

would then be far in the lead, but CERN would be a powerful No. 2, and the Soviets' 76-GeV proton synchrotron at Serpukhov, currently the world's most powerful, would be in third position. But if superconductivity does work out, the empty spaces could be filled with superconducting magnets; eventually, the conventional ones installed at the outset would be removed and the entire ring would be equipped with the new and more powerful magnets. In this circumstance, Director Adams says, there are good possibilities of getting to 1000 Gev.

Rated high in the charms of the Geneva/missing-magnet plan are the financial savings that are expected in both construction and operations, plus the possibility that lower costs might induce more members of the present CERN consortium to sign up for the new machine. Legally, it is a separate venture, and so far only the five countries that offered sites, plus Switzerland,

have agreed to share the cost. Standing aside from the project are Britain, whose decision was a near deathblow, Denmark, Greece, Sweden, the Netherlands, and Norway. Thus, it is six in and six out, a division that is considered to be eroding the famously smooth cooperative spirit that long made CERN a model of international cooperation. It is Adams' hope, however, that a substantially lower price tag, plus sharply reduced operating costs, might attract more participants, especially in his own country, which cited financial difficulties when it announced in June 1968 that it would not join the venture. Cost estimates have varied over the years as the designs have been revised for one reason or another, but a smaller diameter for the accelerator and the use of some of the existing experimental facilities at CERN are expected to bring the construction cost down to approximately \$250 million; the most recent previous figure for

construction was \$330 million. With the two laboratories on one site, it is estimated that the total staff would be about 5000, rather than 7400, and that operating costs would be reduced by about 25 percent. (CERN currently has a staff of about 3000, plus 500 to 600 long-term visitors.)

Many laborious steps remain to be taken before CERN can go ahead. First it will be necessary for the West German government to reverse its position, and there is no public sign that it is disposed to do that. Then the CERN Council has to approve the plan; it will meet in mid-June, but it is doubtful that it will take up the new proposal at that meeting. Then many past actions will have to be undone to clear the way. At present, CERN is formally committed to building a conventional accelerator at one of five sites, all remote from Geneva. It took scores of meetings over 3 years to get that far.—D. S. GREENBERG

## Campaign GM: Reformers Lose on Vote but Not on Influence

When the "Campaign to Make General Motors Responsible" first began arousing interest on university campuses this spring, Willis J. Winn, dean of the University of Pennsylvania's Wharton School of Finance and Commerce, speculated that GM would probably "vote down the [campaign's] proposals and then turn around and do something about them." Events during and associated with General Motors' annual shareholders meeting on 22 May in Detroit suggest that Winn may have spoken prophetically.

Campaign GM was announced in February by Ralph Nader, who was not, however, formally a part of the project. It has been run by four young lawyers operating on a shoestring budget out of a suite of cluttered offices in an old brownstone off Washington's Dupont Circle, the capital's gathering place for hippies. Twelve shares of General Motors, out of the 285 million shares outstanding, were purchased to qualify the Campaign GM staff as shareholders. The campaign has had two immediate goals. One was to dem-

onstrate that the stockholders' meetings of GM and other large corporations are not an exercise in "corporate democracy" but a charade. The other was to persuade General Motors' major institutional shareholders to demand that GM open itself up to a kind of "social audit," make its board of directors less of an exclusive club for wealthy industrialists and financiers, and make a larger commitment to solving such problems as air pollution, highway safety, and job opportunities for minorities.

After the shareholders' meeting, James Roche, General Motors' board chairman, said that the GM management had received a large and gratifying vote of confidence. In a sense this was true, but Campaign GM had succeeded in generating among the universities, foundations, and other institutional shareholders pressures for change at General Motors. And, while the affairs of major corporations may be as much of a mystery as ever to most Americans, Campaign GM has afforded some of them a glimpse behind

what Nader calls the "chrome curtain."

Many newspapermen who have had experience covering nearly every branch and level of government—from city hall to Congress, the White House, and the Supreme Court—have never attended a stockholders' meeting, even though the largest American corporations are veritable "subgovernments" which, directly or indirectly, affect the lives of millions of people. General Motors, by far the world's largest corporation, employs nearly 800,000 people and its gross receipts last year of \$24.3 billion were greater than those of the governments of West Germany or Japan. In past years, GM shareholders' meetings have usually been covered by a few dozen business and financial writers. But, because of the interest generated by Campaign GM, the meeting last Friday was attended by about 130 reporters and many of their stories got "page one" play rather than being relegated to the business pages. What these reporters witnessed was in fact a charade.

The some 2600 stockholders at the meeting were mostly small shareholders from Detroit and nearby communities. Most were people fervently loyal to the company management, which was given a standing vote of confidence at the meeting's outset. As always, several "professional" minority shareholders such as Lewis D. Gilbert and Wilma Soss from New York were present.

These shareholders are known as critics of management, but many of their concerns run to nitpicking ("Is the Cadillac back at the White House?" one asked).

