

# *The Coca-Cola Company*

ATLANTA, GEORGIA

CARL WARE  
VICE PRESIDENT  
URBAN AFFAIRS

October 25, 1985

ADDRESS REPLY TO  
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Rep. George W. Crockett, Jr.  
1531 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Crockett:

Extraordinary events are occurring in South Africa. As a company with deep ties to South Africa's non-white communities, we feel a special obligation to participate actively in the dismantling of apartheid. The enclosed materials summarize some of our current activities in South Africa, but I also want to advise you of a major new initiative that I believe will be of great interest to you.

For the past several months we have been laying the groundwork for a new South Africa-based foundation, to which we have made an initial commitment of \$10 million. To be known as the Equal Opportunity Fund, the foundation's charter will emphasize the support of black education, housing and business development. The most significant aspect of the foundation will be neither its size nor its purpose, however, but the fact that it will be controlled by black South Africans themselves, rather than by The Coca-Cola Company. While we have not yet made a public announcement regarding the foundation, an interim director is in place in South Africa working out the legal and logistical details, a process we hope to complete by the end of the year.

South Africa's future depends on both political and economic change; exclusive concentration on either would be, we believe, a tragic mistake. We are therefore pursuing the complementary strategies of opposition to apartheid and support for black economic development. We are firmly convinced that these steps show our commitment to support new leadership roles in South Africa by blacks.

OCT 29 1985

Page 2

I hope that you will find the enclosed materials to be of interest, and that you will share them with colleagues and friends who are concerned about these issues.

Sincerely,

  
Carl Ware

CW:sj  
Enclosures

The following is a synopsis of some of the activities The Coca-Cola Company has been involved in over the past year:

- In November, 1984, a Company executive, Hennie Viljoen, in his capacity as Vice President of the Federated Chamber of Industries, was directly involved in drafting a public statement by the three principal South African employer associations, calling on the government to either charge or release a group of labor leaders who had been arrested for their part in a two-day worker stayaway. Subsequently, Viljoen and two other business leaders were summoned by the Minister of Law and Order, who indicated his extreme displeasure at this "interference" by business. The businessmen persevered, however, and the detainees were ultimately released.
- Viljoen helped draft a memorandum by six principal employer associations that was presented to Senator Edward Kennedy on January 7, 1985. The memorandum, calling for specific changes in apartheid laws, received widespread press coverage.
- On February 25, 1985, Viljoen and five other business leaders met with State President Botha and the Ministers of Cooperation and Development, Internal Affairs, Finance, and Constitutional Development. During the meeting, the businessmen reiterated their opposition to apartheid policies such as influx control, restrictions on black businesses, forced citizenship in the homelands for blacks, and segregated housing.
- On February 27, 1985, Viljoen was invited to discuss the issue of disinvestment on South African radio, and he used the opportunity to plead for an improvement in the quality of life for blacks.
- On May 24, 1985, Viljoen delivered a speech to the President's Council on the subject of urbanization. In the speech, he called for an end to influx control and the development of an urban policy designed both to improve the quality of life for blacks already living in urban areas and to accommodate future population growth. In September, 1985, the President's Council recommended to President Botha that influx control be abolished.

- Another Company official, Adrian Botha, in his capacity as a member of the Government Affairs Committee of the American Chamber of Commerce (AMCHAM), helped draft a statement calling for changes in apartheid laws, which was presented to the Minister of Constitutional Development on March 7, 1985.
- In May, 1985, at the instigation of the Government Affairs Committee, Board members of AMCHAM met in Cape Town with the Ministers of Commerce, Finance, and Manpower to express their concerns about the government's policies.
- A third Company official, Ernest Mcunu, in his capacity as Vice President of the Black Management Forum, South Africa's major black business association, met on May 30, 1985, with the Ministers of Manpower and of Cooperation and Development to discuss the group's concerns.
- In August, 1985, Viljoen, as spokesman for representatives of a number of business organizations, appeared on state television and confirmed that the organizations had called for the release of, and negotiation with, Nelson Mandela.
- The Company was indirectly involved in the recent meeting between South African business executives and African National Congress representatives, in that South African Breweries, a business partner, participated with our support.
- The Company repeatedly refused to sponsor the Nuffield Cricket Week until the matches were integrated. When the South African Cricket Union agreed to do so, we provided our sponsorship; as a result, for the first time, a non-white team played in the tournament this year.
- The Company was one of 91 corporate signatories to a full-page ad calling for specific reforms that appeared in South African newspapers on September 29, 1985.
- The Company has joined the U.S. Corporate Council on South Africa and was a signatory to a full-page ad calling for accelerated change that ran in several major American newspapers on October 18 of this year.

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# **The Coca-Cola Company and South Africa**

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In keeping with its opposition to all forms of racial discrimination, The Coca-Cola Company believes that the South African system of apartheid must be abolished. The Company, together with other businesses and individual South Africans, is working to bring about peaceful social, economic and political reform.

The Company long ago committed itself to fair treatment and equal opportunity for all its South African employees, regardless of race. Over the years, we have taken a number of significant steps to implement this commitment. Nearly 80% of the participants in our training programs for skilled artisans and supervisors are black, and between 1980 and 1985, the number of black supervisors and professionals employed by the Company increased by more than 120%. We assist our black employees in obtaining urban residence rights, and we make interest-free loans available for leasing or purchasing homes. We offer tuition assistance to black employees who wish to further or complete their educations. All Company facilities are integrated, and the Company's job categories, benefit plans and salary scales are all non-discriminatory.

## **Community Programs**

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The Company recognizes that our responsibilities in South Africa extend beyond the boundaries of the workplace. Because we are convinced that political equality must be accompanied by equality of educational and economic opportunity, the Company participates in many external programs designed to improve the quality of black education and increase the number of black businesses throughout the country. For example, the Company has recently announced its decision to underwrite—together with its South African bottlers—150 college scholarships

for black students. A partial list of other Company programs includes:

- sponsorship of the University of Witwatersrand Black Retail Development Program;
- contributions to a large number of black primary and secondary schools, technical and commercial colleges, day care centers, and teacher-training and nurse-training programs;
- sponsorship of the Legal Resources Trust, a public interest law group that has successfully challenged the South African government's abuse of pass laws and forced removals.

## **Political Activity**

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Politically, the Company has expressed its opposition to apartheid in public statements and in private meetings with members of the government, including the State President and cabinet ministers. As a member of the Federated Chamber of Industries and the American Chamber of Commerce, and as a signatory of the recently amplified Sullivan Principles, we have called on the government to end apartheid by taking a number of far-reaching legal and political steps, including:

- allowing meaningful political participation by and representation for blacks;
- ending influx control and forced removals of blacks to the homelands;
- granting universal South African citizenship and ending the policy of declaring blacks to be citizens of the homelands;

- recognizing free and independent black trade unions;
- releasing and negotiating with imprisoned black leaders.

It is clear that The Coca-Cola Company is helping to bring about social, economic and political change in South Africa, and it is equally clear that we could not continue to do so if we were forced, by legislative or economic pressure, to leave the country. A voice against apartheid would be silenced, while the economic impact of our departure would be minimal. Our plants and equipment would be taken over by non-American companies—companies that would not be bound to observe the Sullivan Principles.

The Coca-Cola Company's departure from South Africa would be more harmful to black South Africans than to our shareholders. Disinvestment is abandonment, and we will not abandon those South Africans, both inside and outside the Company, whose present lives and future prospects are improved by our presence.

*Prepared by  
The Coca-Cola Company  
Atlanta, Georgia*

*July 1985*