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South Africa

*Pat
To MAX Green*

TESTIMONY OF

THE HONORABLE CHESTER A. CROCKER,

ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS

BEFORE

THE SUBCOMMITTEE ON AFRICA

SENATE FOREIGN RELATIONS COMMITTEE

WEDNESDAY, JUNE 24, 1987

U.S. POLICY TOWARD MOZAMBIQUE

Mr. Chairman, I would like to thank you for the opportunity to address the subcommittee on United States policy toward Mozambique. In view of the current high level of interest in that topic, I propose to deal with some of the prevailing myths about Mozambique and our policy toward that critical southern African country. By way of introduction, a little history.

Mozambique's Turn to the West

Mozambique achieved independence from Portugal in 1975 under a government comprised of the national liberation movement FRELIMO. The new government took over from a Portuguese colonial administration that had never achieved full control over the vast and unruly Mozambican countryside, much less established an effective national administrative structure.

Mozambique at independence lacked even the rudiments of a modern economy. The new government inherited a large external debt and a currency that was virtually worthless abroad. With independence, most of the 250,000 Portuguese inhabitants fled, taking with them Mozambique's limited fund of administrative and technical expertise. Mozambique's work force was untrained and uneducated; the illiteracy rate at independence was 96%. Given this dismal legacy, it is not surprising that by the late 1970s factories were running far below pre-independence efficiency and agricultural production had dropped sharply in many areas.

With two strikes against it at independence, the new government of Mozambique proceeded to make matters even worse.

FRELIMO tried to implement "socialist" economic and social policies -- nationalization of industry and agriculture, rationing, proliferation of unproductive bureaucracy -- which eventually brought the nation's economy to a standstill and contributed to the drought-induced famine of the early 1980s. Together with this disastrous course at home, Mozambique in the late 1970s de-emphasized its relations with the Chinese and Western nations and opted for a closer relationship with the USSR, associating itself with Soviet objectives in southern Africa and internationally.

By 1983, faced with economic collapse, a suffocating and unproductive link to Moscow, and a growing insurgency, Mozambican leaders made a fundamental decision to reorient their country's foreign and domestic policies. Under the leadership of the late President Samora Machel, the Government of Mozambique began to change drastically its economic policies, reduce its dependence on Moscow, reassert its independence and non-alignment, and reach out to the West.

Relations between the U.S. and Mozambique have paralleled this evolution. When I first went to Mozambique in April 1981, relations were at a low ebb: the Government of Mozambique was harshly critical of our policies, and it had just expelled four of our diplomats from Maputo. In mid-1982, however, the Mozambicans signalled their desire to explore a new relationship. After Secretary Shultz and then-Foreign Minister Chissano had a constructive meeting during the 1982 UN General Assembly, we began to see tangible signs of Mozambique's determination to pursue a new course. Hostility gave way to

cooperation, public criticism was replaced by more balanced language, and a productive dialogue began.

As hard evidence of Mozambique's new positive course mounted, relations gradually improved. We began working closely with Maputo on the complex effort to negotiate Namibia's independence and Cuban withdrawal from Angola. We also undertook to open channels of communication between Maputo and Pretoria, a process that led ultimately to a series of constructive Mozambican decisions in favor of regional coexistence and opposed to sterile confrontation with South Africa. In September 1985 President Reagan received the late President Machel in the White House. That meeting provided fresh impetus for a U.S. policy of encouraging Mozambique's new direction and working with its government toward peace and stability in southern Africa. Despite President Machel's death in an October 1986 plane crash, the positive momentum of U.S.-Mozambican relations has continued -- and even accelerated -- under his successor, President Joaquim Chissano.

In view of this history, it is especially ironic that Mozambique got little attention in Washington when it appeared to be firmly committed to socialism, close relations with Moscow, and antagonism toward the United States. Only when Mozambique manifestly changed its course and began to reach out to us and to our Western Allies did Mozambique and U.S. policy toward that country become an issue in our own foreign policy debate. That debate has given rise to a number of myths which deserve to be closely examined by Americans who wish the people of Mozambique well and are concerned about advancing U.S.

Affirming Independence and Non-Alignment

Despite Mozambique's dramatic reassertion of independence and non-alignment, the myth persists that it remains a compliant client of the Soviet Union. Let's look at the facts. Although Moscow remains Mozambique's largest supplier of military assistance, the trend line of Soviet arms transfers to Mozambique has been down, in sharp contrast to escalating Soviet arms deliveries to Angola. In sharp contrast with the MPLA regime in Angola, Mozambique has never afforded the Soviets military access rights on its territory, nor have Soviet or Cuban combat troops ever been deployed in Mozambique. Today the number of Western advisors in Mozambique actually exceeds that of advisors from the Soviet Union and its allies.

In foreign policy as well, Mozambique has pursued a courageous course that clearly distinguishes it from Angola and separates it from Moscow in southern Africa and internationally. In 1984 the Government of Mozambique, in the face of active Soviet opposition, signed the Nkomati Agreement under which Mozambique and South Africa agreed not to support insurgent movements on the territory of the other party. Mozambique has complied with its commitments under Nkomati, expelling guerrillas of the exiled African National Congress (ANC) from its territory and taking steps to prevent ANC operations against South Africa from Mozambique.

Despite evidence of post-Nkomati South African assistance to the Mozambican insurgent movement RENAMO, the Government of

Mozambique has continued to affirm its commitment to Nkomati and to seek dialogue and constructive relations with the South African Government while maintaining its steadfast rejection of apartheid. The May 29 South African raid in Maputo and the continuing South African threats against Mozambique are thus both indefensible and contrary to Pretoria's own interests in promoting accommodation with its neighbors, stability in the region and reduced openings for Soviet Bloc influence. The U.S. continues to believe that strict adherence to the provisions of Nkomati can advance the cause of peace and stability between Pretoria and Maputo.

Mozambique has also played a constructive role elsewhere in southern Africa. It has quietly but effectively supported U.S. efforts to negotiate with the MPLA regime in Angola -- negotiations directed at obtaining the withdrawal of Cuban forces from Angola and the implementation of UN Security Council Resolution 435 for the independence of Namibia. Mozambique has been a steady and clear-headed voice in the councils of the Frontline States against a self-defeating cycle of sanctions and retaliation against South Africa and for a greater role for regional moderates and friends of the U.S., such as Zaire.

After a period of tensions with neighboring Malawi in the fall of 1986, the GPRM has sought actively to reduce these tensions through a successful bilateral security dialogue. As a result, Mozambique and Malawi are working together to rehabilitate the Nacala rail line, and Malawi has deployed its forces along that critical rail link to protect it against

RENAMO attacks. Zimbabwe and Tanzania have made larger proportional commitments to Mozambique's efforts to cope with RENAMO's offensive against Mozambique's transport and economic infrastructure. It is worth noting in this connection that regardless of their political complexion, all of Mozambique's black-ruled neighbors -- from Botswana to Zambia -- are providing concrete support to the Mozambican Government and oppose the South African-inspired destabilization effort to which it is being subjected.

No country in southern Africa has worked more consistently than Mozambique with the United States to further the cause of peace and stability in southern Africa. Farther afield, Mozambique no longer votes with the USSR in the United Nations on such international questions of overriding importance to Moscow as Afghanistan and Kampuchea. In short, Mozambique has over the past five years evolved a more independent, non-aligned foreign policy course that has distanced it from Moscow.

From Socialism to a Sensible Economic Recovery Plan

Another myth about Mozambique holds that the GPRM is seeking Western economic assistance to bail out a failed experiment in socialism. In reality, Mozambique made its break with socialism because of disillusionment with statist economic policies and with no guarantees in advance that significant Western help would be forthcoming. At a time when many other governments are retreating from economic reform programs,

Mozambique has reached agreement with the IMF and World Bank on a tough and sensible economic recovery plan that sources in those institutions tell us is the most far-reaching such program undertaken by any African country. Maputo has already undertaken a sharp currency devaluation and moved aggressively to expand private economic initiative.

