

GENERAL MOTORS CORPORATION

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ROBERT J. McCABE
DIRECTOR
TREASURER'S OFFICE
ADMINISTRATION SECTION

May 25, 1978

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

Dear Mr. Brinkerhoff:

Mr. Murphy has asked me to respond to your recent letter to him forwarding the resolution developed by your Board of Regents. We are pleased at the positive interest and initiative your institution has shown with respect to the matter of U.S. business operations in the Republic of South Africa.

We are in agreement with the objectives and spirit of your resolution, and are encouraged by the increasing number of efforts among various organizations in advocating positive actions by U.S. businesses operating in South Africa rather than proposing their withdrawal from that country.

Despite the significant economic downturn in South Africa, our GM South African operation has continued its many progressive programs designed to increase the economic, educational and social well-being of its employees and many other South African people. We have expanded educational and personnel development training programs which we are confident will result in the upgrading of increased numbers of blacks and other non-whites. In addition, we are continuing our dialogue with a number of our black South African employees who are attempting to organize a trade union.

Apartheid is a policy which General Motors strongly opposes. The government of South Africa is well aware of this. General Motors has spoken against this policy on many occasions, and it is a policy which, to the extent feasible, the Corporation is attempting to change through channels open to us and other manufacturers in South Africa. In this respect, General Motors executives, including Messrs. T. A. Murphy, E. M. Estes and R. R. Jensen, all Directors of the Corporation, have met several times with South African government officials, including Prime Minister Vorster, to urge changes consistent with a policy of equal opportunity.

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(Send WSS copy of
attached letter)
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We have recently reminded Mr. Vorster that although we have been able to make considerable progress in the direction of equal opportunity for our employes without government interference, we feel strongly that legislative action is needed in South Africa in the immediate future to support equal opportunity for all races.

We are also concerned for the well-being of all people in the Republic of South Africa, and, to this end, GM will continue to make known its positions on government policies that are not consistent with GM's worldwide operating philosophies. We have presented our position to the Industrial Tribunal (a government body evaluating the possible elimination of work reservation laws) in an effort to effect changes in industrial legislation. In fact, we believe the Reikert Commission of Enquiry Into Legislation and the Wiehahn Commission were appointed as a result of this kind of concerned action by GM and others.

I should also mention that three weeks ago I met with Mr. Donald Sole, South African Ambassador to the U.S. and Professor Wiehahn, who is head of the commission which is investigating specifically discriminatory labor-related legislation. During the meeting, I reaffirmed GM's concerns regarding the discrimination laws and practices of the South African government.

You may be aware that General Motors was one of the original 12 companies to endorse the Statement of Principles of U.S. Companies with Affiliates in the Republic of South Africa which was developed by Dr. L. H. Sullivan early last year. Dr. Sullivan has organized representatives from the more than 80 companies which are now part of this effort into task groups to pursue programs -- either collectively or as individual firms -- to hasten the implementation of the six points which each company has agreed to support. We have enclosed a copy of Dr. Sullivan's April 6 press release which discusses the objectives of these task forces.

We recognize that GM South African has a great deal of progress yet to make before the Principles are fully implemented, but we are also pleased with our accomplishments to date. It is our belief that the attention devoted to the objectives set forth in the Principles by GM and the other signatory companies has resulted in noteworthy and significant progress. We have attached a recent summary of GM South African's specific activities related to the points contained in the Statement of Principles.

In closing, I want to express my appreciation for sharing your resolution with us and for allowing me to describe General Motors' position on this important matter.

Sincerely,



Enclosure

Brochures: General Motors Public Interest Report
Changing Challenge - General Motors