

Ronald Reagan Presidential Library

Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection:

Green, Max: Files, 1985-1988

Folder Title:

U.S. Policy towards South Africa 07/28/1986
(1 of 2)

Box: 36

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library Inventories, visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

THE WHITE HOUSE

WASHINGTON

U.S. POLICY TOWARDS SOUTH AFRICA

Monday July 28, 1986

Room 450 OEOb 10:00 a.m.

10:00 a.m. Welcome -- Max Green, Associate Director,
Office of Public Liaison

10:10 a.m. Remarks -- Chester A. Crocker, Assistant
Secretary of State for African Affairs

Questions and answers.

10:50 a.m. Remarks -- Larry Sainers, Deputy Assistant
Administrator for East and Southern
Africa, Agency for International
Development

Questions and answers.

11:20 a.m. Remarks -- Ambassador J. Douglas Holladay,
Director, South Africa Working Group,
Department of State

Questions and answers.

12:00 p.m. End of briefing.



United States Department of State

INVOLVED TO MAKE A DIFFERENCE IN SOUTH AFRICA



**WORKING GROUP ON
SOUTH AND SOUTHERN AFRICA**



INVOLVED TO MAKE A DIFFERENCE

ARTICLE DIGEST

POLICY

Page 1 State Department Talks to Black South Africans
New York Times, June 26, 1986

AMERICAN BUSINESS MAKES A DIFFERENCE

Page 2 Secretary of State George Shultz on American
Businesses' Influence:

"The investment of American companies in South Africa represents around one percent of total investment. Our trade with South Africa is on the order of 15 percent of its trade.... So we're an influence. We're not a large influence. And our observation is that the American companies there have done a good job of arranging employment conditions within the firm so that they are moving in a positive direction. They've done a good job of helping to finance and encourage education -- on-the-job education, vocational education...."

June 16, 1986, National Conference
for Women and Minorities.

Page 10 American Chamber of Commerce in South Africa Calls
For Change

"...let's get apartheid off the statute books once and for all...."

"Free political detainees. Unban political organisations. Negotiate with acknowledged leaders about power sharing. Political rights for all. Repeal Population Registration Act. Grant SA citizenship to all. Repeal Group Areas Act. Common Equal Education. Equalise Health Services."

Advertisement in Sunday Times,
June 1, 1986, South Africa

(continued)

ARTICLE DIGEST
(continued)

Page 11 Roger Smith, Chairman of General Motors Corp. on Staying and Building in South Africa:

"I am more convinced than ever that the best hope for a resolution of the apartheid issue in South Africa is for U.S. companies to remain there. We must continue our work to end apartheid and help create the just society that all South Africans deserve."

USA TODAY, May 28, 1986

SANCTIONS: CONSIDER THE COSTS

Page 12. Donald Regan, White House Chief of Staff on Widespread Effects of Sanctions:

"It (the Dellums amendment) would mean that all of the products that we need over here -- we need platinum, we need rhodium, we need chrome-- the only other place we can (buy) chrome, you know, is from the Soviet Union. So if we go on the theory that we're not going to buy anything from South Africa, then we'd have to turn to the Soviet Union to buy chrome. Is that what the American people really want?"

Evans and Novak (CNN), June 21, 1986

Page 16 Blacks do not Favor Sanctions Polls from South African Anti-Apartheid Group Reveals:

The British Broadcasting Corporation, June 10, 1986
According to June 10, 1986 BBC Summary of World Broadcasts a recent survey shows that more than 73 percent of South African black people polled are not prepared to support disinvestment or sanctions if this should lead to greater hardship among blacks. This figure falls in line with several other surveys carried out in the country. Survey cited was carried out by the Institute for Black Research at Natal University whose head is also extremely active within the United Democratic Front (UDF).

Page 17 South African Catholic Bishops Fear Loss of Jobs to Oppressed Through Sanctions:

"We ourselves believe that economic pressure has been justifiably imposed to end apartheid. Moreover, we believe that such pressure should continue, and if necessary, be intensified should the developments just referred to show little hope of fundamental change. However, we do not need to point out that, in our view, intensified pressure can only be justified if applied in such a way as not to destroy the country's economy and to reduce as far as possible any additional suffering to the oppressed through job loss. At the moment we can see no justification for the sort of pressure that would leave a liberated South Africa in an economically non-viable situation."

(continued)

ARTICLE DIGEST
(continued)

Page 21 "Zimbabweans worry about cost of sanctions against South Africa":

"It is quite simple. If we cannot get our goods out, our economy will collapse," notes a prominent black businessman..."

Christian Science Monitor
June 20, 1986

FYI

Page 23 "Wild Card in South Africa: Communist Party":

A detailed analysis of the relationship between the African National Congress and the South African Communist Party.

Alan Cowell, New York Times, June 24,
1986



Letters

State Dept. Is Talking To Black South Africa

To the Editor:

I would like to commend your acknowledgement of Secretary of State George P. Shultz's passion for establishing a "democracy that knows no color in South Africa" ("If Apartheid Is That Evil," editorial, June 4).

However, this passion is accompanied by a recognition of the sober realities in South Africa and the limited role the United States can play there. You imply that the U.S. does not recognize the legitimacy of black political organizations or support their goals. This is not true.

The U.S. has called for legalization of all political organizations in South Africa and for complete freedom of political expression in the country. It should not, however, be the role of the U.S. (or of any outside government, for that matter) to confer approval on any particular political group, but to support generally the principles of representative democracy.

Let me assure you that the U.S. Government maintains contacts with a spectrum of political groups in and outside South Africa, including the United Democratic Front, the African National Congress, Pan African Congress, Inkatha and Azapo. Because of the South African political climate, these contacts are often not publicized. To say, "Mr. Shultz and his diplomats won't even talk to these black leaders," is just plain wrong.

The Secretary of State and his colleagues are clear about the cardinal importance of dialogue, for them and, more urgently, for the Pretoria Government, with those who seek their rightful place in South African society.

J. DOUGLAS HOLLADAY
Director, South Africa Working Group
Department of State
Washington, June 20, 1986



United States Department of State

Washington, D.C. 20520

SECRETARY OF STATE GEORGE SHULTZ ON SOUTH AFRICA

June 16, 1986

National Conference for Women and Minorities held at the Department of State.

(The following are answers to questions put to Mr. Shultz after his address to the conference.)

QUESTION: I'm Marjorie Bowens-Wheatley. I'm with the National Alliance of Third World Journalists. You've come out against sanctions in South Africa. Given the crisis stage that we have now reached, I'm wondering if you would consider changing your position, particularly in consideration of the bill that has just passed in the House Foreign Affairs Committee, which seems -- most people seem to think that it would pass the full house within the next few weeks, and also the bill that's being considered in the Senate?

SECRETARY SHULTZ: Let's first be clear about some of the parameters of an answer. First of all, we are opposed to apartheid -- completely, unambiguously. We think it is a wrong system, and it must go. (Applause)

And I think the only question, at least as I would see it, is not whether it goes, but how it goes. And we would like to believe -- I think the chance has become less as you go along -- but we continue to believe, and we think we must work on the possibilities that it can go as a result of a peaceful negotiation to construct a different system of government where people of all races and creeds have an opportunity for political expression.

Now, the alternative to that, as I see it, is undoubtedly a very perhaps drawn out period of bloody confrontation, and that is going to obviously cause a lot of people to be killed and maimed and injured. It's going to cause a lot of people to be miserable, because economic activity will be at a low ebb through such a period. It's not the way to make this transition. There's a better way.

Every so often it seems like maybe you're getting close to it, and to a certain extent it seemed to me, as it was described to me, the undertakings that had been made to the Eminent Persons Group of the Commonwealth, on the one hand by at least some of the ministers of the Government of South Africa; on the other by Nelson Mandela in his jail cell and by other blacks in South Africa and outside South Africa, including in the ANC, that they were ready to try to negotiate something and try to keep the peace in the process. That seemed to be possible, and, of course, it needed a response from the Government of South Africa, and to the disappointment of the Eminent Persons Group

they didn't get an adequate response. Nevertheless, the good intentions were put there, and we need to keep working on that possibility.

Now, against that background, our problem for the United States is one of knowing where we want to go, of knowing our strategy, and I think this country is very unified as to our general view of the situation and the strategy. But we have the problem of what in particular should we do about it, and here I think again there is at least broad agreement that we have to have some combination of pressure and incentive. We have to be able to say if things keep going downhill or there's more and more pressure, that's going to come on, and at the same time there's some very positive things that are possible if it can go the other way. That's sort of our tactical situation.

Now, what do we have in South Africa? We have a number of companies. The investment of American companies in South Africa represents around one percent of total investment. Our trade with South Africa is on the order of 15 percent of its trade, something like that. So we're an influence. We're not a large influence. And our observation is that the American companies there have done a good job of arranging employment conditions within the firm so that they are moving in a positive direction. They've done a good job of helping to finance and encourage education -- on-the-job education, vocational education, more basic education, financed it. So those are positive developments, and they've been a force for, at least as I would see it, good things in South Africa.

So our question is, should we tell them as a matter of government action to get out? And we think the answer is no. The problem in many ways is that they are getting out. They're getting out because, as is a normal thing, if you are in an environment of political turmoil, it's not very good business there, and so you keep looking down at your so-called bottom line, and you see that the figures are not very good.

On the other hand, they know that if South Africa turns around and makes a political accommodation that works among all the people of South Africa, it is potentially a sensational economy, and the businesses that are there will do very well, so they want to stay there. And it's in our interests to have them do so, if that should ever emerge.

So the fact of the matter is that our presence is declining, and the question that further sanctions and more extreme sanctions pose is whether or not we want to just pull out of

PR No. 131

South Africa. And for reasons that I said, and also I think more generally, to just pull out means that we sort of cop out. Where are you when you're not there any more? What influence do you have left?

So for all of those reasons -- for reasons of maintaining a presence, for having the possibility of further actions, for wanting to make a contribution that's positive, for wanting to have our companies be there for the long run if the situation turns around -- for all of these reasons, we are not in favor of drastic sanctions now, but that doesn't mean by any means that we are blessing the situation or even remotely so.

When South Africa conducted its raids on its neighbors, the President was very strong and quick in his denunciation of that. I had the pleasure and privilege of receiving the Foreign Minister of Botswana a couple of days later, and she told me that she had just exchanged messages, Telex messages, with the Government of South Africa, calling for another in a series of meetings on security matters. And she said that Botswana -- it makes no secret of the fact that it doesn't harbor terrorists. She said, "If South Africa knows about some terrorists in our country, let them tell us, and we'll do something about it."

So there's no reason at all to conduct that raid on Botswana, and the person that they killed in the raid was a government employee who spent evenings teaching in elementary school. Hardly anybody's definition of a terrorist. And so we not only made a statement, but we also expelled the leading military person posted here from South Africa and withdrew ours from South Africa. They said, "You can't withdraw him. We expel him." Well, we said, "All right, he's out anyway." (Laughter)

And so we have taken action, but at the same time we think it's important to be there and important to work with this situation, and, goodness knows, understand its difficulties. It is a hard situation, but it's one in which the patience of the world and the patience of people in the country has grown very thin.

So that's my answer. It isn't just a simple yes or no thing, and we recognize the difficulties of it, but I think that there's also some strong arguments for our point of view -- the President's point of view.

QUESTION: In relation to South Africa, I have carried on a bit of health and educational work throughout Africa, and it has

been very evident to me that South Africa is one of the places that people love to escape to when there's a problem. All day we have had discussions here, and I wonder if we're not overlooking one of the most important points -- that the Soviets love to see these dissensions, these disagreements, escalate into real problems.

It's true that we've having a lot of problems in South Africa, and we all lament that and feel badly about that.. But the people there have had enough food. They have had privileges that made them the envy of much of the rest of Africa, and the real danger, as I see it, is that these governments here and there, all over the world, are capitulating as they begin to fight with each other, and there's a Soviet Russia control coming in. And when those Communist governments come in, and there's a great deal of death, as is occurring in Angola, a nearby neighbor, we say so little about that.

If there are 20,000 Cuban soldiers there -- there's a lot of death occurring in Angola -- we hardly hear anything about that. I'm deeply concerned, because what I see happening is that we're focusing on one aspect of a problem, but we're forgetting that when these governments go Communist, what's happening now will look like a Sunday picnic.

I was in Southeast Asia. I just returned from China. Do we realize what happened in Cambodia? Central America? We have such a threat from a foreign government, from the Soviets, we had better help them make peace. We had better help South Africa. I just wonder, is anyone's thinking that? Because I've heard nothing all day long in relation to the real problem.

SECRETARY SHULTZ: Well, let me make a comment, if I may.

QUESTION: Yes.

SECRETARY SHULTZ: I think we always have to keep in mind the threat posed by the Soviet Union in various parts of the world, and I think the things that you point up about what's happening in Central America or in Cambodia or elsewhere, Angola, are very much to the point. And it is also true that the southern part of Africa is a very strategic part of the world for many reasons. So we have to have that in our mind.

However, I think also we have to be responsive to the morality of the situation, and one of the things about the United States that I like a lot -- I like a lot of things about our country -- but one of the things I like about us is that we're sort of

naive in the world. We have this idea about freedom and equality and democracy, and we think -- we know it's good for us, and we don't claim to be perfect. We're our own severest critics, and it's a good thing for us too. But we carry that torch around the world, and I believe increasingly that the pursuit of these interests is not only in line with our morality and our ideals, but it is very much in our interests. This world is so small that when you have extreme instability somewhere, it affects us.

So it's important that whatever the situation may be, the United States is clearly and absolutely and unequivocally opposed to a system of government based on discrimination against a person on the basis of race. We're opposed to that. No ifs, ands or buts about it. And it takes on such a cast in South Africa that we have to speak up and take our action and, at the same time, try our best to be part of the solution, and that's why we need to stay there. We want to be part of the solution, but we want to leave no doubt in anybody's mind that we believe the situation is not an acceptable situation, and that it has to be changed, and there's just no doubt about -- no excuses about it.

QUESTION: Mr. Secretary, one of the things that we've noticed in this Administration over the last several years is that at key times you've withdrawn support from governments that were extremely oppressive. We watched it, for example, in the Philippines. At a certain key point we withdrew our governmental support and you arranged for the head of state to leave the country. At a key time in Haiti, you withdrew government --

SECRETARY SHULTZ: We seem to be in the business of providing aircraft to take people. (Laughter)

QUESTION: Yes. I'm going to (inaudible) -- (laughter). But it came back to about six examples -- all the way back to the Shah, all the way back over again. Now, things have deteriorated in South Africa. I've heard you say so many times publicly that you deplore what's happening, and I sincerely believe that you do. But at the same time of calling for an understanding of what methodology will the Administration use if it gets any worse -- for example, right now people can be shot on sight, they can be shot for not moving on, they can be shot for breaking curfew, they can be detained endlessly without counsel. How much worse will it need to become -- at what point will that strategic point be that America will withdraw its sanctions -- will America say our citizens there

are in danger. We have quite a few American citizens working in South Africa, and I found in government anarchism, what happens is that sometimes we get to label people by nationality, when they start to shoot people. So what time will we protect our national interests in the lives of our citizens, as well as the moral indignation that you have, and the President and the whole country holds about what's happening there. It's no secret to any of us that part of what's happening there, a big part of it, is because the people are black. So at what point do you withdraw -- at what point do you pull back?

SECRETARY SHULTZ: We're not at that point, and we think that we should stay there and work with the situation, and it's not only that you need blacks to talk and to work in good faith to solve the problem -- and at least from what I've seen, it's still possible that thoughtful, sensible blacks would be able to come and talk in a sensible way -- but you also need the white community with its leadership to be able to do it, and you have to somehow get an environment that brings that forward.

