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# WITHDRAWAL SHEET

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Collection Name ROBERTS, JOHN: FILES

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CAS 7/27/2005

File Folder *South*  
JGR/~~SP~~ SOUTH AFRICAN SANCTIONS (3)

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| DOC NO | Doc Type | Document Description                 | No of Pages | Doc Date | Restrictions |     |
|--------|----------|--------------------------------------|-------------|----------|--------------|-----|
| 1      | NOTE     | ED TO JOHN RE DRAFT REPORT (PARTIAL) | 1           | ND       | B6           | 193 |

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

*language -*

# PRESIDENT'S DECISION ON SOUTH AFRICAN MEASURES

-- President sending a strong signal to South African Government: apartheid must go; time is now for bold action; actions assert his strong leadership on this issue;

-- ~~This is not a shift in policy;~~ US policy has long included measures to disassociate ourselves from apartheid;

--Actions are consistent with President's intent to maintain active presence and influence of American companies, churches, teachers, diplomats, in pushing for change in South Africa;

--President shares concerns of American people about racism: his action designed to speak for entire nation; and pull American people together on this important issue.

--Main difference between E.O. and proposed legislation is that E.O. can be amended or terminated at any time by President, giving him flexibility needed to conduct foreign policy.

--President's measures not designed to ~~destroy~~ <sup>damage</sup> South African economy and hurt those we are trying to help; targetted on specific elements of government apparatus;

--President wants to work with congress, ~~action accepts much of what Congress had proposed, but does so in a more surgical, productive manner;~~ *on a limited basis to make sure it is the policy of the*

--E.O. commits US to maintain strong presence in South Africa; supports fair employment practices of US companies, increases USG funds for scholarships and human rights activities; *other*

--E.O. prohibits U.S. banklending to South African Government, except loans which would promote welfare of all South Africans; *U.S.*

--E.O. bans computer sales to military, police, and apartheid - enforcing agencies; *reports to S. H. A.*

✓ --E.O. prohibits nuclear ~~commerce~~, except for items needed for health and safety. or for IAEA safeguard programs;

--E.O. requires firms to adhere to principles similar to voluntary Sullivan program; goal is to maintain voluntarism, but those who do not adhere will be denied USG trade assistance;

✓ --E.O. requires USG to consult with GATT partners on krugerrand ban. and to consider (positively) minting US gold coins;

*edit* --E.O. ~~will~~ establish advisory committee of distinguished Americans to advise on South African developments;

--E.O. will implement UN resolution, which US supported, banning imports of South African arms;

PRESIDENTIAL REMARKS: SOUTH AFRICA

MONDAY, SEPTEMBER 9, 1985

I want to talk about South Africa -- about what America can do to help promote peace and justice in that country so troubled and tormented by racial conflict.

The system of apartheid means deliberate, systematic, institutionalized racial discrimination denying the black majority their God-given rights. America's view of Apartheid is simple and straightforward: We believe it is wrong. We condemn it. And because we live by Lincoln's words -- no man is good enough to govern another without the other's consent -- all Americans are united in hoping for the day when apartheid will be no more.

I believe the measures I am announcing here today are best designed to advance our goals. If the Congress sends me the present bill as reported by the Conference Committee, I would have to veto it. That need not happen. I want to work with the Congress to advance bipartisan support for America's policy toward South Africa. That is why I have put forward this Executive Order today. I respect and share the goals that have motivated many in Congress to send a message of US concern about apartheid institutions and policies without, and I repeat without, damaging the economic well-being of millions of people in South and southern Africa. That is the line I am seeking to draw. If we genuinely wish -- as I do -- to develop a bipartisan basis of consensus in support of US policies, this is the basis on which to proceed.

I believe we must help all those opposing apartheid peacefully; and we must recognize that the opponents of apartheid using terrorism and violence will bring not freedom and salvation, but greater suffering, and quite possibly even greater tyranny.