Since 1984 at least 30 firms in the light industry sector have been privatized. In the same way, the government has returned large tracts of land from state farms to private farmers. We anticipate further moves in the period ahead to expand individual land tenure in Mozambique. To attract new capital, foreign investors are encouraged to form joint ventures or wholly owned operations and are guaranteed the right to repatriate their earnings. In an impressive vote of confidence in Mozambique's new economic course, the Paris Club has just granted Mozambique some of the most favorable terms it has ever offered for rescheduling of external debt. It is important that we and others who believe in freedom of economic opportunity respond positively to a country that has made a courageous effort to turn away from failed statist economic policies.

Human Rights and Humanitarian Relief

Mozambique is a country with enormous human problems, including a critical food situation exacerbated by insurgency and drought. It is sometimes asserted that the U.S. has allowed political considerations to hobble our response to

Mozambique's human needs. This myth is also untrue. In response to UN appeals, the United States has pledged 194,000 tons of food, \$3 million for logistical support and \$3.5 million for health. The U.S. commitment is approximately \$75 million.

The insurgency in the countryside has created problems for food deliveries and other relief operations, and even for the maintenance of normal social services. The American private voluntary agency CARE has lost 12 food delivery trucks because of RENAMO attacks during the last two years, and the UN Children's Fund (UNICEF) has reported that RENAMO insurgents have destroyed 718 clinics since 1981. The United States is working closely with the International Committee of the Red Cross (ICRC) and other international agencies to arrange distribution of relief supplies in conflict areas. We will continue to support ICRC's quiet diplomacy with all the parties on the ground to achieve better access to the victims in conflict areas and ensure that all hungry Mozambicans are fed.

A word is in order about Mozambique's human rights record. It is far from perfect, and we have said so clearly in the Department's annual human rights report to Congress and elsewhere. At the same time, there are some impressive positive trends, especially in the government's relations with Mozambican churches. Most churches that were closed after independence have been reopened. The government also recently allowed 1300 Jehovah's Witnesses expelled after independence to return to Mozambique.

The government has given the Roman Catholic Church permission to build a new seminary in Maputo. Pastoral letters by Mozambique's Catholic bishops have circulated freely, despite criticism of government policy or discussion of controversial topics. On his recent European trip, Chissano had a cordial meeting with Pope John Paul II, thus maintaining momentum toward productive relations between the Vatican and the Government of Mozambique. There will be no relaxation of our strong, consistent advocacy of individual human rights in Mozambique. This is a special concern of Ambassador-designate Wells which I am sure she will pursue with skill and dedication when she takes up her duties.

Support From the West

Another of the myths about our policy toward Mozambique is that it puts us out of step with our friends and allies and the forces of freedom. The reality, however, is that our NATO and Asian allies and friends continue to expand and deepen their support for the Government of Mozambique. No Western democracy supports RENAMO. No country in the world has relations or official contacts with it. Even South Africa, which converted RENAMO from a nuisance into a well-armed rebel group, recognizes the Mozambican Government and conducts its dealings with RENAMO on a clandestine basis. Western economic assistance to Mozambique dwarfs that of the Soviet bloc, and our allies are assisting Mozambique in the security field as well. In 1986, the British began training Mozambican army personnel and conducted a very successful naval ship visit to

Mozambique. Other NATO governments have also developed productive security relationships with Mozambique.

President Chissano's first trip to Europe was to London and Rome, not Moscow. Chissano met with Prime Minister Thatcher May 6, 1987 for talks described by the British as "exceptionally warm". During his visit, the British government announced that it would provide \$25 million in additional economic assistance to Mozambique. In addition the British are increasing military training assistance to the Mozambican Army and, like the U.S., have assigned a resident military attache in Maputo.

In Rome, President Chissano met with President Cossiga, Prime Minister Fanfani, and Foreign Minister Andreotti. Italy, which provides more economic aid to Mozambique than any other country, has announced a cancellation of the Mozambican debt and a \$38 million emergency assistance program for Mozambique.

Both the British and the Italians were impressed by President Chissano's moderate stance. They and our other allies are clearly committed to a policy of encouraging Mozambique's westward turn and eroding Soviet influence in a key southern African country. They look to the U.S. to continue our own similar policy and to do more to support their efforts.

RENAMO: An Alternative?

Another persistent myth about Mozambique holds that the insurgent movement RENAMO is a democratic alternative to the Government of Mozambique. Here again, a little history is in

order.

RENAMO was created by the Rhodesian secret services in 1977 to punish Mozambique for that country's assistance to Zimbabwean liberation movements. With Zimbabwean independence in 1980, sponsorship of RENAMO was taken over by the South African Defense Force (SADF). South African direct support for RENAMO diminished after the Nkomati Accord and as RENAMO capture of weapons and equipment inside Mozambique reduced its requirements for South Africa hardware. However, there is credible evidence that South Africa remains a reliable supplier of high-priority items that RENAMO is not able to acquire on its own.

In 1984, the GPRM made an effort to negotiate with RENAMO with South Africa as an intermediary. At the critical moment in those talks, RENAMO inexplicably walked out of the negotiations. Since then, the insurgency has followed an inconclusive pattern of a rural guerrilla conflict. RENAMO scored some significant successes in the fall of 1986, but Mozambican and Zimbabwean forces regained the initiative in the first few months of 1987. With neither the Government nor RENAMO in position to win a military victory in the foreseeable future, the conflict in Mozambique is likely to be characterized by ebb and flow of the combatants' military fortunes, with the long-suffering Mozambican people the real losers.

RENAMO appears to draw most of its adherents from the Ndau-Shona tribal group of central Mozambique. It has shown little capability to expand its political influence in other

areas of the country or to create a cohesive political organization, even in areas where it has ethnic support. Credible reports of RENAMO atrocities against the civilian population have undercut its popular appeal, as have increasingly apparent divisions among its military and political leaders. We have heard reports that RENAMO recently began hitting civilian targets in Zimbabwe. One such incident, in Rushinga district in northeastern Zimbabwe, resulted in the death of more than a dozen villagers, including four or five children. In addition, RENAMO has claimed responsibility for the kidnapping on May 13, 1987 of a group of seven foreigners from five countries, including an American citizen. The U.S. has and will continue to do everything in its power to bring about the early safe release of these hostages, but at this point, they remain in RENAMO hands.

Despite this record, there are those who would have us initiate an official relationship with RENAMO. Advocates of this position might find instructive this excerpt from a recent BBC interview with the Archbishop of Maputo, Jose Maria Dos Santos. When asked whether he or other Mozambican bishops might talk to RENAMO's leaders, Archbishop Dos Santos replied: "We don't know who the leaders of RENAMO are, and we don't know how to contact them. It is very difficult. We have no relationship with these people." These comments by a prominent Mozambican not associated with the Government but interested in promoting an end to the fighting indicate that RENAMO lacks a credible political identity where it really counts -- in Mozambique itself.

In addition, a U.S. official relationship with RENAMO would isolate us from our Allies and our African friends, and provide the Soviets with an opportunity they would be only too happy to exploit. With the exception of South Africa, Mozambique's neighbors, regardless of their political complexion, support the Government of Mozambique against the insurgents and would regard official contact with them by Western Governments as a hostile act implying endorsement of South African destabilization efforts. We will continue to operate within this Western/African consensus.