And, as I said earlier, I think everyone once in awhile we think we're somewhere near that, and it falls away, but we have to keep trying. You can't expel all the white community. That's not going to get you anywhere. And you don't want to do that. What you want to do is get the key parties engaged in a negotiation about how to rearrange the system of government so that people have a chance for political representation. That's what you want to get, and that's what we have to keep working for. And, just as I said in response to the question about basically economic sanctions, I think so too we want to stay and our citizens are basically positive forces there, and if they'll stay at this point, we certainly hope they do stay.

Obviously, if we find a situation anywhere in the world where we think American citizens are endangered, we try to help them get out of the danger. But at this point we think that we should stay, and we should try to be part of the solution. It's hard going, and the easiest thing for the United States to do in some ways would be to say, "Well, we've had enough. Let's just take all the Americans and try to get them out of there, close up shop and leave." And I think if we look back on a decision like that a year later, we would say, "What kind of people were we that we just picked up and left in that turmoil, and we didn't at least try to help both black and whites find a way to something better?"

And I know it's a mistake to talk too much from your own experience, but all of you have had experiences in the problem

of improving relations between people of different races. I certainly have worked at it a great deal, starting back when opinions are different than they are now, and working on the problems of education for blacks and jobs for blacks. Not just jobs, but good jobs that pay well. And I remember finding way back in the early 1960's when I went around and I tried to get talented blacks to come in to the business school that I happened to be head of, that they said, "Well, it sounds nice, but why should we do that? We can't get those good jobs. They're not open to us." So things had to get rearranged, and gradually things have improved, and they still have a long way to go in my opinion, but they have improved a lot in the last 25 years a great deal.

The same in all aspects of our lives. In education I worked at the problems of doing away with the dual school system in the South, and I worked with black and white committees that we formed, and I saw people sit and talk and disagree about things, and focus on things that they might be able to do positively together once the frame of mind came there. So I know the chances are -- the probabilities are not the greatest. Jimmy the Greek would want odds -- (laughter) -- but I figure I'd want to be part -- if I can help, I want to help --

QUESTION: Mr. Secretary --

SECRETARY SHULTZ: -- and I don't want to walk away from it.

QUESTION: -- you recall in those days two Presidents, both a Democrat and a Republican, had to send in the National Guard to protect the interests of those black kids going to those schools.

SECRETARY SHULTZ: Yeah. But I remind you, however --

QUESTION: Don't tell them to negotiate, because you used power. You negotiate and use power.

SECRETARY SHULTZ: I don't want to act as though the United States then and South Africa now are alike, because our system had moved a great deal. On the other hand, it's almost breathtaking to think that as short a time ago as, say, 15 years ago, we had a legally set dual school system in many parts of the United States. Not de facto -- de jure. And you say to yourself, "I don't believe it," but it's true. And ending that and trying to get it changed was certainly a lot easier than rearranging the system of government in South Africa, but as somebody who was right in the middle of it, I

-12-

can tell you, it wasn't all that easy. And, as I've said, we still have a ways to go, and we need to be working on it all the time.

But we want to see this system end. We want to see it end in a negotiated way, because that would be so much better. If something gets negotiated, the parties to the negotiation agree to accept it and try to make it work instead of kill each other, so you have a chance that it might work, and you have a society there that underneath it all has got tremendous potential. The people are talented -- black, white and colored, they're talented people. They've shown that. So there's a lot they can do together if they would just get together a little bit, and it seems to me that's what we want to keep our eye on and keep working on in any way we constructively can. And that doesn't blink at all the unacceptability of this system as it now is constituted.

END

[illegible]

ROGER B. SMITH

Guest columnist

U.S. firms can encourage change

DETROIT — There is no debate about the fact that apartheid must be ended. The only question is what is the most effective way to do this.

General Motors has been operating in South Africa since 1926 — well before the government's establishment of apartheid — and for many years has taken a leadership role in efforts to create a more just society and an end to this system. We were one of the original 12 signers of the Sullivan Principles calling for equal economic opportunity for people of all races, a better quality of life outside the work environment, and an end to apartheid.

In GM's South African operations, there is equal pay for equal work, total integration of the work facilities, and affirmative training programs to enable non-whites to become skilled workers and to move into supervisory positions.

Outside the work environment, GM's efforts have includ-

ed contributions of personnel, equipment, and funds to the non-white educational system, contributions and low-interest loans to build or improve housing for non-whites, and the donation of expertise and capital assistance for the development of businesses owned and operated by non-whites.

For the sixth consecutive year, GM has been given the highest rating possible for its progress in implementing the Sullivan Principles.

It is important to recognize that some constructive change is taking place in government policy. It is recognized, however, that the change to date has been insufficient and too slow in coming. For this reason, last September, in an effort to hasten reform in South Africa, the U.S. Corporate Council on South Africa was formed, and I am pleased to serve as its co-chairman. The council, which consists of more than 100 companies with operations in South

Roger B. Smith is chairman of General Motors Corp.

Africa, will work with the business leaders of South Africa to seek a more rapid and peaceful end to the apartheid.

I visited South Africa early this year and spoke with black leaders, government officials of every political persuasion, businessmen, journalists, GM employees, and ordinary citizens. When apartheid has been ended, the people will still need a strong economy with jobs for all. Toward this end, I am proud to co-chair a group of other concerned leaders called — appropriately — South Africa Beyond Apartheid.

I am more convinced than ever that the best hope for a resolution of the apartheid issue in South Africa is for U.S. companies to remain there. We must continue our work to end apartheid and help create the just society that all South Africans deserve.

Copyright ©

USA TODAY MAY 28, 1986

Reprinted with permission

All Rights Reserved.

Cable News Network, Inc.



111 Massachusetts Avenue, N.W.
Washington, DC 20001
202-898-7900

PLEASE CREDIT EXCERPTS TO "EVANS & NOVAK" (CNN).

EVANS & NOVAK

AIR TIMES: Saturday, June 21, 1986; 12:30 PM, ET
Sunday, June 22, 1986; 12:30 AM & 4:30 PM, ET

ORIGINATION: Washington, D.C.

GUEST: DONALD REGAN
White House Chief of Staff

INTERVIEWED BY: Robert Novak, Syndicated Columnist
Fred Barnes, The New Republic

PRODUCER: Elissa Free

ASSOCIATE PRODUCER: Susan Cheiken

EDITOR: This is a rush transcript provided for the information and convenience of the press. Print and broadcast media are permitted to quote this transcript provided credit is given to "EVANS & NOVAK" (CNN). Video and audio cassettes are available upon request to the media. For further information, please contact Elissa Free or Susan Cheiken at (202) 646-0336.

© Copyright 1986, Cable News Network, Inc. All Rights Reserved.

Transcript inquiries only: (202) 646-0336

But both of these things are permitted by the ABM treaty, and we intend to fully pursue that. Now they would like us to stop even the research.

MR. BARNES: So you can say now that you will not accept any treaty that would bar testing of Star Wars?

MR. REGAN: Well, we would want to make certain that they understand that we feel that we have the right to test, if we ever get to that stage.

MR. NOVAK: Mr. Regan, on another foreign policy question, the House of Representatives surprised a lot of people by putting in and passing a bill for absolute sanctions against South Africa, no trade at all. Hasn't this inevitably put the President on a course where he is bound to sign a watered down sanctions bill against South Africa?

MR. REGAN: No. I don't think that he's bound to sign such a thing, if such legislation were sent down here, I think the chances are he'd probably veto it. And I'll tell you why. We want to stay in what we call constructive engagement. That means we want to continue to talk to the government of South Africa in an attempt to work with them to settle that situation over there.

Now, if we cut off all relations, as the Dellums amendment would have it--

MR. NOVAK: That was the amendment that passed the House.

MR. REGAN: Amendment that passed the House, we would have to turn our back completely on it. American firms would have to pull out. That means that any blacks now working for American firms--and we have lots of them, there are thousands of them--they'd all be out of a job. It would mean that all of the products that we need over here--we need platinum, we need rhodium, we need chrome--the only other place we can chrome, you know, is from the Soviet Union. So if we go on the theory that we're not going to buy anything from South Africa, then we'd have to turn to the Soviet Union to buy chrome. Is that what the American people really want? I don't think so. So this is what the President is saying. That's foolhardy, that Dellums amendment.

MR. NOVAK: Well, on ABC television, I believe it was Thursday night, Oliver Tambo, the African National Congress, said that if American firms are still in South Africa, they are going to get

in the way of the violence by the ANC. Do you think that's a threat from the African National Congress?

MR. REGAN: I don't know what was in his mind, and the like. But I think that our firms have a right to be in most countries, as long as the host government will allow them to come in. And I think it's up to the host government to protect them.

MR. NOVAK: Give me your opinion, sir, of what you think the present South African government under State President Botha's position is? Do you think that they are moving toward some kind of a negotiated compromise with the blacks, or do you think they are digging in hard?

MR. REGAN: I think that they are beset with these problems. I think they're twisting and turning, trying every avenue to try to find what is acceptable. How do you reconcile these two seemingly unreconcilable views, that is, of the right wing over there who say no way but white rule, and the blacks, particularly the ANC, communist dominated, which is saying it's going to be black rule or we're going to have riots and civil war. There's going to be a very dangerous situation. I think Botha is trying his best to avoid the extremes.

MR. BARNES: Don't you need, Mr. Regan, some sort of gesture from Mr. Botha to stem the momentum in the United States in favor of stronger economic sanctions against South Africa?

MR. REGAN: Well, he, I think, is trying.

MR. BARNES: Well, he turned down President Reagan when the President asked him not to impose the state of emergency.

MR. REGAN: Well, there are times when leaders of a country have to go against the suggestions of their friends. We did that in SALT II. Mr. Botha thought that for the safety of his own country that he should clamp down and try to avoid any rioting that would go on that Soweto day. And while there was some rioting, it was minimal.

MR. BARNES: Well, what could he do now, or what would the President like him to do now as a gesture?

MR. REGAN: Well, we're talking to him privately about that. I don't think that I should talk about that on the air.

MR. NOVAK: Do you think it's possible he might free Nelson Mandela?

MR. REGAN: I think under the proper circumstances, they would like to free Mandela, yes.

MR. NOVAK: That might be forthcoming, you think?

MR. REGAN: I'm not certain, because it would have to be under the right circumstances.

LEVEL 1 - 1 OF 5 STORIES

Copyright (c) 1986 The-British Broadcasting Corporation;
Summary of World Broadcasts

June 10, 1986, Tuesday

SECTION: Part 4 The Middle East, Africa and Latin America; B. AFRICA

PAGE: ME/8281/B/1

LENGTH: 301 words

HEADLINE: S African Comment on Further Proof of Blacks' Opposition to Sanctions

SOURCE: Johannesburg in English for abroad 0630 gmt 6 Jun 86

Text of commentary, "Sanctions"

BODY:

Proof that the majority of black people in South Africa oppose sanctions against this country has now become so conclusive that no sanctions campaigner within South Africa or abroad can claim with any credibility that sanctions are sought by the majority of South Africa's black people. The results of

(c) 1986 The British Broadcasting Corporation, June 10, 1986

yet another opinion survey have been disclosed, and it is significant to note that this survey was carried out by the Institute for Black Research at Natal University. This institute is headed by Prof Fatima Meer, who is extremely active within the radical United Democratic Front [UDF] organisation.

What the survey shows is that more than 73 per cent of black people are not prepared to support disinvestment or sanctions against South Africa if this should lead to greater hardship among blacks. This figure falls in line with several other surveys which have been carried out in the country. For example, Prof Lawrence Schlemmer of Natal University has found that 76 per cent of black people oppose sanctions and disinvestment. At the time of publishing the results of that survey Prof Schlemmer was severely criticised by Prof Meer, who questioned its accuracy. Now a survey by the Professor's own institute has by and large confirmed the results of the Schlemmer survey, something of an embarrassment for Prof Meer for two reasons she has proved herself wrong, and secondly, the UDF organisation which she supports is actively involved in the sanctions against South Africa campaign.

However, these were not the only surveys on the issue carried out among black people. The Human Sciences Research Council, which prides itself on the scientific nature of its opinion surveys, has found that 68 per cent of black people are opposed to any form of sanctions against South Africa.

Printed with permission
British Broadcasting Corp.
London, England
(Monitoring branch)
June 10, 1986

Statement
from the
Southern African Catholic Bishops Conference
on
Economic Pressure on the South African Government
May 2, 1986

1. Our fundamental role as bishops is pastoral care. That is to say we are called at all times and in all circumstances to give pastoral guidance to those who are in our care. We do this by preaching the gospel, by interpreting it for our times. And by bringing to bear upon a situation its hope and courage.
2. In times of serious conflict there is usually a great deal of conflict and confusion about issues so central to people's well-being that clear vision of the issues and of what God demands from people committed to His Gospel, is difficult. In such times all christians are called upon to open themselves to that gift of the Spirit known as discernment. As for ourselves, it is our pastoral duty to give a lead in exercising that gift. This prophetic task of ours, as it is called, demands of us that we reflect on the issues in the light of the Gospel, (cf Mt 5) to see them through eyes opened by Jesus' teaching and to decide on what the Lord is demanding of us here and now. This decision is a decision of conscience, a decision or option that might open up new perspectives for others and thus give them a lead and provide them with a definite direction. It is a decision that inevitably involves taking a bold stand on controversial issues in the sphere of politics and economics, since it is these very areas that are at the root of the conflict.
3. In such circumstance our prophetic witness might provide a challenge to people far beyond our dioceses, our country and our christian field. It might also provide encouragement and bring some measure of hope to millions of people who are beyond our usual pastoral care.
4. It is this prophetic calling that requires us at certain times to make a direct intervention in the affairs of our country. We realize that our stand represents a point of view that not all catholics will agreed with. While we realize that in such matters our decision of conscience about how to pressurize the present government to change do not oblige all Catholics to agree with us, they do give a lead that must be taken seriously. For what we have done, we have not done lightly. It was only after much reflection, discussion, listening, consulting and prayer that we have decided upon this stand that we are now taking on the issue of putting economic pressure on the apartheid government. As St. Paul once said about another matter, another issue: "I

have no directions from the Lord but give my own opinion....and I think that I too have the Spirit of God." (Cor 7:5, Cor 7:25,40).

5. We must emphasize from the start that it is the unprecedented seriousness of our present crisis, the enormity of the present suffering of the oppressed people of South Africa, the horrifying spectre of escalating violence, that has led us to take this stand. Anyone who does not appreciate the untold daily sufferings of the people, the pain, the insecurity of starvation, the horrors of widespread unemployment that are associated with the present system, will also not appreciate the need for drastic and extraordinary measures to put an end to all this misery as quickly as possible. The system of apartheid has caused so much suffering and so much harm in human relations in our country for so long and is now being defended, despite some reforms, with so much repressive violence that people have had to resort to the strongest possible forms of pressure to change the system. It seems that the most effective of non-violent forms of pressure left is economic pressure.
6. We are deeply concerned about the additional suffering that some forms of economic pressure might cause and we remain very sensitive to the possibility of further unemployment and escalating violence. But against this we have to balance the enormity of the present suffering and rate of unemployment and the prospect for the future if the system of apartheid is not dismantled soon. The aim and purpose of economic pressure is to change our society so that the present sufferings may be removed together with the obstacles to employment deriving from the apartheid system.
7. In considering economic pressure, we recognize that it can be a morally justifiable means of bringing about the elimination of injustices. In deciding in a particular case whether such pressure is justified or not, one needs to balance the degree of injustice and the pressing need to eliminate it against the hardship such pressure may cause.
8. Many have already judged that the situation in our country is one in which economic pressure is justified. We not only respect their decision but express our admiration for their dedicated service in working for justice here. We assure them that their efforts have not been in vain, but have helped bring about some of the changes that have occurred so far.
9. We are aware that certain developments are imminent, such as the initiative of the Commonwealth Eminent Persons group and the forthcoming federal congress of the National Party. These may demand a reassessment of the issue of economic pressure. Should the government announce real basic changes, there may be a mitigation of economic pressure or at least

its maintenance at the present level until the genuineness of such changes is clear. On the other hand, there may be an increase in economic pressure should the government prove intransigent.

