brute, for brutes only kill in self defense. All that is human in him, all that is divine in him, all that constitutes the man has been sworn away when he took the enlishment roll. His mind, his conscience, aye, his very soul are in keeping of his officer.

No man can fall lower than a soldier -- it is a depth bemeath which we cannot go. Keep the boys out of the army. It is hell. Down with the army and navy. We don't need killing stitutions We need life-giving institutions.



A view of the Stenford Industrial Park, with Stenford's Hoover Tower on the left and Hewlett-Packard in the foreground.

By PITER 4. DOLINGER

BOARD OF TRUSTEES

The Stanford Board of Trustees, now purbering 23 members, has perpetuated itself since the University's Inception in 1891. Over the years the trustees have created a complete authoric of huniness comment ions whose interests are served by the university and who, in turn, control university polley. This kind of complex has been developed at almost every major university. The ratationship between the university and bualness is maintained through a system of interlocking directorates. Hewlett-Packard Co., (HP), manufacturer of electronic measuring equipment, has live Stanford trustues on its Board of directors. A sixth Hewlett-Packard thend member, Frod Terman, is past Dean of the School of Engineering and vice-president at Stanford.

Relations between HP and Stanford are nothing less than Invillat. For example, they include a plan for HP engineers to take courses at Stanford through a closed circuit television arrangement. Hewlett-Packard also plays an important role in Stanford's influence on local politics.

Other Stanford 'amily communics include Kern County Land Co. The Land Co. profitted from itrigation water made available by the Hoover Dam in government financed project). Heover was an alumnus and 50-year trustee of the University; his Sucretary of the Interior was Ray Lyman Wilbur, a former Stanford president.

The Wells Pargo Bank is also close in the university. Kriest Arbuckle, twice a Stanford trustee and former Dean of the dualness School, is chalpman of Wells Fargo's Board. Arjay Miller, former president of Ford Motor Co. and Arbuckle's replacement at the Stanford Business School, was just named a director of the bank. Two other important Stanford Trustees, W. Parmer Fuller III and Edmund Littlefield, are Wells Fargo directors.

All universities need services of a law firm and an investment management firm since most university endowments are invested in stocks and bonds. Two members of the San Francisco law firm, McCutcheon, Doyle, Brown & Emerson, Morris Doyle and

Stanford: Case Study of a Corporate University

Robert Brown, are on the Stanfurd Board of Trustees. Other Stanfurd alumni abund at all levels of this firm. It is not surprising that McCurcheon, Doyle is the law firm that serves hewlet: -Packard.

Stanford's investment pertietie is handlod by Fund American Investment Management Company, part of an insurance-finance conglomerate called the Fund Amunican Companica. Fireman's Fund Insurance Company, a part of the same complomerate, provides most of Stanford's lusurance. Control of Fund American was recently possed from ageing James Crafts, a former Stanford trustee, to Fred Marrill, a present trustee. Directora of Fireman's Fund include J.E. Wallace Sterling, who was Stanford's president during the period when Stanford Look its position as electronics capital of the west, and Dwight M. Cochran, former chairman of Korn County Land Co..

Kern was hought last year by Tenneco, Inc., a Texas conglomerate headed by Lardiner Symonds, another Stanford trustec. And this year Fund American was similarly absorbed into American Express.

STANFORD INJUSTRIAL PARK

One of the carliest and tost influentia proponents of the university-affiliated industriel park concept was Stanford's first send of the stanford during World War ! to work in the Harvard Madlo Research Lab on radar and other aspects of electromagnetic warfare. This made Terman position as challman of the Department of Electroal Engineering and Down of the School of Engineering even more important, for he returned to Stanford with excellent connections in both the Defense Department and the military electronics world.

Terman is now a director of three eleclionics firms in the Stanford Industrial.

Park: Hewlett-Paukard, Watkins-Johnson Co and Granger Associates. The three companie depend heavily on defense contracts, espendally Watkins-Johnson, which makes electronics countermessures equipment and does ever 65 percent defense work.

Other defense-priented companies in the Industrial Park (Lockhend Missile and Space Co., Varian Associates, and some smaller companies) were started by Stanford graduates or faculty members. All of them at Stanford for unusulting and recruiting.