Their more substantive proposals, such as the one to limit compensation to company officials to \$350,000 annually—Roche receives \$655,000—are routinely rejected year after year. Evelyn Davis, GM's most flamboyant critic, was present wearing a bathing suit and a "Miss Air Pollution" sash. Shrieking intermittently throughout the meeting, she charged that the company's contributions to charity had brought on the bear market.

The chief function served by these vocal but ineffective minority shareholders is to relieve the tedium of the proceedings—proceedings that are cut-and-dried because of management's unshakable hold on the proxy machinery. The first business taken care of at last week's meeting was the reelection of the board of directors. Though elected annually by the stockholders, the board is in essence a self-perpetuating body, as is true of corporation boards generally. Its members are nominated by the board itself and only one slate of nominees is presented in the proxy statement that goes to the company's 1,363,000 shareholders.

Making nominations from the floor of the meeting is a procedure that commends itself only to the very naive or the very religious. "This is an exercise in futility," protested one shareholder before last week's election of directors. "It's like a Russian election." The top vote getter among the floor nominees received about 850 votes, while the poorest vote getter among the management nominees got over 237 million.

No Negro has ever been elected to the board, but, as Chairman Roche pointed out after the Friday meeting, the same applies to a "lot of white people." There is no more exclusive body than this board. No women are on it, white or black. The men on the board run to a type: nearly all are top officials or former officials of General Motors—11 of the 23 directors fall in these two categories—or are leaders of large businesses or financial institutions. The exceptions are Thomas L. Perkins, chairman of the Duke Endowment, and James R. Killian, Jr., chairman of the M.I.T. Corporation.

Moreover, it was brought out at the meeting that some matters bearing im-

portantly on GM's record for "social responsibility" are not brought by management to the attention of the board. For example, the board was not consulted before the management decided some time ago to reduce sharply the warranty period for its vehicles. Board meetings appear to be bland proceedings at which management decisions are ratified with little or no argument or dissent. General Motors cannot be fairly accused of having done nothing about environmental and social problems—the company employs over 100,000 nonwhites, for instance—but there is reason enough for the board to debate the adequacy of the company's performance.

Campaign GM proposals to add three "public" directors to the board and to establish a shareholders' committee on corporate responsibility had been submitted to shareholders in proxy statements. Both of these proposals were rejected overwhelmingly (neither received as much as 3 percent of the vote). Leaders of the campaign had hoped that prestigious institutional shareholders such as Harvard, M.I.T., Yale, Princeton, Columbia, and Stanford would, early on, support the proposals and thus influence others to do the same.

#### Lindsay Supports Campaign

What in fact happened was that no large universities or foundations supported the Campaign GM proposals, although some made a show of sympathy by withholding their votes from management on these issues or by writing the company to urge greater attention to corporate responsibility questions. It was symbolically significant, however, that the 162,000 GM shares in City of New York pension funds were voted for the campaign proposals. Mayor John V. Lindsay not only endorsed the campaign but sent two of his department heads to Detroit to speak for it. Some institutional shareholders decided by a narrow margin against supporting the campaign proposals. The board of the College Retirement Equities Fund (CREF), which holds 608,000 shares of General Motors, was divided 9 to 7, for example.

Amherst College did vote its 37,000 shares for the campaign proposals, and several institutions with smaller holdings did likewise. Two of them, Tufts and Antioch, sent officials to the share-

holders' meeting to speak for Campaign GM. Some church groups also appeared at the meeting on behalf of the campaign.

The trustees of Harvard, M.I.T., Columbia, Princeton, Rockefeller, and some other universities had refused to support Campaign GM proposals despite the support expressed for one or both of these proposals by students and faculty or campus wide advisory bodies. Campaign GM leaders and supporters commented caustically about this at Detroit. For instance, George Wald, a Harvard biologist and Nobel laureate, observed: "I had wondered why the board of trustees at Harvard calls itself the Harvard Corporation. It's a little clearer now."

Betty Furness, the consumer's advocate and Campaign GM candidate for the GM board, denounced the Rockefeller and Carnegie foundations for expressing support for the campaign's objectives and then not voting for its proposals. "If the foundations are going to be handmaidens to the corporations maybe it would be better if they didn't get a tax break," she said.

Campaign GM was the initial effort in the "Project on Corporate Responsibility," which will continue provided sufficient financing can be obtained. The next time around it will be harder for institutions such as Harvard and M.I.T. not to support reform proposals. Indeed, even in this first attempt, Campaign GM failed only narrowly to get the M.I.T. Corporation executive committee's endorsement for its proposal for appointment of public directors to the GM board.

And, significantly, this committee, which is made up of people such as James B. Fisk of Bell Telephone Laboratories and David A. Shepard of Standard Oil of New Jersey, has urged General Motors to diversify its board membership and to establish a committee on GM's responsibilities to society (though it opposed the Campaign GM proposal to have such a committee chosen by a panel named by GM, the United Auto Workers, and Campaign GM). Moreover, as noted earlier, James Killian, a member of the executive committee, is also a GM director, as is Lloyd D. Brace, a member of the M.I.T. Corporation. Clearly, GM will be feeling pressures from within as well as without to move in the direction Campaign GM has urged.

—LUTHER J. CARTER