10. We ourselves believe that economic pressure has been justifiably imposed to end apartheid. Moreover, we believe that such pressure should continue, and if necessary, be intensified should the developments just referred to show little hope of fundamental change. However, we do not need to point out that, in our view intensified pressure can only be justified if applied in such a way as not to destroy the country's economy and to reduce as far as possible any additional suffering to the oppressed through job loss. At the moment we can see no justification for the sort of pressure that would leave a liberated South Africa in an economically non-viable situation. However we also recognize that the most important factor in deciding on how much suffering should be allowed to flow from economic pressure is the opinion of the oppressed of our land. It is imperative therefore that their views be as fully canvassed as possible. Such consultation is especially important in local consumer boycotts where in order to achieve conformity, not infrequently forms of intimidation are used that range from the regrettable to the most inhuman imaginable. The latter cannot be condemned strongly enough.
11. We realize that we cannot give specific advice on how exactly economic pressure can or should be applied. The feasibility, effectiveness and consequences of each method vary from one case to another and change with circumstances. Only those with the necessary expertise can make those judgments, and in doing so they need to keep in mind always the conditions justifying such pressures.
12. Recognizing that the final word is far from being said, we will set up a commission to advise on various aspects of the overall issues that will arise.
13. We acknowledge yet again that in taking steps such as scrapping of the influx control, the government has initiated certain potentially genuine changes. However, if these are not linked to the issue of negotiation with accepted leaders of the people, the current civil war situation will continue and with it an escalating spiral of violence. Such negotiations are possible only if all political prisoners are released and their organizations unbanned. The release of such leaders is therefore a vital element in considering the degree to which change is genuine and economic pressure needs to be applied.
14. We have taken a decision of conscience over which we have agonized. It has been a Gethsemane experience, torn as we have been between the need to provide positive non-violent

actions against apartheid and the fear of adding to the misery and violence. We now call on you, the people of God, to reflect on what we have said. To some it may be inadequate, to others deeply disturbing. We beg you not to make hasty judgments about it but to reflect in the light of the Gospel on the crisis through which we are passing. In such a time we must all examine our consciences in order to make sure that what we seek is God's will and not our own. Together we must pray long and hard and we must fast or do other acts of penance. As your bishops we call for an intensification of the campaign of prayer for justice and peace and for the observance of a special day of prayer and fasting on the first Friday of each month. In this we shall be cooperating with other believers who are embarking on similar observances. May the Spirit who has transformed God's people so often in the past do so again in our midst here in South Africa.

Zimbabweans worry about cost of sanctions against S. Africa

By Edward Girardet

Special to The Christian Science Monitor

Harare, Zimbabwe

A small but politically involved number of black and white Zimbabweans are privately expressing deep concern about the consequences that full international sanctions against South Africa may have for this east-central African country and neighboring states.

"If the world brings sanctions against South Africa, we may suffer. We have suffered before," says one Zimbabwean street vendor. "But the world will help us with money and we will bring all our goods through Mozambique. We don't need South Africa."

Statements such as this often reflect the fiery rhetoric that the Zimbabwean government is increasingly voicing against white-ruled South Africa, since that country's President, Pieter W. Botha, declared a state of emergency last week.

But the street vendor's statement regarding Zimbabwe's ability, through international support, to survive without using South African transport routes, reflects wishful thinking, say some observers.

A series of interviews with Western diplomats and Zimbabwean officials and private citizens indicate strong fears that any South African retaliatory measures to international pressure would have serious economic and political effects for the "front-line" states — seven southern African states which depend, in varying degrees, on South Africa for economic stability.

More than 90 percent of Zimbabwe's trade — some 5 million tons of imports and exports — must pass through South Africa's road and rail routes. Those interviewed say the Pretoria regime could bring Zimbabwe to its knees in a matter of months, perhaps weeks. South Africa could easily pass off the cost of economic sanctions to the front-line states, they add.

"It is quite simple. If we cannot get our goods out, our



Zimbabwean farmer: heavily dependent on S. Africa

economy will collapse," notes a prominent black businessman, who asked not to be quoted by name. Last year, a leading black industrialist was severely reprimanded by the Zimbabwean government for publicly questioning sanctions and their possible consequences.

"It is very clear that the Botha regime can, and has used . . . transport as a major weapon against these states," warns a British diplomat. Britain, South Africa's largest trading partner, is opposed to sanctions against South Africa. By closing frontier points, the diplomat adds, "the South Africans could force Zimbabwean factories, companies, and farms to shut down. Tens of thousands of Zimbabweans would find themselves out of jobs. It could prove catastrophic."

Some observers also point to the danger of social and political instability, including the possibility of a military *coup d'état*, were Zimbabwe to suffer such deterioration. "I don't think the Zimbabwean government would be

prepared to accept the risk of mass unemployment in urban areas," says one businessman.

At present, the only alternative transport route is the road, rail, and pipeline links to Beira in Mozambique. But Beira, note Zimbabwean transport managers, cannot take more than 15 to 20 percent of Zimbabwe's traffic.

Observers note that Zimbabwe and other front-line states have always felt that they themselves are not in the position to apply sanctions, and that their appeals for international measures present a serious dilemma.

Politicians and various newspaper editorials here have accused Western nations, notably the United States, Britain, France, and West Germany, of hypocrisy for not chastising Pretoria.

But, according to Western European diplomats, some Cabinet ministers privately indicate hopes that full sanctions will not be imposed. "They believe that some psychological action must be taken, but they are counting on the Thatcher and Reagan vetoes [at the UN] to block the full impact of sanctions," says one diplomat. "But it is a very dangerous gamble."

Among many European observers, there is considerable doubt that sanctions will ever be effective. And, despite positions supporting sanctions, there is a consensus that they could prove more harmful to Zimbabwe and the front-line states than to South Africa. But, as one Scandinavian official noted, "we must look at the long-term effects rather than the short term. We believe that this is worth the sacrifice."

Some observers point out, however, that many governments advocating sanctions have nothing at stake. "They may be genuinely concerned," says one West European, "but they're also out to a political free lunch. If Zimbabwe collapses, they lose nothing."

New York Times

June 24, 1986

(from page 1 and page 12)

Wild Card in South Africa: Communist Party

By ALAN COWELL

Special to The New York Times

JOHANNESBURG — President P. W. Botha has spoken at length about a Communist threat to the nation. The theme is not new among the nation's white leaders, but increasingly it finds a kind of counterpoint in the nation's segregated black townships.

For roughly a year at black political gatherings it has been a custom to pay some kind of homage to Marxism, for which any support is perceived as a challenge by the white authorities.

Sometimes it is the unfurling of a Soviet flag that makes the tribute. Other times, demonstrators chant slogans lauding the formal alliance between the outlawed African National Congress and the banned South African Communist Party.

A Township Called 'Cuba'

A part of Alexandra township outside Johannesburg is now known to residents as "Cuba." In Soweto, radical high-school students daubed paint on the wall of their school to rename it for Joe Slovo, the exiled chairman of the Communist Party.

The apparent growth of support — or at least sympathy — for the Communist Party is interpreted by some political commentators not so much as the emergence of detailed ideology, but as a gesture of defiance directed at the white government. And those authorities who see the conflict with the Communist Party as a battle against

the encroachment of Soviet-steered Communism.

Yet the increasing readiness of militant blacks to voice support for Communists brings attention to a debate here about the nature and extent of Communist influence on the African National Congress, the most prominent of the guerrilla movements seeking the overthrow of the Government.

Making Townships Ungovernable

The debate is central to the reasons given by the white authorities for dealing harshly with black dissent. They say the stern measures are justified because some townships have become un-

This article was written and sent to New York before the declaration June 12 of South Africa's emergency, which imposed press restrictions.

governable pockets, as the African National Congress and its Communist allies have long urged from their bases in exile.

In speeches white leaders have described the African National Congress as being no more than a front for the South African Communist Party.

In early June, the Government published a 12-page booklet, "Talk to the

the A.N.C.," which set out to prove that there is overwhelming Communist influence among the African National Congress leaders.

The document asserted that 23 of the 30 members of the A.N.C.'s National Executive Committee "are known to have present or past association/membership with" the South African Communist Party, which has been outlawed since 1950.

Moreover, the booklet depicted the congress, which many blacks regard as an emblem of the fight against apartheid, as a Communist-steered terrorist organization that "does not differ at all from the P.L.O., I.R.A. and the Red Brigades."

The document had its anomalies. It quoted at length from documents and people whose utterances are technically banned in South Africa. And in contrast with the authorities' desire to disparage exiled foes, the booklet seemed to tacitly acknowledge the A.N.C.'s status among many blacks.

But the impressions the document sought to create, critics said, were oversimplified, from selective quotations drawn from congress documents and designed to counter the idea among many blacks that, at some stage, the organization might provide a workable Government for a South Africa ruled by the majority.

(continued)

"There is no question that there is a strong Marxist element within the A.N.C. and that the A.N.C. lines itself up with anti-imperialist forces," said Tom Lodge, South Africa's principal white academic expert on the Pretoria Government's exiled foes.

Neither is it an issue that "the A.N.C. is prepared to use violence, receives help from the Soviet Union and is generally supportive of Soviet foreign policy," he said. The congress and the Communist Party have, between them, supported Soviet actions in Czechoslovakia and Afghanistan, and refer routinely to the United States as an imperialist power.

But Dr. Lodge said that many of the congress's anti-American statements were "knee-jerk third worldism" and that official estimates of Communist influence on the 30-member executive board were open to challenge.

"It's a matter of detail how many Communists are on the national executive," he said in an interview at the University of the Witwatersrand in Johannesburg. "I would say 13. The A.N.C. would say less."

Cross-Membership Is Acknowledged

"It is true that the A.N.C. has members of the Communist Party," the organization's exiled president, Oliver Tambo, said in an interview published in The Cape Times newspaper last Nov. 4.

Both the A.N.C. and the Communist Party have in recent years scorned the Government's program of slow political change, hoping to keep it from taking root and obstructing their plans for more sweeping change.

"The A.N.C. was established in 1912 and the S.A. Communist Party in 1921," Mr. Tambo said, "and so there has been an overlapping of membership all along the line."

But Mr. Tambo said: "The A.N.C. is accepted by the S.A.C.P. as leading the struggle. There is absolute loyalty to that position. It is often suggested that the A.N.C. is controlled by the Communist Party, by Communists. Well, I have been long enough in the A.N.C. to know that that has never been true."

The authorities dispute that assertion, saying the South African Communist Party is prepared to let the congress lead the fight for "national liberation" only for the time being.

The authorities, and some Communist Party theorists, say Communists will eventually seek to take over the nation's leadership as part of what the Government calls "a two-phase process of revolution which has as its objective the establishment of a communist state."

Communist Quarterly Reinforces a View

Articles in the South African Communist Party's quarterly exile publication, The African Communist, reinforce the view that the party itself sees the congress as a mass movement capable of overthrowing white rule and paving the way for change in South Africa under the leadership of the Communist Party.

But its ability to do so is disputed by some political commentators, who argue that, even if the nation's white rulers negotiated their own demise, Communist influence would be offset by other constituencies.

One might be the conservative Zion Christian Church, which claims a following of at least 2.5 million blacks. Another is the Zulu-based and moderate Inkatha movement of Chief Mangosuthu Gatsha Buthelezi, which says it has a following of more than one million. And, some of the Government's foes acknowledge in private conversations, no successor to the ruling Afrikaner hierarchy would wish to immediately dismantle a capitalist-based economy that is the continent's richest.

"The difficulty for the A.N.C.," were it to take power, Dr. Lodge said, "is going to be meeting the aspirations for redistribution of wealth and Socialist intervention" in the economy.

Last year, a group of top white business officials, led by Gavin Relly of the Anglo American Corporation, traveled to the congress's base in Zambia to meet its leaders. Some of the whites came away sobered by the congress's formal commitment to nationalization of the country's mines, banks and "monopoly industry." But one businessman, Tony Bloom, the head of Premier Group, said in a recent interview that he thought the congress's economic policy, as stated in its guiding charter might well be open to negotiation.

"Communists," Dr. Lodge said, "are likely to be as pragmatic as non-Communists" in economic matters. He cited the example of Angola, where the Marxist Government coexists with American oil companies.

Others point to Zimbabwe, where Prime Minister Robert Mugabe's commitment to Marxism has not led to large-scale expropriation of white-owned commercial farms or industries.

If there is one area of concern about the congress, Mr. Bloom said, it is the group's ties to the Communist Party, which were not explained at the news conference last year.

It is evident that the memberships of the African National Congress and the Communist Party overlap.

Joe Slovo, who denies Pretoria's assertions that he is a colonel in the K.G.B., the Soviet intelligence service is at once chairman of the South African Communist Party, a member of the African National Congress's national executive board and the third in command of Spear of the Nation, the A.N.C.'s military wing.

Dr. Lodge said Mr. Slovo, a white lawyer, is also credited with helping draw up the Freedom Charter, a 1955 document that stands as the congress's manifesto. It calls for setting up a unitary South Africa governed by universal franchise and with a Socialist economic system.

Dr. Lodge says neither Mr. Tambo, the A.N.C. president, nor its imprisoned leader, Nelson Mandela, are probably Communists.

The congress's leaders also say Pretoria is wrong to call the A.N.C. a terrorist group.

"There is a lot of exaggeration about this terrorism," Mr. Tambo said in the November interview with The Cape Times. The conversation took place before a series of land-mine and bomb attacks at the turn of the year that killed 13 whites in a month.

The congress took responsibility for the land-mine explosions, near the northern border with Zimbabwe and Botswana, and said a pre-Christmas bomb attack on a southern resort was an unauthorized action by its forces. The organization espoused violence and sabotage as a means of overthrowing white rule after the Government outlawed the group in 1960.

"We could have been terrorists if we had wanted to," Mr. Tambo said, "but we chose not to be. We did not want to be seen as terrorists. We are trying to put on pressure and we have been notoriously restrained in our armed actions."

Pretoria disputes his contention. In May 1983, 19 people were killed when a car bomb exploded in Pretoria.

In June 1985, Mr. Tambo was asked whether the congress would maintain its traditional distinction between "soft" civilian targets and "hard" military and industrial targets. "The distinction between 'soft' and 'hard' is going to disappear in an intensified confrontation, in an escalating conflict," he said.

The Government interpreted the comment as a shift by the congress away from its policy of trying to hit economic and military installations, to a policy of indiscriminate violence against civilians. But Dr. Lodge said that did not seem to be the case.

(continued)

No Evidence of Change On Targets of Attacks

"Even the merest broadcasts on Radio Freedom," he said, "make clear that the attacks are to be against collaborators." Radio Freedom, the congress's mouthpiece, is frequently used to call upon black radicals in the townships to attack blacks deemed stooges of the white authorities and to complement the guns and explosives of insurgent infiltrators with cruder, home-made weapons, like gasoline bombs.

But the impression gained by reporters here is that the congress is belatedly trying to steer a protest that took root, in September 1984, without orchestration from beyond the nation's frontiers.

