



# Polemicist

*A journal must have polemic, if it is to struggle.* —Karl Marx

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## We Hereby Chastise...

**Robert Jeffrey**  
Dean, College of Communications

In a recent *Firing Line* letter attacking *The Texan* for critical reportage, Dean Jeffrey announced his commitment to the "ethics and responsibility of a free press." How ironic, then, that Jeffrey uses his position as dean in a manner that defies any rational definition of "ethics and responsibility." In response to pleas from the Belo Corp., the parent company of *The Dallas Morning News*, Jeffrey ordered journalism department chair Max McCombs not to testify as an expert witness in an anti-trust suit against *The Morning News* under threat of job termination. Belo Corp. recently donated \$300,000 to the Communications College.

Although the story has been swept away in the press by the recent uprising of racism and activism at UT, Jeffrey must not be excused for this scandalous abuse of power. Jeffrey's only defense for his behavior reveals his and his college's propensity to serve corporate interests at the expense of journalism, truth and academic freedom. He declares: "The journalism program is inherently linked to the journalism professional community ... We depend on them for scholarships and internships. We need support for all those purposes and testifying against a newspaper would not be in our best interests."

He explained to *The Texan* that his college has an unwritten "understanding" that faculty would "avoid testimony as a plaintiff when a newspaper is a defendant." But former journalism chair Dwight Teeter disagrees. He testified in several court cases involving newspapers as defendants during Jeffrey's tenure as dean. "I never heard of such a policy," he told *The Texan*. Jeffrey's brazen dismissal of academic freedom in the face of corporate interests demands punishment. His hypocrisy and deference to corporate prerogatives embodies all that's wrong at the University. President Cunningham, who's been known to bend to a corporate interest or two himself, would never fire him. And certainly he would never resign. But students in the Communications College should agitate for his dismissal, and pressure him to leave the University altogether. This man can't be allowed to serve as a role model for future journalists.

### The Texas Union Board of Directors

*Polemicist* editors have been thrown out of the Texas Union for distributing our magazine with its much-feared "solicitation," i.e. three or four advertisements. The Board of Regents rules forbid any form of solicitation by outside businesses on campus. But the Union board of directors came to the April 27 board meeting prepared to vote in favor of "franchising" all Union Dining Services—a move that would displace hundreds of Union Dining Service workers, including many students, and allow multinational fast-food chains to solicit their goods in the Union. Only an angry mob of about 1500 students and workers intimidated them into tabling the motion.

The board's, especially the student member's, attitudes were deplorable. Inquiring students were assured over and over that "it's the only way," despite the fact that Union employees had come up with an alternate plan that the board refused to address. Our student reps didn't care what students wanted, they were determined to do

what's "best" for us. We could do without any favors from the board.

The incident points up fundamental problems in the union board's structure. All student board positions are appointed by the SA president—none are elected—and workers have no input into the process at all. It was clear that most workers were afraid to speak out for fear of losing their jobs. And at least one member of the board admitted that the it had been "secretive" and avoided publicity concerning the important franchising proposal. Students, supposedly, sit on the board to watch out for student interests. But who's watching the board?

The masses of students can't spend all their time playing watchdog over nascent student bureaucrats, but workers have an on-going vested interest in how the Union is run. That's why in the coming year students must move to place elected Union workers on the board of directors, preferably with an number of seats equal to faculty. Workers on the board would have given Union employees an avenue through which to submit their alternative plan, and would have stopped any hairbrained scheme like selling the Union out to McDonalds.

On Friday, May 4, at 3:00 the Union board will again raise the issue of franchisement, despite its promise to table the proposal til next fall. Students must react with the same diligence displayed at the last board meeting and confront the board over its disgraceful attempts to franchise the Union behind students' backs. Show up at the meeting and help reclaim the Union for the students.

### Standish Meacham

Dean, Liberal Arts

First, we must declare our sympathy with Standish in dealing with UT's regressive faculty. The dean tried to implement a ban on hiring white men until each department hired women and people of color. He had to abandon the plan because of lack of support among faculty and department chairs. In particular the Classics department deserves rebuke—of two petitions, one condemning fraternity racism and one calling for progressive hiring, not one faculty member in the department signed either, and eventually the petitions were torn down. Government faculty even started a petition rebuking Standish for his petition condemning frats.

But the dean's newly found commitment to multiculturalism in the face of faculty opposition cannot excuse the position he's taken concerning grad-student tuition hikes. The University has been doubling graduate student tuition on a college-by-college basis, and Standish has dutifully followed his lead. Grad-student tuition hikes cannot go through without the dean's approval, which considering the dean's recent comments, bodes ill for liberal arts students. "In my own mind I believe it will probably happen," he told *The Texan*, "so it's best to decide how to apportion it."

We think that's fine. We just wish the tuition hikes would stay in his mind, and keep the hell off student fee bills. Standish must realize that all the multicultural programs in the world won't benefit society if minority students can't afford tuition. In particular, tuition hikes in grad school will lower the number of minority assistant instructors. According to the Dolouise Committee's report, graduate students teach some 25 percent of all undergraduate liberal arts classes. Raising tuition amounts to institutional racism (see article, page 4)—the very

malady Standish tries to address with his hiring mandate.

The liberal arts college must maintain low tuition to remain accessible for people of color. For all his good work, Standish's acquiescence on the tuition question threatens to undo any progress he may achieve.

### Kevin McHargue, *Texan* editor-elect

*Texan* lameness should surprise no one, but the summer staff hirings of the new *Texan* editor demand rebuke. Traditionally, the single most offensive problem haunting *The Texan* has been its reliance on journalism-style "objectivity" in its reporting—that is, its deference to authority figures. Just when university reporter Greg Weiner began defying this ingrained practice, Kevin has kicked him and every other respectable *Texan* reporter upstairs to invisible, non-writing editor positions for the summer.

And in the key position of news editor, McHargue and Acton appointed a proven apologist named Ron Lubke. Lubke proved his adherence to the J-school reporting style when, as associate news editor last fall, he effectively neutered reporter Meridith McKittrick's story documenting the UT administration's lack of commitment to the retention of minority faculty. He ordered her to lead with a quote from vice president for administration Ed Sharpe, perhaps the most artfully misleading of the administration's apologists. Since the story was severely cut, Sharpe's predictable quotes appeared at the expense of much more relevant material.

We had hoped that our attacks on Kevin in the last issue would snap him out of his funk. But the summer hiring only confirms our fear that *The Texan* will continue its slide into irrelevancy with McHargue pushing it along.

### Thomas Larralde

TSP Boardmember

In a rare opportunity to make a fundamental change at *The Daily Texan*, Thomas Larralde voted to maintain the status quo. At an April meeting, the Texas Student Publications board voted on whether to change the requirements to run for *Texan* editor. Currently students must earn credit in five journalism classes, four of which teach basic skills, to run for editor. (The TSP board, made up of six students, three faculty members, and two "professionals," can vote to waive four of the requirements.) The proposal would allow students to substitute *Texan* experience for the class requirements—a move that would severely limit the journalism school's deadening hegemony over the paper.

In voting against the proposal—he was the only student who did—Larralde cast the deciding ballot in a 6 to 5 vote. He thus maintained control over the *Texan*'s editorship for the money-grubbers and philistines who run the journalism department (see first Chastisement). He's since justified his vote by arguing that he wanted students who work in the alternative press—not just *Texan* staffers—to be able to substitute experience for class credit, too. That's understandable, Thomas, but take what you can get. *Texan* editors have run unopposed for two years in a row, mainly because most people with enough ambition to be editor refuse the mind-numbing atmosphere of the J-school.

How many more Karen Adams and Kevin McHargues must we endure before this disgrace ends? P

# The politics of campus planning: How UT architecture restricts activism

*"From the earliest colleges of the colonial era to the land-grant universities of the frontier, the American campus has been a simulated city that is distinctly unlike European models. Loose arrangements of freestanding buildings meld with the landscape to suggest an almost urban space.... On campus one has a veiled sense of being in some kind of primitive urban laboratory..."*

—Michael Dennis, *Court and Garden*

by Mark Maček

Architects since Thomas Jefferson, who designed the campus of the University of Virginia at Charlottesville, have believed that the physical beauty of a campus symbolized the democratic aspirations of the work going on there. Yet the activities which take place inside American universities are not necessarily democratic. The resulting environment is a contrived space, a mini-city which is meticulously controlled by its designers so that it is more (or less) conducive to the social, cultural, and political activities of its users.