What we see in South Africa is a beginning of a process of change. The changes in policy so far are inadequate -- but ironically they have been enough to raise expectations and stimulate demands for more far-reaching immediate change. It is the growing economic power of the black majority that has put them in a position to insist on political change. Whether that government wants it or not, that society is now in a process of tumultuous, ongoing transition.

South Africa is not a totalitarian society. There is a vigorous opposition press. Every day we see examples of outspoken protest and access to the international media that would never be possible elsewhere in Africa or beyond the countries with whom we maintain active relations. But it is our active engagement -- our willingness to try that gives us influence.

Yes, we in America -- because of what we are and what we stand for -- have influence to do good. We also have immense potential to make things worse. Before taking fateful steps, we must ponder the key question: Are we hoping to change the system? Or are we punishing the blacks whom we seek to help?

We should weigh carefully the advice of general Buthelezi, the political leader of South Africa's largest black group, who plead, don't disinvest.

And we should weigh carefully the argument of Alan Paton, author of Cry the Beloved Country, who wrote, "I take seriously the teachings of the Gospels, in particular the parables about giving drink to the thirsty and food to the hungry... If the nations of the West condemn us, they will only hinder the process of our emancipation from the bondage of our history."

American policy through several administrations has been to use our influence and our leverage against apartheid, not against innocent people who are the victims of apartheid. Like the parable of the Good Samaritan, we must be the good neighbor helping bind up the wounds of the fallen traveller, not the smug, uncaring stranger who passed him by.

We cannot be true to our heritage by quitting, but by reaching out; by staying involved; not by reducing our help for black education and community development, but exxpanding it as fast as we can. It makes no sense for American companies to reduce job opportunities for blacks in South Africa when we should be increasing them. Helping means calling for political dialogue; it means urging South Africans of all races to seize the opportunity for peaceful accommodation before it's too late.

And it means rejecting so-called sanction measure that will only put in place economic hardship on the innocent.

Therefore, after much soul-seraching, I am signing today an Executive Order that will impose a set of measures designed and aimed against the machinery of apratheid, without indiscriminately punishing the people who are victims of that system -- measures that will dissociate the United States from apartheid but asociate us affirmatively with peaceful changes:

These steps include:

-- A ban on all computer exports to agencies involved in the enforcement of apartheid to the security forces.

-- A prohibition of exports of nuclear goods or technology, except as is required to implement nuclear proliferation safeguards of the International Atomic Energy Agency or those necessary for humanitarian reasons to, protect health and safety.

-- A ban on loans to the South African government, except loans which improve economic opportunities, or educational, housing, and health facilities that are open and accessible to South Africans of all races.

-- I am directing the <sup>Secretary of State and the</sup> United States ~~Special~~ Trade Representative to consult with our major trading partners ~~to consider the feasibility and legality, under international trading agreements, of a ban on the importation of Krugerrands.~~

with a view to banning

I am also instructing the Secretary of the Treasury to report to me within 60 days on the <sup>feasibility</sup> ~~advisability~~ of minting an American gold coin which could provide an alternative to the Krugerrand for our coin collectors, <sup>with a view to seeking legislative authority for such a coin.</sup>

I want to encourage ongoing actions by our government and by private Americans to improve the living standards of South Africa's black majority. The Sullivan Code -- devised by a distinguished black minister from Philadelphia, the Reverend Leon Sullivan -- has set the highest standards of labor practices for progressive employers through South Africa. I urge all American companies to participate in it, and I am instructing the American Ambassador to South Africa to make every effort to get companies which have not signed to do so.

In addition, my Executive Order will ban from any kind of official worldwide export assistance any American firm in South Africa, employing more than 25 persons, which does not adhere by the end of this year to the comprehensive fair employment principles stated in the order.

