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THE NEW YORK TIMES, THURSDAY, JUNE 6, 1985

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To Divest in South Africa,

Go Slow,
And Use
Civility in
Debating

By Donald M. Biinken

For Americans, apartheid is not
an issue for debate. No
one speaks in favor of it; no one en-
visions a

What, then, can

is its lack of ambiguity, and simplici-
ty. To eliminate all South African-re-
lated investments washes one's hands
of the problem. Nationwide, students
ardently advocate this position.
Those arguing against blanket
divestiture oppose lumping the well-
intentioned companies that observe
the Sullivan principles with those that
don't care. They believe total with-
drawal from South Africa would only
harm the black employees of rigorous
practitioners of the principles like
[LB.M. and Eastman Kodak.

. They
give weight to the argument that if a

university divests itself of shares, it
can no longer influence company con-

While both points of view are com-
pelling, no one can prove that either is
absolutely right or even relatively
effective. Another approach, ad-
vanced by New York State Controller
Edward V. Regan, focuses entirely on
trustees' legal fiduciary role: their

f New York, a body of well-man-
ered, nonviolent citizens, were un-

i to be called â\200\234murderersâ\200\235

ollowed the trusteesâ\200\231 refusal to agree
hat SUNY immediately divest all en-
â\200\230owment investments in American
ompanies present in South Africa.
in April, the trustees vetoed to sell
he securities of firms not mounz
he high dards of
with principles set forth by the Rev.
-eon H. Sullivan of Philadelphia,
:ailing for business actively to work
or change in South Africa. By our
May meeting, we had sold four se-
curities and had placed the rest under
review while monitoring develop-
ments in Albany, Washington and
Pretoria. While the trustees, in reiter-
ating our April decision, were not
sowed by those seeking instant grati-
â\200\230ication, we were dismayed by the re-
lewed threat to the role that calm
nalysis and democratic processes
Trust play in universities â\200\224 institu-
' :ions dedicated to frse discussion.
Opposition to apartheid poses com-
' slex tactical problems. Much can be
said for or against a variety of pro-
Josals, Many would agree with the

significant reform. Similarly, Gover-
nor Cuomo recommended that Con-
gress adopt strict sanctions if apart-
heid has not been dismantled within

â\200\230should send firms a clear message
that their presence in South Africa is
| unwelcome - the sooner they get out,
' the better. The virtue of this message

' Dortald M. Blinken is chairman of the
' board of trustees of the State Univer-
sity of New York.

Caution
is not
â\200\230fascistâ\200\231

primaiiâ\200\231 obligation to maximize re-
turn â\200\224 Â¿ focus on the bottom line.
Those Â¿ ;agreeing emphasize the
need to take into account moral as
well as financial factors. Some critics
suggest portfolios can prosper as well
in the long run without inclusion of
companies with South African inter-
ests. [t would take three to five years
to validate the varying return-on-in-
vestment theses.

Viewing these disparate anti-apartheid proposals, governors, legislators, even university trustees, can agree or disagree. But failing agreement, it is unlikely any would label the others "fascists" and "murderers."

Of course, many commentators |

place student hyperbole squarely in the tradition of springtime rites, coupled with a virtuous cause. Isn't it wonderful, they say, that students have again found a worthwhile issue. But unlike the 1960s, when some students reflected concern that imminent departure for Vietnam placed them in personal danger, today's debate places no students' rights or life in jeopardy.

What is at risk is the danger that the university again will become a place where complex issues cannot be discussed with tolerance for others' point of view. It would be a pity, even an ironic tragedy, if the quintessence of apartheid—intolerance, intimidation, incivility—were reintroduced to campuses by those determined to stamp it out in South Africa. a

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or Not?

S. 'Africa Views Vary on Divestment

By Michael Parks
Los Angeles Times

Johannesburg — Among white South Africans, the move with the United States toward divestment and the adoption of other sanctions is regarded as the first step toward a long-feared black revolution.

