

Campaign G.M. loses stock proxy fight

The annual meeting of the General Motors Corporation lasted an incredible six hours and twenty-seven minutes—the longest ever. When it was over, GM chairman James Roche, who had remained standing at the lectern throughout the meeting, told reporters that GM “won a vote of confidence.”

Roche was referring to the vote of shareholders on the two consumer-oriented proposals: appearing in GM's proxy, submitted by the Project on Corporate Responsibility and the focus of a four-month Campaign to Make General Motors Responsible. The proposals—to add three “public representatives” to GM's board of directors and to create a committee to study GM's corporate responsibility—each received less than three per cent of the vote cast.

But as GM's executives know, shareholder votes are a charade—no resolution opposed by management ever gets more than six or seven percent.

The purpose of Campaign GM was to raise issues, ask questions, and focus public attention on this nation's largest corporation and biggest polluter. In this, the Campaign succeeded: many businessmen, bankers, clergy, scientists, students, housewives, government officials, and reporters—an unusual coalition—enthusiastically supported both the initial effort and the long range goals.

The Campaign also hoped to force large institutions—such as universities—to realize that they can no longer pretend to be uninvolved with corporate power in America, and that, as shareholders, they have a role to play in holding corporations accountable to some higher goals than those by which the corporations runs its daily operations. In this too the Campaign succeeded—at least in joining the battle if not usually winning it. Many universities boards of trustees were placed, squirming, on the spot. Harvard's president Nathan Pusey sought the views of the university community, which ran overwhelmingly in favor of the Campaign, at the undergraduate, faculty, and alumni levels. Then the Harvard Corporation proceeded to oppose Campaign GM anyway, saying this was not a case for counting heads.

Two major foundations, Rockefeller and Carnegie, illustrated by their response just how much turmoil Campaign GM had caused. Both foundations issued long statements criticizing GM and faintly praising the approach of the Campaign, and then proceeded, strangely enough, to vote with management, warning that they

might not do so the next time.

Whatever Campaign GM had accomplished in these areas had been achieved before the annual meeting. In some ways, the meeting itself was to be anticlimactic—a kind of theater. Unlike political conventions, which are pre-ordained enough, here the overwhelming majority of the votes had long ago been cast by mail, and what happened on the floor was really for reporters and for the record.

In spite of this, and although the meeting dragged on interminably, there were moments on the floor of Cobo Hall in Detroit on May 22 that convinced Campaign GM leaders that the annual meeting was a realistic and useful place to obtain information about corporations as well as to apply constructive pressure on top management.

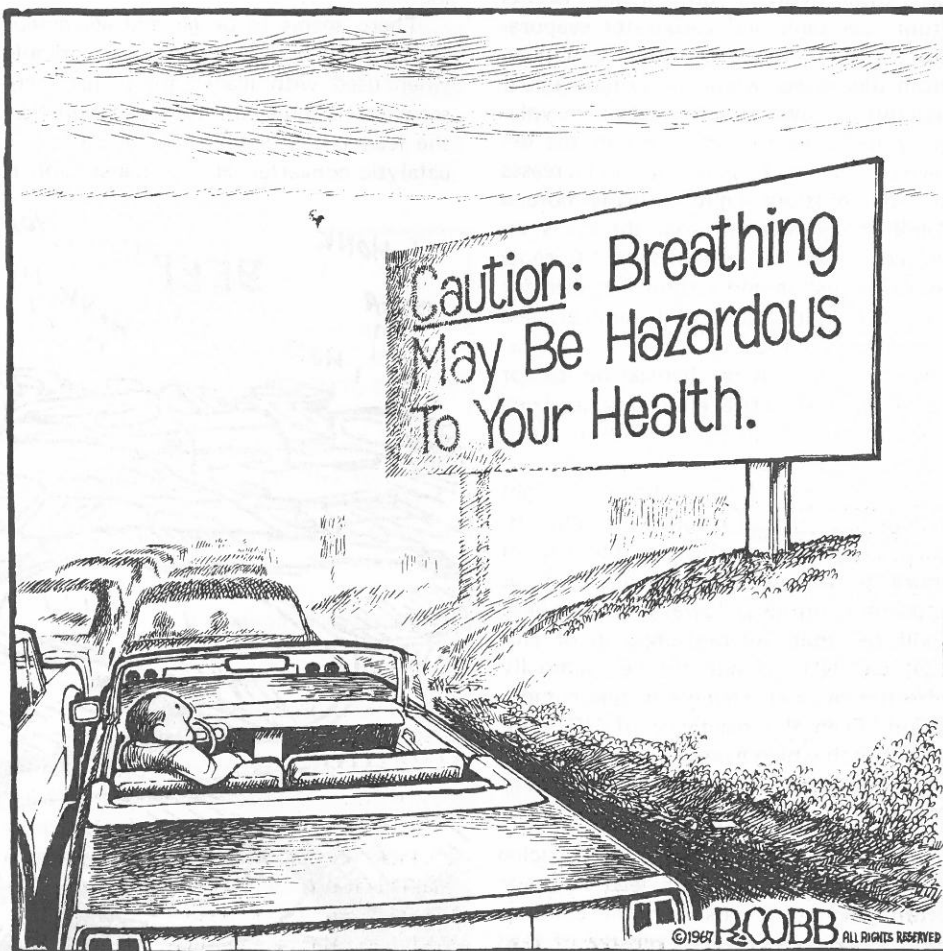
In particular, chairman Roche revealed more perhaps than he intended to about the operations of the board of directors and how new members are nominated to the board. Under sharp questioning from Barbara Williams, a black UCLA law student now at the Center for Law and Social Policy, Roche said there were no blacks and no women