I am also directing the Secretary of State to increase substantially the money we provide for scholarships to black South Africans and the money our Embassy uses to promote human rights programs in South Africa.

disadvantaged  
by  
apartheid

have directed

to establish

Finally, I ~~am establishing, under~~ the Secretary of State an Advisory Committee of distinguished Americans to provide recommendations on measures to encourage peaceful change in South Africa. The Advisory Committee shall provide its first report no later than twelve months from today.

I believe these measures are best designed to advance our goals. If the Congress sends me the present bill as reported by the Conference, I would have to veto it. I want to work with the Congress to advance bipartisan support for America's policy toward South Africa. That is why I have put forward this Executive Order today.

Three months ago, I recalled our Ambassador in South Africa for consultations so that he could participate in the intensive review of the southern African situation that we have been engaged in. I am now sending him back, with a message to State President Botha underlining our grave review of the current crisis, and our assessment of what is needed to restore confidence abroad and move from confrontation to negotiation at home. The problems of South Africa were not created overnight and will not be solved

overnight, but there is no time to waste. To withdraw from this drama -- or to fan its flames -- will serve neither our interests nor those of the South African people.

If all Americans join together behind a common program, we can have so much more influence for good. So let us go forward with a clear vision and an open heart, working for justice and brotherhood and peace.

United States Department of State

The Legal Adviser

Washington, D.C.

To OMB - Mr. Conway

John,

Attached is the

draft of the EPA report

that we worked on  
during the past hour

in with Treasury

Please let me know  
whether anyone has  
any problems.

Ed

FOIA(b)(6)

Name: [REDACTED]

Off: 202 2199  
2001

cc: NSC - Phil Kingall



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

September 8, 1985

Hon. Edwin Meese, III  
Attorney General  
Department of Justice  
Washington, D.C.

Dear Mr. Attorney General:

Enclosed, in accordance with the provisions of Executive Order No. 11030, as amended, is a proposed Executive order, submitted by the Department of State, entitled "Prohibiting Trade and Certain Other Transactions Involving South Africa."

The proposed order would impose limitations on several aspects of our economic relationships with South Africa because of the system of apartheid maintained by its government. In particular, the proposed order would prohibit United States financial institutions from making or approving loans to the Government of South Africa or entities that it owns or controls. The proposal also would extend existing bans on the export of nuclear materials and computers and computer-related products to South Africa.

In order to implement certain provisions of the proposed Executive order, including the prohibition of loans to the Government of South Africa, it will be necessary for the President to invoke his authority under the International Emergency Economic Powers Act. By signing the proposed order, the President would determine that conditions in South Africa constitute such an extraordinary threat to the foreign policy and economy of the United States that a declaration of national emergency is appropriate. In the view of the Department of State, current conditions are sufficient to warrant declaration of such an economic emergency.

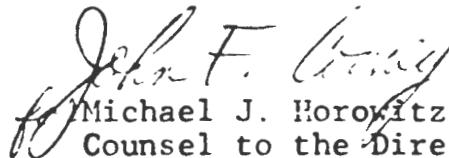
In order to comply with the notification provisions of IEEPA, the President must sign the letters attached to the Executive order informing Congress that he has exercised his authority under that statute and stating the reasons why he believes such action is necessary.

The National Security Council has requested that the proposed Executive order be processed as promptly as possible, in order that the proposal may be presented to the President for his consideration on Monday morning, September 9.

Your staff may direct any questions concerning the proposed Executive order to Mr. John F. Cooney (395-5600) of this office.

The proposed Executive order has the approval of the Director of the Office of Management and Budget.

Sincerely,

  
for Michael J. Horowitz  
Counsel to the Director



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

September 8, 1985

MEMORANDUM FOR: THE PRESIDENT

FROM:

JOSEPH R. WRIGHT, JR.