Blacks see such sanctions neither as their salvation nor as a threat to what little they have now. Political activists welcome the pressure for change but doubt that it will bring a quick end to apartheid. And the average black worker simply wonders how sales of

and bonds in New York could help him. Worried white South Africans, how-

employment will soar. And more and more blacks will be put out of work. Their anger will sweep this country, and sanctions, instead of promoting reform, will have brought revolution. Such doomsday scenarios have become almost commonplace here with

The other possible sanctions — a new U.S. investment ban, prohibition of American bank loans with the South African government and companies, an end to direct flights between the two countries, restrictions on sales of high-technol-

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business and the country as a whole. Our future is at stake!

A full-scale foreign pullout, it is said, could reduce South Africa's gross domestic product by 1.5 percent within 2 percent — a substantial cut for a country that needs annual economic growth of at least 5.5 percent simply to create jobs for those entering the labor force each year and to maintain current living standards.

In contrast, the general black reaction has largely been one of indifference, as to divestment, or disinvestment as it is sometimes termed, and

other economic sanctions have little to do with them. but are part of a political game for whites.

The predominantly black Federation of South African Trade Unions, for example, said it would "wholeheartedly" support international sanctions against South Africa, including the withdrawal of foreign companies from the country, if it had any assurance that this would bring the political, economic and social changes desired by workers.

But the 150,000-member federation said it had "no mandate" from its

many of whom are employed by foreign companies. to press for divestment or other sanctions at this stage.

Workers have a vested interest in those factories, federation general secretary Joe Foster said, "and we in fact believe we are part owners of them. [In any case, I don't think workers would want to inherit & bankrupt

country."

A few blacks, like Chief Mangosuthu Gatwsha Buthe, the Zulu leader, have even spoken out strongly against divestment, arguing that progress must come through faster economic development and that will require more foreign investment, not less. -

A survey a year ago by Prof. Lawrence Schlemmer, president of the South African Institute of Race Relations and director of the University of Natal's Center for Applied Social Sciences, found that 75 percent of black workers surveyed in the country's main industrial centers said they disagreed with campaigns for divestment and other economic sanctions.

Since that survey was completed, black political attitudes may have hardened. But after nine months of unrest, black activists remain wary of calling for international sanctions.

A number of leading American companies - General Motors, IBM, Hewlett-Packard and Mobil Oil among them - have declared their determination to remain in South Africa, though this might expose them to greater criticism in the United States. Nine smaller U.S. companies, all with fewer than 500 employees, have pulled out of South Africa since January).

Of an estimated \$14 billion total

U S. investments here. however, only a fifth 13 in American subsidiaries or associated firms: most of the rest has come in the increased bank loans w South African companies and xore shares purchased on the Jobannes burg stock exchange. How much of this money would stay 18 uncertain.

Some South Afrcans. poiiticians as well as businessmen, now argus that an American wwithdrawel or even a total foreign withdrawal of direct investments would prove a â\200\234disguised blessing.â\200\235 Their thinking s that ilt would let local firms increase their mariket share. force the economy as & whole to invest more and spend less and pull the country out of its current recesion. now ia ita third year and likely to last at least two more

A trade boycott have a far more serious :mpact, said one economist, A. B. Lumby, of the Univermty of Natal in Durban. If it were 20 percent

effective, 1t would cost South Afrca \$1 billion in foreign exchange earmungs and eiiminate 150.000 whute jobs and 500.000 black jobs. [f it were 30 percent etfective, with the West refusing *0 buy goid, chrome. piatinum. manga-nese and other munerais and Tetals from South Afrca. it would cost 32.5 billion la foreign exchange and elizunate 300.000 white jooe and 1 quillion black jobs. S

But South African officialais believe that a trade boycott is the least iikely sanction that cught be im|

â\200\234We are too goed a customer and too good a suppiier for everyone o agree to a boycott.â\200\235 a foreign cumstry oificial remarked. "And even our neighbors in Africa would not participate. A trade embargo mught be the most of-fective measure to ls0late us economi-cally. but it is the least probable.â\200\235

S. Africa
Threatens
Economic

Retaliatiomtess

Los Angeles Times

Johannesburg â\200\224 Faced with CaAn eCONGINIC SADCTGRS over its cies of racial segregation. South is threatenung retaliatory measures, including an embargo on strategic munerais and metals and the forced repatnation of about ! mullion black workers t0 neighboring countrtes.