In military terms, the congress has not been fighting on the same scale as the conflict in Rhodesia, for example, before it became independent Zimbabwe, when almost 30,000 people, 450 of them whites, died in seven years of conflict.

According to the authorities, about 50 people, nearly half of them white, have died in congress rebel attacks since 1976. Hundreds more blacks have died in township violence in which so-called comrades, exhorted by external broadcasts by the congress and spurred by more localized angers, have killed those they accused of being collaborators with white rule.

According to Dr. Lodge the A.N.C. has 8,000 to 10,000 trained guerrillas,

but no more than a few hundred are believed to be in South Africa at any one time. The authorities say the guerrillas receive basic training in Angola and Tanzania. They say that more advanced instruction is given in East Germany and the Soviet Union, which are also believed to give weapons to the rebels.

Since the South African Communist party decided to follow Moscow after the Chinese-Soviet split 25 years ago, it has been considered one of the most pro-Soviet groups of all.

Congress guerrillas have long infiltrated the country through South Africa's black-ruled neighbors. But increasingly, Dr. Lodge said, rebels working in secret township cells offer "crash course" training in explosives to local young radicals.

This shift, he said, might account for the sharp increase in what the authorities call "acts of A.N.C. terror," from 44 in 1984 to 136 in 1985.

The figures, Dr. Lodge said, include small-scale attacks such as grenade-throwings.

At the same time, most political commentators say the congress does not organize the nation's protests on a day-to-day basis. Moreover, some of the young township radicals have expressed disappointment and disenchantment at the congress's seeming inability to arm apartheid's foes well enough to shift the nation's balance of firepower.

This year, the authorities here seem determined to move not only against prominent anti-apartheid campaigners, but also against lesser figures involved with the street and area committees that, in some townships, have stiffened opposition to white rule.

In all this, the congress's guerrillas seem to offer more a symbol of defiance and opposition than the hope of a black army with any chance of conquering Africa's best-equipped and most efficient military machine. And the A.N.C.'s alliance with the South African Communist Party seems to enhance that status among radical black youths.

"I'm not sure if everybody has a full knowledge of what Communism is," a black reporter said in a conversation in Soweto early this year, "but as a show of defiance to the Government it has a lot of appeal."

Reason for Appeal To Young Radicals

As long ago as 1964, Mr. Mandela said at the end of his trial on sabotage and terrorism charges that the Communist Party was "the only political group which was prepared to work with the Africans for the attainment of political rights and a stake in society."

"Because of this there are many Africans who, today, tend to equate freedom with Communism," he said. "They are supported in this belief by a legislature which brands all exponents of democratic government and African freedom as Communists."

The authorities depict the alliance as part of a longstanding Soviet design to infiltrate the African National Congress and use it to implant Moscow's influence at Africa's wealthy and strategically located southern tip.

That argument does not fully explain the spread of sympathy for the Communist Party within the nation's segregated black townships, where some blacks have long equated South Africa's big business interests with the ruling system of apartheid.

And if capitalism and apartheid are equated, commentators say, then it is no surprise that "liberation" and Communism offer some blacks an appealing counterpoint.

"The A.N.C. does not need to be coy about its association" with the South African Communist Party, Dr. Lodge said. "The S.A.C.P. is not something that is disapproved of by young people."

Copyright © 1986
Copied with permission from
the New York Times Co.

"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's wrong. We condemn it. And we're united in hoping for the day when apartheid will be no more....

"Being true to our heritage does not mean quitting but reaching out; expanding our help for black education and community development; calling for political dialogue; urging South Africans of all races to seize the opportunity for peaceful accommodation before it's too late."

President Ronald Reagan
Executive Order, September 9, 1985

WORKING GROUP ON SOUTH AND SOUTHERN AFRICA

Room 3243 Department of State

Washington, D.C. 20520

Tel: 202-647-6545



**Misconceptions
About U.S. Policy
Toward South Africa**

June 1986

United States Department of State
Bureau of Public Affairs
Washington, D.C.

Misconceptions About U.S. Policy Toward South Africa

During the past year and a half, apartheid, the system of legally entrenched racism long practiced in South Africa, has emerged as a highly sensitive political issue in the United States. Americans have been bombarded with news about South Africa, as televised scenes of racial conflict have entered American living rooms. But South Africa also has captured the attention of many Americans because of the antiapartheid actions of black South African leaders such as Bishop Desmond Tutu, who was awarded the Nobel Peace Prize in 1984 for his role in the struggle. In the United States many citizens have chosen to engage in nonviolent protest against apartheid in front of the South African Embassy and its consular offices throughout the country. Other Americans have demonstrated in favor of stockholder divestment and corporate disinvestment from South Africa. South Africa not only has dramatically captured the attention of the media but continues to be an intensely debated issue in Congress, in state and local governments, and on many university campuses and elsewhere.

The purpose of this pamphlet is to put the debate over U.S. policy in factual perspective. Public interest in and debate on foreign policy issues are a central ingredient of a healthy democracy. As public awareness grows of the complexity of the South African drama, it is important that it be based on facts. Misconceptions regarding U.S. policy, goals, and objectives have clouded clear understanding of the issues and needlessly polarized our public discourse. This pamphlet addresses some of the common misconceptions.

Misconception: U.S. policy props up apartheid and the white minority government in South Africa at the expense of the black majority.

Facts: U.S. officials over several administrations repeatedly and consistently have stated this country's strong opposition to apartheid. On September 9, 1985, President Reagan stated the following:

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's wrong. We condemn it. And we're united in hoping for the day when apartheid will be no more.

The explicit aim of U.S. policy is to end apartheid. The U.S. Government uses all its influence and urges private American citizens with influence in South Africa to press the South African Government to take immediate steps to dismantle apartheid. We attempt to persuade the South African Government to open talks, without preconditions, with the full range of leaders—black and white—and to negotiate the establishment of a political system that would enable all South Africans to participate in a government based on the consent of the governed.

As we continue to encourage accelerated, peaceful change in South Africa, we have:

- Maintained public and strong private pressure on the South African Government to translate into concrete actions its statements of intent to abandon apartheid;
- Worked aggressively through diplomatic and public channels to curtail human rights abuses, obtain releases of political prisoners, cease "forced removals" of settled black communities, extend civil rights to black victims of apartheid laws and policies, and promote the abandonment of those laws;
- Worked as closely as possible with those inside and outside South Africa who are actively seeking peaceful change;
- Sent clear signals to the South African Government in the President's Executive Order of September 9, 1985, and in private communications, that the pace of reform must be accelerated; and
- Initiated an impressive range of assistance programs targeted to help black victims of apartheid in the fields of education, trade unionism, small business development, human rights, and legal defense. Funding for such projects in FY 1986 will total \$20 million compared to \$4.2 million in FY 1982. From 1981 through 1985, the United States provided assistance amounting to \$27.9 million.

Misconception: The Reagan Administration has no consistent policy toward southern Africa in general or South Africa in particular.

Facts: Upon taking office in January 1981, the Reagan Administration determined to focus on the many threats to stability in

southern Africa and developed a policy toward the region that seeks to:

- End the unjust policy of apartheid in South Africa and promote a system of government based on the consent of all the governed;

- Diminish regional and cross-border violence and promote negotiations as a means of settling differences;

- Bring about Namibian independence based on UN Security Council Resolution 435 and, in that context, the withdrawal of Cuban and other foreign troops from Angola; and

- Reassert U.S. influence in the region.

These objectives have been consistent over several past administrations. Although U.S. leverage is limited, Americans can make and have made a difference.

In South Africa, the United States has the best chance of all outside parties to help South Africans move toward peaceful and positive change and to overcome the disabilities imposed by apartheid. We maintain contact and have credibility with all parties—blacks and whites. Just as we engage in dialogue with other governments whose form and policies we disagree with, we must continue to communicate our views to the South African Government. The United States must continue to be a force for peaceful change in South Africa and for a reduction of regional violence. We need to use all the influence we have to work for change. We cannot hope to influence South Africa unless we remain involved there and continue to use our leverage wisely to promote reform.

Moreover, we must recognize that South Africa is an integral part of and major player in southern Africa. Our influence with South Africa on ending apartheid is related

to the success of our efforts in the region as a whole. A climate of regional insecurity and armed conflict damages hopes for peaceful change in South Africa.

Misconception: "Constructive engagement" is merely engagement with the white minority in South Africa and a means of allying the U.S. Government with the South African Government.

Facts: Constructive engagement has been maligned because it has been misunderstood or misperceived, both within South Africa and without. The policy has promoted continuing contact with all peoples in South Africa, black and white, and, indeed, with the governments and peoples of neighboring states. The U.S. Ambassador and his staff have been and are in touch with a wide spectrum of people from all South African communities, including black leaders representing a number of political organizations. We also have consistently urged the South African Government to enter into meaningful negotiations with black leaders looking toward development of a government based on the consent of all the governed.

Although the policy occasionally has been criticized, no responsible entity either within South Africa or without has ever asked that the United States discontinue its involvement in efforts to promote stability and positive change in the region. U.S. influence is limited, but it is still significant and we intend to apply it where it may be most effective. Meanwhile, we will continue to carry on a dialogue with all South Africans in an effort to move forward the process of change now underway.

Misconception: The U.S. Government has done nothing to demonstrate its opposition to apartheid, and its relationship with the South African Government has always been business as usual.

Facts: The U.S. Government consistently has spoken out against the apartheid system and specific human rights abuses in South Africa. It has taken many concrete actions to dissociate itself from apartheid and to help the black majority.

- Exports to South Africa of U.S. arms, ammunition, and equipment for their manufacture and maintenance were unilaterally embargoed by the United States in 1963. In 1977, we joined the United Nations in imposing a mandatory embargo on arms sales to South Africa.

- In February 1978, the U.S. Government issued regulations (complying with, but extending beyond, a UN Security Council resolution) to prohibit exports of all goods and technical data destined to or for use by the South African military and police.

- Since 1978, the Export-Import Bank could finance U.S. sales only to South African firms that the Secretary of State has certified as implementing employment practices that promote racial equality; no such financing has occurred.

- The Overseas Private Investment Corporation does not provide guarantees for South Africa, and the U.S. representative to the International Monetary Fund must "actively oppose any facility involving use of fund credit by any country which practices apartheid" unless the Secretary of the Treasury makes certain certifications to Congress. Moreover, the U.S. Department of Commerce does not operate a trade

center in South Africa or recruit U.S. participants for specialized trade missions or trade fairs.

- In December 1984, the United States joined with other UN Security Council members in voting for an embargo on imports of arms and ammunition produced in South Africa.

- The U.S. Government carefully reviews export license applications for, among other things, U.S. crime control equipment and computers to prevent use of such items for the enforcement of apartheid.

- The United States rejects the South African Government's policy of granting "independence" to the so-called black "homelands" of Transkei, Venda, Ciskei, and Bophuthatswana in South Africa; refuses to recognize their independence or that of any other South African "homeland" in the future; and continues to hold the South African Government responsible for human rights abuses and other developments in the "homelands."

On September 9, 1985, the President issued Executive Order 12532 establishing measures imposing carefully targeted sanctions against the agencies that enforce apartheid and the symbols of apartheid, such as Krugerrands. The President's action was designed not to destabilize the South African economy but to send a clear signal that official repression against black protest is not an acceptable response and that accelerated and basic change is called for. These measures include:

- A ban on all computer exports to South African Government agencies, including local and "homeland," involved in the enforcement of apartheid, and to the security forces;

- A prohibition on exports of nuclear goods and technology to South Africa, except those necessary to implement Interna-

tional Atomic Energy Agency nuclear proliferation safeguards, or those exempted by the Secretary of State for humanitarian reasons to protect health and safety;

- A ban on loans by U.S. financial institutions to the South African Government, its agencies and institutions, except in exceptional cases when a loan is deemed to improve economic opportunities or for educational, housing, and health facilities that are open and accessible to South Africans of all races;

- A ban on U.S. Government marketing export assistance to any American-owned or -controlled firm employing more than 25 persons in its South Africa operations that does not adhere by the end of 1986 to the comprehensive fair employment principles stated in the Executive Order; and

- A ban on the import of Krugerrands, the South African gold coin.

The Executive Order also directs a substantial increase in the money we provide for scholarships to South Africans disadvantaged by apartheid and for the promotion of human rights activities in South Africa, such as legal assistance to political detainees and to those seeking to assert equal rights.

Misconception: The United States claims it opposes apartheid in South Africa but has virtually no programs to aid blacks disadvantaged by that system.

Facts: An essential part of U.S. policy toward South Africa involves programs aimed at improving the quality of life for black South Africans. Since 1981, the Reagan Administration has directed the U.S. Embassy in Pretoria and its Agency for International Development (AID) mission to develop and fund programs that address

problems of inferior education, unemployment, and human rights protection for black South Africans.

In FY 1986, the U.S. Government will finance, through AID, projects in South Africa amounting to about \$20 million. AID works directly with private voluntary organizations, local community-based groups, and concerned individuals in South Africa to address needs in the fields of education, labor relations, legal defense, private enterprise, community development, and employment. These programs include:

- The External and Internal Scholarship Programs, to finance undergraduate and professional study in the United States and university training within South Africa for disadvantaged black South Africans. In FY 1986, AID will spend about \$10.5 million on these programs;

- The Entrepreneurial Training project, to provide training for black owners and operators of small businesses. AID has committed \$3 million to this project. In addition, AID plans to obligate \$2 million in FY 1986 to assist South African black-owned and -managed banking institutions to finance credit expansion to the black community;

- A grant of \$1.5 million in FY 1986 to the African-American Labor Center of the AFL-CIO, to continue funding training programs for black South African trade unionists in the areas of collective bargaining and grievance procedures;

- A Human Rights Fund of up to \$1.5 million in FY 1986 administered by the U.S. Embassy to support antiapartheid groups inside South Africa working to promote economic, social, juridical, and political

change. Among the activities supported is direct legal assistance to victims of apartheid and their families;

- A special fund supporting Self-Help Projects within black townships and rural areas to ameliorate social and economic problems. In FY 1986, \$275,000 has been allocated to this program which, because of its matching character, has significant impact at the local level; and

- Through the Community Outreach and Leadership Development program, AID will obligate \$2 million for the initial phase of a 5-year program to help new community organizations develop leaders and established community organizations to expand their operations.

The United States Information Agency will spend \$1.7 million in FY 1986 on exchange programs such as the International Visitors Program, Fulbright Scholarships, and Journalist Training Program for South Africans working to change the status of blacks, "colored," and Asians through university programs, teacher training, labor unions, or black commercial enterprise-building.

The U.S. Department of Commerce has implemented a series of programs in FY 1986 to assist black-owned businesses in South Africa, including a "Matchmaker Fair" (held April 24-26, 1986, near Johannesburg) aimed at increasing sales of black manufacturing and service companies to U.S. and other firms operating in South Africa; helping the South Africa Urban Foundation to publish a directory of black businesses; and counseling U.S. firms seeking to enter into business relationships with black-owned companies in South Africa.

Misconception: U.S. policy toward South Africa has been ineffective in dismantling apartheid and achieving political equality for blacks. The South African Government won't make significant changes until "forced" to do so by punitive economic sanctions.