*AK* *feel for JW.*

SUBJECT:

PROPOSED EXECUTIVE ORDER ENTITLED  
"PROHIBITING TRADE AND CERTAIN OTHER  
TRANSACTIONS INVOLVING SOUTH AFRICA"

SUMMARY. This memorandum forwards for your consideration a proposed Executive order, submitted by the Department of State, that would implement your decision to impose limitations on United States economic relationships with South Africa because of the system of apartheid maintained by the government of that country.

BACKGROUND. On September 6, the President determined to restrict United States economic relationships with South Africa because of the system of intentional discrimination and deprivation of economic and political rights maintained by the Government of South Africa against a majority of its population.

The proposed Executive order would impose limitations on several aspects of American economic relationships with South Africa. The restrictions set forth in the proposed order are similar in many respects to those provisions of the conference committee version of H.R. 1460, currently awaiting action in the Senate, that are within the authority of the Executive Branch under current law. The principal restrictions imposed by the proposal are as follows:

- o United States financial institutions would be prohibited from making loans to the Government of South Africa or entities that it owns or controls, with exceptions for housing, education, and health loans, and such other transactions as the Secretary of the Treasury may determine will improve the welfare of all South Africans;
- o A prohibition on export of nuclear materials, goods or technology to South Africa;
- o An extension of the existing ban on exports of computers, computer software, or goods or technology intended to service computers to or for use by certain South African agencies;

- o Imposition of a mandatory arms embargo against import of certain defense articles produced in South Africa.

In addition, the proposed Executive order would:

- o Create a scholarship and human rights fund, to be established by the Agency for International Development, to increase amounts provided for scholarships and other programs to assist victims of apartheid;
- o Encourage United States firms employing more than 25 persons in South Africa to comply with the so-called Sullivan principles; the proposal also would inform non-complying American companies that the United States would not intercede with foreign governments regarding export marketing activity of products produced by them in South Africa;
- o Instruct the Secretary of State and the United States Trade Representative to consult with the other parties to the General Agreement on Tariffs and Trade with a view toward adopting a prohibition on the import of Krugerrands; the order also would require the Secretary of the Treasury to conduct a study, to be completed within 60 days, regarding the feasibility of minting and issuing gold coins, with a view toward seeking legislative authority to accomplish the goal of issuing such coins; and
- o Instruct the Secretary of State to create an advisory committee to make recommendations on measures to encourage peaceful change in South Africa.

Several statutes provide explicit authority for individual provisions of the proposed Executive order without further findings or determinations by the President. However, in order to implement certain other provisions of the proposed order, including in particular the prohibition on loans to the Government of South Africa, it will be necessary for the President to invoke the provisions of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.). By signing the Executive order, the President would determine that conditions in South Africa constitute such an extraordinary threat to the foreign policy and economy of the United States that a declaration of national emergency is appropriate. In the view of the Department of State, current conditions in South Africa are sufficient to warrant declaration of such an economic emergency.

In order to comply with the notification provisions of IEEPA, after signing the proposed Executive order, the President must sign the attached letters informing Congress that he has exercised his authority under that statute and stating the reasons why he believes such action is necessary to deal with the circumstances that constitute the unusual and extraordinary threat to the United States.

Time has not permitted circulation of the proposed Executive order to all affected agencies for formal clearance. However, the order has the concurrence of the National Security Council and the Departments of Justice, State and Treasury. Therefore, issuance of the proposed order appears appropriate.

RECOMMENDATION. I recommend that you sign the proposed Executive order.