Deputy Foreign Minister D.J. Louis
Nel told a meeting of the ruling Na-
tional Party on Tuesday that South
Africa is condemning steps to protect
itself from the sanctions and to demon-
strate that it cannot be pushed
around.

"If legislation goes through the U.S.
Congress this week, our enemies will
be back next year pushing for more,"
Nel said. Therefore, it is necessary to
put our foot down now. The Americans
must be made to realize that if they go
ahead with disinvestment, South Afri-
ca will have to defend itself.

One option, Nel said, is the expul-
sion of about 1 million blacks who
work here without government per-
mission. This would force repatriation
and cause severe social, economic
and perhaps political problems in An-
gola, Botswana, Lesotho, Mozam-
bique, Swaziland and Zimbabwe. Ac-
cording to 300 western diplomats here,
South Africa would try to blame the
United States for the action.

But government officials yesterday
sought to play down Nel's threat, de-
scribing it as one of a range of policy
options to be studied when the full im-
pact of the U.S. sanctions is clear and
as a step they weighed carefully
against South Africa's desire for better
relations with its neighbors in black
Africa.

Another option, according to Ray-
mond Parsons, chief executive officer
of the South African Association of
Chambers of Commerce, is economic
countermeasures, particularly trade
restrictions, boycotts and embargoes.

The United States depends heavily
on South Africa for a number of indus-
trially important minerals and met-
als, such as chrome, platinum and mo-
lybdenum. But business sources point-
ed out that the United States has sub-
stantial stockpiles of many of these
materials, that there are alternative
sources, and that South Africa needs the foreign
currency it earns from these exports.

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Senate committee approve

tough penalties

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From Christopher Thomas

Washington

The United States Congress
certain to approve sanc-

tions against South Africa after
a 16-to-one vote by the
Republican-controlled Senate
Foreign Relations Committee
in favour of tough measures
against Pretoria.

The vote is a resounding
defeat for President Reagan,
who has championed the policy
of "constructive engagement"
as the best means of persuading
South Africa to make reforms.

The committee voted to end
US bank loans to South Africa,
and to ban computer sales to its
security services or other
agencies involved in enforcing
racial segregation. The measure
would end nuclear trade and co-
operation between the two
countries.

The Bill represents the

toughest series of proposals so
far approved by the committee.
It stands a good chance of
passage by the full Senate. Even

tougher sanctions are being
considered by the House of
Representatives.

The final shape of penalties
against Pretoria are likely to
emerge after the two chambers

British policy on
Pretoria outlined

Mr Malcolm Rifkind, Foreign
Office Minister with responsi-
bility for Africa, today will
outline British policy towards
South Africa at a conference in
London organized by Business
International and attended by
representatives of 60 multina-

tio companies with
South Africa. i

Mr Chester Crocker, US
Assistant Secretary of State for
African affairs, and Mr Gerrit
Viljoen, South African Minis-
ter for Cooperation, Develop-
ment and Education, are also
speaking.

reconcile their respective bills,
Given the tough mood of
Congress, as well as the
effectiveness of anti-apartheid
demonstrations in swaying
American public opinion, there
is a strong possibility that
President Reagan will not veto
an eventual congressional agree-
ment on sanctions.

The rapidly hardening mood
of Congress was reflected by
Senator Christopher Dodd., a
Democrat from Connecticut.

after five years of
rhetorical denunciations of the
apartheid system the time has
come for action.

As approved, the Bill would
provide \$15 million (£11.5
million) for scholarships to
local schools and universities in
South Africa, and other US
assistance to the black popu-
lation. Further sanctions would
be postponed for 18 months to
determine if significant pro-
gress had been made towards
dismantling apartheid.

It would also make manda-
tory the so-called Sullivan
Principles, which lay down
guidelines for improved living
and working conditions for
non-whites in about 300 US:
firms operating in South Africa.

Senator Jesse Helms, a
Republican from North Caroli-
na, was the only committee
member to oppose some form
of sanctions. He did not turn up
for the final debate, and cast his
vote by proxy.

The tougher moves being
debated by the House of
Representatives include the
banning of all new American
investment and the sale of
krugerrands in the US.