The University of Texas at Austin hired Paul Cret of Philadelphia as Consulting Architect in March 1930, and the comprehensive plan he submitted in 1933 was the most important influence on the character of this campus for thirty years. Spaces such as the South Mall and West Mall and buildings such as Goldsmith (Architecture), the Texas Union, Hogg Auditorium, and the Main Building are examples of Cret's best work. He felt that the character of the U.T. campus should be humane and should receive "an architectural treatment which designates it as the repository of human knowledge."

Cret's master plan included quadrangles (large, open spaces surrounded by buildings), malls (long spaces along directional axes), and informal connecting paths between them. Figure 1 shows his sketch for the area north of the West Mall, including an L-shaped building on the top right where the Undergraduate Library was eventually built. Cret developed this plan from his strong ideals about the nature of education and place, including the avoidance of "the monotony and institutional character inherent in the repetition of similar units." But Cret's influence was supplanted and undermined by the administration's expansion goals in the early 1960s.

Expansion was probably inevitable for state universities after the baby boom. Between 1958 and 1973 the student population at U.T. doubled from 20,000 to 40,000. Within the same fifteen year period the UGL, Calhoun, the West Mall Office, the HRC, East Mall Computation, Burdine, Communications, Student Pub-

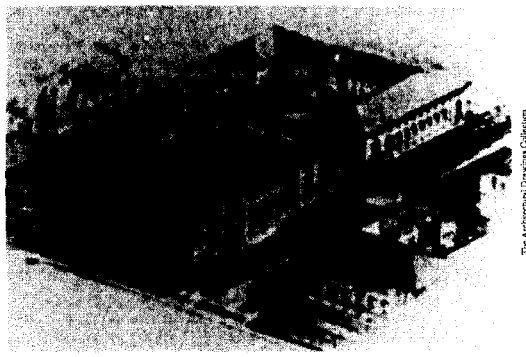


Figure 1: Paul Cret's sketch for the area north of the West Mall circa 1933. Note the L-shaped building in the top right corner where the UGL currently stands.

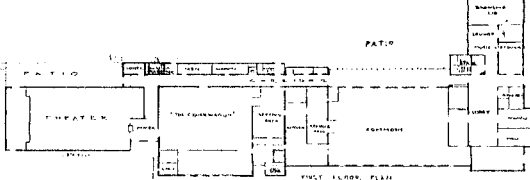


Figure 2: Ground level floor plan of the Texas Union, 1958. Note the straight, unobstructed corridor from the entrance to the theater.

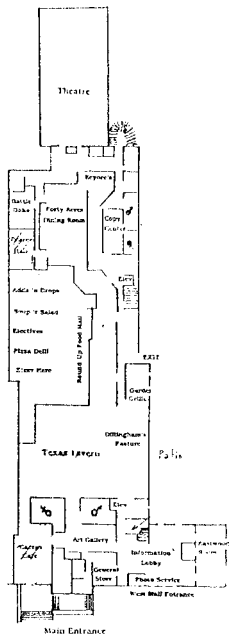


Figure 3: Ground level floor plan of the Texas Union, 1990.

lications, Business Administration, the Huntington Art Gallery, the Ex-Students' Association, Belmont and the Upper Deck, RLM, Engineering Science, Patterson Labs, Geology, the LBJ Library, Richardson Hall, and Jester Center were all completed and occupied. And the Graduate School of Business, extensions to Gregory Gym and the Law School, Disch-Falk Field, Education, and the U.T. Press (the first U.T. building east of I-35) were about to be constructed.

The growth of the U.T. campus indicated a shift in curriculum away from liberal arts education towards professional and prestigious training. Its changing character no longer reflected Cret's ideals. A recruitment pamphlet from 1958 touted U.T. research in biochemical and defense fields; flat-topped youth in the Research Lab were proudly developing guided missile systems.

### Early Maneuvers

On the morning of Monday, October 2, 1969, about 50 students and non-students (some elderly) decided that U.T.'s campus growth policy required direct participatory response. They climbed into the branches of a stand of pecan and elm trees on Waller Creek slated for destruc-

tion to make room for equipment needed to build the new Upper Deck to Memorial Stadium. Then-Chairman of the U.T. Board of Regents Frank C. Erwin attended the affair to guarantee that the protesters would not delay construction. Erwin ordered the bulldozers to push over the trees with the people still in them. He declared, "Arrest all the people you have to. Once the trees are down they won't have anything to protest." To Erwin's applause, the machines pushed and the protesters were forced to jump down to the ground for safety. Police arrested 27 on the scene.

Most of the students participating in the tree-sitting were from the School of Architecture and were joined in the trees by their dean, Alan Taniguchi, in open defiance of Erwin's orders. Taniguchi declared that "Waller Creek is characteristic of Austin's topography and should be retained as it is." For their outspoken opposition to the Regents' plans, Taniguchi and the Architecture students and faculty were rewarded for years thereafter with stiff bureaucratic pressure, including cut-backs in office supplies. While they "recycled paper clips," Erwin shelved plans for the new Architecture building, located near the Nursing School, a project nearly ready to be constructed. Taniguchi

resigned in 1972, and the School of Architecture remained housed in the most poorly maintained buildings on campus.

### Panopticism and the Texas Union

Students took direct issue with U.T. physical planning on other occasions, as well. In 1968 and 1970, there were organized boycotts of the Texas Union food services in support of the United Farm Workers, who were denied labor rights by grape growers and, later, lettuce growers. The boycotts devastated the sales of all food on campus, forcing the Texas Union to stop serving those products until the demands of the migrant workers were met. (The Texas Union board of directors recently voted to boycott California table grapes in support of the current boycott.)

On November 10, 1969, another event severely disrupted normal activities at the Union. The arrangement of spaces on the Union ground floor was much different then, as demonstrated by comparing the floor plans (see Figures 2 and 3). The dining areas were large, open rooms, brightly lit and noisy. One was called the Commons, but the most popular and "grungy" by far was the Chuck Wagon, see *Buildings*, page 6

# On the Political Economy of Institutional Racism

by Tom Philpott and Scott Henson

With the recent surge of fraternity bigotry, UT students and faculty have directed new and long-overdue outrage at the University's institutional racism. The lack of ethnic studies, the Eurocentrism of required classes and a startling lack of minority professors and students—these problems combine to impede a diverse, open exchange of ideas at the University. Meanwhile, as the Board of Regents continues to double graduate-school tuition in separate colleges one by one, it adds a new facet to UT's systematic racism: unaffordable tuition, which amounts to a direct attack on the already tiny number of students of color enrolled in graduate school.

President Cunningham has used the racism controversy to divide students: He's responded by pitting Greeks against leaders of the Black Student Alliance and the progressive coalition that supports them. He's failed to address either the Eurocentric curriculum or the need to diversify faculty. Instead, he's floated the possibility of banning Round-up, thus inflaming Greeks and intensifying their resentment of the BSA. But institutional racism must be attacked at its source. The real problem is the administration itself, in its continued subservience to outside interests.

## Molecular Biology vs. Financial Aid

If UT's priority were confronting institutional racism, it would do three things: Expand the curriculum to include African, Latino Native American and Asian studies; replace UT's ancient financial aid building; and keep tuition affordable. University policies, however, illustrate that its real interests lie far from combating racism.

Take, for example, the University's decision to build the new Molecular Biology building. The building itself will cost \$25 million, the same amount a new financial aid building would cost. Cun-

ningham defends the deal as a "one-time expenditure," but a financial aid building would also be a one-time expense. The total expense for a new molecular biology program is estimated at \$70 million over the next seven years.

Similarly, the University's preparing to purchase a \$25 million supercomputer to replace the \$20 million supercomputer it bought in 1985. When then-UT president Peter Flawn was plugging the first supercomputer to the regents, he estimated that another supercomputer investment would 'be necessary for at least 10 years.

Be that as it may, the University's spending priorities are clear. High-tech research capital takes precedence over student demands or societal needs. Financial aid is a class issue, and in America—especially Texas—class issues are race issues. The ethnic breakdown of students receiving financial aid demonstrates that point. African-American students constitute 3.7 percent of the student population, but make up 6.6 percent of students on financial aid.