The U.S. and the Mozambican Conflict

Our skepticism about RENAMO has sometimes been incorrectly portrayed as USG advocacy of a military solution to Mozambique's problems. I welcome the opportunity to refute this myth and reaffirm our consistent conviction, in Mozambique as elsewhere in southern Africa, that military conflict cannot solve political problems. Mozambique's pressing human and economic problems cannot be solved as long as the devastation of civil strife continues. It is the policy of the U.S. to use whatever influence is available to us, as we do everywhere in the region, to encourage an end to hostilities and peaceful solution of conflicts.

The U.S. has in the past, when circumstances were propitious for doing so, promoted contact between the Government of Mozambique and RENAMO. For example, we did so in connection with negotiations between them that followed the

conclusion of the Nkomati Accord between Mozambique and South Africa. Should further opportunities arise for us to play a similar role in ending hostilities between the Government and the insurgents in Mozambique, we will not hesitate to undertake that role. We must, nonetheless, realize that Mozambicans themselves must be the primary architects of a peaceful future for their country.

The Wells Nomination

Mr. Chairman, I could not close my testimony today without a direct appeal to you and your colleagues to act on President Reagan's nomination of Melissa Wells to be our ambassador to Mozambique. It has been more than eight months since the President nominated Ms. Wells to take on a tough job for which she is superbly qualified. This nomination has been favorably and overwhelmingly reported to the floor by the Senate Foreign Relations Committee. Ms. Wells has answered numerous written questions. I hope the Senate will act promptly on this nomination.

U.S. Policy -- Building on Success

The fate of Mozambique is a critical issue for all of independent southern African and for U.S. interests in that key region. Even a quick look at a map of the region indicates why this is so. The road, rail, and pipeline corridors through Mozambique represent virtually the only transport egress for

southern African countries that is not dominated by South Africa. All the independent countries of southern Africa, including democratic Botswana and staunchly pro-Western Malawi and Zaire have a vital stake in keeping those transport links open and in preventing the regional instability that would surely follow their closure by violent means. Mozambique is thus the key policy question by which Southern Africans judge the intentions of the U.S. and other foreign countries toward the region.

Because of Mozambique's key position, the success of our efforts to promote peace and stability in southern Africa depend importantly on how we handle the critical issue of relations with that embattled country. The policy of the Reagan Administration has helped to bolster a conscious decision by the Government of Mozambique to reduce its dependence on Moscow and move toward genuine nonalignment and improved relations with the West. In so doing, we have reduced Soviet influence in southern African and advanced prospects for regional peace and stability. This successful course has the support of our Allies and our African partners and has placed the Soviets squarely on the defensive.

We intend to stay with it because it is good for the people of Mozambique, good for the region, and good for U.S. interests.

First mark-up

June 28 —

Calendar No. 216

99TH CONGRESS
1ST SESSION**S. 995**

[Report No. 99-99]

To express the opposition of the United States to the apartheid policies of the Government of South Africa and to encourage South Africa to abandon such policies.

IN THE SENATE OF THE UNITED STATES

APRIL 24 (legislative day, APRIL 15), 1985

Mr. LUGAR (for himself, Mr. MATHIAS, and Mr. DOLE) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

JUNE 28, 1985

Reported, under authority of the order of the Senate of June 27 (legislative day, June 26), 1985, by Mr. LUGAR, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To express the opposition of the United States to the apartheid policies of the Government of South Africa and to encourage South Africa to abandon such policies.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 ~~That this Act may be cited as the "Anti-Apartheid Action~~
- 4 ~~Act of 1985".~~

1 FINDINGS AND DECLARATIONS

2 SECTION 1. The Congress finds and declares that—

3 (a) the policy and practice of apartheid—

4 (1) deliberately separates millions of South
5 African “migrant” workers from their families;

6 (2) denies meaningful, democratic participa-
7 tion in the political process to the majority of the
8 South African population;

9 (3) consigns the mass of South African citi-
10 zenry to lives of economic and educational depri-
11 vation;

12 (4) denies black citizens of South Africa the
13 right to travel freely within their own country;

14 (5) leads to the arbitrary government confis-
15 cation of the private property legally owned by
16 black South African nationals;

17 (6) tries to deprive many South African citi-
18 zens of South African citizenship;

19 (b) the policy and practice of apartheid is repug-
20 nant to the moral and political values of democratic
21 and free societies; and runs counter to United States
22 policies to promote democratic governments throughout
23 the world and respect for human rights; and

24 (c) it is the policy of the United States to promote
25 peaceful change in South Africa through diplomatic

1 means, but also, where necessary and appropriate,
2 through the adoption of other measures, in conjunction
3 with our allies, in order to reinforce United States op-
4 position to apartheid.

5 DEFINITIONS

6 SEC. 2. As used in this Act—

7 (1) the term "national of the United States"
8 means—

9 (A) a natural person who is a citizen of the
10 United States or who owes permanent allegiance
11 to the United States; or

12 (B) a corporation, partnership, or other en-
13 terprise if—

14 (i) natural persons who are nationals of
15 the United States own or control, directly or
16 indirectly, more than 50 per centum of the
17 outstanding voting securities;

18 (ii) natural persons who are nationals of
19 the United States own or control, directly or
20 indirectly 25 per centum or more of the
21 voting securities, and natural persons of an-
22 other nationality do not own or control an
23 equal or larger percentage;

24 (iii) any natural person who is a nation-
25 al of the United States operates the corpora-
26 tion, partnership, or enterprise pursuant to

1 the provisions of an exclusive management
2 contract;

3 (iv) a majority of the members of the
4 board of directors are also members of the
5 comparable governing body of a corporation
6 or legal entity organized under the laws of
7 the United States, any State or territory
8 thereof, or the District of Columbia;

9 (v) natural persons who are nationals of
10 the United States have authority to appoint
11 the chief operating officer; and

12 (2) the term "South Africa" refers to the territory
13 that constituted the Republic of South Africa on May
14 31, 1961.

15 SCHOLARSHIP FOR BLACK SOUTH AFRICANS

16 SEC. 3. Section 105(b) of the Foreign Assistance Act of
17 1961 is amended—

18 (1) by inserting "(1)" after "(b)"; and

19 (2) by adding at the end thereof the following new
20 paragraph:

21 "(2)(A) Beginning with the fiscal year 1986, and for
22 each fiscal year thereafter, \$15,000,000 of assistance provid-
23 ed under this section by the Administrator of the agency pri-
24 marily responsible for administering this part of this Act shall
25 be used to finance scholarships for black South Africans who
26 are attending universities, colleges, and secondary schools in

1 South Africa and who are selected in accordance with sub-
 2 paragraph (B). Of the funds available under the preceding
 3 sentence to carry out this subparagraph, not less than
 4 \$5,000,000 shall be available only for assistance to full-time
 5 teachers or other educational professionals pursuing studies
 6 toward the improvement of their professional credentials.

7 “(B) Individuals for whom scholarships are financed
 8 under subparagraph (A) shall be selected by a national panel
 9 or by regional panels composed solely of members of the
 10 teaching profession appointed by the United States chief of
 11 diplomatic mission to South Africa. No such individual may
 12 be selected through any contract entered into with the
 13 agency primarily responsible for administering this part of
 14 this Act.”.

15 HUMAN RIGHTS FUND

16 SEC. 4. Section 116(c)(2)(A) of the Foreign Assistance
 17 Act of 1961 is amended—

18 (1) by striking out “1984 and” and inserting in
 19 lieu thereof “1984,”;

20 (2) by inserting after “1985” a comma and the
 21 following: “and \$1,500,000 for the fiscal year 1986,
 22 and for each fiscal year thereafter”; and

23 (3) by adding at the end thereof the following:
 24 “Grants under this paragraph shall be made by the As-
 25 sistant Secretary for Human Rights and Humanitarian
 26 Affairs.”.

