

Newsday 7/12/85

AP1985-2-7-12

## NY's Role in South Africa

Your June 21 editorial on South Africa was incisive and laid out in detail for your readers the complexity of the problem ["Putting Effective Pressure on South Africa"]. You should know what we've been doing for five years to fight apartheid as a shareholder in many of the nation's largest corporations.

My primary responsibility is to protect the pensions of 768,000 active and retired members of the New York State retirement system, and keep the cost of these pensions to taxpayers as low as possible through prudent investing. Once we purchase stocks, though, we work aggressively to make companies socially conscious.

My concern for millions of South Africans is reflected by my record with these companies which, I am told, is stronger than that of any other public or private pension fund in the United States.

Since 1980, we have voted against apartheid at more than 70 annual corporate meetings. We have voted for withdrawal and nonexpansion in South Africa, a cessation of sales and loans to that government and for a halt in dealings in the South African Krugerrand. I have intervened to strengthen the Sullivan Principles standards and tighten on-site compliance auditing of corporation work practices.

I have written hundreds of chief executives, telling them we expect their companies to sign the Sullivan Principles and achieve the highest rating.

The results are clear. Of 130 companies with a business presence in South Africa whose stock we hold, 60 are in the highest rating categories and 92 are Sullivan Principles signers. Just since November, 23 corporations became signatories.

The overall results are equally clear: U.S. plant desegregation, equal pay, promotion and better training for blacks; recognition of black trade unions; construction of schools, housing and health centers, and the use of the Sullivan Principles by South African companies employing blacks — all positive achievements recently described by the Rev. Leon Sullivan, author of the principles.

These achievements are undoubtedly why, as you note, that numerous and prominent South Africans, in the forefront of the anti-apartheid movement, oppose divestment.

Recently, anti-apartheid activity has been increasing and we are playing a role. I met in Washington in May with senior staff members of the House and Senate Foreign Relations Committees and officials in the State Department to advocate that Congress is the proper forum for setting foreign policy. Congress is now moving. Tough anti-apartheid bills are out of committee, being debated and voted on. Final action may come as early as this summer.

All of this has been accomplished because we and other socially conscious systems have an official voice in their activities. If we are forced to sell these stocks, that voice would be silenced.

Edward V. Regan, State Comptroller  
Albany



# SENATE APPROVES ECONOMIC MOVES AGAINST S. AFRICA

SANCTIONS VOTED BY 80-12

Bans on Loans and Some Sales  
to Pretoria Seen as Loss  
for the Administration

7-12-85 NYT

By JONATHAN FUERBRINGER

Special to The New York Times

WASHINGTON, July 11 — The Senate approved legislation tonight imposing economic sanctions on the Government of South Africa. The vote was 80 to 12.

The action means that Congress is likely, for the first time, to approve sanctions intended to force the South African Government to change apartheid. Such a move would be a major rebuff for the Reagan Administration, which has followed a policy that it calls constructive engagement, which is intended to seek change in South Africa's racial policies by diplomatic persuasion, not by confrontation.

The Senate bill would ban new bank loans to the Government; the sale of computers to agencies, like the police, that enforce apartheid, and the sale of goods used in nuclear production.

## Requirement on Guidelines

The bill would also require American companies with 25 or more employees doing business in South Africa, to follow the Sullivan Principles, a set of guidelines named for the Rev. Leon H. Sullivan, a Philadelphia minister. They call for companies to offer blacks the same treatment as whites in housing and employment.

The House has approved a package of tougher sanctions, including bans on any new investment by Americans in new or existing companies in South Africa; on United States loans to the South African Government; on the importation of the Krugerrand, a South African gold coin; on the sale of computers to the South African Government, and on the sale of goods used in nuclear production. The House bill does not require Americans with current investments in South Africa to give them up.

## Administration Plans

The Administration strongly opposes the House bill because of the ban on new investment, arguing that it would result in the loss of jobs for many blacks in South Africa who now work for American companies.

State Department officials, while formally opposing the Senate bill, have indicated that the Administration would "acquiesce" to the Senate sanctions, as a strategy intended to dissuade the House from insisting on its stronger sanctions.

The bill is designed to "distance this country from the evil of apartheid," said Senator Richard G. Lugar, Repub-

Continued on Page A6, Column 6

# SENATE APPROVES SOUTH AFRICA BILL

Continued From Page A1

lican of Indiana, the chairman of the Senate Foreign Relations Committee.

Opponents of the bill, who also condemned apartheid, said South Africa was an ally and a bulwark against Communism in Africa. They said it was unfair to impose sanctions on South Africa and not on the Soviet Union or China.

Senator Barry Goldwater, Republican of Arizona, said it was a "blight against the United States to take this action against an ally, a friend in every war."

## Helms Opposes Measure

The Senate Foreign Relations Committee approved the bill on a 16-to-1 vote, with Senator Jesse Helms, Republican of North Carolina, the lone Senator to vote no.

The support for the bill among Republicans reflects the growing dissatisfaction in Congress with the South African Government and the Administration's policy on that country. The sentiment has grown in the last six months, prompted by the wave of unrest in black townships, the killing of blacks by the South African police, and demonstrations against apartheid in the United States.

The Senate bill threatens to impose a ban on new investment in 18 months if there is no progress toward ending apartheid.

Approval of the bill this evening followed an effort by several conservatives, led by Senator Helms, to block action with a filibuster.

On Wednesday, the Senate voted to limit debate and shut off the filibuster. The vote was 88 to 8. Mr. Helms still promised that he would use other procedures to block approval.