THE NEW RENATSSANCE PROPRSSORS

Fundamental to the tise of high-techhology industry stoudd American universities is a new breed of professors. It is
said that they see thomselves as a new
generation of tensissance men, so varied
eve their exploits. Many professors at
Stanford and elsewhere, besides being oducators, are inventors, businessmen, and
putitionals. A good example of this new
breed is Dean Watkins, former professorof electrical engineering and a Stanford
crustee since 1967.

After gotting a Ph.D. In E.E. and workfor a few years for Highes Aircraft Co., workins was given's tenured position as associate professor in Dr. Terman's Elec-

(CONTINCED ON PAGE 19)

July 1960 the corporate university, cont.

(FROM PAGE 10)

trical Engineering Department. During the time Watkins was on the faculty, he was appointed consultant to the Pentagon on electronic devices and invented a new electron tube which was very useful in radar and other electronic countermeasures sys-

Watkins set up his own company in the industrial park, Watkins-Johnson, to manufacture the new tube and develop other Items. Most of the capital was provided by the Kern County Land Company; Dr. Tercan was named a director, as was willian Hewlett.

As a professor, watkins could scout new talent in engineers and technicians, as well as experiment with new devices, at the expense of the Defense Department and other government agencies. This arrangement proved very auccessful. Eventually Watkins-Johnson got so big that Watkins teft the faculty to run the company.

Soon after that, Watkins entered politics. Running with strong conservative backing, Watkins was twice elected to his local elementary school board and twice to his local high school board. During this time, he was appointed a director of the Stanford Bank, which had been started



Glenn Campbell, director of Stanford's Hoover Institute.

HUXIVER INSTITUTE

Herbert Clark Hoover, 31st President of the United States, was in the first

"One reason for the phenomenal growth of the School (of Engineering), by both quantitative and qualitative standards, is the University's location. Stanford is now the center of a thriving industrial region, which it helped to build, and there is a creative interaction between

the University and the industrial community."

- Fund raising brochure, "Corporate Support for a new space engineering and science building

by Dr. Terman and some friends in 1964. By 1967, Watkins was named a Stanford trustee (he hasn't yet been made a director influential alumnus Stanford ever produced. of Hewlett-Packerd), and by January of this His influence is still felt at Stanford, year, Watkins became Ronald Reagan's third appointment to the University of California War, Revolution and Peace, which he founded Board of Rugents. The first two were william F. Swith, Reagan's lawyer, and

graduating class at Stanford. As a fiftyyear trustee, Hoover was probably the most mainly through the Hoover Institution on et Stanford in 1919.

"The purpose of this institution,"

Houver wrote, "must be, by its research and publications, to demonstrate . the evils of the doutrines of Karl Marx -whether communism, socialism, economic materialism, or atheism -- thus Lo protect the American way of life trrm such ideologies, their conspirscles, and to reaffirm the validity of the American system."

The Institute's direntor, W. Glenn Campbell, took a leave of absence in 1964 to work my the Coldwater campaign. Campbell's executive assistant, Alan Belmont, worked his way up in the Domestic Intelligence Division of the F.B.1., eventually becoming head of the division, before arriving at Stanford in

Hoover Institute was started as a 11brary of European documents that Hoover and others acquired during and after World War. 1. The Institute has literature on The Communist International that has attracted many scholars to Stanford, including former president Wallace Storling. The Institute is run as a non-profit: foundation (contributions are tax-deductable) with an independent endowment and a separate budget.

Bonides the institute's staff, which and has been depleted somewhat by Nixon administration appointments, some influence on Hoover policies may be exerted by the 50 men "board of advisors." The heard includes John A. McCome, former director of the CIA and now an Important West Coast businesscap; Lucius Clay, former Allied Supreme Commander in Europe and now accord the most important financiers and businessmen in the matlon; Carl Ketchian, president of Lockheed Aircraft; retired Admiral Lewis Strauss, former chairman of the Atomic Energy Commission and a partner in Kuhn, Loeb Investment bankers; and several Stanford trustees, including David Packerd.

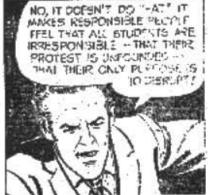
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