1 EXPANDING PARTICIPATION IN THE SOUTH AFRICAN
2 ECONOMY

3 SEC. 5: (a) The Congress declares—

4 (1) that the denial under the apartheid laws of
5 South Africa of the rights of South African blacks and
6 other nonwhites to have the opportunity to participate
7 equitably in the South African economy as managers
8 or owners of, or professionals in, business enterprises,
9 and

10 (2) the policy of confining South African blacks
11 and other nonwhites to the status of employees in mi-
12 nority-dominated businesses is an affront to the values
13 of a free society.

14 (b) The Congress hereby—

15 (1) applauds the commitment of nationals of the
16 United States adhering to the principles set forth in
17 section 10 to assure that South African blacks and
18 other nonwhites are given assistance in gaining their
19 rightful place in the South African economy; and

20 (2) urges the United States Government to assist
21 in all appropriate ways the realization by South Afri-
22 can blacks and other nonwhites of their rightful place
23 in the South African economy.

24 (c) The Secretary of State and any other head of a de-
25 partment or agency of the United States carrying out activi-

1 ties in South Africa shall, to the maximum extent practicable,
2 in procuring goods or services, make affirmative efforts to
3 assist business enterprises having more than 50 per centum
4 beneficial ownership by South African blacks or other non-
5 white South Africans.

6 OVERSEAS PRIVATE INVESTMENT CORPORATION

7 SEC. 6. Section 237(a) of the Foreign Assistance Act of
8 1961 is amended—

9 (1) by striking out “(a) Insurance” and inserting
10 in lieu thereof “(a)(1) Except as provided in paragraph
11 (2), insurance”; and

12 (2) by adding at the end thereof the following:

13 “(2) Insurance, reinsurance, and guaranties of loans
14 may be issued to cover an investment made in connection
15 with a project in South Africa, notwithstanding the absence
16 of an agreement with the Government of South Africa, if
17 such investment is otherwise eligible under this title, except
18 that—

19 “(A) the issuance of any such insurance, reinsur-
20 ance, or guaranty shall only be made to promote joint
21 ventures between business enterprises controlled or
22 owned by South African blacks or other nonwhite
23 South Africans and business enterprises controlled or
24 owned by United States nationals; and

1 “(B) the national of the United States holds a mi-
2 nority interest or agrees to relinquish its majority in-
3 terest during the course of the joint venture.”.

~~4 EXPORT-IMPORT BANK OF THE UNITED STATES~~

5 ~~SEC. 7. Section 2(b)(9) of the Export-Import Bank Act~~
6 ~~of 1945 is amended—~~

7 (1) by striking out "(0) In" and inserting in lieu
8 thereof "(0)(A) Except as provided in subparagraph
9 (B), in " and

10 (2) by adding at the end thereof the following:

11 “(B) The Bank shall take active steps to encourage the
12 use of its facilities to guarantee, insure, extend credit, or par-
13 ticipate in the extension of credit to business enterprises in
14 South Africa that are majority owned by South African
15 blacks or other nonwhite South Africans. The certification
16 requirement contained in clause (C) of subparagraphs (A)
17 shall not apply to exports to or purchases from business en-
18 terprises which are majority owned by South African blacks
19 or other nonwhite South Africans.”.

20 ~~LABOR PRACTICES OF THE UNITED STATES GOVERNMENT~~

21 IN SOUTH AFRICA

22 SEC. 8. (a) It is the sense of the Congress that the labor
23 practices used by the United States Government—

24 (1) for the direct hire of South Africans,

25 (2) for the reimbursement out of official residence
26 funds of South Africans and employees of South Afri-

1 can organizations for their employment services on
2 behalf of the United States Government, and

3 (3) for the employment services of South Africans
4 arranged by contract;

5 should represent the best of American labor practices and
6 should serve as a model for the labor practices of nationals of
7 the United States in South Africa.

8 (b) Notwithstanding any other law, the Secretary of
9 State and any other head of a department or agency of the
10 United States carrying out activities in South Africa shall
11 promptly take the necessary steps to ensure that the labor
12 practices applied to the employment services described in
13 paragraphs (1) through (3) of subsection (a) are governed by
14 the principles set forth in section 10.

15 EMPLOYMENT PRACTICES OF UNITED STATES NATIONALS
16 IN SOUTH AFRICA

17 SEC. 9. (a) It is the sense of the Congress that any
18 national of the United States that employs more than twenty-
19 five persons in South Africa should take the necessary steps
20 to insure that those principles relating to employment prac-
21 tices set forth in section 10 are implemented.

22 (b) No department or agency of the United States may
23 intercede with any foreign government or any national re-
24 garding the export marketing activities in any country of any
25 national of the United States employing more than twenty-
26 five persons in South Africa that is not implementing the

1 principles relating to employment practices in South Africa
2 set forth in section 10. No such national may make any new
3 investment in the Republic of South Africa. The Secretary of
4 State shall promulgate such regulations as are necessary to
5 implement this section.

6 STATEMENT OF PRINCIPLES

7 SEC. 10. (a) The principles referred to in sections 8 and
8 9 of this Act are as follows:

9 (1) Desegregating the races in each employment
10 facility, including—

11 (A) removing all race designation signs;

12 (B) desegregating all eating, rest, and work
13 facilities; and

14 (C) terminating all regulations which are
15 based on racial discrimination.

16 (2) Providing equal employment for all employees,
17 including—

18 (A) assuring that any health, accident, or
19 death benefit plans that are established are non-
20 discriminatory and open to all employees, on an
21 equitable basis; and

22 (B) implementing equal and nondiscrimina-
23 tory terms and conditions of employment for all
24 employees, and abolishing job reservations, job
25 fragmentation, apprenticeship restrictions for
26 blacks and other nonwhites, and differential em-

1 ployment criteria, which discriminate on the basis
2 of race or ethnic origin.

3 (3) Establishing equal pay for all employees doing
4 equal work, including—

5 (A) establishing and implementing, as soon
6 as possible, a wage and salary structure which is
7 applied equally to all employees, regardless of
8 race, who are engaged in equal work;

9 (B) reviewing the distinction between hourly
10 and salaried job classifications, and establishing
11 and implementing an equitable and unified system
12 of job classifications which takes into account
13 such review; and

14 (C) eliminating inequities in seniority and in-
15 grade benefits so that all employees, regardless of
16 race, who perform similar jobs are eligible for the
17 same seniority and ingrade benefits.

18 (4) Establishing a minimum wage and salary
19 structure based on a cost-of-living index which takes
20 into account the needs of employees and their families.

21 (5) Increasing, by appropriate means, the number
22 of blacks and other nonwhites in managerial, supervi-
23 sory, administrative, clerical, and technical jobs for the
24 purpose of significantly increasing the representation of
25 blacks and other nonwhites in such jobs, including—

1 (A) developing training programs that will
2 prepare substantial numbers of blacks and other
3 nonwhites for such jobs as soon as possible, in-
4 cluding—

5 (i) creating ~~on-the-job~~ training programs
6 and facilities to assist employees to advance
7 to higher paying jobs requiring greater skills;

8 (B) establishing procedures to assess, identi-
9 fy, and actively recruit employees with potential
10 for further advancement;

11 (C) identifying blacks and other nonwhites
12 with high management potential and enrolling
13 them in accelerated management programs;

14 (D) establishing and expanding programs to
15 enable employees to further their education and
16 skills at recognized education facilities; and

17 (E) establishing timetables to carry out this
18 paragraph.