Similarly, Latino students make up 10.3 percent of the student population, but 15.4 percent of students receiving financial aid. Asian and Native American students combined account for 7.5 percent of students receiving financial aid, while making up only 5.9 percent of the student body. The financial aid building clearly serves the needs of students of color disproportionately to their numbers at the University.

The recent Bush/Cavazos education budget would drastically cut financial aid, according to the *Chronicle of Higher Education*. Even so, the current building has for years been overburdened and understaffed. Originally a restaurant, the building is too small and its computer system too feeble to handle the 24,000-plus students who depend on it.

During peak periods of demand, students must often relate their families' financial status to aid counselors with other students present, since space constraints force counselors to double up. Students wait in long lines every semester, and spend hours hoping to get through on the phone, trying to confirm the status



of their financial aid. At the beginning of each semester, students typically attempt about 22,000 calls per day to the building—only about 700 of which get through.

But rather than spend \$25 million to facilitate expedient financing for 24,000 students each semester, UT prefers to pay \$25 million on a Molecular Biology building, which the administration intends to serve at most 150 students.

As part of its Molecular Biology push, for example, the University explicitly declares its subservience to industrial labor markets. *The Strategic Plan* states that "the revolution in genetic engineering has given birth to a new industry, biotechnology, which is currently blossoming in the Northeast and Pacific coastal states." This justifies, according to the *Strategic Plan*, the creation of a \$70 million molecular biology program whose "graduates will be trained to meet the acute demand for professionals to develop Texas's embryonic biotechnology industry."

UT also plans to implement, according to *The Strategic Plan*, a new nutritional sciences Ph.D. program, which will "strive to build even stronger ties to the many outstanding, closely related programs in molecular biology, molecular neurobiology, biotechnology, biological sciences, biochemistry and allied health fields." The creation of the nutritional sciences degree constitutes a direct response to shortages in the labor market. As *The Strategic Plan* warns darkly, emphasized in italics, "there are more positions available for nutritionists than there are fully qualified persons to fill them."

The University will also provide a graduate degree program in Marine Science. According to *The Strategic Plan*, one

## UT's Corporate Curriculum

Even more egregious, UT chooses areas for curriculum expansion based on profit motives rather than on real student needs. When the University ignores student demands to create departments that study marginalized cultures, it does so in deference to programs that subsidize industry and create potential for profit from patented research. This amounts to institutional racism.

The University's most recent planning document, *The Strategic Plan, 1990-1995*, outlines its intention to create four new degree programs—molecular biology, marine science, nutritional sciences and Slavic languages—as well as off-campus and evening programs that "respond to present and future needs of industry."

University N.O.W. and CISPES present



## Gilda Rivera

Coordinator for the Latin American Committee for the Defense of Women's Rights (CLADEM)

speaking on

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objective of the program will be to "furnish a modest flow of students uniquely trained to address practical environmental and natural resource problems common in the coastal zone, with an emphasis on Texas bays, estuaries, and the adjacent continental shelf." *The Strategic Plan* doesn't mention that "environmental ... problems common in the coastal zone" often result from the very high-tech and biotech industries that the University sees as its mission to subsidize. And again, the program will address shortages in state labor markets—hence the "modest flow of students"—rather than the intellectual needs of students.

UT's economic motivations for creating a biotech program mirror its motivations for entering other fields. UT will shape its new Slavic languages doctoral program to meet the needs of U.S. industries wanting to compete in newly opened Eastern European markets. According to *The Strategic Plan*, "recent studies indicate that the field is entering a period of sustained growth in terms of both employment possibilities and financial resources made available by governmental and private sources."

By contrast, the UT Oriental and African language department currently teaches not a single African language. Yet again, the needs of industry take precedence over students' intellectual development. This example embodies UT's institutional racism—while African and African-American students are denied access to African cultural and language studies, UT trains students, it hopes, to exploit newly opening economies in Eastern Europe.

### Tuition Hikes: the Racism Critique

The *Chronicle of Higher Education* reports in its April 25, 1990 issue that the number of African-American doctorate recipients declined 23.2 percent in the last 10 years. Given this context, and considering the sharp reductions in health benefits and the lack of child care for graduate employees, we're appalled to see that the University has begun doubling graduate student tuition in selected departments. Like the financial aid situation, tuition hikes are a class issue and therefore a race issue.

The implications of tuition hikes for people of color are clear. Higher tuition means fewer minority graduate students will graduate, which creates a smaller pool of future Ph.D.s on which to draw for future faculty. It also means that fewer minority graduate student teachers (assistant instructors) will teach undergraduates.

According to the report of the ad hoc Committee to the President on Undergraduate Education, graduate students teach about 30 percent of all undergraduate English semester credit hours, and some 80 percent of all credit hours in the Spanish department. In the Liberal Arts college as a whole, about 25 percent of all undergraduate credit hours are taught by grad students—in the Communications

college, the figure approaches 30 percent.

The dearth of people of color in teaching positions already hurts retention rates for minority undergraduates. It also deprives non-minority students of the opportunity to learn from people of different backgrounds and cultures. Tuition hikes only exacerbate both problems. Progressives who demand that UT broaden its curriculum must also fight tuition hikes. If students of color can't afford to attend graduate school, who will teach the new broadened curriculum?

Tuition hikes are part of a larger trend. UT tuition, while low by national standards, has risen by a factor of 10 in the past decade. In the meantime, the UT-Austin budget rose by over 60 percent after inflation. The bulk of this windfall has gone to further UT's corporate agenda.

### Patent Law and UT's Profit Motive

Universities have for the last 50 years geared their activities, especially their research efforts, to industrial prerogatives—at the expense of affordable tuition and quality teaching. But it wasn't until the '80s that universities began to link their policies explicitly to their own profit motives.

The UT-System spent hundreds of millions of dollars in this period on capital improvements for high-tech research. That money could have gone toward keeping tuition affordable, hiring minority faculty, upgrading African-American and Mexican-American studies centers to departments, or creating departments to study other marginalized groups like women, Native-Americans, Asian-Americans, gays and lesbians.

An October 1989 article by David Noble in *Newsday* describes the method by which universities link their policy decisions

with their profit motive: "In 1980, after years of intense collaborative lobbying by industrial and academic leaders for reform of the patent law, the universities for the first time gained automatic ownership of patents resulting from federally funded research, and hence the right to sell exclusive licenses on these patents to private corporations.

"This prompted a reworking of academic policies regarding intellectual property in the interest of profitmaking and paved the way for massive indirect public subsidy of private industry via the universities."

The University of Texas takes this profit fetish to absurd extremes. The Institute for Constructive Capitalism (IC<sup>2</sup>), a UT think-tank, has spent years researching ways to "commercialize" this or that technology. IC<sup>2</sup> director George Kozmetsky, former dean of the UT business school, serves as the chief economic advisor to the UT System Board of Regents (see page). Titles of recent IC<sup>2</sup>-sponsored symposia include: "Commercial Applications of Defense R&D," "Commercializing SDI Technologies," "Technology Marketing and the Entrepreneurial Spirit," and "Commercializing Federal Lab Technologies."

Most of these conferences/publications are geared toward commercializing university research. In 1987, for instance, IC<sup>2</sup> and the RGK foundation (a private foundation run by the Kozmetsky family and not affiliated with UT) sponsored a conference entitled "Plant Biotechnology: Research Bottlenecks for Commercialization and Beyond." This conference and the book that grew out of it focused on the commercial potential of the growing genetic engineering and molecular biology fields.

In other documents, IC<sup>2</sup> has advocated that universities genetically engineer

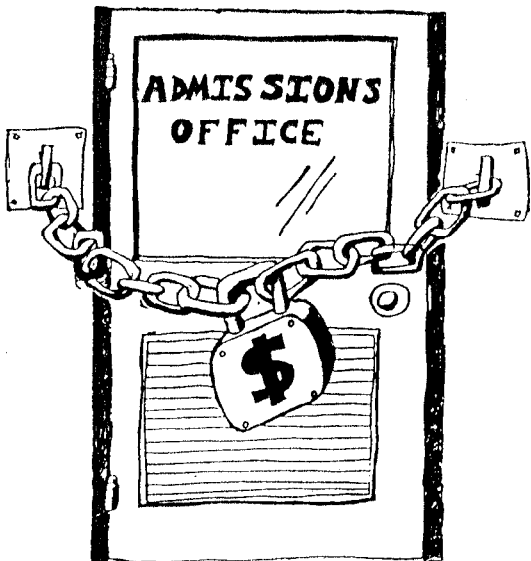
"square trees" that would stack more easily for the timber industry, as well as "herbicide-resistant" crops that can withstand the strong industrial pesticides produced by chemical companies. Such commercialization schemes explain UT's decision to create a molecular biology program. When IC<sup>2</sup> develops a method for commercializing African studies research, we're sure UT will upgrade the African studies center to a department. It may even start teaching African languages.