Facts: Though American leverage to bring about change in South Africa is limited, we strongly oppose apartheid and are fully committed to reform. The South African Government is in no doubt about our strong feelings on the matter, and we support organizations in South Africa working for peaceful change. U.S. policy is to urge the South African Government to accelerate the reform process. Although we are not satisfied with the current pace of change and recognize that much remains to be done, important changes have taken place in recent years. While the U.S. Government does not take credit for internal reforms in South Africa, the Administration seeks to encourage the process of change now underway. We believe that ill-considered punitive measures most likely would strengthen white resistance to change rather than advance it, thus risking further violence and harming black South Africans already disadvantaged by apartheid. Specific changes and announced intentions include:

- Public acknowledgment by the South African Government that discrimination on racial grounds cannot be justified and that it intends to move away from such discrimination;

- Announcement by the South African Government that by July 1, 1986, it will abolish the pass-law system that has strictly and brutally inhibited freedom of movement of blacks;

- Acknowledgment by the South African Government that the current legal and political system denying citizenship to blacks assigned to the so-called "homelands" must be changed;

- Virtual abolition of job reservation formerly restricting 26 categories of employment to "whites only";

- Recognition of the freedom of any individual, regardless of race, to form and bargain in free trade unions, and elimination of all references to race in labor legislation;

- Integration of private schools; government-funded white universities have begun admitting increasing numbers of black students;

- Opening of Johannesburg and Durban central business districts to black entrepreneurs; some 50 other urban centers are in the process of qualifying to follow suit;

- Acceptance of the permanence of blacks in urban areas. Black South Africans may now obtain renewable 99-year leaseholds in "white" areas of the country. Legislation providing freehold title is expected this year;

- Elimination of the Colored Preference Area in the Western Cape, recognizing the claims of blacks there to residence rights and employment;

- Repeal of the Political Interference Act, which prevented different racial groups from belonging to the same political party;

- Desegregation in national sports. All races may now actively participate together in such sports as cricket, soccer, track and field, and boxing;

- Repeal of the Immorality and Mixed Marriages Acts, which formerly made interracial sex or marriage a criminal offense;

- Acceptance by State President Botha of the principle of universal citizenship and suffrage in a geographically undivided South Africa; and

- Lifting of the state of emergency in March 1986. The U.S. Government had long urged this as a necessary step toward creating the conditions for negotiation of reforms with black leaders.

Misconception: U.S. policy is inconsistent because the Administration supports "freedom fighters" in Nicaragua and Afghanistan but not those in the African National Congress (ANC) who are struggling for freedom and against apartheid.

Facts: In each case the facts and circumstances are different. For that reason, each must be judged on its own merits.

In South Africa, unlike Nicaragua and Afghanistan, there is a government that is moving toward change and reform. A transition has begun. We are encouraging the government to move rapidly toward engaging all parties in negotiations leading to the establishment of a political system based on the participation and the consent of all the governed.

The ANC is one of several organizations with substantial political support in South Africa, primarily but not only among blacks. Some of the ANC's proclaimed political objectives, such as ending apartheid and establishing a nonracial system of government, are accepted in the United States and the West. Other ANC goals, reflected in the organization's continuing close ties via the South African Communist Party to its Soviet counterpart, do not merit U.S. support.

The ANC advocates violence and revolution to bring down apartheid; it has claimed

responsibility for many acts of violence in South Africa. The United States cannot condone the use of violence by any party in South Africa as a means to achieve its goals. Just as U.S. policy opposes official violence against unarmed demonstrators, it also opposes guerrilla or terrorist violence as a means of pursuing political ends.

The United States considers the ANC one of many political organizations that should be included as South Africans negotiate their future. We favor the release from prison of ANC leader Nelson Mandela and other political prisoners. We have supported efforts to negotiate understandings that would assure an end to violence, the return of exiled leaders, and the legalization of political parties.

U.S. policy does not believe that it is a morally responsible course to support violent solutions in South Africa. Given the enormous military power in the government's hands, support for violent struggle by guerrillas and terrorists would be tantamount to support for a bloodbath, the principal victims of which would be blacks. Moreover, black organizations inside South Africa increasingly have demonstrated their capacity, using nonviolent means, to organize and to press their demands for change. Similar circumstances do not exist in Afghanistan or Nicaragua.

Misconception: The sale of American products, particularly U.S. arms and computers, bolsters the system of apartheid in South Africa.

Facts: The premise of that statement is incorrect. The United States in 1963 unilaterally embargoed exports to South Africa of arms and ammunition, as well as equipment for their manufacture and maintenance. In

1977 the United States joined with the United Nations in imposing a mandatory embargo on arms sales to South Africa.

Certain controlled items on the State Department's "munitions list" have been licensed for export to South Africa during this Administration, as in previous ones. These items always of a nonlethal nature and are strictly for commercial and civil application. For example, more than 90% of the export licenses approved for such items in the last 5 years have been for automated bank teller machines, which are on the munitions list because technically they are "encryption devices." We license the export of these devices only for use by private entities such as banks, financial institutions, and U.S. corporate subsidiaries. There are no items for military purposes approved for export.

Regarding computer sales, the President's 1985 Executive Order toughened the already strict controls on the sale of these high-technology items in South Africa. No computers can now be sold to apartheid-enforcing agencies of the South African Government or to any police or military entities.

Over the years, our tightening of export controls on computer sales to South Africa has contributed to a decline in the value of such sales to South Africa. U.S. computer exports to South Africa fell from \$199 million in 1984 to \$126 million in 1985; we anticipate a further drop in 1986. All these sales are carefully reviewed by the State and Commerce Departments. Our position is that sales of U.S. computers and certain items from our "munitions list" should not be stopped when their uses have nothing to do with apartheid.

Misconception: U.S. firms in South Africa dominate the economy and prop up apartheid for their own economic benefits.

Facts: U.S. businesses do not dominate the South African economy. They have only a minor role. According to U.S. Department of Commerce figures:

- From 1960 to 1984, 96% of investment in South Africa came from South African sources. Foreign investment in South Africa accounted for about 4% of all new investment there. Of that 4%, U.S. firms accounted for about 20%, or slightly less than 1% of total new investment in South Africa;
- In 1984 there were between 250 and 300 U.S. firms with operations in South Africa; the year-end book value of direct American investment there amounted to about \$1.8 billion; and
- Only about 8.2% of South Africa's exports go to the United States, in contrast to about 20.2% to the European Community and 7.6% to Japan.

American firms in South Africa employ slightly more than 100,000 workers or about 2.2% of the total South African workforce (although the percentage is higher in manufacturing and high-technology industries).

American companies are not propping up apartheid; they are helping to break it down. U.S. firms have been among the principal forces working for reform. They have led the way in promoting an end to segregation in the workplace. As of May 1986, there were nearly 200 signatories to the Sullivan principles—named after their originator, Rev. Leon Sullivan of Philadelphia—of fair employment practices. Between 60% and 70% of all black South African employees of U.S.-affiliated private companies in South Africa are covered by the Sullivan principles.

U.S. firms have spent more than \$150 million *outside* the workplace since 1977 to build health centers, improve schools, award scholarships, and in at least one case even to undertake the legal defense of individuals victimized by apartheid. (General Motors, for example, has promised to undertake the legal defense of any employee who is arrested for deliberately using a segregated beach near one of its plants in Port Elizabeth in protest against apartheid.) Such efforts help improve the quality of life for black workers disadvantaged by apartheid and help break down racial barriers.

Fair employment practices based on the Sullivan principles were incorporated into the President's Executive Order of September 1985. These principles *require* all companies to give equal pay for equal work, regardless of race; train nonwhites for supervisory, administrative, clerical, and technical jobs within firms; promote black employees into these positions; and desegregate all eating, comfort, locker room, and work facilities within a firm. Marketing export assistance will be withheld from firms failing to implement these principles.

In sum, American business firms in South Africa are making a vital contribution to peaceful change toward a more just society, helping to end apartheid, and improving the quality of life for black workers disadvantaged by unfair laws.

Misconception: Disinvestment (withdrawal) by U.S. firms operating in South Africa will be an effective weapon for bringing about reform and is overwhelmingly favored by South African blacks.

Facts: Disinvestment is disengagement and would result in diminishing U.S. influence to

promote peaceful change to a more just society in South Africa.

- If American firms withdraw from South Africa, South African investors stand ready to purchase their assets at bargain prices with nonconvertible rand. Furthermore, none of those potential buyers could be counted upon to adopt Sullivan-type codes of fair conduct for black workers, and they would be unlikely to share the American social commitment to improve the lives of black employees.

- A case in point is the withdrawal of Motorola, a Sullivan signatory, in 1985. Its assets were purchased by a South African firm (Altec), which continues to produce similar products and faces no restrictions on sales to the South African military and police. Thus, the net effect of Motorola's withdrawal was to concentrate more capital and influence in the hands of white South African managers.

- Experience has shown that once an American company leaves a host country, the decision is likely to be permanent. That is a formula for nonparticipation in the shaping of South Africa's future.

- If American business firms were to withdraw from the South African economy, it would result in loss of jobs and opportunities and also end the efforts of those American companies working for change.

Opinion is divided among black South Africans about the usefulness of disinvestment in bringing about reform or ending apartheid. For example, a London *Sunday Times* poll in August 1985 of 400 urban blacks in South Africa found that about three-fourths (77%) favored disinvestment; however, a series of polls involving larger samples of black employees in major industrial centers by Lawrence Schlemmer of the

University of Natal in 1984 and 1985 found substantial majorities opposed to disinvestment. In fact, on the basis of five different surveys, Professor Schlemmer has concluded that most black people in South Africa, with the exception mainly of some of the better educated elite, fear the economic consequences of disinvestment more than they welcome its possible political effects. More recent polls conducted by others also cast doubt on whether South African blacks actually favor disinvestment.

Misconception: Apartheid in South Africa is no different from the racial segregation that once existed in the United States and must be dealt with in the same way.

Facts: Our unique national history, with its legacy of racial strife, is, paradoxically, both helpful and unhelpful in understanding the current reality in South Africa.

It is helpful because Americans appreciate the emotional dimension of racial politics and the polarization that can result from that kind of debate. Many Americans realize that, despite our impatience, the problems of a racially divided society are not instantly solved. Our experience demonstrates forcefully that a growing economy can help break down racial and social barriers. It also offers hope to nations with distinct multiracial and multicultural patterns by showing that a political structure *can* embrace rich diversity.

Our experience is unhelpful if it leads us to believe that South Africa's racial and social problems are simple and easy to resolve

or that tactics employed in our civil rights movement are easily transferable to South Africa.

While there are certain similarities between the circumstances facing blacks in South Africa today and those facing American blacks in the 1960s and earlier, important differences also exist. To cite two examples:

- In the United States individual rights of *all* persons are guaranteed and protected by the Constitution; in South Africa there is no similar Bill of Rights; and

- Black Americans acquired suffrage and full citizenship and could work through established political channels and institutions to achieve social and civil rights denied under segregation; in South Africa the legal and political rights of blacks are severely circumscribed.

For additional information, contact:

The Special Working Group on South
and Southern Africa (SAWG)
Room 3243
Department of State
Washington, D.C. 20520
(202) 647-6545

Public Information Series • Published by the United
States Department of State • Bureau of Public Affairs
Office of Public Communication • Editorial
Division • Washington, D.C. • June 1986
Editors: Norman F. Howard and Colleen Sussman

Bureau of Public Affairs
United States Department of State
Washington, D.C. 20520

Postage and Fees Paid
Department of State
STA-501



Official Business



U.S. Assistance: Working for Positive Change in South Africa

May 1986

United States Department of State
Bureau of Public Affairs
Washington, D.C.

U.S. Assistance: Working for Positive Change in South Africa

Americans are deeply concerned that apartheid end in South Africa. Sharing that concern, the Administration has sought to apply U.S. influence to bring about constructive change in South Africa as rapidly as possible.

Consistent with this effort, Congress and the executive branch have worked together over the past several years to develop U.S. assistance programs to help prepare those disadvantaged by apartheid for leadership roles in a future South Africa governed by the consent of all. The U.S. Government works directly with private voluntary organizations, local groups, and individuals in South Africa in this effort.

The following report provides an overview of both continuing and new U.S.-funded activities and documents the extent and variety of these efforts on behalf of change in South Africa.

Under the Foreign Assistance Act of 1961, as amended, and related legislation, the United States is providing:

- Resources for labor union and entrepreneurial training;
- Scholarships to bring students to universities in the United States and in African countries;
- Opportunities for journalists, community leaders, university students, and others to visit the United States for the purpose of professional development;
- Resources to improve education within South Africa;
- Support to legal advice centers and other agencies addressing the needs of victims of apartheid;
- Startup financing for community-based projects that encourage community development and improved economic standing; and
- Aid to South African refugees through international organizations.

These resources are channeled through a number of public and private entities, including the Agency for International Development (AID), the United States Information Agency (USIA), the African-American Institute, the National Endowment for Democracy, the International Committee of the Red Cross, and the U.S. Department of Commerce.

The Agency for International Development

Over the next 2 years, the Agency for International Development will provide \$45 million for U.S. assistance to South Africans. In fiscal year (FY) 1986, AID has allocated \$20 million to address needs in the fields of education, labor relations, legal defense, private enterprise, and community development. AID's FY 1986 South Africa program comprises the following:

Continuing Projects

The Training for Disadvantaged South Africans Project finances graduate and undergraduate study at U.S. colleges and universities. About 80-100 new students are selected annually and placed in U.S. universities. The project, which began in FY 1982,



Children gather in one of several Educare centers outside Cape Town that have been constructed and equipped by the grassroots Education Trust.

will continue through FY 1989 at a total cost of \$30 million. In FY 1986, AID plans to commit about \$5 million to this project. AID funds supplement private contributions from U.S. corporations, foundations, universities, and church groups.

The Internal Bursaries Project provides financing for disadvantaged South Africans to attend universities within South Africa. AID plans to provide \$5.5 million for scholarships in FY 1986. During the project's 5-year life, it is expected that more than 800 students will receive scholarships. This project and others planned for FY 1986 will implement the President's commitment of up to \$8 million for scholarships and education programs.

The Human Rights Fund is aimed at promoting political, economic, social, and juridical change in South Africa. In FY 1985 \$1 million was obligated and \$1.5 million is planned for FY 1986. This year roughly \$525,000 of this will be obligated for direct legal and other assistance to political detainees and their families and assistance to black-led community groups resisting apartheid through nonviolent means.

Labor Union Training. Through a grant to the AFL-CIO's African-American Labor Center, AID funds programs to train black South African trade unionists. The project helps existing unions strengthen their collective bargaining procedures and their handling of grievances. This program will receive \$1.5 million from AID in FY 1986.

The Special Self-Help Fund finances small, community-based efforts directed toward increasing the economic and social standing and self-sufficiency of disadvan-



Vendors sell their goods outside the Cape Town Medical Clinic that has become a center for community self-help activities.

tagged South Africans. In FY 1986 this program has received an allocation of \$275,000. Examples of past self-help projects include:

- Funds to enable a community to build additional school classrooms to remedy overcrowding;
- Funds to establish Educare centers for child care and teacher training;
- Financing for agricultural demonstration projects to encourage improved small-scale production and nutrition awareness in rural areas; and
- Funds to urban community centers to provide for youth activities and leadership development.

New Activities

Community Outreach and Leadership Development. In response to the emergence of grassroots neighborhood development organizations and leaders, and to help established organizations expand their operations, AID will begin a Community Outreach and Leadership Development Project in FY 1986. It is expected to cost \$10 million over a 5-year period, with an initial obligation this fiscal year of \$2 million and \$3 million next year. Although only two to three recipients will be funded during the first year, other grantees will be included later.

Alternative and Nonformal Education. AID has proposed a 5-year program of educational support, beginning with \$2 million in FY 1986 and \$3.5 million in FY 1987. These funds will be used to finance direct grants to South African organizations working to develop preparatory materials to help black students gain entrance to universities in South Africa, to train teachers outside the formal system, to develop supplemental materials to assist students at all levels, and to support community efforts to work with students and teachers outside the classroom in a variety of alternative education programs.

