



CONTROL DATA  
CORPORATION

November 19, 1979

Fortune Magazine  
Time & Life Building  
Rockefeller Center  
New York City, NY 10020

To the Editor:

The thoroughness and accuracy that readers expect of Fortune apparently was on holiday during the writing of your November 19 editorial, "Shuffling Along with Social Responsibility", featuring Control Data and me.

The Editor is entitled, of course, to his gentle expression of scorn for top executives who labor "so tirelessly to develop the view that business must do more than merely make money -- that it must also tackle the problems of society", and his disdain for those who have "taken for granted...that they are entitled to spend their shareholders' money on the solutions" -- charges to which I readily plead guilty, your views and Milton Friedman's notwithstanding. And I value your expression, because I plan to quote from it in my frequent speeches. It will articulate better than I can the reactionary view in our society.

But you really miss the point with your traditional separation ("also") of making money from tackling society's problems. We make no such distinction at Control Data. See our enclosed earnings report to shareholders which states: "Control Data is a worldwide corporation committed to a strategy of addressing society's major needs as profitable business opportunities". That says it all: Do well by doing good, in effect. Does Fortune really argue with that?

Your reference to national defense is even more murky. Our large scale computers do contribute to the defense of the United States and its allies, but neither we nor anyone else we know of refers to such installations as solutions to society's major problems. It is difficult to understand why you find that "odd".

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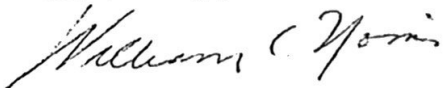
Nor has Control Data ever been embarrassed by the subject of national defense. You appear to believe that national defense actually had something to do with Defense Secretary Brown's withholding of an export license for a Control Data add-on to an oil-exploration computer in the Soviet Union. Most journalists who checked found that the Defense Department staff guardians had already approved the license -- not once but twice -- clearly freeing it of any military or defense significance. Thus, withholding the license was seen to be a crude but all-too-convenient means to signal Washington's displeasure over Soviet troops in Cuba. After the fact, Defense backfilled with some anonymous references to national security, but also did that when it vetoed the earlier Univac system for Tass, which later was approved but by then had been replaced by a French company.

Under those circumstances, for you to chide me for not "forgoing profits for the good of society" inspires questions like, whose good? Whose society? Certainly not America's.

So your final sentence about Norris "sounding very much like an old-fashioned profit-maximizer who had just been screwed out of a deal" is pretty much on target, except for the old-fashioned part.

Your doubts of the effectiveness or profitability of our approach to addressing some of our society's most durable and pressing problems is a result of your not being informed about the progress we are making. This can and should be corrected by your visiting here in Minneapolis. We cordially and sincerely invite you to join the growing number of leaders in our society to see what is being accomplished. Thus far, they have all left as believers and advocates, even some who tried hard to not be convinced.

Sincerely,



William C. Norris

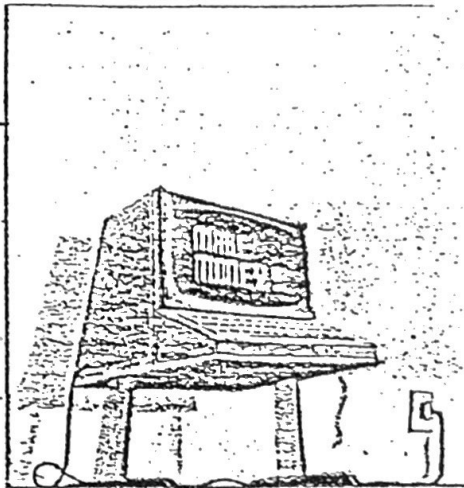
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Enclosure

## ding Along with al Responsibility

do not know which corporate helms- currently lays claim to being the so- responsibility champion of American business, but William C. Norris, chairman and chief executive of Control Data Corp., must be right up there among the leaders. Few top executives have made so many speeches on the subject or labored so tirelessly to develop the view that business must do more than merely make money—that it must also tackle the problems of society. That corporate executives have some unique insights into these problems, and that they are entitled to spend their shareholders' money on the solutions, are propositions routinely taken for granted by the social-responsibility advocates.

Including, of course, Bill Norris. "For too long," Norris argued in a 1977 speech, "business has been preoccupied doing the things that are most profitable and leaving the solutions to most of the major prob-

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lems [to] government." In a 1978 speech, Norris argued that large corporations had to make "their technological, management, and financial resources more available for the solution of societal problems... The issue basically is, does business keep doing just what it wants to do or does it turn more toward meeting the needs of society?"

In a special 1978 "Social Responsibility Report"—comparable in format to an annual report—Control Data dwelt on all the ways in which it had become "more responsive to society's needs." The report was concerned mainly with all the things C.D.C. was doing to increase adult literacy, create inner-city jobs, help revitalize urban areas, etc. Oddly enough, the report did not say anything at all about use of the corporation's computers to strengthen U.S. national defense—an effort that most people would assume has a certain social utility.

However, national defense has become an embarrassing subject at C.D.C. in recent times. The context in which the subject persists in arising is one in which the corporation yearns to sell certain high-powered computers to the Soviet Union and some nasty Senator or Secretary of Defense is worrying that this will do more for the Bolsheviks' needs than for ours. There are disputes within the Pentagon about whether the Russians are already using C.D.C. computers for military purposes. In September, Defense Secretary Harold Brown worried aloud that some computers the company now wants to sell the Russians might help them to track U.S. submarines. In the wake of our big

## Keeping Up *continued*

row with the Kremlin over its military forces in Cuba, the Administration has recently disapproved the sale of any such computers to the Soviet Union. Senator Henry M. Jackson of Washington has supported this decision.

Somehow or other, Bill Norris didn't respond to the government's decision—which involved \$1.3 million worth of C.D.C. computer-processing equipment—in quite the tone of voice you'd expect from a high-level social-responsibility advocate. He said nothing at all about the importance of occasionally forgoing profits for the good of society. Instead, he denounced Scoop Jackson as "a loud-mouthed obstructionist who only knows how to oppose things." Overall, in fact, Norris came out sounding very much like an old-fashioned profit-maximizer who had just been screwed out of a deal.