### Against Racism: a Broader Agenda

But until the economics fall into place administrators won't fund such programs without student revolt. The UT System's decision to spend \$70 million to fund a molecular biology program must be seen as a case study in how the needs of industry—in this case, chemical and pesticide companies—take precedence over the needs of students. In an era when students desperately need increased resources to study non-traditional cultures, subsidizing the chemical industry so lavishly amounts to institutional racism and sexism.

That \$70 million, however, needn't fall into the hands of industrialists. The growing coalition of students who this semester marched to fight fraternity racism and Eurocentric curriculum must now demand a halt to the construction of the molecular-biology building. Students should demand that the money saved be channeled to stave off tuition hikes, upgrade ethnic studies centers to departments, and create new programs in women's and gay/lesbian studies.

The administration could conceivably fund such programs by convincing the Legislature to impose a tuition hike. But that would only replace one form of institutional racism (Eurocentric curriculum) with another (unaffordable tuition). The structural problems that plague this university must be attacked at their source—by mass student revolt aimed at diverting UT's vast resources toward the creation of a humane, inclusive environment. **D**



# Buildings.

continued from page 3

located nearest to the Union Theatre and frequented by a lively combination of students, non-students, lolligaggers, and agitators. Some of the most vital discussions taking place in the University took place at the Chuck Wagon; it was a leftover space in the campus master plan.

On that November day, Frank Erwin called in the Austin Police Department and the Texas Department of Public Safety to the Chuck Wagon to arrest a runaway teenage girl named Sunshine, who had been seen there. Tables were overturned, mace was sprayed, windows were shattered, and people ran, especially out of the door by the Theater, to escape arrest. Police arrested eight persons—five students—on the scene, and later arrested 22 more.

The Regents retaliated swiftly and harshly. The Union Board of Directors voted to keep the Chuck Wagon open to all people, including non-students. But, in a telephonic conference on the weekend of November 14, the Regents reversed the Board's decision. They declared their authority to "modify each such action by the Union Board" and based the prohibitions on inadequate guard against drug use and "public hygiene problems." This decision marked the Regents' first attempt to segregate the non-student and student populations on campus. On this occasion, a suit was filed against the Regents for violating the Texas Open Meetings Act but was soon dropped due to lack of cooperation from County Attorney Ned Granger. Besides, Erwin claimed, it was not a meeting but a "consultation."

Further prohibitions followed. In December, the Regents limited the power of the Student Attorney such that she or he could no longer defend any student or group with alleged offenses against the University. Specifically, Student Attorney Jim Boyle had represented Gay Liberation, a group requesting status as a registered student organization. Regent Joe Kilgore defending the decision: "Well, Boyle put himself in a precarious position by defending homosexuals."

In February, 1970, the Texas House Higher Education Committee studied a bill on Campus Disrupters. If found guilty of disruption by a one-person hearing, a student could be permanently ineligible for state loan or scholarship and suspended from campus for one year, under this proposed law. The Regents also passed a rule, that summer, prohibiting non-students from participating at the meetings of listed student groups, although the rule was heavily protested and later dropped.

These actions parallel certain repressive regulations the Regents make today, such as the Regents' April 1990 amendment to the disciplinary code. The Regents have declared it unlawful for any person on U.T. System property to refuse to identify her or himself to a representative of the System, punishable as a misdemeanor crime by a fine of \$200. Between

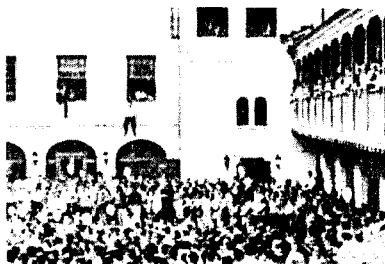


Figure 4: Before—A typical rap session on the Union Patio, before 1970.

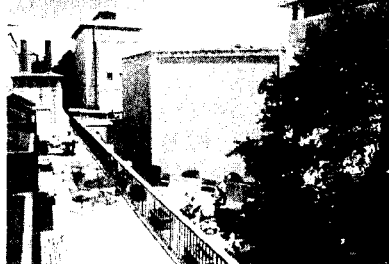


Figure 5: After—UGL Room 21 is the background and the terrace over the new dining area is on the left. Where has all the patio gone?

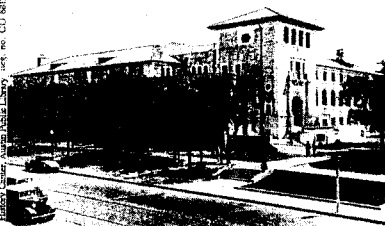


Figure 6: Before—The West Mall meets Guadalupe Street in a relaxed and generous manner. 1940's.



Figure 7: After—The West Mall today, a high tide of limestone and concrete.

the terms of Chancellor Hans Mark and Chairman Frank Erwin there has been a tremendous continuity.

But legal rhetoric couldn't control student activities, and the Regents knew this. In 1972, photo I.D. cards were issued to all students. The rationale for an I.D. was that it demonstrated that a student had paid the "blanket tax," now called the athletic fee for discount ticket prices. In a larger sense, the photo I.D. served as a technique for segregating non-students from students, a new, institutionalized social distinction that did not exist before. It turned a student into a Social Security number, a person into an object, in ways that no mere library card could do.

Other physical controls followed. The Faculty Senate committee appointed to study the Chuck Wagon riot concluded in its March 1970 report that the lack of coordination between the Union Board and local police had "contributed to the violence of the afternoon." The Regents, Erwin especially, must have found this language horribly weak. The best solution, in their terms, would be to rebuild the Union so that any variety of student congregation would be impossible. The renovation of the Texas Union began in October 1974 under the guidance of Jensen Associates, architects. Anken Construction was the builder, and by the time the Union reopened in March 1977, the total cost came to \$5.7 million.

Why the redesign? Director Sherry Bird Perry pleaded the need for better ventilation and circulation. The odors from the food service had been notorious and the expanded food line received a new waste system and covered loading dock. Three new doors were built to the West Mall and to UGL Room 21. Toilets, elevators, TV monitors, a sweet shop,

copy center, and elevated dance floor were all new additions. The design featured "flexibility and multiplicity" by including 19 more meeting rooms which could be opened or closed down wing-by-wing as needed. The Union was also "designed to control liquor services and student crime," noted Ms. Perry, citing some \$7,000 in stolen dishes.

This last explanation seemed most likely to Fred Phillips, doctoral student and guest columnist in *The Daily Texan* in March 1981. His version, though, was somewhat larger in scope: "The main reason for most of the alterations was security, crowd control, and repression." The student crafts and carpentry area was eliminated. Comparing the floor plans in Figures 2 & 3, we see just how much the new Forty Acres Dining Room was restricted in size from the Chuck Wagon. Eeyore's, the Copy Center, Battle Oaks Room, and Pearce Hall all chop into the former room space. Also, glass partitions, heavy lockable doors, and complex passageways which regulate circulation all surround the new room.

Michel Foucault used the term "panopticism" to describe the micro-politics of institutional power over human bodies. In the 18th century, the architect Jeremy Bentham invented the Panopticon, the most efficient prison ever, featuring an arrangement of cells in a huge circular plan. In the center of the open circle stood a guard tower with views of every prisoner in every cell. In a current sense, panopticism refers to all the social sciences—psychiatry, criminology, pedagogy, and anthropology, to name a few—which provide technical information on the body to the legal and political apparatus.

Observe the minute technologies of

control at work in the Union dining areas, such as the dim lighting which discourages studying, the revolving doors which let people in but not out, and the fixed or crowded furniture that cannot be rearranged for groups. The TV monitors in the halls do more than display the day's events; they call attention to themselves as omnipresent signs of the Board's vision. No one would want to gather in rooms like these, and no one does. Like the panopticon, the new layout of the Union is the diagram of a space which surveys and polices itself.

