

Acme Corporation, an American Company, has recently acquired Enviroblot Incorporated, another American Company that operates a large copper smelter in a Latin American country. The smelter complies with the country's environmental laws, but, nonetheless, emits 2,000 tons of sulfur dioxide into the air every day, or 10 to 15 times the permissible limit for similar plants in the United States. Local residents have attributed health problems to the smelter, and the incidence of respiratory ailments, cancer, and disease affecting the circulatory system has steadily increased in the area of the smelter over the past five years. There are no medical studies at this time indicating a direct link between these conditions and the operation of the smelter. The country in which the smelter is located is a major world producer of copper, and copper production is a vital part of its economy. In recent years Enviroblot's profits from the smelter have been high owing to a rise in copper prices on the world market.

Describe the policy that Acme, the new parent company, should adopt in this case.

MODERATOR'S ANSWER: In this case Acme should adopt a policy of extreme caution in connection with the operating of the copper smelter. It should not take the position that it is justified in maintaining current operations because they comply with the laws of the host country, and no medical studies have yet determined a direct link between the emissions from the smelter and the health problems of people in the surrounding area. The health hazards associated with the chemical involved in this case, sulfur dioxide, the enormous discharges by United States standards, and the apparent increase of health problems in the area around the smelter all point to a situation that Acme cannot reasonably ignore. Acme should fund, or at least contribute to funding, appropriate research concerning the extent to which the operation of the smelter may pose a health risk, and while this research is conducted it should operate the smelter in compliance with United States sulfur dioxide emission standards.

Case from the February 24, 1996 Intercollegiate Ethics Bowl. Copyright Robert Ladenson, Center for the Study of Ethics at the Illinois Institute of Technology, 1996.