EXECUTIVE ORDER

- - - - -

PROHIBITING TRADE AND CERTAIN OTHER  
TRANSACTIONS INVOLVING SOUTH AFRICA

By the authority vested in me as President by the Constitution and laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), the Foreign Assistance Act (22 U.S.C. 2151 et seq.), the United Nations Participation Act (22 U.S.C. 287), the Arms Export Control Act (22 U.S.C. 2751 et seq.), the Export Administration Act (50 U.S.C. App. 2401 et seq.), the Atomic Energy Act (42 U.S.C. 2011 et seq.), the Foreign Service Act (22 U.S.C. 3901 et seq.), the Federal Advisory Committee Act (5 U.S.C. App. I), Section 301 of Title 3 of the United States Code, and considering the measures which the United Nations Security Council has decided on or recommended in Security Council Resolutions No. 418 of November 4, 1977, No. 558 of December 13, 1984, and No. 569 of July 26, 1985, and considering that the policy and practice of apartheid are repugnant to the moral and political values of democratic and free societies and run counter to United States policies to promote democratic governments throughout the world and respect for human rights, and the policy of the United States to influence peaceful change in that country, as well as the threat posed to United States interests by recent events in South Africa,

I, RONALD REAGAN, President of the United States of America, find that the policies and actions of the Government

of South Africa constitute an unusual and extraordinary threat to the foreign policy and economy of the United States and hereby declare a national emergency to deal with that threat.

Section 1. Except as otherwise provided in this section, the following transactions are prohibited effective October 11, 1985:

(a) The making or approval of any loans by financial <sup>t</sup>institutions in the United States to the Government of South Africa or to entities owned or controlled by that Government. This prohibition shall enter into force on November 11, 1985. It shall not apply to (i) any loan or extension of credit for any educational, housing, or health facility which is available to all persons on a nondiscriminatory basis and which is located in a geographic area accessible to all population groups without any legal or administrative restriction; or (ii) any loan or extension of credit for which an agreement is entered into before the date of this Order. ✓

The Secretary of the Treasury is hereby authorized to promulgate such rules and regulations as may be necessary to carry out this subsection. The initial rules and regulations shall be issued within sixty days. The Secretary of the Treasury may, in consultation with the Secretary of State, permit exceptions to this prohibition only if the Secretary of the Treasury determines that the loan or extension of credit will improve the welfare or expand the economic opportunities of persons in South Africa disadvantaged by the apartheid system, provided that no exception may be made for any apartheid enforcing entity.

(b) All exports of computers, computer software, or goods or technology intended to service computers to or for use by any of the following entities of the Government of South Africa:

- (1) The military;
- (2) The police;
- (3) The prison system;
- (4) The national security agencies;
- (5) ARMSCOR and its subsidiaries or the weapons research activities of the Council for Scientific and Industrial Research;
- (6) The administering authorities for the black passbook and similar controls;
- (7) Any apartheid enforcing agency;
- (8) Any local or regional government or "homeland" entity which performs any function of any entity described in paragraphs (1) through (7).

The Secretary of Commerce is hereby authorized to promulgate such rules and regulations as may be necessary to carry out this subsection and to implement a system of end use verification to ensure that any computers exported directly or indirectly to South Africa will not be used by any entity set forth in this subsection.

(c) (1) Issuance of any license for the export to South Africa of goods or technology which are to be used in a nuclear production or utilization facility, or which, in the judgment of the Secretary of State, are likely to be diverted for use in such a facility; any authorization to engage, directly or indirectly, in the production of any special nuclear material

in South Africa; any license for the export to South Africa of component parts or other items or substances especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes; and any approval of retransfers to South Africa of any goods, technology, special nuclear material, components, items or substances described in this section. The Secretaries of State, Energy, Commerce, and Treasury are hereby authorized to take such actions as may be necessary to carry out this subsection.

(2) Nothing in this section shall preclude assistance for International Atomic Energy Agency safeguards or IAEA programs generally available to its member states, or for technical programs for the purpose of reducing proliferation risks, such as for reducing the use of highly enriched uranium and activities envisaged by section 223 of the Nuclear Waste Policy Act (42 U.S.C. 10<sup>3</sup>10<sup>3</sup>) or for exports which the Secretary of State determines are necessary for humanitarian reasons to protect the public health and safety. ✓

(d) The import into the United States of any arms, ammunition, or military vehicles produced in South Africa or of any manufacturing data for such articles. The Secretaries of State, Treasury, and Defense are hereby authorized to take such actions as may be necessary to carry out this subsection.