The Union patio was similarly amended. Formerly a notorious location for spontaneous colloquia, Figure 4, the patio was reduced in size by the new skylit dining area and the addition of Room 21 to the UGL, Figure 5. These new constructions may have served legitimate needs, but the resultant space demonstrates that student need could be dovetailed to administrative control. The new auditorium, Room 21, could have been located anywhere on campus. Access to the patio is through either of two narrow openings between buildings. In Paul Cret's plans, Figure 1, this space was generous and clearly accessible, by a minor axis, to the West Mall and on through past the Architecture building. Such a simple, straightforward pattern of motion is no longer possible in the current configuration.

## Divide and Conquer

By far the largest site of conflict over control of student activities was the exterior space of the campus. On Monday, May 4, 1970, students called for a boycott of classes and congregated in front of the Main Building to protest the U.S. involvement in Cambodia, the trial of Black

Panther Bobby Seale, and the arrest of ten anti-R.O.T.C. demonstrators. Hundreds of people spent the night. That day four students were killed by police on the campus of Kent State. On May 5th, the crowd grew to 3,000 demonstrators, and 5,000 the next day. On Friday, May 8th, 20,000 protesters gathered in front of the Tower, see back page, and peacefully marched to the Texas Capitol. The largest demonstration in U.T. history, it illustrates the scale with which students could exercise power over their environment.

The character of the west campus was thoroughly different at the time. Craftspeople sold their products up and down the sidewalk on Guadalupe Street. The West Mall was mostly grass with low informal sidewalks, like Harvard. There were no trees in front of the UGL, so the whole mall was more spacially open. People ate, relaxed, and smoked pot on the lawn. The Regents must have been sickened by all of the skin, hair, and happiness on display in the most public gateway to the UT campus. Their first alteration to that environment was ominous.

In June of 1971, the University built perimeter walls along Guadalupe St. from 24th St. to 21st St. and down 21st St. past the Littlefield Fountain, enclosing "virtually the entire western perimeter of the campus," according to the *Austin American-Statesman*, see figure 7. The double limestone walls contained trees and bushes between them, and they separated two sidewalks, one at street level and one above. The perimeter walls were designed by John C. Robinson and built by J. C. Evans Construction for a cost of \$550,000.

Reasons for the project included "facilitating traffic flow," "preventing soil erosion," and "beautification." But compared with the original arrangement in Figure 6, none of these rationales make sense. This project was the environmental counterpart of photo I.D.'s, a physical segregation of student and non-student populations, a consciously designed barrier to circulation on, to, or from, the campus.

Like the new patio to the Texas Union, the walls create funnel-shaped passageways from which crowds must exit. In the event of an uprising like the Chuck Wagon's, people running to escape arrest would be forced through these narrow exits and easily apprehended. This case might seem extreme, but the consistent repetition of this funnel-like passage in all of the outdoor spaces of the U.T. campus is a formal indicator of the walls' defensive use as riot control.

In 1975, such walls were also constructed on 26th St. from Whitist to Guadalupe Sts., then up Guadalupe to 27th St. for a cost of \$335,000. Later walls run down Martin Luther King Jr. Blvd from the Education Building to Red River St. then up to the LBJ library complex, nearly completing the encasement of the campus. In one instance, State Representative Senfronia Thompson blocked the building of perimeter barriers proposed in 1974 on Guadalupe between 25th and 26th

Sts.—thus demonstrating that the walls are not necessary and that organized opposition can affect the pattern of campus growth.

Meanwhile on the West Mall, the only method available to the administration to disperse gathering crowds was to turn on the sprinkler system, and this could be more fun than trouble if the protesters were prepared. During the summer of 1973, construction began on the West Mall "renovation" by Stokes Construction and James E. Keeler, Landscape Architect, to the tune of \$280,000. It involved removing the existing grassy areas and replacing them with limestone planter boxes, widening the sidewalks, and adding limestone boxes around the trees and a paved court and fountain in front of the Union. Eight trees were planted in the center, raised boxes. The paved area of the mall increased over 50%, and a later Student Senate resolution dubbed the project the Frank C. Erwin Memorial Highway.

The administration argued that the renovation was "necessary to relieve the congested flow of students" and to "beautify the area." The project, while under construction, drew opposition from faculty, students, three state representatives, and two Austin city council members. Complaints included the loss of grass, the wastefulness of a new fountain when other ones on campus had been turned off to save energy, and the 140% increase in student building use fees. Student Attorney Frank Ivy was unable to legally stop construction. The Ad Hoc Committee to Save the West Mall then submitted an alternative plan to make the inevitable changes more humane.

On July 31, the Regents agreed to some of the alternative proposals, such as retaining some grass in front of the Architecture building and filling the fountain with a flower bed. They would not agree to remove the fountain or to substitute grass for bushes in the planter boxes. In terms of the appearance of beauty, like flowers and grass, the Regents had made a compromise. In terms of the ways that the mall could be used by its dwellers, no compromise was acceptable.

The huge area covered by bushes and water has been rendered unusable; thus, over a third of the mall is off limits to students. The fountain in front of the Union was strategically located. Impromptu speakers, such as Jeff Nightbird, a founder of Students for Democratic Society, would speak from the platform on the steps to the Union's main entrance. No listeners can meet there now with the fountain placed dead center in front of those stairs, Figure 8. The leftover space in the mall is easy to survey and manage. The limestone planter boxes have subdivided the large space and thereby subdivided the crowds, so that the West Mall, essentially, polices itself.

In Foucault's terms, these are tactical partitions that distribute bodies in space and discipline their minutest movements. The University paved the mall, and later the rest of campus, in bumpy pebblestone

concrete which makes barefoot walking painful. As Frank Erwin, Chairman of the Buildings and Grounds Committee at the time of the renovation, once said, "I don't find anything I can't control."

### Present and Accounted for

In honor of the First Amendment, the administration has designated certain areas "Free Speech Areas." One in front of the Drama Building on the East Mall was eradicated by the large circular driveway now in place. One in the Union patio was moved to the steps of the Main Building facing the West Mall. It currently operates between the hours of 12 and 1 P.M. It isn't necessary for the University to declare these areas "free speech zones" unless, in the space of this contrived city, U.S. federal law does not apply. The implication that public gathering is not allowed on the rest of the campus has been periodically enforced, up to and including the arrests of hundreds of students during the 1986 divestment rallies.

### Architects and Power

The School of Architecture has changed a lot since the experimental, politicized days of Taniguchi. Current Dean Hal Box was appointed by his friend former U.T. President Loraine Rogers in 1978. The current curriculum emphasizes professional training so that its graduates will be marketable to the corporate architectural industry, not criticism and awareness of how those industries operate. While Taniguchi would stick his neck out to save some beautiful trees, Box refuses to raise any official objections to the proposed destruction of Anna Hiss Gymnasium, a building of significant historical importance to the campus.

Using his close ties to the administration, Box secured funding for the renovations of Sutton and Goldsmith Halls, the latter costing \$16.3 million. Apparently, there was no formal dedication to mark Goldsmith's reopening for fear that the lavish materials used to do the renovation, completed at the same time as library hours and required courses were being

cut, would inspire negative questions. Dean Box recently sold 8" x 12" pieces of the Goldsmith courtyard, a space that was forbidden to be altered during the renovation, for \$250-\$500 each in the form of clay tiles inscribed with the donor's name. As if the School didn't already have one of the best endowments on campus.

Do architects have a moral obligation to criticize the ways in which their buildings are used politically, above and beyond the way they look? Not at this school. Likewise, this emphasis on the physical component of education—equipment and buildings—rather than the active component—teachers and students—is a tendency created by the University's financing structure. The Permanent Building Fund is endowed by land and oil revenues, and its astronomical wealth is controlled by the Regents. Funds for salaries and personnel, however, come from the state treasury and are doggedly controlled by the Legislative Budget Board and the Texas Higher Education Coordinating Board. They deserve our wrath for the current degradation of undergraduate education even more than President Cunningham does.

In 1975, some progressive state representatives, including Sarah Weddington, proposed a constitutional amendment to place the legislature in control of the building fund and redistribute its wealth more accountably. They didn't stand a chance in hell.

Currently, Architecture graduate students are fighting for control of the ways in which their newly-doubled tuition will be spent. Maybe they should take over Dean Box's office. If they did, maybe the undergraduates, next on the tuition hit list, would organize to demand the dismantling of the perimeter walls.