19 (6) Taking reasonable steps to improve the quality
20 of employees' lives outside the work environment with
21 respect to housing, transportation, schooling, recrea-
22 tion, and health, including—

23 (A) providing assistance to black and other
24 nonwhite employees for housing, health care,
25 transportation, and recreation either through the

1 provision of facilities or services or providing fi-
2 nancial assistance to employees for such purposes,
3 including the expansion or creation of in-house
4 medical facilities or other medical programs to im-
5 prove medical care for black and other nonwhite
6 employees and their dependents; and

7 (B) participating in the development of pro-
8 grams that address the education needs of em-
9 ployees, their dependents, and the local communi-
10 ty.

11 (7) Recognizing labor unions and implementing
12 fair labor practices, including—

13 (A) recognizing the right of all employees,
14 regardless of racial or other distinctions, to self-
15 organization and to form, join, or assist labor or-
16 ganizations, freely and without penalty or reprisal,
17 and recognizing the right to refrain from any such
18 activity;

19 (B) refraining from—

20 (i) interfering with, restraining, or co-
21 ercing employees in the exercise of their
22 rights of self-organization under this para-
23 graph,

24 (ii) dominating or interfering with the
25 formation or administration of any labor or-

1 ganization or sponsoring, controlling, or con-
2 tributing financial or other assistance to it,

3 (iii) encouraging or discouraging mem-
4 bership in any labor organization by discrimi-
5 nation in regard to hiring, tenure, promotion,
6 or other condition of employment,

7 (iv) discharging or otherwise disciplining
8 or discriminating against any employee who
9 has exercised any rights of self-organization
10 under this paragraph, and

11 (C) allowing employees to exercise rights of
12 self-organization, including solicitation of fellow
13 employees during nonworking hours, allowing dis-
14 tribution and posting of union literature by em-
15 ployees during nonworking hours in nonworking
16 areas, and allowing reasonable access to labor or-
17 ganization representatives to communicate with
18 employees on employer premises at reasonable
19 times;

20 (D) allowing employee representatives to
21 meet with employer representatives during work-
22 ing hours without loss of pay for purposes of col-
23 lective bargaining, negotiation of agreements, and
24 representation of employee grievances;

1 (E) regularly informing employees that it is
2 company policy to consult and bargain collectively
3 with organizations which are freely elected by the
4 employees to represent them; and

5 (F) utilizing impartial persons mutually
6 agreed upon by employer and employee represent-
7 atives to resolve disputes concerning election of
8 representatives, negotiation of agreements or
9 grievances arising thereunder, or any other mat-
10 ters arising under this paragraph.

11 (b) The Secretary of State may issue guidelines and cri-
12 teria to assist persons who are or may be subject to this
13 section in complying with the principles set forth in subsec-
14 tion (a) of this section. The Secretary may, upon request,
15 give an advisory opinion to any person who is or may be
16 subject to this section as to whether that person is subject to
17 this section or would be considered to be in compliance with
18 the principles set forth in subsection (a).

19 (c) The Secretary of State may promulgate such regula-
20 tions as the Secretary may deem necessary to implement the
21 provisions of this Act. The Secretary may conduct investiga-
22 tions, hold hearings, administer oaths, examine witnesses, re-
23 ceive evidence, take dispositions, and require by subpoena
24 the attendance and testimony of witnesses and the production
25 of all books, papers, and documents relating to any matter

1 under investigation. The Secretary may require all persons
2 referred to in subsection (a) to register with the Department
3 of State.

4 (d) Any person who willfully violates any rule or regula-
5 tion issued under this section or who willfully, in a registra-
6 tion statement or report required by the Secretary, makes
7 any untrue statement of a material fact or omits to state a
8 material fact required to be stated therein or necessary to
9 make the statements therein not misleading, shall upon con-
10 viction be fined not more than \$1,000,000 or imprisoned not
11 more than two years, or both.

12 (e) In carrying out functions under this section, the
13 President is authorized to exercise the same powers concern-
14 ing violations and enforcement which are conferred upon de-
15 partments, agencies and officials by subsections (c), (d), (e),
16 and (f) of section 11 of the Export Administration Act of
17 1979, and by subsections (a) and (c) of section 12 of such
18 Act, subject to the same terms and conditions as are applica-
19 ble to such powers under such Act. Nothing in this subsec-
20 tion shall be construed as authorizing the withholding of in-
21 formation from the Congress.

22 (f) Notwithstanding any other provision of law, the Sec-
23 retary may enter into contacts with one or more private or-
24 ganizations or individuals to assist the Secretary in imple-
25 menting this section.

1 REPORT AND POLICY ON ECONOMIC SANCTIONS

2 SEC. 11. (a) It shall be the policy of the United States
3 to impose economic sanctions against the Government of
4 South Africa if, within two years of the date of enactment of
5 this section, significant progress has not been made toward
6 ending the policy of apartheid.

7 (b) The Congress urges the President to raise the issue
8 of reform in South Africa during the May 1985 economic
9 summit and to establish with the other industrialized democ-
10 racies an Inter-Allied Working Group on South Africa for
11 the purpose of monitoring reforms and, if necessary, develop-
12 ing multilateral economic sanctions against the Government
13 of South Africa.

14 (c) The President shall prepare and transmit to the
15 Speaker of the House of Representatives and the chairman of
16 the Committee on Foreign Relations of the Senate March 1,
17 1987 and every six months thereafter, a report on the extent
18 to which significant progress has been made toward ending
19 the system of apartheid, including—

20 (1) a detailed assessment of the extent to which
21 the Government of South Africa has made progress
22 in—

23 (A) housing black workers with their fami-
24 lies;

1 (B) abolishing the pass laws which prevent
2 blacks from moving freely into the cities;

3 (C) terminating the migrant labor system;

4 (D) allowing unrestricted labor union rights
5 for all; and

6 (E) increasing local investment in black edu-
7 cation and training;

8 (2) a statement of any conclusions drawn by the
9 Inter-Allied Working Group on South Africa;

10 (3) a determination by the President as to wheth-
11 er significant progress has been made in achieving the
12 purposes described in clauses (A) through (E) of para-
13 graph (1); and

14 (4) if the President determines under paragraph
15 (3) that significant progress has not been made, a rec-
16 ommendation as to which of the following sanctions
17 should be imposed;

18 (A) A ban on new commercial investment in
19 South Africa.

20 (B) A ban on new bank loans to the Govern-
21 ment of South Africa.

22 (C) A ban on the importation of South Afri-
23 can Krugerrands.

24 (D) A ban on the sale of computers to the
25 central Government of South Africa.

(d)(1) Any joint resolution which—

(A) would enact part or all of the sanctions described in clauses (A) through (D) of subsection (c)(4), and

(B) is introduced in the Senate after the date of receipt of the report required by subsection (c), shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976, except that, for purposes of section 601(b)(3)(A) of such Act, a reference to the “same certification” shall be deemed to be a reference to the report required by subsection (c).

(2) For the purpose of expediting the consideration and enactment of a joint resolution which is described in paragraph (1) and which is introduced in the House of Representatives after the date of receipt of the report required by subsection (c), a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

That this Act may be cited as the “Anti-Apartheid Action Act of 1985”.

