The mission of Business Ethics
is to promote ethical business practices,
to serve that growing community of
professionals striving to live and work
in responsible ways, and to help create financially
healthy companies in the process.

EDITOR

Marjorie Kelly

Columnist
Doug Wallace

Contributing Writer

Patrick McVeigh

DESIGN

Designer Pat Thompson

OFFICE [PH:612/962-4700 FAX:612/962-4706] E-MAIL: bizethics@aol.com Business Manager Karen McNichol

Consultant Chris Navlor

ADVERTISING [PH: 612/937-2285 FAX: 612/937-5886]

Advertising Sales Director Jean Sheehan Madson

LIST RENTAL

Stevens-Knox List Management 304 Park Ave. South, New York, NY 10010

Fabiola Molina 212/388-8819

Belkys Reyes-Cuni 212/388-8820

CO-FOUNDERS

Marjorie Kelly and Miriam Kniaz

Need to get in touch with Business Ethics?

Our customer service representatives can help you with renewals, gift subscriptions, address changes, and questions.

Call customer service toll-free In the U.S.1-800-601-9010 (outside U.S. 513/890-9539) or write:

Business Ethics, Subscription Dept., 52 South 10th Street, Suite 110, Minneapolis MN 55403

Subscriber service requested:

- ☐ New or Renewal Subscription

 Send us your name and address and enclose your check for 1 year (6 issues) and four special reports—\$49.00 (current subscribers please enclose your address label).
- ☐ Change of address (Please allow 4 weeks.)

 Send us your new address and provide your label or old address for subscription identification. For faster service, call 1/800-601-9010 in the U.S. (513/890-9539 outside).
- ☐ Mail preference

We make our subscription list available to reputable companies and organizations whose products and/or services may be of interest to you. If you do not want your name to be made available, please enclose your mailing label and initial here:

Business Ethics (ISSN 0894-6582) is published bimonthly by Mavis Publications, Inc., 52 S. 10th St., #110, Minneapolis, MN 55403-2001. Periodicals postage paid at Minneapolis, MN 55403-2001 and additional offices. Subscription rates: U.S. \$49; foreign \$59. Copyright © 1997 by Mavis Publications, Inc. Subscriptions and editorial correspondence should be addressed to Business Ethics, 52 S. 10th St., #110, Minneapolis, MN 55403-2001. Phone 612/962-4700. Postmaster: Send address changes to Business Ethics, Subscription Dept., 52 S. 10th St. #110, Minneapolis, MN 55403. \$\mathbb{Z}\$

Business Ethics is indexed in the Alternative Press Index.

Business Ethics

JANUARY/FEBRUARY 1997

VOL. 11, NO. 1

OPINION

4 Letters

U.S. companies refuse to hire pregnant women in Mexican maquiladoras operations: sex discrimination or business necessity?

5 Musings: Marjorie Kelly
Why all the fuss about "maximizing returns to shareholders"?
The surprising evidence shows they don't even fund corporations.

12 Sweat Gear: For that Mean and Lean Look

A catalogue bringing you sweatshirts made in a real sweatshop, pre-sweated on the factory floor.

12 Progressive Economics

A new theory of corporate ownership from Margaret Blair of Brookings. The corporation's not a thing that can be owned: It's a nexus of contracts.

NEWS & TRENDS

6 Company Watch

Deja Shoe founder rebounds... King County, Wash., promotes "waste-free" Fridays...3M restructures without job slashing.

8 Why Didn't We See That One Coming?

A review of hottest business crisis areas: sexual harassment up, accidents down.

8 Warning Signs

Squeezed employees fight back... employee-practices liability insurance on the rise...the nation's first repetitive motion injury law...how capping mental health care expenses can end up costing you more.

1997 BEST MUTUAL FUNDS: A PREVIEW

19 1996 Was a Great Year for Socially Screened Mutual Funds

Guess what? Socially screened funds beat the mainstream: Thirteen of twenty-two social funds outperformed the index for their group. Our fund gourmet, Patrick McVeigh, picks his favorites for 1997.

MANAGEMENT

7 Social Auditing

What the heck is it good for anyway? An inside look at Ben & Jerry's evolving, eight-year-old process.

10 Working Ideas

Performance-based incentives have tangible effects..."Take Ownership" at BankAmerica...Pizza against guns.

13 What Would You Do?

A long-time vendor was having trouble shipping on time, but dropping them might drive them under.

DOUBLE YIELD

26 Social Investing Notes

Could the SEC reverse its stand against social-issue shareholder resolutions?... Find out if your fund holds tobacco stocks.

26 Is There a Cost to Being Socially Responsible in Investing?

A cheering answer from John Guerard Jr. of Vantage Global Advisors.