on the GM board because “none have been nominated or elected.”

Leaders of the Project on Corporate Responsibility hope that next year heads of many major corporations will be subjected to incisive questions designed to elicit important information. But it is not clear whether another proxy fight will be launched. Measured as a tactic for educating the public and promoting interest in corporate responsibility, it has been a good one. But it is expensive, and in some ways it aims at the wrong target, since the whole theme of the Project is that all persons affected by a major corporation, shareholders and nonshareholders, should be concerned about that corporation's policies and should have a voice, however indirect, in its operations.

It is not yet clear what the Project on Corporate Responsibility will be doing now. Its directors are considering various kinds of legal actions against one or more corporations, in addition to more broadly based studies of corporate power and how people can deal with it. Leaders of the Project are now actively seeking advice and assistance from anyone interested.

Joel Kramer



Lead removal is not only solution

During the past several months, there has been considerable discussion about the nature of motor fuels and how the composition of gasoline relates to air pollution. Undoubtedly, many persons believe that by burning unleaded gasoline, most air pollution problems will disappear. It isn't quite that simple.

Any gasoline is a complicated mixture of hydrocarbons which defies exact description. Gasoline consists of varying proportions of several types of hydrocarbons called aromatics, olefins and saturates. Initial refining of crude oil yields a form of gasoline which is nearly all saturates and which has a low octane rating. Thus, much of the "straight run" gasoline must be further refined or "cracked" to produce a fuel which has a higher octane rating with more olefins and aromatics.

The types of air pollutants produced by automobiles are generally classified as hydrocarbons (HC), carbon monoxide (CO) and oxides of nitrogen (NO_x). The composition of gasoline influences the nature of these pollutants.

The volatility of gasoline determines how easily it evaporates. About 40 per cent of all hydrocarbon emissions results from fuel tank and carburetor evaporation. One method to reduce pollution from this source would be to reduce fuel volatility. However, a reduction in volatility increases HC emissions in the exhaust by about 10 per cent and increases the CO emissions slightly. Furthermore, a 1969 study revealed that the costs involved would be as much as 1.6 cents extra per gallon and a capital investment of 1.83 billion dollars. A simpler, less expensive alternative, however, is presently available. A mechanical device for reducing evaporative emissions has been developed and will be installed on autos in the near future.

Alteration of fuel composition might reduce the level of reactive components, such as olefins, and increase the level of more unreactive components, such as branched saturates. However, studies have indicated that the net emission of HC, CO, and NO_x would not be materially affected by such changes in fuel composition. Even the reactivity of HC emissions, upon which ease of smog formation is dependent, would be reduced only slightly.

Another possible means of reducing emissions is to eliminate lead additives from gasoline. Deposits in the combustion chamber consisting mostly of lead increase the quantity and reactivity of HC

emissions. Moreover, leaded gasoline is incompatible with certain other emission reduction devices, notably the catalytic converter. Lead in itself is a pollutant of some concern, the sublethal effects of which have not been thoroughly investigated.

The gasoline companies would have motorists believe that premium fuel with an octane rating of 100 is best for every car. There is probably nothing more misunderstood among drivers, however, than the meaning of octane numbers. Basically, the octane number is a measure of a fuel's ability to avoid preignition, commonly called knocking. Therefore, higher powered cars need high octane gasoline and low powered cars need lower octane fuel.