But today, Senator Lugar was able to persuade the Democrats in the Senate, who wanted to offer amendments to make the bill tougher, not to offer them. He said that making the bill stronger would force an Administration veto. With the Democrats willing to accept the bill as it was, Mr. Helms and other senators opposing the bill were willing to let it come to a final vote.

## Helms Criticizes 'Garbage'

"My purpose this week," Mr. Helms said in an interview just before the final vote, "was to prevent, if I could, loading the Senate bill with the kind of garbage that Senator Kennedy and others were proposing." He was referring to efforts by Senator Edward M. Kennedy, Democrat of Massachusetts, to make the bill tougher.

Mr. Helms said the bill "shoots ourselves in the foot." He said he hoped the President would veto the bill if it reached his desk.



# Senate, 80-12, Recommends Limited S. Africa Sanctions

Washington (AP) — The Senate, anxious to condemn the "evil of apartheid," voted 80-12 last night to slap limited sanctions on racially segregated South Africa.

The lopsided roll call marked the first time the Republican-controlled Senate has recommended such action against the government in Pretoria. It amounted to a clear assertion, as well, that President Ronald Reagan's low-key policy of "constructive engagement" does not go far enough in expressing American rejection of South African racial policies.

Approval for the bill came after GOP conservatives ended a four-day filibuster, and then failed in the final hours of debate to prevail on a series of last-minute changes.

The House has approved legislation containing tougher sanctions, and the differences between the two measures will have to be reconciled before a final bill is sent to the White House.

There has been no word from the White House whether Reagan would sign any measure imposing sanctions.

The Senate-passed measure, in what Sen. Richard Lugar (R-Ind.) called an effort to "distance this country from the evil of apartheid," would ban the export of computer equipment used to enforce the apartheid laws, block bank loans to the South African government and end American commercial nuclear assistance.

In a last-minute change, sponsors of the bill also added a provision that calls for minting American gold coins to give collectors an alternative to the krugerrand, the gold piece minted in South Africa.

Sen. Edward M. Kennedy (D-Mass.) said, "Every new dollar that flows from the United States to South Africa is a brick in the wall of apartheid . . . to do nothing today is tantamount to a vote of approval for apartheid."

But conservative opponents got a last-minute victory, as well, maneuvering the Senate into voting 90-2 against the tougher House version that some senators said privately they preferred.

The opponents of the measure joined Lugar, Kennedy and others in denouncing South African racial policies, but Sen. Barry Goldwater (R-Ariz.) said it was a "blight against the United States to take this action against an ally, a friend in every war."



Sen. Jesse Helms (R-N.C.), left, confers with Majority Leader Bob Dole (R-Kan.), on the apartheid bill

Goldwater also complained that human rights bills such as the sanctions measure make no mention of the Soviet Union and "Red China," two Communist countries that he said have been responsible for the murder of 100 million people.

However, two conservative-led attempts to impose restrictions on the Soviet Union, China and countries violating human rights were rejected, and a proposal by Sen. Steve Symms (R-Idaho) to block imposition of sanctions if they would result in unemployment among South African blacks was tabled, and thus killed, 78-17.

It was another conservative, Sen. Jesse Helms (R-N.C.), who led the filibuster. But an 88-8 vote to limit debate Wednesday left no doubt where the

Senate stood on the issue, and Helms agreed in private negotiations to end his delaying tactics if Kennedy and other liberals would agree not to press for tougher sanctions than the Republican leadership was backing. Liberals were ready to concede that point in exchange for approval of the measure that the Foreign Relations Committee adopted last month, and aides said groups organizing protests against the South African government in this country had accepted the bargain.

Lugar, chairman of the Foreign Relations Committee, insisted the measure, which calls for tougher steps against South Africa if there is no progress toward ending apartheid in 18 months, "is not a sanctions bill."

News day  
7/12/85

AP Photo



# Senate Approves Fiscal Sanctions On South Africa

By ROBERT S. GREENBERGER

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The Senate for the first time voted to impose economic sanctions on South Africa, with further penalties possible if progress isn't made toward dismantling the racial-separatist policy of apartheid.

In a 80-12 vote, the Senate last night approved a measure that would immediately bar loans to the South African government, ban the sales of computers and computer technology to South Africa security agencies that enforce apartheid and prohibit trade in nuclear technology.

The measure also would require U.S. companies with South African operations that have more than 25 employees to subscribe to a series of fair-and-equal employment practices, known as the Sullivan Principles. Currently, adherence to those principles is voluntary.

Further, if President Reagan determines that Pretoria hasn't made sufficient progress within 18 months toward ending apartheid, other sanctions could be imposed. These could include a ban on new commercial investment there and on the import of South African Krugerrand gold coins, as well as other possible economic and political measures. Last year, the U.S. imported \$578 million of Krugerrands. The bill also includes an amendment authorizing the U.S. to produce similar gold coins.

Sen. Richard Lugar (R., Ind.), chairman of the Senate Foreign Relations Committee, said the measure "places the South African government on notice that good relations with the U.S. will require substantial reform."

But before that message can be delivered, the Senate will have to reconcile its bill with a tougher measure passed in May by the House that would impose immediately many of the more stringent measures that the Senate bill holds as a threat.

The Reagan administration continues to oppose the use of sanctions to influence Pretoria's behavior. The administration has been pursuing a policy of constructive engagement, which tries to bring about change by friendly persuasion. A senior State Department official involved with that policy said recently that "we don't believe that punitive economic sanctions will be effective."

Sen. Lugar wove a consensus for the bill by convincing liberal Democrats, who wanted tougher sanctions sooner, that the measure had the best chance of passage and possible approval by the White House, and by assuring conservatives that he would work to keep tougher sanctions off the bill. He said, "I've been trying to work on a bill that I thought the president could ultimately sign."

July 12/85