YT 6/6/56

South Africa Warns It May Expel Aliens if U.S. Investors Pull Out

JOHANNESBURG, June 5 (AP) — A high-ranking official says the Government may expel more than a million black workers if the United States pulls its investments from the country to protest Pretoria's racial policies.

Casper Venter, an assistant to Deputy Foreign Minister Louis Nel, said Mr. Nel issued the statement about possible expulsions at a time when economic sanctions against South Africa were being considered in Con-

The Government television reported that Mr. Nel said at a rally Tuesday night that South Africa would evict the million blacks if the United States withdrew its interests from the country. But Mr. Venter said that report went too far.

Two More Deaths Reported

Mr. Venter said: — He said that should the disinvestment campaign be successful, and should there be a withdrawal of American investments in South Africa, it could affect the South African economy, and it could lead to unemployment. Then the Government would have to reconsider the position of the million foreign workers who illegally work in South Africa. —

He said there were — just over a million — blacks working illegally in South Africa, most from neighboring nations. He said they slipped across the border and took low-paying jobs as domestic servants and farm laborers, often working for less than what South African blacks demanded. i

Mr. Venter said the Government was not considering action against — the 350,000 black foreigners who work legally in South Africa. gris

Meanwhile, two more deaths were reported in black rioting against the country's racial segregation policies. In one incident, a black policeman, Detective Constable S. James, was stoned to death and his body set on fire in a town in eastern Cape Province, the police said. Policemen and other Government workers have been called collabo-

rators by many blacks involved in the disturbances. ey

The police said an unidentified person died in a segregated black township near Port Alfred, also in the eastern Cape, when a mob attacked a black policeman's home. -

The officer was not at home; the police said, but a member of his family fired a gun at the crowd, killing one person. :

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Members of the Southern Christian Leadership Conference and the United Mine Workers of America picket outside the Southern Company's stockholder meeting

The president of Southern Company told stockholders and demonstrators from the Southern Christian Leadership Conference (SCLC) that the company will make a careful examination of its current contract to purchase coal from minority-ruled South Africa.

SCLC picketed Southern Company's stockholder's meeting in Biloxi, Mississippi: to oppose the company's contract to buy tons of low sulfur coal from the apartheid regime in South Africa.

The president of SCLC, Joseph E. Lowery, who made a personal appeal to the stockholders, termed his appearance a successful effort at 'raising consciousness.' He also said growing public opposition to American dealings with South Africa would persuade Southern Com-

pany to drop its contract when it expires in March 1987. '

While Lowery introduced a resolution against the company's ties to South

Africa, about 125 SCLC staffers and supporters and rank-and-file members of the United Mine Workers of America demonstrated outside the Mississippi Coast Coliseum and Convention Center in Biloxi. Pickets bore signs urging the purchase of American mined coal rather than the fuel mined in South Africa where miners are subjected to inhumane working and living conditions and are paid slave wages.

Lowery said he gave the stockholders 'Moral, political, and economic reasons' for severing their ties to South Africa. "Comments from the stock-

holders raised serious questions about
efficiency of the contract.â\200\235 Lowery said.

â\200\230*American corporations that do
business with South Africa are im-
plicated in the affirmation of that racist
government.â\200\231 said Lowery. -

[n reference to out-of-work miners in -
Alabama. the SCLC president said - -
American investments- in South Africa. --
threaten the U.S. economy. "This coal

that they're buying represents the
hunger of immigrants, as well as
the blood of 4 Africans,â\200\235 he

people than youâ\200\231

buy South Africa.â\200\232."-â\200\230 Abarner
declared. - White miners and
other workers- who once opposed the

SCLC's civil rights activism have given *

their support for the current campaign to -
Black South Africa. .

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Os 3 prsity of Minnesota
Â£ saâ\200\231special meeting
to henger 8 full University
di KR | from companies
and financial institutions doing business
in or with South Africa.

We were led to believe that the May |5
meeting would have the authority to vote
on the issue. however. a quorum of
Regents was not present. Nevertheless, 3
motion for fujl University divestment
was:put on the floor and. it was decided
that it would be on the agenda of the June
13 regular Regents meeting for
discussion and vote. The students have

to the publie.