Sec. 2. (a) The majority of United States firms in South Africa have voluntarily adhered to fair labor principles which have benefitted those in South Africa who have been disadvantaged by the apartheid system. It is the policy of the United States to encourage strongly all United States firms in South Africa to follow this commendable example.

(b) Accordingly, no department or agency of the United States may intercede after December 31, 1985, with any foreign government regarding the export marketing activity in any country of any national of the United States employing more than 25 individuals in South Africa who does not adhere to the principles stated in subsection (c) with respect to that national's operations in South Africa. The Secretary of State shall promulgate regulations to further define the employers that will be subject to the requirements of this subsection and procedures to ensure that such nationals may register that they have adhered to the principles.

(c) The principles referred to in subsection (b) are as follows:

- (1) Desegregating the races in each employment facility;
- (2) Providing equal employment opportunity for all employees without regard to race or ethnic origin;
- (3) Assuring that the pay system is applied to all employees without regard to race or ethnic origin;
- (4) Establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families;
- (5) Increasing by appropriate means, the number of persons in managerial, supervisory, administrative, clerical, and technical jobs who are disadvantaged by the apartheid system for the purpose of significantly increasing their representation in such jobs;
- (6) Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health;

(7) Implementing fair labor practices by recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity.

(d) United States nationals referred to in subsection (b) are encouraged to take reasonable measures to extend the scope of their influence on activities outside the workplace, by measures such as supporting the right of all businesses, regardless of the racial character of their owners or employees, to locate in urban areas, by influencing other companies in South Africa to follow the standards specified in subsection (c) and by supporting the freedom of mobility of all workers, regardless of race, to seek employment opportunities wherever they exist, and by making provision for adequate housing for families of employees within the proximity of the employee's place of work.

Sec. 3. The Secretary of State and the head of any other department or agency of the United States carrying out activities in South Africa shall promptly take, to the extent permitted by law, the necessary steps to ensure that the labor practices described in section (2)(c) are applied to their South African employees.

Sec. 4. The Secretary of State and the head of any other department or agency of the United States carrying out activities in South Africa shall, to the maximum extent practicable and to the extent permitted by law, in procuring

goods or services in South Africa, make affirmative efforts to assist business enterprises having more than 50 percent beneficial ownership by persons in South Africa disadvantaged by the apartheid system.

Sec. 5. (a) The Secretary of State and the United States Trade Representative are directed to consult with other parties to the General Agreement on Tariffs and Trade with a view toward adopting a prohibition on the import of Krugerrands.

(b) The Secretary of the Treasury is directed to conduct a study to be completed within sixty days regarding the feasibility of minting and issuing gold coins with a view toward expeditiously seeking legislative authority to accomplish the goal of issuing such coins.

Sec. 6. In carrying out their respective functions and responsibilities under this Order, the Secretary of the Treasury and the Secretary of Commerce shall consult with the Secretary of State. Each such Secretary shall consult, as appropriate, with other government agencies and private persons.

Sec. 7. The Secretary of State shall establish, pursuant to appropriate legal authority, an Advisory Committee on South Africa to provide recommendations on measures to encourage peaceful change in South Africa. The Advisory Committee shall provide its initial report within twelve months.

Sec. 8. The Secretary of State is directed to take the steps necessary pursuant to the Foreign Assistance Act of ~~1961~~ ✓

and related legislation to (a) increase the amount of internal scholarships provided to South Africans disadvantaged by the apartheid system up to \$8 million from funds made available for Fiscal Year 1986, and (b) increase the amount allocated for South Africa from funds made available for Fiscal Year 1986 in the Human Rights Fund up to \$1.5 million. At least one-third of the latter amount shall be used for legal assistance for South Africans. Appropriate increases in the amounts made available for these purposes will be considered in future fiscal years.

