

September 23, 1983

Hon. George W. Crockett, Jr.
U.S. House of Representatives
1531 Longworth HOB
Washington, D. C. 20515

SEP 28 1983

Dear Mr. Crockett:

Legislators, politicians and people of conscience the world over are combining their efforts to bring an end to the barbarous concept of racial supremacy referred to as apartheid. Congressman William Gray has introduced a bill (HR1392 -The Prohibition on Investment in South Africa Act), which offers the possibility of a meaningful US contribution in this regard, and we urge your support for this measure when it is offered as an amendment to the Export Administration Act (HR3231).

'Investment' under the terms of this bill includes loans and other extensions of credit but does not include investments consisting of earnings derived from an enterprise already functioning within South Africa. This bill is significant for a number of reasons, one particularly worthy of mention being the following: In response to multi-faceted international attempts to isolate South Africa, that government now uses its private commercial banks as fronts in its approaches to the international capital markets. NedBank, for example, recently raised \$200 million for the South African Government, most of which came from the United States. HR1392 recognizes and circumvents this strategy, since bank loans and other investments to both the private and the public sectors in South Africa would be banned. We urge your support for HR1392 in its entirety.

Title III of the Export Administration Act (Rep. Stephen Solarz' HR1693) prohibits bank loans to the South African public sector, bans US importation of krugerrands and other South African gold coins, and makes mandatory the Sullivan fair workplace principles. Because of South Africa's circuitous route to international capital, it must be recognized that this bank loan provision needs the reinforcement of HR1392 in its entirety to make the former meaningful. The krugerrand provision is the crucial element in this bill, recognizing the tremendous flow of US funds into South Africa by way of krugerrand purchases. Between 1980 and 1982, this amounted to \$1.8 billion. Both South Africa's controversial 1982 IMF loan as well as the cost of its war in Namibia amount to just over half the revenue earned by South Africa from US krugerrand imports. The importance of these sales to the financing of apartheid is, we trust, sufficiently clear to secure your support for this measure.

While there is great debate and no clear consensus regarding the presumed effectiveness of the fair workplace provision of Title III, little doubt exists regarding the efficacy of the bank loan and krugerrand provisions. Given their importance to the legislation, it is essential that there be strong resistance to any attempt to dilute these provisions.

The provisions of and amendments to HR3231 outlined above focus on two vital elements of US/South Africa relations - direct financial involvement and trade links. They represent an interrelated, comprehensive and meaningful US stance in response to the defiant and wanton manifestations of apartheid. We consider these measures to be crucial and would appreciate your indicating to us what position you intend to take on these issues. We trust that your support will be forthcoming.

Sincerely yours,

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|----------------|-----------------|-----------------------|
| Marion Barry | Julian Bond | Tom Bradley |
| Ed Brooke | Richard Hatcher | Eleanor Holmes-Norton |
| Benjamin Hooks | Jesse Jackson | Joseph Lowery |
| Ernest Morial | Leon Sullivan | Andrew Young |
| Coleman Young | | |

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