Overwhdrning support for University
divestment has come from all quarters of
Society in the Twin Cities. the Umiversity
Senate, the majority of Student
organizations. thousands of citizens who
(have signed petitions. churches, com-

South African divestment
An open letter to the
U.of M. Regents Board

munity organiz

et it

ations. and trade unions.

The Coalition for Lâ\200\231mversxty Divest-
ment from South Africa. which 1S a

coalition of 3

Il student. faculty, and

community orgamzations Supporting fuil
Lâ\200\231niver3lty divestment from South
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Africa, deman
at least 3
present at the J

the June 13 m
the public:

the Regents
students, staff,

quorum of Regents be
une 13 meeting;

eeting and vote be open to

hear arguments from
faculty, and community

representatives for divestment:
the meeting be held in a central

location on the

Pwin Cities campus at an

auditorium with access to as many
people as are interested in attending (at

least 1.000) and

a vote be tak
hearing.

en immediately after the

for CUDSA,
Argiris MalapaNIS

tative Thomas P. O'Neill Jr., the
assachusetts Democrat who is
eaker of the House, said in a state-
ant released after the vote.

Mr. Gray acknowledged that the bill,
it became law, would not end apart-
id, But he said it would â\200\234â\200\230stop the fu-
re of apartheid.â\200\235 And, he

Â\$Hou Vates Sanctions A

e
]â\200\231 By JONATHAN FUERBRINGER
Special 10 The New York Times

WASHINGTON, June 5 â\200\224 The House
of Repr overwhelmingly
approved today a series of economic
sanctions against South Africa.

The vote was 295 to 127.

The vote on the bill, and approval of a
milder version by the Senate Foreign
Relations Committee, could open the
way for Congress to approve the first
American i South Af.

gainst South Africa

Opponents of the Gray bill said they
also opposed apartheid, but argued
that the sanctions went too far and that
the ban on new investment would only
hurt blacks in South Africa by taking
away jobs for them.

In a letter to Representative Robert
H. Michel, Republican of Illinois, the

Advocates and opponents of sanc-
tions disagree on their impact. Issue
and Debate, page A1Â\$.

rica. The margin in the House was

large enough to override a Presidential veto.

The vote was seen as a setback for the Administration, which has

any sanctions. South Africa now joins a list of issues, including the MX missile and military aid to the rebels in Nica-

Minority Leader, Secretary of State George P. Shultz said the Gray bill would "send precisely the wrong signal at the wrong time."

"We can not simply walk away from South Africa in an act of moral indigna-

tion," the Secretary added. He said the ban on new investment would effect the jobs of about 55,000 blacks working for American companies.

The votes in the House and, especially, in the Senate Foreign Relations Committee reflected a strong surge in sentiment against the South African Government in the last six months. Some moderates and conservatives, who six months ago would have op-

policies.

The House voted to end the gentlemen's agreement of this Administra-

Continued on Page A17, Column 1

ragua, on which the Administration has been unable to prevail in Congress this year.

Provisions of House Bill

The House bill, which was supported by 56 Repub and 239 Democrats, would ban new loans to existing or new

"ent, be imposed in 18 months if 3 progress has been made in ing

in South Africa and new bank loans to the Government, prohibit the importation of , the South African gold coins, and block the sale of computers to the South African

Government.

It is time for us as a nation to put our beliefs into action, Representative William H. Gray 3d, Democrat of Pennsylvania and the chief sponsor of the legislation, told the House. "Do we stand with the victims or do we stand with the aggressors?"

such a switch as a tactic to forestall asure as strong as the House bill. Provisiou for Waivers

cles, *
nay b the only way to go. 202
i T' tonl disinvestment L
mw 200\235sgmudby'_kmum-d
ive d V. Del
200\234alifornia, was defeated, 345 to 77. Mr.

Jellunrs argued that American invest-
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T o S

sk WORLD NEWS

Congress set to squeeze Bo

THE REAGAN administration is trying to head off a move by the Democratic-controlled House of Representatives to impose economic sanctions on South Africa. A senior official last week told The Sunday Times that sanctions would be a big mistake and would not force the government of Pretoria to dismantle apartheid. The best course, he said, was to continue with a policy of 'constructive engagement'.