Black Business Development and Expansion. Through the Entrepreneurial Training project, AID provides funds to teach entrepreneurial skills to black owners and operators of small businesses. The project is conducted by the National African Federated Chamber of Commerce. Its program includes the development of four

regional training centers and an improved curriculum to assist black entrepreneurs. AID has committed \$3 million to the project.

In addition, AID plans to obligate \$2 million in FY 1986 and \$3.5 million in FY 1987 to assist South African black-owned and -managed banking institutions to finance credit expansion in the black community. A 5-year project requiring \$12 million is planned. It is anticipated that matching funds will be forthcoming from other U.S. and South African corporate or financial sources.

U.S. Information Agency

USIA intends to obligate more than \$1.7 million in FY 1986 for several exchange programs for South Africans working actively to end apartheid. These programs involve university faculty and students, journalists, labor leaders, and entrepreneurs. Specifically, they consist of:

The International Visitors Program. USIA will sponsor 70 grantees for month-long visits to the United States in FY 1986, each with a specialized program designed to accommodate individual professional interests. Grantees generally are people who have demonstrated leadership in professional and community roles from all areas of South Africa. This fiscal year about \$436,000 is allocated for this program.

Fulbright Grants. USIA will fund scholarships for 89 South African students for postgraduate education in the United States beginning in FY 1986; \$750,000 has been set aside for these grants.

American Lecturer Program. Tripling its previous effort under this program, USIA will place six to eight American university professors in FY 1986 in South African institutions that welcome disadvantaged students. These professors will spend 2-5 months working in South Africa. U.S. funding is budgeted at \$100,000.

The Journalist Training Program brings black South African journalists to the United States for 6 months of training in the theory and practice of American journalism through internships with media organizations. USIA will provide funding for 10 journalists to visit the United States in FY 1986 at an expected cost of \$85,870.

Georgetown Law Program. Georgetown University Law Center is offering a 1-year program leading to a Master of Law degree for five black South African law school graduates, to begin in July 1986. USIA will contribute \$12,000 toward this \$34,400 program.

Pretoria Cultural Center. A new American Cultural Center has been established in Pretoria.

American Participant Program. In FY 1986 a total of 21 speakers will visit South Africa to discuss topics related to U.S. foreign policy, the black experience in America, the U.S. labor movement, freedom of the press, government-media relations, and other aspects of the U.S. economy and society.

Teacher Upgrading. Up to 25 disadvantaged South African teachers will visit the United States to participate in a skill-building, English-language workshop at a U.S. institution of higher education. The month-long course will be followed by a 2-week professional/cultural tour of the United States. Additionally, five black secondary teachers and trainers will spend a year studying English-teaching methodology at an American university.

OCA Professional Exchange. Between 12-15 South African black professionals will spend 35 days in the United States under programs administered by Operation Crossroads Africa (OCA). These programs are designed to allow exchange of ideas and perspectives with American counterparts working in similar fields.

The National Endowment for Democracy

The National Endowment for Democracy is a private, nonprofit bipartisan organization, begun by the Congress, which works to strengthen democratic institutions throughout the world. A recent congressional resolution that calls for the National Endowment to receive funds for programs promoting democracy and seeking to end apartheid policies in South Africa has prompted consideration of additional U.S. Government monies for this institution. The government already has allocated \$17 million for the Endowment in FY 1986. Examples of grants for South Africans in FY 1985 include \$25,000 for the South African-based Black Lawyers' Association and \$15,000 for Project South Africa, an

A. Philip Randolph Foundation project designed to link needs in South Africa with resources in the United States.

The State Department's Bureau for Refugee Programs

Refugee Scholarships Through the African-American Institute and the Phelps Stokes Fund. U.S. funds are made available through the Bureau for Refugee Programs for scholarships to refugees from South Africa and Namibia for undergraduate training in the United States and in African countries. More than \$2 million will go toward this program, administered by the African-American Institute and the Phelps Stokes Fund, in FY 1986.

International Committee of the Red Cross (ICRC) traditionally has received roughly 25% of its Africa budget from the Bureau for Refugee Programs. The ICRC maintains substantial operations in South Africa, estimated at \$4 million in FY 1986. Under its international protection mandate, ICRC delegates visit detained persons and provide basic supplies to needy families of the detained. The ICRC also works with the South Africa Red Cross Society in assisting people in troubled areas in the country with first aid and first aid training, ambulance services, and human rights seminars.

UN High Commissioner for Refugees (UNHCR). The Bureau for Refugee Programs traditionally provides approximately 30% of the UNHCR Africa budget. In calendar year 1986, the UNHCR has budgeted more than \$3 million for programs for

South African refugees in Angola, Botswana, Swaziland, Lesotho, Mozambique, Tanzania, Zimbabwe, and Zambia. UNHCR assists these refugees with meeting costs of local integration and education as well as with third-country resettlement.

U.S. Department of Commerce

The Department of Commerce is sponsoring several activities over the next few months to promote black business in South Africa.

Matchmaker Fair. The American Chamber of Commerce in South Africa and the Soweto Chamber of Commerce cosponsored a fair in Johannesburg in April 1986. This event was designed to match the goods and services available from black-owned firms with the needs of American and other companies operating in South Africa. Some 50 black South African businesses participated.

Directory of Black Business Firms. A directory listing South African black-owned business firms has been made available to U.S. companies to encourage patronage of these firms. The U.S. Embassy assisted the Urban Foundation in preparing the directory.

Business Services Mission. In concert with the Department of State, the Department of Commerce will invite U.S. firms to participate in an investment mission to

South Africa with the specific purpose of creating new partnerships between U.S. businesses and black-owned businesses in South Africa. The mission is scheduled for mid-1986. Funding is expected from participating U.S. firms. ■

Public Information Series • Published by the United States Department of State • Bureau of Public Affairs
Office of Public Communication • Editorial Division
Washington, D.C. • May 1986 • Editors: Norman F.
Howard and Colleen Sussman • This material is in the
public domain and may be reproduced without permis-
sion; citation of this source is appreciated.

Bureau of Public Affairs
United States Department of State
Washington, D.C. 20520

Official Business

Postage and Fees Paid
Department of State
STA-501



THE WHITE HOUSE
Office of the Press Secretary

For Release at 2:00 p.m. EDT

TEXT OF REMARKS BY THE PRESIDENT
TO MEMBERS OF THE WORLD AFFAIRS COUNCIL
AND THE FOREIGN POLICY ASSOCIATION

The East Room

July 22, 1986

I would like to express my appreciation to Leonard Marks, the World Affairs Council, and the Foreign Policy Association for helping bring this group together today.

For more than a year now, the world's attention has been focused upon South Africa -- the deepening political crisis there, the widening cycle of violence. Today, I would like to outline American policy toward that troubled Republic and toward the region of which it is a part -- a region of vital importance to the West.

The root cause of South Africa's disorder is apartheid -- that rigid system of racial segregation, wherein black people have been treated as third-class citizens in a nation they helped to build.

America's view of apartheid has been, and remains, clear. Apartheid is morally wrong and politically unacceptable. The United States cannot maintain cordial relations with a government whose power rests upon the denial of rights to a majority of its people, based upon race.

If South Africa wishes to belong to the family of Western nations, an end to apartheid is a precondition. Americans, I believe, are united in this conviction.

Second, apartheid must be dismantled. Time is running out for the moderates of all races in South Africa.

But if we Americans are agreed upon the goal, a free and multiracial South Africa associated with free nations and the West, there is deep disagreement about how to reach it.

First, a little history. For a quarter century now, the American Government has been separating itself from the South African Government. In 1962, President Kennedy imposed an embargo on military sales. Last September, I issued an executive order, further restricting U.S. dealings with the Pretoria Government. For the past 18 months, the marketplace has been sending unmistakable signals of its own. U.S. bank lending to South Africa has been virtually halted. No significant new investment has come in. Some Western businessmen have packed up and gone home.

Now, we have reached a critical juncture. Many in Congress and some in Europe are clamoring for sweeping sanctions against South Africa. The Prime Minister of Great Britain has denounced punitive sanctions as "immoral" and "utterly repugnant." Let me tell you why we believe Mrs. Thatcher is right.

MORE

The primary victims of an economic boycott of South Africa would be the very people we seek to help. Most of the workers who would lose jobs because of sanctions would be black workers.

We do not believe the way to help the people of South Africa is to cripple the economy upon which they and their families depend for survival.

Alan Paton, South Africa's great writer, for years the conscience of his country, has declared himself emphatically: I am totally opposed to disinvestment, he says. "It is primarily for a moral reason...those who will pay most grievously for disinvestment will be the black workers of South Africa. I take very seriously the teachings of the Gospels, in particular the parables about giving drink to the thirsty and food to the hungry...I will not help to cause any such suffering to any black person." Nor will we.

Looking at a map, southern Africa is a single economic unit tied together by rails and roads. Zaire, in its southern mining region, depends upon South Africa for three-fourths of her food and petroleum. More than half the electric power that drives the capital of Mozambique comes from South Africa. Over one-third of the exports from Zambia and 65 percent of the exports of Zimbabwe leave the continent through South African ports.

The mines of South Africa employ 13,000 workers from Swaziland, 19,000 from Botswana, 50,000 from Mozambique, and 110,000 from the tiny, land-locked country of Lesotho. Shut down those productive mines with sanctions, and you have forced black mineworkers out of their jobs and forced their families back in their home countries into destitution. I don't believe the American people want to do something like that. As one African leader remarked recently: Southern Africa is like a zebra. If the white parts are injured, the black parts will die too.

Western nations have poured billions in foreign aid and investment loans into southern Africa. Does it make sense to aid these countries with one hand, and, with the other, to smash the industrial engine upon which their future depends?

Wherever blacks seek equal opportunity, higher wages, better working conditions, their strongest allies are the American, British, French, German, and Dutch businessmen who bring to South Africa ideas of social justice formed in their own countries.

If disinvestment is mandated, these progressive Western forces will depart and South African proprietors will inherit, at fire sale prices, their farms and factories, plants and mines. How would this end apartheid?

Our own experience teaches us that racial progress comes swiftest and easiest, not during economic depression, but in times of prosperity and growth. Our own history teaches us that capitalism is the natural enemy of such feudal institutions as apartheid.

Nevertheless, we share the outrage Americans have come to feel.

Night after night, week after week, television has brought us reports of violence by South African security forces, bringing injury and death to peaceful demonstrators and innocent bystanders. More recently, we read of violent attacks by blacks against blacks. Then, there is the calculated terror by elements of the African National Congress: the mining of roads, the bombings of public places, designed to bring about further repression, the imposition of martial law, eventually creating the conditions for racial war.

The most common method of terror is the so-called "necklace." In this barbaric way of reprisal, a tire is filled with kerosene or gasoline, placed around the neck of an alleged "collaborator," and ignited. The victim may be a black policeman, a teacher, a soldier, a civil servant. It makes no difference. The atrocity is designed to terrorize blacks into ending all racial cooperation -- and to polarize South Africa as prelude to a final, climactic struggle for power.

In defending their society and people, the South African Government has a right and responsibility to maintain order in the face of terrorists. But by its tactics, the government is only accelerating the descent into blood-letting. Moderates are being trapped between the intimidation of radical youths and counter-gangs of vigilantes.

And the government's state of emergency went beyond the law of necessity. It, too, went outside the law by sweeping up thousands of students, civic leaders, church leaders and labor leaders, thereby contributing to further radicalization. Such repressive measures will bring South Africa neither peace nor security.

It is a tragedy that most Americans only see or read about the dead and injured in South Africa -- from terrorism, violence, and repression. For behind the terrible television pictures lies another truth: South Africa is a complex and diverse society in a state of transition. More and more South Africans have come to recognize that change is essential for survival. The realization has come hard and late; but the realization has finally come to Pretoria that apartheid belongs to the past.

In recent years, there has been dramatic change. Black workers have been permitted to unionize, bargain collectively, and build the strongest free trade union movement in all Africa. The infamous pass laws have been ended, as have many of the laws denying blacks the right to live, work, and own property in South Africa's cities. Citizenship, wrongly stripped away, has been restored to nearly 6 million blacks. Segregation in universities and public facilities is being set aside. Social apartheid laws prohibiting inter-racial sex and marriage have been struck down. Indeed, it is because State President Botha has presided over these reforms that extremists have denounced him as a traitor.

We must remember, as the British historian Paul Johnson reminds us, that South Africa is an African country as well as a Western country.

And, reviewing the history of that continent in the quarter century since independence, historian Johnson does not see South Africa as a failure: "...only in South Africa," he writes, "have the real incomes of blacks risen very substantially...In mining, black wages have tripled in real terms in the last decade... South Africa is the...only African country to produce a large black middle class." "Almost certainly," he adds, "there are now more black women professionals in South Africa than in the whole of the rest of Africa put together."

Despite apartheid, tens of thousands of black Africans migrate into South Africa from neighboring countries to escape poverty and take advantage of the opportunities in an economy that produces nearly a third of the income in all of sub-Saharan Africa.

MORE

It is tragic that in the current crisis social and economic progress has been arrested. Yet, in contemporary South Africa -- before the state of emergency -- there was a broad measure of freedom of speech, of the press, and of religion there. Indeed, it is hard to think of a single country in the Soviet Bloc -- or many in the United Nations -- where political critics have the same freedom to be heard -- as did outspoken critics of the South African government.

But, by Western standards, South Africa still falls short, terribly short, on the scales of economic and social justice. South Africa's actions to dismantle apartheid must not end now. The state of emergency must be lifted. There must be an opening of the political process. That the black people of South Africa should have a voice in their own governance is an idea whose time has come. There can be no turning back. In the multiracial society that is South Africa, no single race can monopolize the reins of political power.

Black churches, black unions, and indeed, genuine black nationalists have a legitimate role to play in the future of their country. But the South African Government is under no obligation to negotiate the future of the country with any organization that proclaims a goal of creating a Communist State -- and uses terrorist tactics to achieve it.

Many Americans, understandably, ask: Given the racial violence, the hatred, why not wash our hands and walk away from that tragic continent and bleeding country? The answer is: We cannot.

In southern Africa, our national ideals and strategic interests come together.

South Africa matters because we believe that all men are created equal; and are endowed by their creator with unalienable rights. South Africa matters because of who we are. One of eight Americans can trace his ancestry to Africa.

Strategically, this is one of the most vital regions of the world. Around the Cape of Good Hope passes the oil of the Persian Gulf -- which is indispensable to the industrial economies of Western Europe. Southern Africa and South Africa are repository of many of the vital minerals -- vanadium, manganese, chromium, platinum -- for which the West has no other secure source of supply.

The Soviet Union is not unaware of the stakes. A decade ago, using an army of Cuban mercenaries provided by Fidel Castro, Moscow installed a client regime in Angola. Today, the Soviet Union is providing that regime with the weapons to attack UNITA -- a black liberation movement which seeks for Angolans the same right to be represented in their government that black South Africans seek for themselves.

Apartheid threatens our vital interests in southern Africa, because it is drawing neighboring states into the vortex of violence. Repeatedly, within the last 18 months, South African forces have struck into neighboring states. I repeat our condemnation of such behavior. Also the Soviet-armed guerrillas of the African National Congress -- operating both within South Africa and from some neighboring countries -- have embarked upon new acts of terrorism inside South Africa. I also condemn that behavior.

MORE

But South Africa cannot shift the blame for these problems onto neighboring states -- especially when those neighbors take steps to stop guerrilla actions from being mounted from their own territory.