**Bush arrives May 19**



Figure 8: From this platform in front of the Union main entrance, student speakers can now address an attentive audience of water.



Figure 9: Frank C. Erwin plants a tree near Waller Creek. Fall 1971.

# The Kozmetsky-Hurwitz Connection: A tale of corporate raiders in capitalist America

by Scott Henson  
and Tom Philpott

**Editors' note:** Much of the information from the 1970s in this article was obtained from Roger Baker, who researched George Kozmetsky for *The Texas Observer* in the late '70s. The editors thank him for his contribution to this article. The information from the '80s draws on congressional hearings and the national business press. Because of the complexity of the subjects, the authors often had to draw on several sources to describe a single facet of a deal. Citations are available upon request.

On February 2, 1990, a man named Charles Hurwitz, chairman and CEO of MAXXAM Inc., came to the UT-Austin campus to lecture on "ethics." A band of Earth First! activists had gathered to protest the clear-cutting of ancient forests practiced by Pacific Lumber Co., a subsidiary of MAXXAM Inc. Earth First! was banned from the speech but maintained its demonstration outside, pounding on the walls of the room. Ultimately Hurwitz was given a police escort to his waiting car.

But he probably didn't leave town right away. Most likely, he paid a visit to his dear old friend and long-time business partner, George Kozmetsky, former business school dean, chief economic advisor to the UT-System Board of Regents and director of the Institute for Constructive Capitalism. *Polemicist* has decided to explore this relationship, to probe their mutual financial dealings and misdealings.

This article will focus on four separate deals involving Hurwitz and Kozmetsky, reconstructing instances of conflict of interest, impropriety, and outright illegality. The instances recited here exhibit not only startling irresponsibility with vast sums of money, but also a trend toward production of paper profits rather than goods or services. These men embody the clichés of '80s capitalism: they indulge in hostile takeovers, junk bonds, raping the environment and bleeding S&L funds for speculation purposes. Interestingly, their paper gymnastics began long before the '80s.

## UT Foundation, Inc.

In April 1967, the year after Kozmetsky came to the University as business school dean, the UT Board of Regents and the UT Development board obtained a state charter for a non-profit corporation to provide "charitable benefits" to the University. Kozmetsky managed the foundation's investments. At the same time, both Kozmetsky and Hurwitz were both direc-

tors of the Hedge Fund of America, which specialized in investments in speculative ventures.

Kozmetsky's position in the two entities helped facilitate a complicated deal between the UT Foundation, Hedge, and a third party, Barnabus Inc., an investment firm. While no clear illegalities can be discerned, the deals point clearly to a conflict of interest on the part of Kozmetsky and certain associates.

The first gift to the UT Foundation was 100,000 shares of unregistered Applied

Soon Kozmetsky's associates began to join the board of directors at Applied Devices, including Eugene Konecki, who still holds an endowed chair at IC<sup>2</sup>, and David Lerner who would be involved with Kozmetsky's business dealings in the future. In October 1968, James Bayless resigned from the board of the UT Foundation citing "the possibility of conflict of interest." But Bayless quit too late. In May 1969, the UT Foundation minutes disclose that Bayless had already been negotiating with the foundation for an

quid-pro-quo. Also, the UT Foundation economic interests were now tied directly to those of the Hedge Fund through its stake in Hedge's underwriters.

Let's look at the aftermath of this deal. The Hedge Fund, which included among its investors various UT faculty, consistently lost money and became financially obscure three years after its creation. Applied Devices slid toward bankruptcy in 1972 until Kozmetsky's cronies on the board were replaced by a new board dominated by financiers—they facilitated a transfusion of new bank loans to revive the company. And Bayless went on to manage the Business School Foundation, which raised funds chiefly for Kozmetsky's Institute for Constructive Capitalism.

## Shuffling Paper: SMR Holdings Inc.

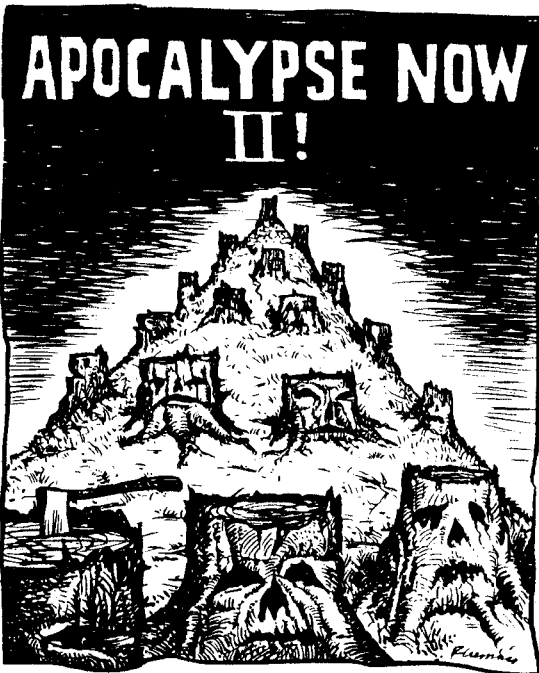
Kozmetsky, Hurwitz, Lerner, etc. were also on the board of SMR Holding Company that controlled the Hedge Fund and other investments. In 1973, SMR acquired Federated Development Co. In early 1975, SMR underwent refinancing in which Hurwitz was personally made liable for \$5 million as part of the agreement. By June, SMR was in financial trouble again, and Hurwitz found another backer in World Service Life Insurance Co.

Eventually, the banks became insistent, and Hurwitz, Kozmetsky and Co. were forced to act. They decided on a complicated deal in which Federated Development, a subsidiary of SMR, would take over its parent company and assume its debt. The directors of SMR and Federated Development were virtually the same, and Hurwitz and Kozmetsky sat on both boards.

The losers in the deal were the stockholders in Federated, whose company assumed \$10.8 million in SMR's liabilities—including the \$5 million personally backed by Hurwitz. The Texas State Securities Board was required by federal law to rule on the fairness of the transaction, but the law only required "fairness" to the shareholders of the company being taken over—shareholders of SMR, that is, but not of Federated.

The securities board concluded that the deal "raises serious questions about the fairness to Federated public shareholders and the satisfaction by Hurwitz and other Federated trustees of their fiduciary duty to Federated shareholders," but that Federated could not be prosecuted under existing laws.

According to testimony before the State Securities board, the board cut the deal at a meeting held on campus in the UT business school. The Board of Regents' rules prohibits such use of UT facilities



Devices stock and \$150,000 worth of convertible debentures (bonds not backed by collateral) to be managed by Kozmetsky for the benefit of the UT business school. But as it turned out, he apparently managed the gift for the benefit of the Hedge Fund.

The stock was donated by Applied Devices controlling shareholder Carl Loeb. Loeb hoped Kozmetsky could revitalize the ailing military contractor that had been accused of defrauding both its shareholders and the federal government. In return, the UT Foundation also opened an account with the investment firm Loeb Rhodes and Co.

option to buy the Applied Devices debentures and part of the stock in return for a five percent interest in Bayless' investment partnership Barnabus Inc.

Letters approving the deal were submitted to the UT Foundation by Kozmetsky and by Walston and Co., an outside investment firm. Both letters failed to mention that Barnabus and Walston had together recently underwritten \$60 million worth of stock for Hedge Fund, directed by Hurwitz and Kozmetsky. Kozmetsky's and Hurwitz's Hedge Fund benefited directly from Bayless' largesse—and their connection through the UT Foundation perhaps facilitated this



for private purposes. Kozmetsky's violations went unpunished. (By contrast, *Polemicist* editors have been threatened with expulsion for violating regents' rules concerning newspaper distribution.

### Redwoods vs. Junk Debt

In 1984 MAXXAM Inc. along with Drexel Burnham Lambert Corp. targeted Pacific Lumber Co. as a candidate for a hostile takeover. Pacific had a reputation for fair treatment of employees and for never cutting more timber than it grew that year. Pacific practiced selective harvesting, whereby no less than 50 percent of trees per acre were left standing after harvest to prevent erosion and depletion of timber supplies.

Along with Drexel's Michael Milken—who recently pleaded guilty to six felony counts totalling \$600 million in fines—Hurwitz, Kozmetsky and the rest of the MAXXAM board saw Pacific's timber resources as a cash supply ripe for exploitation. Between June 24 and August 5, MAXXAM bought 994,000 shares of Pacific lumber, which brought it just below the five percent filing limit under the Hart-Scott-Rodino act regulating corporate takeovers.