On Tuesday the House will vote on an anti-apartheid bill which would ban new American investment and bank loans to South Africa and would prohibit the export of computers and the import of Krugerrands.

The bill, which is expected to win majority support, may,

however, be watered down in the Senate, although even the Republicans there are demanding some White House action against apartheid.

The South African issue, having been discovered by the American public late last year, is proving exceptionally durable. It seems that every American Congressman has to take up a position; and even the conservatives in the house have their own bill, which supports human rights in South Africa and in communist countries.

Since last November, more than 3,000 anti-apartheid demonstrators have been arrested, including more than 2,000 at the South African embassy in Washington. We have been overwhelmed by

by John Connell
Washington

successâ\200\235, said onc anti-apart-
heid campaigner. â\200\234The right as
well as the left feel the need 0
be out front on this issue.â\200\235

In the Republicancontrolled
Scnate, Senator Edward Kenne-
dy, the Democrat from Massa-
chusetts, has introduced a bill
which mirrors the anu-apan-
heid bill, but Senator Richard
Lugar, the influcatial chairman
of the Scnate foreign relations
comniitice, has co-spon
another onc which secks 0
make Congress wait for two
years before it even considers
imposing the sanctions the
Democrats wanl.

But Lugar docs wapt somec

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immediate action. His bill
peoposes that the Sullivan Code
- which sets out a code of
conduct for US compenics in
lS.onll Africa - sh become

w.
igned by Leon Sullivan, a
black tist clergyman from
Philadelphia, the code is fol-
lowed by 126 companics. They
arc monilored annually and
have to provide equal pay and
trcatment for all their workers.
However, as the code applies
only 0 about 66,000 workers
out of a total workforce of 6Ã©m,
liberals dismiss it as a poor
substitute for scrious sanclions.
h is not clcar what will finally
cm from the Secnate. In
addiion 10 the Kennedy and
Lugar bills, the foreign relations
commitice will this week also
consider onc proposed by two

tha

moderate Republicans. It is not
as com nsive as the anli-
apartheid bill but it does
advocate such inniediate steps
as a ban on bank loans and
T i
tever the resulting
compromuse, it ls likely to
entail, for the first ume, some

kind of action by Congress
against South Africa.
@ The House of Representa-
tives Speaker, Thomas
O'Neill, said on Friday that US
policies towards South Africa
contradict what America stands
for. He blasted Reagan's quiet
diplomacy, which avoids direct
sanctions and confrontation
over apartheid policies, as
nothing more than a gentle-
men's agreement to hear no
evil, see no evil and speak no
evil of South Africa.

Re ey Re . Be

Million blacks face

expulsmn as trade

Â° ban threat grows

From ROSS MARK in Washington : " -

and PETER HAWTHORNE in Johannesburg

AN AMERICAN threat to impose econmic sanctions

on South Africa sharpened last night despite a

warning from-Pretoria that it might kick out more
than a million blacks.

In Washington, the House of Representatives voted

293 to 127 to impose sanctions. Many Republicans. defy-
ing President Reagan, crossed party lines to join |

Democrats.

The Senate is also going

to vote on the "injunctio Lssue

in a major attempt to under-

mine South Africa's apartheid
policies.

A ban on new investment

by American corporations in

South Africa seems likely.

Exports of computers and

other high technology will

probably be halted.

Before the vote by the

House of Representatives.

South Africa warned. that it

might retaliate by expelling

black illegal immigrants from

neighbouring countries.

In a double warning to

President Reagan, the

OPINION PAGE 8

mineral-rich nation also

hinted that it could halt the

export of precious metals

This would hit not only the

United States. but Britain.

Japan. and West Germany's

and would seriously upset the
West's economy.

America's trade threat
stems from outrage in the
States over Pretoria's racial
policies.

But it has come as a major
blow for Reagan. Who favours
& policy of constructive
engagement towards South
Africa.

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Issue and Debate

Should U.

