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U.S. Firms Weigh Cost of Apartheid

[AN] The price of doing business in South Africa is rising, and while many companies seem willing to pay, a growing minority are pulling out.

Among those who are assuming increased costs are Mobil Oil and Coca-Cola, whose affiliates are two of the largest U.S. employers in South Africa. Both companies have established multi-million dollar foundations this year, at a combined outlay exceeding last year's total expenditures on community assistance and education by *all* American companies in South Africa.

Support for improving the living standards of South Africa's black population and for opposing Pretoria's apartheid policies are at the center of corporate arguments that U.S. firms should remain in the racially segregated country.

That case has failed to persuade opponents. This spring, shareholders have confronted some two dozen companies with resolutions requiring that they withdraw, restrict selling, stop lending, or otherwise alter the way they do business in South Africa.

Dozens more companies have been the object of campus protests demanding divestiture of their stock from university portfolios, and some are facing the loss of lucrative contracts with municipal and state agencies that are refusing to make deals with South African-involved firms.

Congress, too, is again debating new restrictions on investments and trade with South Africa, including one bill — H.R. 997 — that would force all American firms to leave immediately. (See *AN*, May 5.)

The corporate response to these multiple pres-

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Is America's AFL-CIO playing a divisive role in South Africa's growing trade union movement? See story, page 7.