The day after MAXXAM stopped buying, Jefferies and Co., an investment firm that's since pleaded guilty to "parking stock" for the notorious Ivan Boesky, began snapping up Pacific Lumber stock. It would eventually obtain 2.3 percent of Pacific Lumber's outstanding shares. Then on September 27, three days before MAXXAM would declare its intentions to takeover Pacific, Jefferies and Co. sold MAXXAM the 2.3 percent interest it owned in the lumber company for \$29.10 per share—four dollars under the market price on that day. The deal saved MAXXAM \$2.1 million.

The deal smacks of what's known as "stock parking"—that is, buying stock in a takeover target in collusion with the hostile purchaser in order to avoid the HSR restrictions. If a hostile company acquires over five percent without announcing its tender offer, it must receive 80 percent of shareholder votes to install its own board of directors. Otherwise the raider would need only 50 percent.

In October 5, 1987 hearings of the Oversight and Investigations subcommittee of the House Energy and Commerce committee, Hurwitz admitted to having advised Jefferies and Co. to buy the Pacific stock. A Congressman asked Hurwitz: "How did Boyd Jefferies know to purchase Pacific Lumber Stock beginning on August 5, 1985, 7 weeks before MAXXAM bought his Pacific Lumber holdings unless somebody associated with the MAXXAM takeover effort tipped him?" Hurwitz replied, "I told him." Also, Hurwitz could not explain to the congressional hearing why Jefferies sold him the Pacific stock at four dollars under market value.

In addition, Hurwitz and Kozmetsky associate Stanley Cohen along with his ex-wife used inside information concerning the Pacific deal to purchase Pacific

stocks in September and then sell them at a tidy profit. Cohen was a partner in the law firm that handled the Pacific takeover for MAXXAM. Cohen later lied to the congressional subcommittee about his association with the law firm, claiming that his partnership was "inactive" and only for "tax purposes."

Insider trading plagued the Pacific takeover—everybody on Wall Street seemed to know about Hurwitz's and Kozmetsky's secret deal. Even Ivan Boesky, now serving time in a federal prison, reaped profits from the transaction. Boesky apparently learned of the deal from Dennis Levine, an investment banker in Michael Milken's junk bond division of Drexel who had sat in on planning sessions for the takeover. Just before MAXXAM's tender offer for Pacific, Boesky bought enough Pacific stock to boost the price to \$40 per share, several dollars higher than Hurwitz had expected.

To execute the buyout, which placed both Kozmetsky and Hurwitz on the board of Pacific, MAXXAM had to incur \$770 debt, both in the form of bank loans and junk bonds. Of the \$575 million in junk bonds, Drexel raised \$450 million and received some \$41 million in fees. Annual interest payments on the bonds—\$83 million per year—far exceeded Pacific's historical annual profit for any year.

According to a memorandum from Rep. John Dingell (MI), "To sell the 'junk bonds,' MAXXAM advised investors it would terminate Pacific's pension plan and sell the headquarters and all non-timber assets to pay off the bank loan and then increase redwood cutting to pay off the bonds."

*The New York Times* (3-2-88) reports that MAXXAM scooped up more than \$50 million of the \$90 million pension fund and used it to pay off bank loans. And to pay off the junk-bond debt, as Rep. Dingell notes, MAXXAM "more than doubled redwood cutting, purchased a fourth lumber mill and laid on extra shifts." Doubling its lumber output required the company's new management—i.e., Hurwitz, Kozmetsky, et. al.—to resort to a tactic that the previous management had never used in more than 100 years in the business: It began clear-cutting old-growth forests.

This meant literally chopping entire areas of old-growth land clean of 1-2,000 year-old trees that stand as high as 300 feet. Pacific owns the largest tracks of non-park old-growth forests in the nation, but as *Business Week* reported (2-2-87), Pacific's "old growth will vanish within a decade at the current rate."

William Bertain, a lawyer from Eureka Ca., testified before a congressional subcommittee in 1987 that "the old growth will be gone in a few short years ... Six-day 60-hour workweeks are common and employees realize that the more overtime they put in and the harder they work, the sooner they will be out of jobs. Old growth logs are now being sold on the open market to other timber companies in the region—a first to my knowledge."

### The United Savings Imbrogio

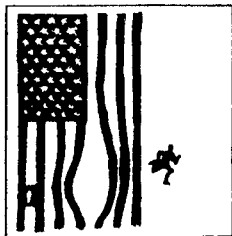
But Hurwitz and Kozmetsky didn't limit their takeover activity to MAXXAM. They actually used a savings and loan in an attempt to takeover Castle and Cook, a Hawaii-based multinational food conglomerate. In 1983 MCO Holdings and Federated Development Corp., both Hurwitz-controlled businesses, bought into United Financial Group Inc., the holding company for the Houston-based United Savings Association of Texas. Hurwitz became chairman of the board, and Kozmetsky joined the board of both the holding company and the S&L itself. Also on the United board was Charles LeMaistre, then-Chancellor of the University of Texas System.

According to October 5, 1987 hearings report from a congressional subcommit-

tee, United and MCO Holdings purchased about 12 percent of Castle and Cook stock in 1983. Castle and Cook sued in 1984 to stop a takeover, and eventually paid the Hurwitz group greenmail. United Savings' share of the green mail amounted to \$7 million. Hurwitz insisted in his testimony that it wasn't a hostile takeover attempt despite the lawsuit and the green-mail.

In addition to the attempted takeover, United Savings was also involved in the other cliché of '80s capitalism—junk bonds. According to United's 1986 Annual Report, the S&L had decided in 1984 to shift "away from the traditional mortgage lending and savings activity and toward a more balanced retail/wholesale mix."

In practice, this meant massive investments in below-investment grade—and see *Capitalism*, page 11



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# Salvador update:

# Violence racks universities, unions as U.S. considers aid

## Study and Struggle at the National University of El Salvador

On Saturday, April 21, University of El Salvador Economics professor, Randaldo Tejada Heredia, exited the building where he gave a weekend course. It was a typically hot and dusty morning in the capital, San Salvador. He crossed the street to where he had left his car parked earlier in the morning. Upon opening the driver's door, his car exploded. The blast killed Tejada Heredia instantly and was powerful enough to damage nearby buildings.

Out of context, the killing has little meaning. University officials and students, though, are all too familiar with the context. Two days before Tejada's death, a University of El Salvador (UES) agronomy student was captured by armed, plainclothes men. And on the following Tuesday, April 24, a UES economics student was captured in a similar manner.

UES student leaders describe these incidents as part of a campaign of repression against the UES community. The University of El Salvador is the 149 year-old institution of higher education in El Salvador that maintains a commitment to educating El Salvador's rural and urban poor. The UES equally defends its role as the academic gadfly of Salvadoran society, analyzing social ills and their roots.

For these commitments, the UES community of 40,000 teachers and students pays a high price. Under the current National Republican Alliance (ARENA) government, this price is the closing since November last year of the UES main campus in San Salvador.

Last November, Salvadoran Army and ARENA leaders accused the UES community of harboring guerrillas of the Farabundo Martí National Liberation Front (FMLN) during their military offensive. The campus was closed and members of the UES community — including the editor of the university student newspaper — were killed.

Since that time, UES officials have attempted to reclaim the campus from Salvadoran Army occupation. UES President, Luis Argueta Antillon, explains, "ARENA uses its possession of our campus as a bargaining chip to try to replace the university leadership and turn this public institution into an expensive, private one."

During 1990, the UES community has operated "in exile," using rented office space and high school classrooms in the evening to teach classes. Conditions are a pedagogical nightmare, often with two or three classes occurring simultaneously in one room.

The University of El Salvador is not alone in its struggle to reclaim its campus. In March, all the opposition political parties in El Salvador took the unprecedented

step of demanding in a paid advertisement that ARENA "respect the autonomy and educational mission of the University of El Salvador."

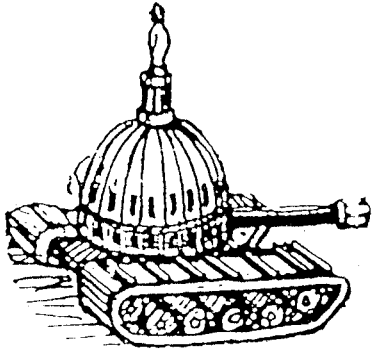
The international community has responded as well. Since January, campaigns of support have been launched by "sister universities" in the United States, Mexico, and Europe. Here at the UT Austin, René Treviño participated in an end-of-April national student delegation to the UES to celebrate May Day in San Salvador and bring material aid contributions to the UES community.