In order to manufacture gasoline with an octane rating sufficient for today's cars, two approaches can be used. The gasoline could be refined to the point at which a sufficient octane rating is achieved, or the gasoline could be refined to a lesser degree and tetraethyl lead added to boost the octane rating to the required level. The second method, adding lead, is cheaper than further refining.

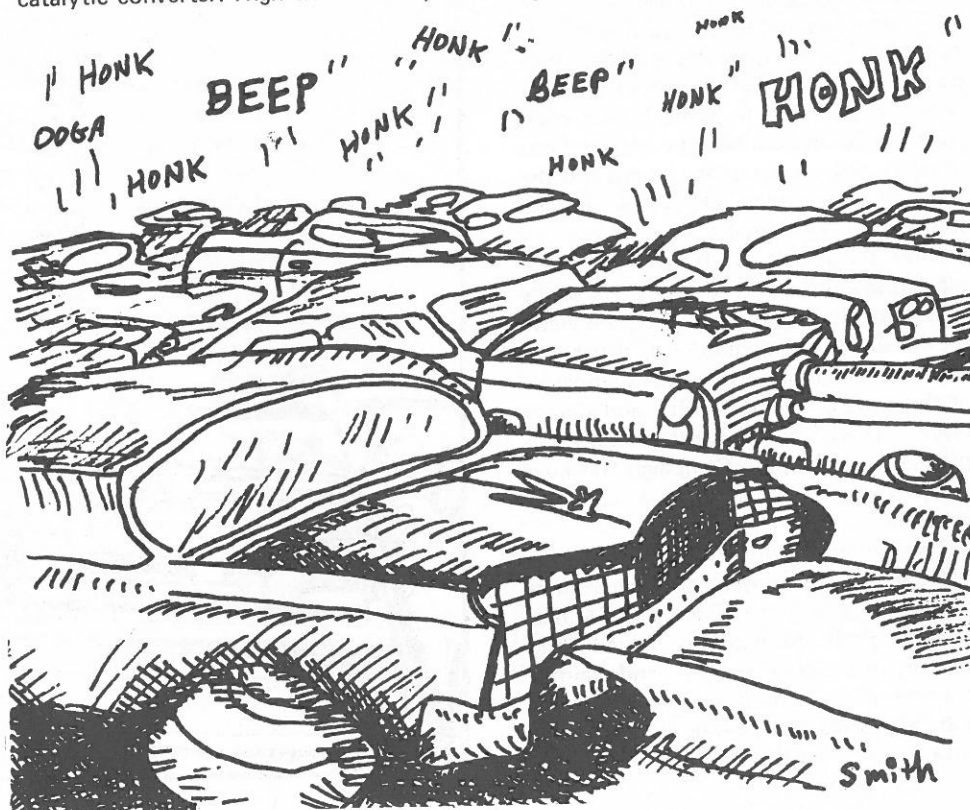
There seems to be general agreement that catalytic systems are unworkable when used with leaded fuels. But there seems to be some confusion as to whether the lead is the principal deterrent to the catalytic converter. High exhaust temper-

atures also cause presently available catalysts to deteriorate relatively quickly. If catalysts are developed which can survive high temperatures or if the temperatures can be reduced, then catalysts would be much more promising.

The costs of manufacturing lead-free gasoline has been estimated to be anywhere between \$1 and \$6 billion, amounting to an increase in gasoline prices of about 2 cents per gallon. This cost results from the necessity of the further refining of the gasoline which costs more than adding lead to less refined gasoline.

If unleaded gasolines were introduced, some engine modifications might have to be made. In order to reduce operating costs, more engines would be designed to run on unleaded regular octane gasoline. This would require engines with lower compression ratios and less power.

The eastern and southern American Oil stations are currently marketing lead-free premium gasoline (and ordinary leaded regular). The unleaded premium is refined more than other premium fuels. Therefore, lead isn't necessary to boost the octane rating. This fuel does not contain any other octane boosters, such as nickel or platinum, which are used in some fuels. In late May 1970, American began marketing lead-free gasoline in Chicago and Detroit. The company reports that it will be marketing lead-free regular octane gasoline by the end of



One oil company, Standard of California, is currently marketing an additive in its gasoline which the company claims will eliminate the formation of induction system deposits and will remove existing deposits. Therefore, emissions would be decreased. This additive, F-310, has its limitations, though. It is effective on cars with very dirty engines, generally older cars which have not been kept in the best running order and which have not had their plugs and points changed regularly. For cars with cleaner engines, F-310 is only marginally effective.