FINDINGS AND DECLARATIONS

SEC. 2. The Congress finds and declares that—

(1) the policy and practice of apartheid—

1 (A) deliberately separates millions of South
2 African "migrant" workers from their families;

3 (B) denies meaningful, democratic participa-
4 tion in the political process to the majority of the
5 South African population;

6 (C) consigns the mass of South African citi-
7 zenry to lives of economic and educational depri-
8 vation;

9 (D) denies black citizens of South Africa the
10 right to travel freely within their own country;

11 (E) leads to the arbitrary government confis-
12 cation of the private property legally owned by
13 black South African nationals;

14 (F) tries to deprive many South African citi-
15 zens of South African citizenship;

16 (2) the policy and practice of apartheid is repug-
17 nant to the moral and political values of democratic
18 and free societies, and runs counter to United States
19 policies to promote democratic governments throughout
20 the world and respect for human rights; and

21 (3) it is the policy of the United States to promote
22 peaceful change in South Africa through diplomatic
23 means, but also, where necessary and appropriate,
24 through the adoption of other measures, in conjunction

1 *with our allies, in order to reinforce United States op-*
2 *position to apartheid.*

3 *DEFINITIONS*

4 *SEC. 3. As used in this Act—*

5 *(1) the term “national of the United States”*
6 *means—*

7 *(A) a natural person who is a citizen of the*
8 *United States or who owes permanent allegiance*
9 *to the United States; or*

10 *(B) a corporation, partnership, or other en-*
11 *terprise if—*

12 *(i) natural persons who are nationals of*
13 *the United States own or control, directly or*
14 *indirectly, more than 50 per centum of the*
15 *outstanding voting securities;*

16 *(ii) natural persons who are nationals*
17 *of the United States own or control, directly*
18 *or indirectly 25 per centum or more of the*
19 *voting securities, and natural persons of an-*
20 *other nationality do not own or control an*
21 *equal or larger percentage;*

22 *(iii) any natural person who is a na-*
23 *tional of the United States operates the cor-*
24 *poration, partnership, or enterprise pursuant*
25 *to the provisions of an exclusive management*
26 *contract;*

1 (iv) a majority of the members of the
 2 board of directors are also members of the
 3 comparable governing body of a corporation
 4 or legal entity organized under the laws of
 5 the United States, any State or territory
 6 thereof, or the District of Columbia;

7 (v) natural persons who are nationals of
 8 the United States have authority to appoint
 9 the chief operating officer; and

10 (2) the term "South Africa" refers to the territory
 11 that constituted the Republic of South Africa on May
 12 31, 1961.

13 SCHOLARSHIPS FOR BLACK SOUTH AFRICANS

14 SEC. 4. Section 105(b) of the Foreign Assistance Act of
 15 1961 is amended—

16 (1) by inserting "(1)" after "(b)"; and

17 (2) by adding at the end thereof the following new
 18 paragraph:

19 “(2)(A) Beginning with the fiscal year 1986, and for
 20 each fiscal year thereafter, \$15,000,000 of assistance provid-
 21 ed under this section by the Administrator of the agency pri-
 22 marily responsible for administering this part of this Act
 23 shall be used to finance scholarships for black South Afri-
 24 cans who are attending universities, colleges, and secondary
 25 schools in South Africa and who are selected in accordance
 26 with subparagraph (B). Of the funds available under the pre-

1 ceding sentence to carry out this subparagraph, not less than
 2 \$5,000,000 shall be available only for assistance to full-time
 3 teachers or other educational professionals pursuing studies
 4 toward the improvement of their professional credentials.

5 “(B) Individuals for whom scholarships are financed
 6 under subparagraph (A) shall be selected by a national panel
 7 or by regional panels composed solely of members of the
 8 teaching profession appointed by the United States chief of
 9 diplomatic mission to South Africa. No such individual may
 10 be selected through any contract entered into with the agency
 11 primarily responsible for administering this part of this
 12 Act.”.

13 HUMAN RIGHTS FUND

14 SEC. 5. (a) Section 116(e)(2)(A) of the Foreign Assist-
 15 ance Act of 1961 is amended—

16 (1) by striking out “1984 and” and inserting in
 17 lieu thereof “1984,”;

18 (2) by inserting after “1985” a comma and the
 19 following: “and \$1,500,000 for the fiscal year 1986,
 20 and for each fiscal year thereafter”; and

21 (3) by adding at the end thereof the following:
 22 “Grants under this paragraph shall be made by the
 23 Assistant Secretary for Human Rights and Humanitarian
 24 Affairs.”.

25 (b) Section 116 of such Act is amended by adding at the
 26 end thereof the following new subsection:

1 “(f) Not less than 20 percent of the funds authorized to
 2 be appropriated by this section shall be used specifically to
 3 support human rights activities including, but not limited to,
 4 the investigation of the killing of protesters and prisoners in
 5 South Africa, legal assistance to persons prosecuted for fun-
 6 damentally political reasons in South Africa, and church
 7 and legal assistance activities for the betterment of human
 8 rights in South Africa for disadvantaged persons. Such as-
 9 sistance shall be made available through the Legal Resources
 10 Center, the South African Council of Churches, the Black
 11 Sash, and other similiar organizations determined to be ap-
 12 propriate by the Secretary of State in consultation with the
 13 Committee on Foreign Affairs of the House of Representa-
 14 tives and the Committee on Foreign Relations of the
 15 Senate.”.

16 EXPANDING PARTICIPATION IN THE SOUTH AFRICAN
 17 ECONOMY

18 SEC. 6. (a) The Congress declares—

19 (1) that the denial under the apartheid laws of
 20 South Africa of the rights of South African blacks and
 21 other nonwhites to have the opportunity to participate
 22 equitably in the South African economy as managers
 23 or owners of, or professionals in, business enterprises,
 24 and

1 (2) *the policy of confining South African blacks*
2 *and other nonwhites to the status of employees in mi-*
3 *nority-dominated businesses,*
4 *is an affront to the values of a free society.*

5 (b) *The Congress hereby—*

6 (1) *applauds the commitment of nationals of the*
7 *United States adhering to the principles set forth in*
8 *section 11 to assure that South African blacks and*
9 *other nonwhites are given assistance in gaining their*
10 *rightful place in the South African economy; and*

11 (2) *urges the United States Government to assist*
12 *in all appropriate ways the realization by South Afri-*
13 *can blacks and other nonwhites of their rightful place*
14 *in the South African economy.*

15 (c) *The Secretary of State and any other head of a de-*
16 *partment or agency of the United States carrying out activi-*
17 *ties in South Africa shall, to the maximum extent practica-*
18 *ble, in procuring goods or services, make affirmative efforts to*
19 *assist business enterprises having more than 50 per centum*
20 *beneficial ownership by South African blacks or other non-*
21 *white South Africans.*

22 OVERSEAS PRIVATE INVESTMENT CORPORATION

23 SEC. 7. *Section 237(a) of the Foreign Assistance Act of*
24 *1961 is amended—*

1 (1) by striking out “(a) Insurance” and inserting
 2 in lieu thereof “(a)(1) Except as provided in para-
 3 graph (2), insurance”; and

4 (2) by adding at the end thereof the following:

5 “(2) Insurance, reinsurance, and guaranties of loans
 6 may be issued to cover an investment made in connection
 7 with a project in South Africa, notwithstanding the absence
 8 of an agreement with the Government of South Africa, if
 9 such investment is otherwise eligible under this title, except
 10 that—

11 “(A) the issuance of any such insurance, reinsur-
 12 ance, or guaranty shall only be made to promote joint
 13 ventures between business enterprises controlled or
 14 owned by South African blacks or other nonwhite
 15 South Africans and business enterprises controlled or
 16 owned by United States nationals; and

17 “(B) the national of the United States holds a
 18 minority interest or agrees to relinquish its majority
 19 interest during the course of the joint venture.”.