If this rising hostility in southern Africa -- between Pretoria and the front-line States -- explodes, the Soviet Union will be the main beneficiary. And the critical ocean corridor of South Africa, and the strategic minerals of the region, would be at risk.

Thus, it would be an historic act of folly for the United States and the West -- out of anguish and frustration and anger -- to write off South Africa.

Ultimately, however, the fate of South Africa will be decided there, not here. We Americans stand ready to help. But whether South Africa emerges democratic and free, or takes a course leading to a downward spiral of poverty and repression will finally be their choice, not ours.

The key to the future lies with the South African Government. As I urge Western nations to maintain communication and involvement in South Africa, I urge Mr. Botha not to retreat into the laager, not to cut off contact with the West. Americans and South Africans have never been enemies -- and we understand the apprehension and fear and concern of all of your people. But an end to apartheid does not necessarily mean an end to the social, economic, and physical security of the white people in this country they love and have sacrificed so much to build.

To the black, "colored," and Asian peoples of South Africa, too long treated as second and third class subjects, I can only say: In your hopes for freedom, social justice, and self-determination, you have a friend and ally in the United States. Maintain your hopes for peace and reconciliation; and we will do our part to keep that road open.

We understand that behind the rage and resentment in the townships is the memory of real injustices inflicted upon generations of South Africans. Those to whom evil is done, the poet wrote, often do evil in return.

But, if the people of South Africa are to have a future -- in a free country where the rights of all are respected -- the desire for retribution will have to be set aside. Otherwise, the future will be lost in a bloody quarrel over the past.

It would be an act of arrogance to insist that uniquely American ideas and institutions, rooted in our own history and traditions, be transplanted to South African soil. Solutions to South Africa's political crisis must come from South Africans themselves. Black and white, "colored" and Asian, they have their own traditions. But let me outline what we believe are necessary components of progress toward political peace.

First, a timetable for elimination of apartheid laws should be set.

Second, all political prisoners should be released.

Third, Nelson Mandela should be released -- to participate in the country's political process.

Fourth, black political movements should be unbanned.

MORE

Fifth, both the government and its opponents should begin a dialogue about constructing a political system that rests upon the consent of the governed -- where the rights of majorities, minorities, and individuals are protected by law. And the dialogue should be initiated by those with power and authority: The South African government itself.

Sixth, if post-apartheid South Africa is to remain the economic locomotive of southern Africa, its strong and developed economy must not be crippled. Therefore, I urge the Congress -- and the countries of Western Europe -- to resist this emotional clamor for punitive sanctions.

If Congress imposes sanctions, it would destroy America's flexibility, discard our diplomatic leverage, and deepen the crisis. To make a difference, Americans -- who are a force for decency and progress in the world -- must remain involved.

We must stay and work, not cut and run.

It should be our policy to build in South Africa, not to bring down. Too often in the past, we Americans -- acting out of anger and frustration and impatience -- have turned our backs on flawed regimes, only to see disaster follow.

Those who tell us the moral thing to do today is embargo the South African economy and write off South Africa should tell us exactly what they believe will rise in its place. What foreign power would fill the vacuum -- if ties with the West are broken?

To be effective, however, our policy must be coordinated with our key Western allies, and with the front-line states in southern Africa. These countries have the greatest concern -- and potential leverage -- on the situation in South Africa. I intend to pursue the following steps:

Secretary Shultz has already begun intensive consultations with our Western allies, whose roots and presence in South Africa are greater than our own, on ways to encourage internal negotiations. We want the process to begin now; and we want open channels to all the principal parties. The key nations of the West must act in concert. Together, we can make the difference.

We fully support the current efforts of the British Government to revive hopes for negotiations. Foreign Secretary Howe's visits with South Africa's leaders this week will be of particular significance.

Second, I urge the leaders of the region to join us in seeking a future southern Africa where countries live in peace and cooperation.

South Africa is the nation where the industrial revolution first came to Africa; its economy is a mighty engine that could pull southern Africa into a prosperous future. The other nations of southern Africa -- from Kinshasa to the Cape -- are rich in natural resources and human resources.

Third, I have directed Secretary Shultz and AID Administrator McPherson to undertake a study of America's assistance role in southern Africa -- to determine what needs to be done, and what can be done to expand the trade, private investment and transport prospects of southern Africa's landlocked nations. In the past five years, we have provided almost a billion dollars in assistance to South Africa's neighbors. This year we hope to provide an additional \$45 million to black South Africans.

We are determined to remain involved, diplomatically and economically, with all the states of southern Africa that wish constructive relations with the United States.

This Administration is not only against broad economic sanctions and against apartheid; we are for a new South Africa, a new nation where all that has been built up over generations is not destroyed, a new society where participation in the social, cultural, economic, and political life is open to all peoples -- a new South Africa that comes home to the family of free nations where she belongs.

To achieve that, we need -- not a Western withdrawal -- but deeper involvement by the Western business community, as agents of change and progress and growth. The international business community needs not only to be supported in South Africa, but energized. We will be at work on that task. If we wish to foster the process of transformation, one of the best vehicles for change is through the involvement of black South Africans in business, job-related activities and labor unions.

But the vision of a better life cannot be realized, so long as apartheid endures and instability reigns in South Africa.

If the peoples of southern Africa are to prosper, leaders and peoples of the region -- of all races -- will have to elevate their common interests above their ethnic divisions.

We and our allies cannot dictate to the Government of a sovereign nation. Nor should we try. But we can offer to help find a solution that is fair to all the people of South Africa. We can volunteer to stand by and help bring about dialogue between leaders of the various factions and groups that make up the population of South Africa. We can counsel and advise and make it plain to all that we are there as friends of all the people of South Africa.

In that tormented land, the window remains open for peaceful change. For how long, we know not. But we in the West, privileged and prosperous and free, must not be the ones to slam it shut. Now is a time for healing. The people of South Africa, of all races, deserve a chance to build a better future. And we must not destroy that chance.

#

TESTIMONY BY SECRETARY SHULTZ
SENATE FOREIGN RELATIONS COMMITTEE

Wednesday, July 23, 1986

Mr. Chairman and Distinguished Members of this Committee,

We Americans are witness to a mounting tragedy in South Africa that stirs our emotions and prompts us to ask ourselves those very American questions: what can we do about apartheid? What can we do about the violence and destruction it generates, and about the spill-over effects of South Africa's trauma on its many neighbors? How can we help all South Africans build a just and prosperous society?

In the past few months, the situation in South Africa has taken a further, sharp turn for the worse. Slender hopes for peace and reconciliation have fallen victim to a headlong rush toward violence. Doors that need to be open have been slammed shut. Forces of political fragmentation and racial polarization have been set loose. They will be very difficult to contain.

Our policy toward any region takes into account changing facts on the ground. While our goals and basic purposes remain constant, U.S. interests and values, and hence our actions, are directly affected by what happens. We have reviewed the Southern African situation. We have concluded that, despite narrowing odds, we should be doing all we can to try to reverse an impending tragedy. In my remarks to you today, I will describe the forces at work in

South Africa and the region, discuss the broad approach which President Reagan outlined yesterday in his speech, and make clear what actions we think make sense in this new situation.

What Must Be Done

But, first, I want to outline the approach the President and I believe we must follow:

First, it is the leaders of South and Southern Africa and their people, black and white, who have the major responsibility. The fate of Southern Africa is in their hands. This is their drama, their dilemma, their challenge. But they are not alone. We are prepared to talk to all of them, and to help them talk to each other. We and our allies will engage our influence in every way possible to help them meet the challenge. But, most fundamentally, it is they who must rise to it.

Second, the nature of the challenge the South African Government faces is clear. Progress toward peace there requires:

- a timetable for the elimination of all apartheid laws.
- the release of all political prisoners, including -- especially -- Nelson Mandela.

-- the unbanning of black political movements.

-- an end to repressive measures, especially the State of Emergency.

-- the urgent beginning of dialogue among all parties, leading to a democratic system of government in which the rights of majorities, minorities and individuals are protected by a bill of rights and firm constitutional guarantees.

Third, the choices before black South Africans are equally clear. We call on them:

-- to avoid the easy descent into violence, terrorism and extremism;

-- to demonstrate by their actions that they understand the need for compromise;

-- to remember that they may soon share the responsibility for governing and reconstructing South Africa;

-- and to seek out and accept realistic openings for dialogue and negotiation with the government.

Fourth, our policies and those of our allies should ensure that expanded political liberties in a post-apartheid South Africa are accompanied by an expansion of economic opportunities for all--all-- South Africans. This will require an expanding South African economy that is strong enough to meet South Africa's pressing social and economic needs, healthy enough to raise black living standards rapidly toward those of whites, and open and vigorous enough to spur economic development region-wide.

Finally, a free South Africa is essential to the kind of Southern Africa we and most Southern Africans seek. Only a South Africa which preserves Africa's strongest and most developed industrial economy can galvanize a dynamic and balanced regional economy, mobilize capital and labor, spread advanced technology and management, and strengthen trade and transport ties. Only a South Africa of democratic freedoms can foster such freedoms beyond its borders. In this connection, there is no place in our vision for South African forces in Namibia or Cuban forces in Angola. Both the South Africans and the Cubans must go home.

These are the objectives to which all our efforts must be directed. This is our approach. We commend it to the American people. We commend it to our allies. And we commend it to African peoples and their leaders across the continent. Let there be no

doubt--no doubt whatsoever--about what the American government and people stand for.

The Current Situation and Its Implications

It is essential to understand the facts in Southern Africa to judge what the results of various courses of action by the U.S. might be. I have said there is a bad situation, getting worse. Let us look more deeply at what is going on and what it means.

The market is speaking clearly about where the hardening positions of the South African government and its violent opponents are taking South Africa.

South Africa is under siege by self-imposed economic sanctions. Foreign capital, technology and expertise are pulling out. Currency controls, import controls, and import substitution policies cannot replace them.

The index of South African business confidence now stands at only three-fourths of what it was in 1980. Gross fixed capital formation fell by 40 percent in 1985, and is continuing to decline. Gross Domestic Product was down by one percent in the first quarter of this year. There is net emigration among whites for the first time since 1977. Most significantly, an increasing number of the country's skilled professionals are leaving.

Over the past year, the book value of American investment in South Africa has fallen by about a third. Investment from other countries is falling by comparable orders of magnitude, and voluntary disinvestment is accelerating. Nearly 200 corporations are in various stages of disengagement from the South African economy.

The commercial rand has depreciated to less than 40¢, from \$1.28 in 1980. The financial rand, used for offshore transactions, now trades around 20¢. Despite the government's frequent and heavy interventions in the exchange markets, South Africa's currency shows no sign of recovery. Capital flight between September 1985 and March of this year was about \$1 billion, equivalent to more than a month of imports. Sweeping exchange controls have not staunched the outflow, which seems to be accelerating. There is no new lending from abroad. In the past, South African foreign exchange reserves have been sufficient to cover five to six months of imports. Now they barely cover one month's imports. Ninety-five percent of this year's debt service payments have had to be rescheduled.

The government is holding the prime rate at an artificially low 14 percent. Inflation persists at 17.5 percent, so interest rates are in fact negative. This should stimulate borrowing and investment. Nevertheless, real borrowing has fallen by 5 percent. And rates of investment are now so low that they cannot cover the

depreciation of plant and equipment. The wages of white workers rose by 10.5 percent from mid-1984 to mid-1985, but inflation then stood at 15 percent, leaving them worse off. The fall in the standard of living for whites has since accelerated. Real per capita income is declining even more rapidly for blacks.

The turn toward a siege economy only increases the size and cost of government at the expense of productive economic activity and the tax base. Three-fifths of employed Afrikaners and one-fifth of the English-speaking white workforce already work for the South African Government or its agencies. Military call-ups under the State of Emergency are diverting additional resources out of the productive sector. The recent arrests of labor leaders have brought chaos to labor-management relations, adding further to the economy's woes.

Unemployment among urban blacks now stands at 25 percent, and runs over 50 percent in some urban areas. And, for the first time since the National Party came to power, white unemployment is a serious problem. From March 1985 to March of this year, 40,000 whites lost their jobs. There are over 250,000 new job seekers in South Africa every year; the economy needs a real growth rate of 5 percent just to keep unemployment at current levels. With no growth in prospect, the country cannot create jobs for either blacks or whites.

South Africa has costly economic and social problems which cry out to be addressed. For example, 3-4 million new housing units will be required over the next 15 years. Public health demands immediate attention, with only one doctor for every 25,000 people in the rural areas. Black education is grossly underfunded. The South African Government, to its credit, is trying to increase the amounts of money it devotes to addressing these problems. But the State of Emergency is imposing additional heavy burdens on the country's budget, as are the government's military adventures in the region.

Current developments are in fact eroding the capacity of any future South African Government to address the country's problems. They are causing South Africa's economic base to deteriorate. Skilled manpower is fleeing the country. Domestically generated capital is bleeding away. These developments are looting South Africa of the patrimony on which its reconstruction in the post-apartheid era must rest. They should be of concern to all who hope to see a prosperous, democratic South Africa emerge from the miseries of apartheid. They should be of as much concern to South African blacks as to whites.

Only the establishment of a system that answers the aspirations of the South African people for justice and equality, and ends policies and actions that put South Africa at odds with all its

neighbors, can open the path to prosperity and progress for all, not just in South Africa, but throughout the southern African region.

But with so many opponents of apartheid in jail under the State of Emergency, leaders on both sides find it hard to meet, much less negotiate. Politics in South Africa is increasingly polarized and shrill; suspicion and mistrust abound. The youth, black and white, are being schooled in a style of politics that sees violent retribution, rather than open debate, as the natural reaction to any expression of views different from their own. The rising violence provokes terrorism from extremists on all sides, which in turn elicits more extreme measures by both the Government and its opponents, in what is becoming a cruel game of one-upmanship.

These trends have implications that resound well beyond South Africa's borders and affect all of Southern Africa.

Until 1985, the regional picture showed signs of hope. Our diplomatic efforts were having clear success. This conflict-ridden region was moving, albeit fitfully, toward negotiated solutions. Tireless American diplomatic efforts had brought South Africa, Angola, and other parties within range of a possible accord on Namibia's independence under UNSCR 435 and on a timetable for Cuban troop withdrawal from Angola. After a period of confrontation, the Nkomati Accord between South Africa and Mozambique created a

framework for economic cooperation and good neighborly relations. This agreement contained region-wide potential for leashing the dogs of war and ending Mozambique's endless agony of poverty and strife. Fragile, but substantive, exchanges were occurring between South Africa and other neighbors to resolve cross-border security problems. We support continued efforts by South Africa's neighbors to stop guerrilla operations from their territory.

These hopeful beginnings have been dealt body blows by the events of the past 18 months. South African strikes against Lesotho, Zambia, Botswana, and Zimbabwe and Pretoria's continued relationship with the Mozambican rebel movement have shattered the emerging climate of regional moderation. Soviet-armed ANC querrillas have embarked upon expanded terrorist violence inside South Africa, dragging neighboring states inexorably into a cauldron of conflict with a South African government increasingly eager to shift the blame for its internal woes to its neighbors. The MPLA regime in Angola, encouraged by massive Soviet arms shipments, has used South African attacks and internal problems as an excuse to suspend negotiations and pursue an illusory military option against UNITA. Despite hints of possible flexibility, the MPLA has refused to respond constructively to our 1985 compromise proposals on Namibia and Angola or to explore South Africa's professed readiness to begin implementation of a compromise plan now.