Taken as a whole, the prospects for reducing emissions by altering the hydrocarbon content of gasoline are dim. The benefits from using unleaded gasoline, on the other hand, have not been fully explored but will probably be significant. Just how the absence of lead influences the performance of pollution control devices is unclear.

One of the difficulties is that much of the pollution control research is performed by the auto companies, which have shown considerable reluctance to implement their discoveries. Privately, many of the industry's experts have conceded that the technology is presently available to drastically abate automobile pollution, but the industry continues to drag its feet. Emphasis on changing the composition of gasoline and removing lead could be little more than a smokescreen to confuse the public and to divert attention away from the more serious question of whether the internal combustion vehicle can ever be adequately patched up.

Alan Carpenter

Eco Info

Earth Day: The Beginning, a compilation of speeches delivered during the week of April 22, is available now for \$1.25 from Bantam Books, Inc., 666 Fifth Ave., New York, N.Y. 10019.

As advertised in *Business Week*, the *Environment Reporter* is a new weekly information newsletter published by the Bureau of National Affairs, Inc., 1231 25th St., N.W., Washington, D.C. 20037. The publication is intended to service businesses which "must know—quickly—when, where, and how to respond" to the "stringent laws" that will be enacted "if the forces being marshalled against pollution have their way."

The publication is available for a special charter rate of \$280 per year (regular price is \$296). The publishers offer the *Environment Reporter* for 45 days without obligation. Send name, title, organization and address to The Bureau of National Affairs, Inc.

Another professionally-oriented environment publication is called *The Environment Monthly*, with publishing offices located at 420 Lexington Avenue, New York, N.Y. 10017. The 12-page newsletter covers a variety of developments in the field of environmental design. A one-year subscription costs \$35.

Rodale Press in Emmaus, Pa., has consolidated two of its publications—*Health Bulletin* and *Eco Bulletin*—into a new one whose title has a familiar ring: *Environment Action Bulletin*. Offering "weekly coverage of health and human ecology news," the newsletter sells for \$10.00 yearly.

Another newsletter in the field, called *Ecology Newsletter*, claims to be the "most authoritative national publication, devoted exclusively to man's environment, available today." The four-page biweekly publication's annual subscription price of \$45 "ensures that each reader has a genuine concern for the environment." The newsletter is aimed at industrialists who want to know more about how the environmental crusade will affect their plant's operations.

The National Environmental Law Society, Stanford, California, has begun publishing *The NELS Newsletter* to communicate ideas, projects and activities among the members of its organization. Forty-seven law schools have joined the society since its formation last winter. Individuals interested in keeping up with developments in environmental litigation may subscribe; law school organizations may receive the monthly publication free of charge.

Three-inch-long rectangular silver stickers with the slogan "Fight Pollution" in red letters are available free of charge from Mr. J.B. Jackson, Ideal Fishing Float Co. Inc., 2001 E. Franklin St., Richmond, Virginia 23223.

Little, Brown and Company, publishers, 34 Beacon St., Boston, Massachusetts, offer a 20 per cent discount to organizations who order *Terracide*, by Harry Caudill.

"The Case Against Hard Pesticides", a six-page reprint from *Michigan Conservation*, is distributed by the National Wildlife Federation, 1412 16th St., N.W., Washington, D.C. 20036.

A sickly-green bumper sticker, emblazoned with skull and crossbones, announces the slogan: "Danger. This vehicle emits poisonous gases." It can be purchased for 25 cents (in quantities from 100 to 500) from Borgeson, Terhorst and Co., 682 Mission St., San Francisco, California, 94105.

E.A. joins campaign effort

Although most ecological problems are not susceptible to legislative solution, many are. But if these issues are ever to be brought to the floor of Congress, there will have to be a major housecleaning in Congress through the 1970 Congressional elections.

Environmental Action plans to participate actively in the growing student effort to elect a more responsive Congress. This movement could be the needed catalyst to persuade six or seven per cent of the voters to rid Congress of those men who have demonstrated an insensitivity to our decaying environment and an unwillingness to challenge our illegal and increasingly costly involvement in Indochina.

In order to participate effectively in these races we need detailed information on the local political scenario. We urge local groups who organized for Earth Day to make a special effort to collect information on candidates' stands on relevant issue; the progress of the campaigns; local newspaper and independent polls; the political, ideological and demographic composition of the districts; and their vulnerabilities. We would like someone from each district to inform us of significant changes in the political balance as the campaign year progresses.

Those who can provide any of this information or who would like to contribute time, money or talents to this effort should write or telephone Steve Haft, Political Coordinator, Environmental Action, 2000 P St., N.W., Washington, D.C. 20036, (202) 293-6960.