WNT &/

By SUSAN F. RASKY

Special 13 The New York Times

— WASHINGTON, June 24 Faced with mounting public pressure for a more forceful United States stand against apartheid in South Africa, Congress is poised to adopt legislation imposing economic sanctions against the Government in Pretoria.

Strong proponents of sanctions such as college and civil rights, labor and religious.

U.S. activists have had success in persuading state and local politicians and academics.

licies,

Six months

in ways disassociate themselves

from South African investments and several dozen other states and localities are considering Such moves. Since 1978, 40 universities have sold nearly \$300 million of stocks of companies that operate in South Africa.

But business groups, financial and legal experts and Reagan Administration officials say that neither the political or economic front, and quite a bit on both. They contend that sanctions will result in intransigence rather than liberalization on the part of South Africa and that South Africa will remove a positive force for change in that country as well as causing additional economic hardship for South African blacks.

The Background

Approximately 300 American companies operate in South Africa, accounting for about \$3 billion of direct United States investment in the country. While that investment is small compared

with total U.S. investment in South Africa, it is dis-

tributed in some key sectors of the South African economy:

According to the Investor Responsibility Research Center, a private research group in Washington, American companies control about half of the South African oil industry, 70 percent of the computer industry and 30 percent of the automobile industry.

Total U.S. Investment

Those figures, combined with an estimated 38

figures

: but the total U.S. investment in South Africa is

For Sanctions

Proponents of sanctions make their case largely on moral grounds. They argue that to continue business as usual with South Africa implies official United States acquiescence in a system of institutionalized racism that violates the most basic principles of democracy.

They contend that the very act of imposing sanctions, even if the economic impact may be limited, sends a strong message both Pretoria and to South African blacks about the depth of American opposition to apartheid. "Since apartheid is the official policy of the South African Government, it is the responsibility of the United States to act in a consistent manner in nature," Sheldon A. Schlesinger of the University of Pennsylvania, told a Senate subcommittee last month.

Supporters of sanctions cite Cuba, Poland, the Soviet Union and, most recently, Nicaragua, as precedents for United States use of economic sanctions. They argue that the policies of a foreign country should not be a justification for sanctions.

Senators have helped build some backing for sanctions among congressional conservatives, who have indicated their willingness to press the case against South Africa through legislation if their liberal colleagues agree to include provisions condemning Marxist governments in Eastern Europe and elsewhere for human rights violations.

Doubt on Reagan Policy
The current pro-sanctions mood in Congress and among academic leaders is partly a response to recent racial violence and political crackdowns by the South African Government.

Many supporters of sanctions believe that the

Reagan Administration's policy of constructive engagement has provided little incentive for Pretoria to modify its system.

The fruits of constructive engagement are meager indeed, while the suffering and repression continue undiminished," Derek Bok, the president of Harvard University, recently argued in Congressional testimony.

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agreement on how stringent the measures should be in order to affect the Pretoria Government sufficiently without unfairly penalizing American business interests or jeopardizing United States security.

Some proponents say the only meaningful approach is a complete severing of United States economic ties with South Africa, while others maintain that greater American leverage could be exercised by designing sanctions to affect areas of the South African economy most dependent on United States capital or know-how.

Against Sanctions

Opponents of sanctions fall essentially into two categories: those who say that the current United States approach toward South Africa is producing real, albeit limited progress in dismantling the apartheid system; and those who believe that economic sanctions in general are misguided and sometimes hypocritical ap-
preach to the conduct of foreign policy.

Both camps include foes who have often found it difficult to make the case against sanctions in the emotionally charged atmosphere of the current debate.

Under its policy of constructive engagement, the Reagan Administration has eased South African military and police forces im-
posed on the harsh anti-apartheid statements

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of the Carter White House, arguing that such an approach has enabled the United States to act
South Africa and neighboring black countries while quietly pressing Pretoria for domestic liberalization,

The Administration contends that imposition

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less prudent investments with lower yields and potentially serious financial consequences for pension beneficiaries.

Opponents of IC sanctions also include
Slack South African leaders. Chief Gatsha Bu.
thelezi, head of South Africa's largest ethnic group, the Zulus, has urged American compe-
ques to continue to invest in South Africa, warn.
ng that deeply biting economic sanctions will condemn a great many millions and a whole new generation to continue living appalling slum conditions."