Sec. 9. This Order is intended to express and implement the foreign policy of the United States. It is not intended to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any person.

THE WHITE HOUSE,

September 8, 1985

MEMORANDUM FOR THE FILE

SUBJECT: Proposed Executive Order Entitled "Prohibiting Trade  
and Certain Other Transactions Involving South Africa"

In the course of meetings and telephone conversations on September 7 and 8, 1985, with representatives of the Office of Legal Counsel of the Department of Justice and the Legal Adviser of the Department of State, we were able to reach agreement upon certain minor modifications to the proposed Executive order submitted by the Department of State. The proposed order and accompanying IEEPA notice have been reviewed by members of the office of the General Counsel, Department of the Treasury, who had no objections to their provisions.

John F. Cooney *JFC*  
Deputy General Counsel

TO THE CONGRESS OF THE UNITED STATES:

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703, I hereby report to the Congress that I have exercised my statutory authority to declare that the policies and actions of the Government of South Africa constitute an unusual and extraordinary threat to the foreign policy and economy of the United States and to declare a national emergency to deal with that threat.

Pursuant to this and other legal authorities, I have prohibited certain transactions, including the following:

(1) the making or approval of bank loans to the South African Government, with certain narrow exceptions; (2) the export of all computers and related goods and technology to certain government agencies and any apartheid enforcing entity of the South African Government; (3) all nuclear exports to South Africa and related transactions, with certain narrow exceptions; (4) the import into the United States of arms, ammunition, or military vehicles produced in South Africa; and (5) the extension of export marketing support to U.S. firms employing at least twenty-five persons in South Africa which do not adhere to certain fair labor standards.

In addition, I have directed (6) the Secretary of State and the United States Trade Representative to consult with other parties to the General Agreement on Tariffs and Trade with a view toward adopting a prohibition on the import of Krugerrands; (7) the Secretary of the Treasury to complete a

study within 60 days regarding the feasibility of minting U.S. gold coins; and (8) the Secretary of State to take the steps necessary to increase the amounts provided for scholarships in South Africa for those disadvantaged by the system of apartheid and to increase the amounts allocated for South Africa in the Human Rights Fund; and (9) the Secretary of State to establish an Advisory Committee to provide recommendations on measures to encourage peaceful change in South Africa.

Finally, this Order (10) commends the efforts of U.S. firms in South Africa that have voluntarily adhered to the Sullivan principles and encourages all U.S. firms to do likewise.

I am enclosing a copy of the executive order that I have issued making this declaration and exercising this authority.

1. I have authorized these steps in response to the current situation in South Africa. It is foreign policy of the United States to seek peaceful change in South Africa, and in particular an end to the repugnant practice and policy of apartheid and the establishment of a government based on the consent of the governed. Recent developments in South Africa have serious implications for the prospects for peaceful change and the stability of the region as a whole, a region of strategic importance to the United States. The recent declaration of a state of emergency in 36 magisterial districts by the Government of South Africa, the mass arrests and detentions, and the ensuing financial crisis are of direct concern to the foreign policy and economy of the United

States. The pace of reform in South Africa has not fulfilled the expectations of the world community nor the people of South Africa. Recent government actions regarding negotiations on the participation of all South Africans in the government of that country have not sufficiently diffused tensions and may have indeed exacerbated the situation.

Under these circumstances, I believe that it is necessary for this nation to recognize that our foreign policy of seeking change through peaceful means is seriously threatened. In order for this nation successfully to influence events in that country, it is necessary for the United States to speak with one voice and to demonstrate our opposition to apartheid by taking certain actions directed specifically at key apartheid policies and agencies.

2. The above-described measures, many of which reflect congressional concerns, will immediately demonstrate to the South African Government the seriousness of our concern with the situation in that country. Furthermore, this declaration mobilizes the influence of the private sector to promote an improvement in the economic prosperity, freedom and political influence of blacks and other nonwhites in South Africa.