## Update on U.S. Aid to El Salvador

United States aid to the government of El Salvador is now a hotly debated topic in Congress, particularly in the House of Representatives. The Foreign Affairs Committee passed supplemental aid package for Nicaragua (\$300 million) and Panama (\$500 million). Debate centered on an amendment that would cut 50% of military aid to El Salvador based on conditions.

Secretary of State Baker was successful in talking the Democrats out of attaching the El Salvador amendment to the supplemental package, however they did reserve the right to attach it once it reaches the House Floor. This is expected to happen in early May.

The Bush Administration, hoping to head off any debate on aid to El Salvador, will announce a proposal. This will link some U.S. resistance to specific actions by the government of El Salvador which includes internal changes in the judicial system and a commitment to the negotiations process of the United Nations. Baker will meet again with House leadership in pursuit of the elusive bipartisan consensus.



Congressman Dellums (D-CA) has an initiative that would cut all aid to El Salvador. This is supported by liberals in the House and currently has fifty-five sponsors. Dellums is expected to introduce his bill as an amendment to the Supplemental Aid Bill whether the Democratic Leadership introduces an amendment or not. This will guarantee debate on the House floor on El Salvador during May.

Austin CISPE (the Committee In Solidarity with the People of El Salvador) holds the position that any aid to the government of El Salvador is both immoral and a waste of U.S. taxpayers' money. Austin CISPE plans to target Congressional offices to pressure our representatives to support a cut-off of aid to El Salvador. For more information, contact Austin CISPE at 474-5845.

## Popular Movement Spotlight: ANDES

ANDES, the National Association of Salvadoran Educators, during April has fought the ARENA government over whether education in El Salvador will be a privilege of the few or the right of all Salvadorans.

ANDES leaders have been very outspoken in recent weeks in pressuring their platform of demands. Together with 6 other associations of private and public school teachers and university professors, ANDES founded the Salvadoran Teachers Front (FMS) on March 20.

The FMS proclaimed its opposition to the proposed general education and higher education laws of ARENA being discussed by the Legislative Assembly. The teachers called the laws "fascist and anti-popular" saying that they would rollback reforms won by the teachers and promote the privatization of the education system, making it more elitist.

The FMS also stated it will struggle for the approval of the platform of demands presented recently by ANDES to the Minister of Education, which includes a salary increase and benefits for teachers as well as the creation of more teaching positions.

Because of his public role in this struggle, Jorge Villegas, leader of ANDES (National Association of Salvadoran Educators), was abducted by the National Guard on April 20. Uniformed soldiers and men in civilian dress arrived at his Soyapango home at 4:30 am and took him away in a military vehicle, according to his wife. She said the soldiers took as evidence for his detention a public document from ANDES.

Jorge Villegas has been a leader of ANDES for many years, and has been threatened by security forces in the past. He is a past member of the ANDES executive committee.

To protest Villegas' capture, ANDES called a work stoppage on Thursday, April 26, which halted secondary school teaching in the capital, San Salvador. Villegas' capture adds to an already tense political atmosphere in El Salvador as May Day — an annual workers' celebration throughout the world — approaches.

— Charley McMartin

## Popular Leader Killed in Crash

On April 8, the movement for peace and democracy in El Salvador lost a valuable organizer and a beloved friend. Jose Mazariego lived and worked knowing that his life was constantly in danger. He had been twice abducted and tortured by right-wing death squads, most recently in June of last year, days before he was supposed to come to the U.S. to testify before Congress on human rights violation in El Salvador. A flood of international pressure won his release; though he testified before Congress with the marks of torture still on his body (his legs were burned with acid so badly that for a time he was unable to walk), Congress has continued to support the military regime that carries out these barbaric acts against those who raise their voices in favor of peace.

In light of his commitment to the struggle and the many times his life had been threatened, the circumstances of Maza's death seem all the more tragic and meaningless. Such events remind us that we do not create the conditions in which we work; even while the forces of repression threaten and kill those working for peace, the risks and tragedies of everyday life continue around us, sometimes touching us where we least expect it.

Maza was well-known throughout the international solidarity movement, by those who met him in El Salvador, campaigned for his release, or heard him speak while touring the U.S. Those of us who knew him will remember a tireless organ-

izer who, despite the obstacles and wounds that he himself suffered, was always present as a compassionate friend to those others, so many, who had also lost loved ones to government violence. Cognizant of the dangers of allowing the movement to become dependent on a few people, Maza always worked to build leadership in others. Those efforts will live on in the brave men and women who continue the struggle for freedom and democracy, re-dedicating themselves through their love for their fallen companions, and for the thousands who continue to work beside them against such grave obstacles.

A memorial fund has been established by the U.S. representatives of FEASIES to carry on the work of Maza and the rest of the popular movement. Donations may be sent to: FEASIES/Mazariego Memorial Fund, PO Box 167, Corona, New York 11368. Make checks out to

FEASIES/Mazariego Memorial Fund, tax deductible contributions to the NETS/Mazariego Memorial Fund.

Maza, in your name we reaffirm our commitment to support the struggle for peace and freedom in El Salvador and around the world.

JOSETOMAS MAZARIEGO - PRESENTE!  
—Aurolyn Luyck

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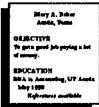
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**Capitalism**, continued from page 9  
junk bonds. By 1987, literally 97 percent of United's corporate bond portfolio consisted of these types of securities. According to the above-cited congressional hearings, in 1986 United Savings showed \$6.5 billion in assets, but as Rep. Ron Wyden (OR) said, "most of the associations net worth is good will and its tangible net worth is only 1 percent of assets or roughly \$60 million."

United had fallen into the same speculation craze that has destroyed so many Texas S&Ls. In fact, United seems almost a parody of that craze. United maintained an arbitrage account—basically a slush fund to facilitate speculation—worth some \$500 million. But the parody doesn't end there. United spent much of the '80s buying junk bonds, many of them from Drexel Burnham Lambert.

In 1985, for example, Drexel acted as the lead underwriter for 56 percent of all United junk bond purchases, and as sole underwriter for 37.5 percent. That same year Drexel bought six percent of United Financial Group—the S&L's holding company. Meanwhile, as noted above, Hurwitz, Kozmetsky and Co. issued \$450 million in junk bonds through Drexel. As one congressman noted in the hearings, "there seems to be a circular kind of pattern where you [Hurwitz] are in a position to receive a high risk financing and then buy junk bonds from Drexel." United's position in junk bonds amounts to a clear conflict of interest, if not an outright quid-pro-quo in relation to Drexel's dealings with MAXXAM.

By 1988, the year Kozmetsky and LeMaistre left the board at United, the S&L was placed in receivership by the FSLIC. The company's business activi-

ties were limited to managing its current investments—its investment banking days had ended.

## Here and Now

The Kozmetsky-Hurwitz link continues to flourish. According to Dun's Marketing Services Reference Book of Corporate Management (1989), Kozmetsky serves on the board of MAXXAM Group Inc. and as chair of MCO Resources, both subsidiaries of MAXXAM Inc.

Hurwitz, for his part, sits on the board of the RGK Foundation, a private trust owned by the Kozmetsky family. George Kozmetsky serves as Chairman of RGK, and his wife, Ronya, serves as president. The foundation funds charitable projects all over the world, but it also helps fund many projects and conferences of UT's Institute for Constructive Capitalism. It also owns 175,000 shares of MAXXAM, the largest cache of stocks on its books, according to its 1988 tax returns.

RGK leases space to IC<sup>2</sup> off campus at 2815 San Gabriel. And former chairman of the Department of Marketing Administration Robert Peterson holds the Charles E. Hurwitz Centennial Fellowship at IC<sup>2</sup>.

With a corporate raider like Kozmetsky as its chief economic advisor, the UT System Board of Regents can almost be excused for its shameful desecration of the University in the name of industry. Along with Hurwitz, Kozmetsky exemplifies everything vile about American capitalism: greed, avarice, obsession with short-term gain and paper entrepreneurship. They deserve to be lashed, but instead they get rich.

Constructive capitalism indeed. P

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