The Outlook

[tis a measure of the dissatisfaction with current United States policies toward South Africa that the focus of debate in Congress is no longer on whether to impose sanctions, but rather what the nature of those sanctions should be.

A34 THURSDAY, JUNE 6, 1985

By Margaret Shapiro
Washington Post Staff Writer

The House, signaling strong bipartisan dissatisfaction with Reagan

administration policy in South Africa, voted overwhelmingly yesterday to impose tough new sanctions in an attempt to force an end to the system of racial discrimination there.

The 295-to-127 vote came after the Democratic-controlled House rejected by similar margins two GOP efforts to delay implementation of sanctions and a proposal by Rep. Ronald V. Dellums (D-Calif.) to make them much more extreme.

Nearly one-third of Republicansâ\200\22456 membersâ\200\224joined 239 Democrats in approving sanctions. Voting against were 121 Republicans and six Democrats.

On Tuesday, the Republican-controlled Senate Foreign Relations

House Votes Sanctions
Against South Africa

295-127 Passage Seeks End to Apartheid

- Committee unexpectedly adopted

legislation similar to, though not as far-reaching as, that approved by

said the vote was a clear signal that the administration must stiffen its stance toward South Africaâ\200\231s apartheid system of segregation:

â\200\234This clearly demonstrates that the House of Representatives is for a change in policy . . . , * said Rep. William H. Gray III (D-Pa.), one of the billâ\200\231s chief sponsors. He said South Africa should now realize that it must change its ways or Congress may take â\200\234even stronger measures.â\200\235

The House measure would ban new loans to and investment in South Africa, stop the sale of computers and computer parts to the government and halt importation of-

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Mbuse Votes South Africa Sanctions

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krugerrands, the South African gold coins.

U.S. banks last year had \$343 million in outstanding loans to the South African government and \$4.6 billion to the private sector, according to the House Democratic Study Group. Last year, Americans bought about \$600 million worth of krugerrands, more than half of the number exported.

The measure imposes stiff penalties for violating sanctions, ranging

from a \$50,000 fine and five years in jail for individuals to \$1 million fines for organizations or businesses.

The bill would permit President Reagan to waive for a year bans on new investment and importing of the gold coins if he determines, and Congress agrees, that South Africa has met one of eight conditions in the bill. For each additional condition met, the waiver could be extended for six months.

The conditions would require South Africa to eliminate policies/

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prohibiting black employees and their families from living together near their place of employment, eliminate â\200\234influx controlâ\200\235 policies that restrict blacks from seeking employment where they choose and end policies that give black and white South Africans different rights of citizenship.

South Africa would also have to stop removing blacks from certain locations because of race or ethnic origin, eliminate residence restrictions based on race and ethnic or-

igins, begin talks with black leaders on a nondiscriminatory political system, reach an internationally recognized agreement on Namibia and free all political prisoners.

During debate, supporters of the bill said the administration policy of â\200\234constructive engagementâ\200\235â\200\224working behind-the-scenes to produce changeâ\200\224has resulted in nothing

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They called the. bill's economic: sanctions â\200\234moderateâ\200\235 bat a proper

response to escalating racial violence in South Africa. They also said that, in the eyes of South Africaâ\200\231s 22 million blacks, â\200\234constructive engagementâ\200\235 has put the United States on the side of a repressive white-minority government.

Rep. Howard E. Wolpe (D-Mich.), one of the billâ\200\231s sponsors, said supporters have the â\200\234profound belief that this is the only wayâ\200\235 to make South Africa and â\200\234avert some of that bloodshed we see down the road. There is a bipartisan consensus that â\200\230constructive engagementâ\200\231 has had enormously destructive consequences.â\200\235

Opponents said sanctions would increase tension just as South Africa is indicating willingness to change. They said sanctions could lead to increased violence, eliminate many jobs for blacks and reduce U.S. influence in the region.

Many of the 56 Republicans who voted for the sanctions are liberals or moderates. They were joined by a few conservatives, including several who signed a letter in December to the South African ambassador demanding greater change.