20 EXPORT-IMPORT BANK OF THE UNITED STATES

21 SEC. 8. Section 2(b)(9) of the Export-Import Bank Act
 22 of 1945 is amended—

23 (1) by striking out “(9) In” and inserting in lieu
 24 thereof “(9)(A) Except as provided in subparagraph
 25 (B), in”; and

26 (2) by adding at the end thereof the following:

1 “(B) *The Bank shall take active steps to encourage the*
 2 *use of its facilities to guarantee, insure, extend credit, or par-*
 3 *ticipate in the extension of credit to business enterprises in*
 4 *South Africa that are majority owned by South African*
 5 *blacks or other nonwhite South Africans. The certification*
 6 *requirement contained in clause (c) of subparagraph (A)*
 7 *shall not apply to exports to or purchases from business en-*
 8 *terprises which are majority owned by South African blacks*
 9 *or other nonwhite South Africans.”.*

10 *LABOR PRACTICES OF THE UNITED STATES GOVERNMENT*
 11 *IN SOUTH AFRICA*

12 *SEC. 9. (a) It is the sense of the Congress that the labor*
 13 *practices used by the United States Government—*

- 14 *(1) for the direct hire of South Africans,*
 15 *(2) for the reimbursement out of official residence*
 16 *funds of South Africans and employees of South Afri-*
 17 *can organizations for their long-term employment serv-*
 18 *ices on behalf of the United States Government, and*
 19 *(3) for the employment services of South Africans*
 20 *arranged by contract,*

21 *should represent the best of American labor practices and*
 22 *should serve as a model for the labor practices of nationals of*
 23 *the United States in South Africa.*

24 *(b) Notwithstanding any other law, the Secretary of*
 25 *State and any other head of a department or agency of the*
 26 *United States carrying out activities in South Africa shall*

1 *promptly take the necessary steps to ensure that the labor*
 2 *practices applied to the employment services described in*
 3 *paragraphs (1) through (3) of subsection (a) are governed by*
 4 *the principles set forth in section 11.*

5 *EMPLOYMENT PRACTICES OF UNITED STATES NATIONALS*
 6 *IN SOUTH AFRICA*

7 *SEC. 10. (a) Any national of the United States that*
 8 *employs more than 25 persons in South Africa shall take the*
 9 *necessary steps to insure that those principles relating to em-*
 10 *ployment practices set forth in section 11 are implemented.*

11 *(b) No department or agency of the United States may*
 12 *intercede with any foreign government or any national re-*
 13 *garding the export marketing activities in any country of any*
 14 *national of the United States employing more than twenty-*
 15 *five persons in South Africa that is not implementing the*
 16 *principles relating to employment practices in South Africa*
 17 *set forth in section 11. The Secretary of State shall promul-*
 18 *gate such regulations as are necessary to implement this sec-*
 19 *tion.*

20 *STATEMENT OF PRINCIPLES*

21 *SEC. 11. (a) The principles referred to in sections 9 and*
 22 *10 of this Act are as follows:*

23 *(1) Desegregating the races in each employment*
 24 *facility, including—*

25 *(A) removing all race designation signs;*

1 (B) desegregating all eating, rest, and work
2 facilities; and

3 (C) terminating all regulations which are
4 based on racial discrimination.

5 (2) Providing equal employment for all employees
6 without regard to race or ethnic origin, including—

7 (A) assuring that any health, accident, or
8 death benefit plans that are established are non-
9 discriminatory and open to all employees without
10 regard to race or ethnic origin; and

11 (B)(i) implementing equal and nondiscrim-
12 inatory terms and conditions of employment for
13 all employees, and (ii) abolishing job reservations,
14 job fragmentation, apprenticeship restrictions for
15 blacks and other nonwhites, and differential em-
16 ployment criteria, which discriminate on the basis
17 of race or ethnic origin.

18 (3) Assuring that the pay system is equitably ap-
19 plied to all employees without regard to race or ethnic
20 origin, including—

21 (A) assuring that any wage and salary
22 structure that is implemented is applied equally to
23 all employees without regard to race or ethnic
24 origin;

1 (B) eliminating any distinctions between
2 hourly and salaried job classifications on the
3 basis of race or ethnic origin; and

4 (C) eliminating any inequities in seniority
5 and in-grade benefits which are based on race or
6 ethnic origin.

7 (4) Establishing a minimum wage and salary
8 structure based on the appropriate local minimum eco-
9 nomic level which takes into account the needs of em-
10 ployees and their families.

11 (5) Increasing, by appropriate means, the number
12 of blacks and other nonwhites in managerial, supervi-
13 sory, administrative, clerical, and technical jobs for the
14 purpose of significantly increasing the representation of
15 blacks and other nonwhites in such jobs, including—

16 (A) developing training programs that will
17 prepare substantial numbers of blacks and other
18 nonwhites for such jobs as soon as possible, in-
19 cluding—

20 (i) expanding existing programs and
21 forming new programs to train, upgrade, and
22 improve the skills of all categories of employ-
23 ees, including establishing and expanding
24 programs to enable employees to further their

1 *education and skills at recognized education*
2 *facilities; and*

3 (ii) *creating on-the-job training pro-*
4 *grams and facilities to assist employees to*
5 *advance to higher paying jobs requiring*
6 *greater skills;*

7 (B) *establishing procedures to assess, identi-*
8 *fy, and actively recruit employees with potential*
9 *for further advancement;*

10 (C) *identifying blacks and other nonwhites*
11 *with high management potential and enrolling*
12 *them in accelerated management programs; and*

13 (D) *establishing timetables to carry out this*
14 *paragraph.*

15 (6) *Taking reasonable steps to improve the quality*
16 *of employees' lives outside the work environment with*
17 *respect to housing, transportation, schooling, recreation,*
18 *and health, including—*

19 (A) *providing assistance to black and other*
20 *nonwhite employees for housing, health care,*
21 *transportation, and recreation either through the*
22 *provision of facilities or services or providing fi-*
23 *nancial assistance to employees for such purposes,*
24 *including the expansion or creation of in-house*
25 *medical facilities or other medical programs to im-*

1 *prove medical care for black and other nonwhite*
2 *employees and their dependents; and*

3 *(B) participating in the development of pro-*
4 *grams that address the education needs of employ-*
5 *ees, their dependents, and the local community.*

6 *(7) Implementing fair labor practices, including—*

7 *(A) recognizing the right of all employees, re-*
8 *gardless of racial or other distinctions, to self-or-*
9 *ganization and to form, join, or assist labor orga-*
10 *nizations, freely and without penalty or reprisal,*
11 *and recognizing the right to refrain from any such*
12 *activity;*

13 *(B) refraining from—*

14 *(i) interfering with, restraining, or co-*
15 *ercing employees in the exercise of their*
16 *rights of self-organization under this para-*
17 *graph,*

18 *(ii) dominating or interfering with the*
19 *formation or administration of any labor or-*
20 *ganization or sponsoring, controlling, or con-*
21 *tributing financial or other assistance to it,*
22 *except that an employer may permit employ-*
23 *ees to confer with the employer during work-*
24 *ing hours without loss of time or pay,*

1 (iii) encouraging or discouraging mem-
2 bership in any labor organization by dis-
3 crimination in regard to hiring, tenure, pro-
4 motion, or other condition of employment,

5 (iv) discharging or otherwise disciplin-
6 ing or discriminating against any employee
7 who has exercised any rights of self-organi-
8 zation under this paragraph, and

9 (v) refusing to bargain collectively with
10 any organization freely chosen by employees
11 under this paragraph; and

12 (C)(i) allowing employees to exercise rights
13 of self-organization, including solicitation of
14 fellow employees during nonworking hours, (ii)
15 allowing distribution and posting of union litera-
16 ture by employees during nonworking hours in
17 nonworking areas, and (iii) allowing reasonable
18 access to labor organization representatives to
19 communicate with employees on employer prem-
20 ises at reasonable times where there are no other
21 available channels which will enable the labor or-
22 ganization to communicate with employees
23 through reasonable efforts.

24 (b) The Secretary of State may issue guidelines and
25 criteria to assist persons who are or may be subject to this

1 section in complying with the principles set forth in subsec-
2 tion (a) of this section. The Secretary may, upon request,
3 give an advisory opinion to any person who is or may be
4 subject to this section as to whether that person is subject to
5 this section or would be considered to be in compliance with
6 the principles set forth in subsection (a).