This new shift toward political confrontation is paralleled by economic trends. South Africa and its neighbors are diverting increasingly scarce resources to their security forces. Internal strife and socialist inefficiency in Angola and Mozambique have severely damaged or destroyed the region's natural transport infrastructure, rendering landlocked neighbors increasingly dependent on costly long-distance routes through South Africa. The Benguela rail line--long of importance for the Zairean and Zambian mining industries--is hostage to Angola's civil war. Rail and road links to Tanzania and Mozambican ports--and the ports themselves--are functioning at a mere fraction of their potential capacity. For eight of its neighbors, South Africa now provides the outlet for 25% to 100% of their export trade; it has 75% of the region's rail network, provides a major source of electric power to four neighbors, and is the source of most neighbors' imported chemicals, foodstuffs, petroleum, and machinery. It is estimated that as many as 10 million people in nearby states live on the remittances of foreign workers in South Africa.

Appeals by African states for mandatory economic sanctions against South Africa represent a political message to us. Yet those states cannot themselves implement such sanctions and would be the first victims of South African counter-measures now being loudly brandished as a threat by Pretoria. And the declining pace of economic activity in South Africa itself will have direct and

predictable results among its neighbors as capital, expertise, and job opportunities are victims of South Africa's downward slide. We need to understand clearly that the human tragedy in South Africa is occurring in the economic hub of a region that includes a dozen states with some 150 million people. The damage inflicted on South Africa by the marketplace, by political measures of governments, and--above all--by South Africans themselves is rippling across and dragging down an entire region.

The fundamental cause of all this damage is the system of apartheid and the mounting and inevitable reaction to it. Apartheid must be brought to an end and be replaced by a democratic system of government in which the rights of majorities, minorities and individuals are protected by a bill of rights and firm constitutional guarantees.

The Role of the United States

South Africa is now a society ruled by fear. Fear on the part of whites that their property and their values, which they cherish, will be destroyed if blacks attain real political power. Fear on the part of blacks that they will be subjected to even greater violence and repression, and despair that their legitimate grievances will ever be redressed. South Africa's true friends can and must make the case that there are actions to be taken to alter this climate of fear and despair.

For if South Africa is now a country in torment, it is also one of enormous potential. Both the South African Government, which now seems so unconcerned about international opinion, and its black opponents, who often seem to dismiss the efforts of the outside world to help, still look to us for understanding and support. South Africans, in short, continue to search for solutions. We should help in this search.

Through several Administrations, including this one, U.S. policy has sought the elimination of apartheid and rapid peaceful change to a democratic system. Our voice has, of course, been only one of many urging the South African government to act. South Africans--some inside, many outside the government--have expressed quiet appreciation for the role we have played in opposing forced removals of populations, detentions of individuals, and abuse of detainees. We believe that our support for an end to apartheid has made it easier for the South African Government to go forward with the politically divisive process of ending the pass laws, expanding rights of residence and private property ownership, and restoring citizenship to those from whom these rights were stripped in an earlier era.

We are proud to stand with South Africans who feel as strongly about what replaces apartheid as they do about the urgent need to end it. And our role has gone beyond moral suasion. We and U.S.

business have not just spoken, we have acted by bringing black and white South Africans together in the work place and in our homes on the basis of friendship and equality. American business has spent, over \$200 million outside the workplace since 1977 to prepare black South Africans for the post-apartheid society they anticipate. The U.S. Government has allocated \$45 million in this fiscal year and the coming one for the same purpose. We both want to do more.

The President has forcefully articulated our strategy and the results we seek from it. Getting there from here will require both patience and courage on our part. We must not become part of South Africa's problems; we must remain part of their solution. We must not aim to impose ourselves, our solutions or our favorites in South Africa; such an intrusion would be unwanted and unwise for any outside party. But we must always be willing to help South Africans in their search for their own answers to their country's ills.

Our access to various groups and individuals gives us openings for using diplomacy and political and moral persuasion--the most effective tools available to us in these dangerous times. We continue to urge the South African Government to communicate with all parties, and it makes sense for the United States to do the same. Like our allies, we intend to raise the level and the frequency of our contact with the South African government's black opposition, including--among others--the African National Congress.

We have serious questions about the ultimate objectives of the ANC, as well as about the role in its inner circles of the Soviet-controlled South African Communist Party. We are also disturbed that the ANC appears to be imitating the South African Government's preference for violence and intimidation rather than dialogue with its opponents. But the ANC has emerged as an important part of the South African political equation. There is a compelling need to ensure that its leaders--like other opponents of apartheid--hear an authoritative statement of U.S. policies and interests, and that we have equally authoritative insight into theirs.

In our diplomacy, we are trying to assist an unhappy nation and its diverse peoples lay the basis for a better future. Our moral responsibility each day must be to think through the results of our actions. When President Reagan signed his Executive order on South Africa last September, he said that he wanted to work with Congress to increase bipartisan support for U.S. policy toward that country. In his speech yesterday afternoon, he added:

"America's view of apartheid has been, and remains, clear. Apartheid is morally wrong and politically unacceptable. The United States cannot maintain cordial relations with a government whose power rests upon the denial of rights to a majority of its people, based upon race.

"If South Africa wishes to belong to the family of Western nations, an end to apartheid is a precondition. Americans...are united in this conviction."

U.S. policy proceeds from that premise. Our purpose is to underscore our message to the South African Government that the United States--its Executive, its legislature, and most importantly, its people--reject apartheid and that we--like growing numbers of the South African people--want it replaced by a genuinely democratic system in which all can participate, regardless of race.

Coordination with Allies

— In this connection, it is vital to coordinate what we do with our principal allies. American influence in South Africa is limited. But the influence of the industrialized democracies of the EC, Japan and the United States as a group is significant. Together we constitute South Africa's major trading and investment partners. Together we embody the values of the democratic world that South Africans of all races aspire to join. Together we stand a better chance of helping them to do so.

In the coming weeks, both the Commonwealth nations and the European Community [EC] will be consulting about possible measures aimed at inducing positive change in South Africa. In those contexts, a broad range of measures has been put forward. These include punitive actions such as commodity import bans, further export/import and investment restrictions, curtailing air travel and visa facilities and various other political sanctions. They include measures to protect our interests against the possibility of catastrophe, such as coordination of stockpiling policies for strategic minerals from South Africa. Other positive measures have also been proposed, such as increased aid to apartheid's victims. We have our own ideas and are prepared to join our allies in formulating a common approach. As the President said yesterday, however, it cannot make sense--politically, economically or morally--to compound the suffering of an entire region and remove our remaining influence as a gesture of outrage. That is not responsible.

A special EC emissary, British Foreign Secretary Sir Geoffrey Howe, has also been mandated to visit the region to pursue possibilities for negotiations. He is now in South Africa. He will meet today with State President Botha, and expects to meet with me again on July 29. The President and I conferred with Sir Geoffrey last week. He has our full support in the difficult mission he has undertaken. His findings and his recommendations at the conclusion

of the trip will have a major bearing on the decisions we shall be considering in concert with our allies. His mission, and our diplomacy, will aim at restoring the hopes for dialogue first kindled by the EPG whose negotiating concept made more headway than many thought possible.

We cannot, and should not, attempt to deal with the crisis in South Africa in isolation from the disastrous consequences it can have for the entire Southern African region. Accordingly, I am asking A.I.D. to join the Department of State in our consultations with our allies.

We will consider a range of positive measures that would give substance to the President's wish to promote economic progress throughout the southern African region. South Africa now dominates an economically irrational regional transport network that provides high cost outlets for all of its neighbors except Angola, and which renders them vulnerable to retaliation and economic penalties. These Front Line States have shorter, more economic alternatives, but these routes have deteriorated over the years, are inefficient and require upgrading. We and our allies have already begun to work on a program of rehabilitating some transportation links. Similarly, we intend to pursue ways of opening the region to more commerce, developing transportation routes and industry along the major alternative corridors, adding to the locomotive and

rolling stock of the Front Line States, and stimulating more trade between South Africa's neighbors.

For example, the Beira Corridor through Mozambique is a natural egress to the sea for many of the landlocked southern African states. It is an economic, if partial, alternative to dependence on South Africa for states as far away as Zaire, which now sends 43% of its mineral and metal exports through the South African road and railway system. Development of the Beira corridor could be vital to the future economic growth of the region, lowering export costs and improving terms of trade, regardless of what happens in South Africa. Support for this project would lay a more balanced foundation for economic relations ~~between the~~ Front Line States and a post-apartheid South Africa.

Investments in regional transportation and trade development projects are not simply gestures against South African domination of the economies of its neighbors. These are solid foundations for the future of the regional economy.

These investments would also reduce the extent to which we depend on South Africa for access to the region's mineral supplies. U.S. participation in these positive, forward-looking programs demonstrates to all the Front Line States our commitment to the region's post-apartheid future. They are subjects of vital interest

to everyone concerned about what happens in southern Africa after apartheid has passed into history. We intend to consult closely with Congress on these and other proposals that address the problems of the region.

The Role of Congress

Here I want to point out the obligation we all share toward Africa, the poorest continent. We all know the grim statistics of Africa's economic crisis. But there is also a message of hope as nation after nation discards discredited statist economic development policies. African leaders have joined a growing chorus -- heard loud and clear at the UN Special Session on Africa in May -- that recognizes that free market forces are the key to ending the continent's economic tailspin. Now is the time for Americans to be at Africa's side economically. This Administration has played a leading international role in helping shape the new policy consensus on Africa. Resource flows have expanded to enable us to back Africa's winners and support the politically costly process of policy reform.

But Congressional foreign assistance levels threaten this important American achievement. We have many important priorities and responsibilities around the globe, including in Africa. To be effective, our foreign policy and national strategy must, I repeat,

must be adequately funded. And so I wonder when I hear of all the calls for economic sanctions against South Africa whether people have thought of the economic price tag for southern Africa. Instead of focussing on how much damage we can do in sending a message, let's send a message to South Africa's neighbors of our support for their economies, their infrastructures and their independence.

Meanwhile, I know this Committee has before it several legislative proposals designed to send messages to the South African Government. These proposals include the House bill, which amounts to a declaration of economic war on the people of Southern Africa. Its passage would end our capacity to have any positive influence on the struggle for justice and human rights in Southern Africa. Other Legislation, although less extreme, would similarly weaken our ability to have a positive effect on what happens in South Africa.

The President and I share the sense of outrage at the situation in South Africa that has led you and your colleagues in the House to consider these actions. We are prepared to take action, with our allies, to change the mix of our pressures - positive and negative - to meet the rapidly changing course of events in South Africa and to play an essential supporting role in advancing South Africans toward the objective of a decent, democratic, prosperous and civilized society for all who live there.

But I want forcefully to underscore the need for us to have maximum flexibility to carry out our diplomacy. This is not a situation in which we can afford to be locked in the straitjacket of rigid legislation, no matter how well intended or carefully drafted to anticipate events that may or may not occur. We need the authority to act. Presidential discretion is necessary to introduce new measures if we conclude that they are necessary, or--equally important--to lift some should real progress be made.

We feel strongly that the way to proceed is not to take actions that assuage our indignation but aggravate the currently deteriorating situation in South Africa. We need to maintain our capacity to play a role in the emergence of a new South Africa. We must not condemn the inhabitants of the South Africa of the future to a life of economic stagnation. The way to proceed is not to punish those South Africans persecuted by apartheid, but to target pressure on those who defend and enforce apartheid. The way to proceed is not, in short, to add to the misery of South Africans, but to set about helping them solve South Africa's problems and to build a society of expanding liberties and economic opportunities.

Conclusion

Let me sum up. The South African Government has, by its policies, isolated itself politically and diplomatically. Its most

recent actions are having the effect of isolating it economically as well. If current trends continue, the outlook for South Africa is dismal. In such a South Africa, there will be no winners, only losers. We have a different vision of South Africa's future. We want a democratic and prosperous South Africa, where all races participate politically and economically, at the center of a peaceful and rapidly developing Southern African region. To achieve this, apartheid must go. All South Africans need to be represented in negotiations to determine the system of government that will replace it. Such negotiations are urgent. We cannot prescribe their outcome. But our policies and actions must be calculated to encourage the process of peaceful change and help it along.

— And to do this, we must, as I have indicated, coordinate with our allies for maximum effect. The international consultations we have begun and our own review process, as well as our gauging of South African Government intentions, will all come to a conclusion in September, when further exchanges with our key allies will cap the process of coordination between us. We will be coming to you for your support and will consult closely with you as we examine how we can best achieve the results we all want.

Upcoming events give State President Botha ample opportunities to set out on a path that would take South Africa out of its present stalemate. We urge him to seize such opportunities. The

responsibility to save South Africa from the violence, impoverishment and hopelessness into which it is slipping rests first and foremost with the South African Government. It is that simple. If courageous and far-sighted decisions are taken, South Africans will find us ready to join with our allies in helping them to build a better future for all the people of their country. The industrialized democracies must be prepared to take actions to help South Africans hasten apartheid to an early end and to help them replace it with a democratic society in which the rights of all are respected and protected.



United States Department of State

Washington, D.C. 20520

General Summary of Significant
South Africa Specific Legislation
and Sanctions in Force
as of July 1986

EXIM The Evans Amendment of 1978 generally prohibits most EXIM transactions involving South Africa, with limited exceptions.

IMF The Gramm Amendment of 1983 generally requires the U.S. to vote against IMF loans involving South Africa.

Exports The Berman Amendment of 1985 prohibits all exports to the South African police and military (with two exceptions, one for medical supplies and one for airport security).

Homelands The Glenn Amendment of 1985 expresses the sense of the Congress with respect to homelands (a provision which reflects Administration policies).

Human Rights The Foreign Assistance Act establishes a human rights fund for South Africa (generally known as Kassebaum grants). The law was amended in 1985 to require that a part of this fund be used for direct legal assistance for political prisoners and detainees.

Arms Embargo The mandatory Security Council Arms Embargo of 1977 provides that no arms and related material will be exported to South Africa, a requirement fully implemented in the U.S. pursuant to the Arms Export Control Act and other authorities.

Executive Orders The President's two Executive Orders of South Africa are summarized in the attached document.

0524A

Summary of the South Africa Executive Orders
of September 9 and October 1, 1985

-- Bank Loans. Prohibits the making or approval of bank loans by financial institutions in the U.S. to the SAG (with certain narrow exceptions).

-- Computers. Prohibits all exports of computers, computer software, or goods or technology intended to or for use by certain entities of the SAG (e.g., apartheid enforcing agencies).

-- Nuclear. Prohibits most nuclear trade and exports involving South Africa, with narrow exceptions involving IAEA safeguards and programs and exports deemed necessary by the Secretary of State for humanitarian reasons to protect the public health and safety.

-- Weapons Imports. Prohibits imports of arms, ammunition, and military vehicles produced in South Africa (implements Security Council Resolution 558 of December 13, 1984).

-- Fair Labor Standards. Requires U.S. firms in South Africa employing at least 25 persons to apply certain fair labor standards (based on the Sullivan Code). Firms that do not comply will be ineligible to receive export marketing support from the USG.

-- Embassy Labor and Procurement Practices. Requires the U.S. Embassy in South Africa and consulates to follow the stated fair labor practices and to make certain affirmative efforts to assist blacks and other nonwhite firms in procuring goods and services in South Africa.

-- U.S. Gold Coins. Directs the U.S. Treasury to complete a study within 60 days regarding the feasibility of minting a U.S. gold coin.

-- Advisory Committee. Requires the Secretary of State to establish an advisory committee composed of distinguished Americans to make recommendations on measures to encourage peaceful change in South Africa.

-- Scholarships and Human Rights. Requires increased funding for scholarships for blacks and others disadvantaged by apartheid and for human rights projects, including direct legal assistance for South Africans.

-- Krugerrands. Prohibits the import of Krugerrands into the U.S.