

Notes on CALC meeting with Baxter Travenol Corporation, September 23, 1985

Present: from CALC: Ron Freund, Ed Pears, Robert Marx, Homer Jack, Bryan Sickbert,
Jerry Birkhahn-Rommelsanger
from Baxter Travenol: W.D. Johnson, Vice President and Dean Biris, Manager
of Human Service Programs

W.D. Johnson opened the discussion with a broad explanation of Baxter's position and policies in South Africa. He explained that Baxter is a minority partner (40%) with Adcock Ingram, LTD, S.A. and is involved in the production and marketing of medical supplies. Baxter has "no management control" over the S.A. operation and primarily provides technical and quality control expertise. After initial opposition, Baxter has become a signatory to the Sullivan principles. There seemed to be consensus, albeit somewhat differing reasons, that the Sullivan principles were cosmetic at best and not a very useful tool in opposing apartheid.

Asked about whether the company had any plans to reduce or eliminate its operations in South America, Johnson was emphatic that they did not. He indicated that if the "hassle factor were the only criteria, one would get out". However, other factors come into play: 1) the company does take a profit from the venture, albeit rather small due to the value of the rand. 2) given the current situation in South America it would be virtually impossible for them to find a buyer for their interest. 3) it would be immoral to "deny the benefits of their products" to South Africans.

Johnson felt that U.S. and South African corporations were positive factors contributing to change in South America. He felt that corporate public opposition to apartheid would be a contributing factor to preventing a violent revolution. D. Biris expressed the hope that revolution could be averted in favor of a evolutionary process which dismantled apartheid while carefully constructing a new participatory and competent government which was inclusive of all members of the society. Both men were, however, very concerned about whether there was enough time for such a process to take place and were convinced that the recent actions of the government (i.e. state of emergency) only lessened the likelihood of peaceful accommodation.

Johnson felt strongly that the business community in South America needed to abandon its low profile and press hard for reforms in a united fashion. He pointed to a recent meeting between some of the larger corporations (GM, IBM, Burroughs were mentioned), in which they sought to find a joint strategy. Johnson lamented the fact that many companies, while sharing his concerns, were very reluctant to take visible roles in the conflict over apartheid. He stated that he knows privately, for instance, that unless there were some positive steps by the government, many US bank loans will not be rolled over in the next year, but more is needed than this type of reactive posture.

Asked specifically about steps Baxter might take to help give business a higher profile, Johnson indicated that he hoped to travel to South ~~America~~ with Baxter's CEO to meet with the majority partner on this very matter. *At 11:45*

One specific step Biris mentioned, was the need for a much larger scale effort to train Black managers. He indicated that 67,000 new Black managers are needed per year over the next 17 years in order to introduce Blacks into a level of participation in the economy that would be meaningful. This would require a massive cooperative effort on the part of corporations and government. A positive step has been suggested that the US government match a \$100,000,000 commitment by U.S. corporations to undertake such training.

Asked if Baxter would attempt to initiate a meeting with other companies to discuss specific actions such as demanding the release of Boesak or Mandela, or talks with the ANC, Johnson said they would suggest this to their majority partner, but that such proposals would be better put forth directly by Adcock Ingram LTD.

In terms of U.S. legislative actions, Johnson was generally not in support of sanctions, although he thought most currently proposed were insignificant. He favored rather a common approach with companies and government operating together. He spoke of a recent meeting in Washington with the administration in which he suggested such a strategy.

As the meeting concluded, Johnson indicated that he would prefer not to be quoted in the press, unless contacted first, insofar as much of what he had to say was confidential or open to misinterpretation. He also indicated he had had contact with other firms on CALC's list and would urge them to meet with us.

Notes compiled by B. Sickbert