7 (c) The Secretary of State may promulgate such regula-
8 tions as the Secretary may deem necessary to implement the
9 provisions of this Act. The Secretary may conduct investiga-
10 tions, hold hearings, administer oaths, examine witnesses, re-
11 ceive evidence, take depositions, and require by subpoena the
12 attendance and testimony of witnesses and the production of
13 all books, papers, and documents relating to any matter
14 under investigation. The Secretary may require all persons
15 referred to in subsection (a) to register with the Department
16 of State.

17 (d) Any person who willfully violates any rule or regu-
18 lation issued under this section or who willfully, in a regis-
19 tration statement or report required by the Secretary, makes
20 any untrue statement of a material fact or omits to state a
21 material fact required to be stated therein or necessary to
22 make the statements therein not misleading, shall upon con-
23 viction be fined not more than \$1,000,000 or imprisoned not
24 more than two years, or both.

11 (f) Notwithstanding any other provision of law, the Sec-
12 retary may enter into contracts with one or more private or-
13 ganizations or individuals to assist the Secretary on imple-
14 menting this section.

17 *SEC. 12. (a) Except as provided in subsection (b) and*
18 *notwithstanding any other provision of law—*

24 (2) no authorization to engage, directly or indi-
25 rectly, in the production of any special nuclear materi-
26 al in South Africa may be given;

1 (3) no license may be issued for the export to
 2 South Africa of component parts or other items or sub-
 3 stances especially relevant from the standpoint of
 4 export control because of their significance for nuclear
 5 explosive purposes; and

6 (4) no retransfer to South Africa of any goods,
 7 technology, special nuclear material, components, items
 8 or substances described in paragraph (1), (2), or (3)
 9 may be approved.

10 (b) The provisions of subsection (a) shall not apply if
 11 the Secretary of State determines and certifies to the Speaker
 12 of the House of Representatives and the chairman of the
 13 Committee on Foreign Relations of the Senate that the Gov-
 14 ernment of South Africa is a party to the Treaty on the Non-
 15 Proliferation of Nuclear Weapons, done at Washington,
 16 London, and Moscow on July 1, 1968.

17 EXPORTS TO SOUTH AFRICAN GOVERNMENT

18 SEC. 13. Section 6 of the Export Administration Act of
 19 1979 (10 U.S.C. App. 2405) is amended by adding at the
 20 end the following:

21 “(l) EXPORTS TO SOUTH AFRICA.—(1) No computers,
 22 computer software, or goods or technology intended to service
 23 computers may be exported, directly or indirectly, to the fol-
 24 lowing entities of the Government of South Africa:

25 “(A) the military,

26 “(B) the police,

1 “(C) the prison system,

2 “(D) the national security agencies,

3 “(E) the administering authority for the black
4 passbook and the book of life systems,

5 “(F) the administering authority for the produc-
6 tion and procurement of military equipment, and

7 “(G) any other entity of the Government of South
8 Africa that administers programs which directly dis-
9 criminate against nonwhites.

10 “(2) For purposes of paragraph (1), the term ‘computer’
11 includes any computer that is the direct product of technology
12 of United States origin.

13 “(3) The termination provisions contained in section 20
14 of this Act shall not apply to this subsection, or to sections 11
15 and 12 of this Act to the extent such sections apply to viola-
16 tions of, and the enforcement of, this subsection.”.

17 PROHIBITION ON LOANS TO THE SOUTH AFRICAN

18 GOVERNMENT

19 SEC. 14. (a) No national of the United States may
20 make any loan or other extension of credit, directly or
21 through a foreign affiliate of that United States national, to
22 the Government of South Africa or to any corporation, part-
23 nership or other organization which is owned or controlled by
24 the Government of South Africa, as determined under regu-
25 lations which the President shall issue.

1 (b) *The prohibition contained in subsection (a) shall not*
2 *apply to—*

3 (1) *a loan or extension of credit for any educa-*
4 *tional, housing, or health facility which—*

5 (A) *is available to all persons on a nondis-*
6 *criminatory basis; and*

7 (B) *is located in a geographic area accessible*
8 *to all population groups without any legal or ad-*
9 *ministrative restriction; or*

10 (2) *a loan or extension of credit for which an*
11 *agreement is entered into before the date of enactment*
12 *of this Act.*

13 (c) *The President shall issue the regulations referred to*
14 *in subsection (a) not later than ninety days after the date of*
15 *enactment of this Act.*

16 REPORT AND POLICY ON ECONOMIC SANCTIONS

17 SEC. 15. (a) *It shall be the policy of the United States*
18 *to impose economic sanctions against the Government of*
19 *South Africa if, within eighteen months of the date of enact-*
20 *ment of this Act, but not later than March 1, 1987, signifi-*
21 *cant progress has not been made toward ending the policy of*
22 *apartheid.*

23 (b) *The President shall, by means of both bilateral and*
24 *multilateral negotiations with other nations, develop appro-*
25 *priate multilateral economic sanctions against the Govern-*
26 *ment of South Africa. Not later than twelve months after the*

1 *date of enactment of this Act, and at intervals of twelve*
2 *months thereafter, the President shall submit to the Congress*
3 *a report on the status of such negotiations.*

4 *(c) The President shall prepare and transmit to the*
5 *Speaker of the House of Representatives and the chairman of*
6 *the Committee on Foreign Relations of the Senate within*
7 *eighteen months of the date of enactment of this Act, but not*
8 *later than March 1, 1987, and every twelve months thereaf-*
9 *ter, a report on the extent to which significant progress has*
10 *been made toward ending the system of apartheid, includ-*
11 *ing—*

12 *(1) a detailed assessment of the extent to which*
13 *the Government of South Africa has made progress*
14 *in—*

15 *(A) housing black workers with their fami-*
16 *lies;*

17 *(B) abolishing the pass laws which prevent*
18 *blacks from moving freely into the cities;*

19 *(C) terminating the migrant labor system;*

20 *(D) allowing unrestricted labor union rights*
21 *for all; and*

22 *(E) increasing local investment in black edu-*
23 *cation and training;*

24 *(2) a determination by the President as to wheth-*
25 *er significant progress has been made in achieving the*

1 . purposes described in clauses (A) through (E) of para-
2 graph (1); and

3 (3) if the President determines under paragraph
4 (2) that significant progress has not been made, a rec-
5 ommendation as to which of the following sanctions
6 should be imposed:

7 (A) A ban on new commercial investment in
8 South Africa.

9 (B) A ban on the importation of South Afri-
10 can Krugerrands.

11 (C) A denial of most-favored-nation status to
12 South Africa.

13 (D) Other economic or political sanctions.

14 (d)(1) Any joint resolution which—

15 (A) would enact part or all of the sanctions de-
16 scribed in clauses (A) through (D) of subsection (c)(3),
17 and

18 (B) is introduced in the Senate after the date of
19 receipt of the report required by subsection (c), shall be
20 considered in the Senate in accordance with the provi-
21 sions of section 601(b) of the International Security
22 Assistance and Arms Export Control Act of 1976,
23 except that, for purposes of section 601(b)(3)(A) of
24 such Act, a reference to the “same certification” shall

1 *be deemed to be a reference to the report required by*
2 *subsection (c).*

3 *(2) For the purpose of expediting the consideration and*
4 *enactment of a joint resolution which is described in para-*
5 *graph (1) and which is introduced in the House of Represent-*
6 *atives after the date of receipt of the report required by sub-*
7 *section (c), a motion to proceed to the consideration of any*
8 *such resolution after it has been reported by the appropriate*
9 *committee shall be treated as highly privileged in the House*
10 *of Representatives.*