

Mr. Speaker,

Despite the expressions of outrage by the President and the Congress against the system of institutionalized racism in South Africa, Apartheid continues to exist there because of the generally-perceived notion that the U.S. supports it. This notion is bolstered by the activity of the Export-Import Bank, an official agency of the U.S. government, in fostering business with South Africa.

The House of Representatives ^{has} ~~will have~~ an opportunity ~~-- unique in its history --~~ ^{wednesday} to dispell that notion when it votes ~~this week~~ on legislation authorizing the Eximbank for another five years. It will have the choice of encouraging the South African government to move peacefully towards majority rule or maintain its current position of rigidity which dooms the country to unspeakable violence and a probable Marxist takeover.

Two weeks ago, my colleagues on the House Banking Committee took the historic step of supporting my amendment to the Eximbank Act which bars further credit guarantees and insurance by the Eximbank to businesses exporting to South Africa. It gives the President the authority to restore those guarantees when he determines that the South African government has made significant progress towards the elimination of Apartheid and he reports the substance of his determination to Congress.

Exec Order -
Administrative Interpret
of UN
Nov. 4
under
U.N. Participation Act

prohibits on gray area
sales (none)

add one/Tsongas

~~As my Committee colleagues know,~~ I have been a strong supporter of Eximbank as well as multi-lateral banking institutions. ^{and} I have ^{generally} ~~also~~ argued against amendments which cripple the activities of these institutions by attaching political considerations to multi-lateral financing. However, I believe that in this case, where the bank is solely an agency of the U.S. government and the country in question, South Africa, engages in a system of legalized racism, the use of economic means to political ends is ~~not only~~ justified, ~~it is desperately needed at this time.~~

The question ^{is raised:} ~~keeps coming up:~~ "Why single out South Africa when other nations violate human rights on a daily basis?" I, ~~also~~, feel outrage at the inhumane treatment of individuals in other nations. But I believe South Africa must be singled out because it is the only nation on earth that has institutionalized second class citizenry on the basis of race. No other nation has a system of laws which are a blight on all human relations.

Some ~~of my~~ ^{of my amendment} opponents quote black South Africans who say the ban on Eximbank activity would hurt blacks there. That argument is as specious as the argument fostered in the 1960's in this country that civil rights activity would hurt black Americans. In terms of economic harm, the government of South Africa can import whatever it receives through Eximbank financing from other industrialized nations. ^{Furthermore,} ~~We must also remember that~~ anyone who calls for disinvestment in South Africa is liable under their Terrorism Act to five years imprisonment, a law which is actively enforced.

(more)

add two/Tsongas

The other argument against my Amendment is that it will hurt American business. Right now, the Eximbank provides no direct loans to businesses exporting to South Africa, only loan guarantees and insurance.

(Direct loans were eliminated in 1964 as an Administrative policy.)

and these have
~~By the bank's own fiat, such guarantees and insurance has decreased~~

considerably. While the total bank activity is about \$200 million, we can see a considerable reduction in loan guarantees and insurance already in fiscal 1978 as compared with 1977. Furthermore, because the human rights situation in South Africa forbodes economic instability, the bank will no longer guarantee or insure anything for more than three and a half years.

If we consider the long-term perspective for political unrest in South Africa, we can see a situation where all commerce will be interrupted. Furthermore, a violent uprising would be a perfect target for Soviet and Cuban intervention, similar to that in Ethiopia, only under the guise of racial justice. Undoubtedly, the new regime would not be sympathetic to American business.

In 1966, when I was an intern in the office of then-Congressman Brad Morse, I prepared a paper on how to deal with South Africa. At that time, I heard the same responses and reasoning I am hearing from Senators and Congressmembers today: "Let's hold off. Things will get better. Other countries are as bad or worse. By keeping U.S. business there, we can influence the direction of change."

(more)

add three/Tsongas

In the intervening years, the situation in South Africa has not improved. In fact, since the murder of black moderate Stephen Biko last fall, the government has banned newspapers, jailed black moderates, and taken a much more rigid position against even the most middle-of-the-road organizations. With Biko's death, the hope of many black moderates for an evolution to majority rule also died. Nonwhites now see violence as the only source of political change.

We all know that black rule is the wave of the future in South Africa. When the test comes, and it will come soon, the black majority will ask where the U.S. stood on Apartheid. As long as the Eximbank, an official agency of the U.S. government continues to do business in South Africa, the answer to that question remains unquestionably that the U.S. stood solidly with Apartheid's proponents. It is not enough that the President speaks out against human rights violations in South Africa, the impression there for blacks and whites is that the U.S. provides the underpinning of Apartheid and that when push comes to shove, the Congress supports the present regime.

My amendment does not reduce the President's flexibility in dealing politically with Pretoria. It gives the President a tool with which to negotiate. He can encourage South Africa to move peacefully toward majority rule with the promise of a renewal of Eximbank activity when progress is visible. ^{The President} clearly will have more credence if the Congress stands firmly behind him, ~~and he doesn't have to take the blame for initiating the Eximbank ban.~~

(more)

add four/Tsongas

Following Stephen Biko's death, the House voted 347 to 54 to support a resolution which "strongly denounced" the South African government for its repressive measures against black and white opponents of ~~its~~ Apartheid ~~policy~~. The vote on the House Floor this week gives those Members the opportunity to let Pretoria know that we meant what we said. So long as Eximbank activity persists in South Africa those words will ring empty. Are we going to tell South Africa that we did not mean what we said or are we willing to be taken seriously and have some impact on what happens to South Africa in the future?

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