

Firestone



NGH

CHAIRMAN

RECEIVED

MAY 15 1978

INVESTMENT OFFICE

May 3, 1978

Mr. J. F. Brinkerhoff
Vice President and Chief Financial Officer
The University of Michigan
Ann Arbor, Michigan 48109

Dear Mr. Brinkerhoff:

We share the concerns of your Regents on South Africa and we agree with your position that corporate action by companies from the United States that operate there can be "a positive force for improvement of the political, economic and social rights for all South Africans, regardless of race."

Firestone has been operating responsibly in South Africa for a number of years and we are seeing continuing progress for our black employees in a number of ways.

We have subscribed to and we affirm our support for the Rev. Leon Sullivan's Statement of Principles for American companies operating in South Africa. We share the concern for human rights that has been articulated by these principles, and we put our concern into practice at our plants in Port Elizabeth and Brits. We did so before the Statement of Principles was developed and we continue to do so.

We favor the attainment of political, economic and social rights for our employees. We believe that the achievement of such rights can be aided by what happens in the work place.

With that in mind, we have, for example, extensive training programs aimed at improving the upward mobility of non-whites for progressively more difficult and responsible positions. We have had for some years an affirmative action plan under which managerial, supervisory, administrative and technical positions are targeted for black employees and we are making steady progress in implementing that plan.

MAY 8 1978

We have a single wage curve for all employees in South Africa and we pay equal pay for equal work. On a completely non-discriminatory basis we offer a wide range of medical, insurance, education, vacation and pension benefits. Dependents and children of our employees are included in our medical and education programs. For children of our black employees in particular, we provide special education benefits covering the cost of their books and fees in primary and secondary schools.

When it comes to politics, we do not feel it is proper for us to become involved in the domestic politics of any of the 27 countries in which we operate throughout the world, and our corporate policies specifically prohibit such involvement. This holds true in South Africa as it does elsewhere. So while we favor the attainment of political rights for all South Africans, we do not believe it is appropriate for us, as a corporate guest in a foreign country, to be active in doing what is necessary to bring this about.

We are always pleased to respond to inquiries from our shareholders about our operations in South Africa or anywhere else. This includes a willingness to provide information about corporate progress in achieving the South African goals about which you are concerned, and about which we share your concern. But we think it is better to do so on the basis of making a response to particular inquiries rather than by setting up yet another continuing report.

We hope that you understand our position on this aspect of your request and we hope you realize it is not related to any unwillingness to let you know about our operations in South Africa. We think our policies and programs in that country are fair, responsible, positive and in the best interests of our employees, our subsidiary, our company as a whole and our shareholders.

With all good wishes, I am,

Sincerely yours,


R. A. Riley