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Luxembourg, 12 September 1977.

BACKGROUND NOTE TO ORAL QUESTION No. H-221/77 by
Mr KAVANAGH to the Foreign Ministers meeting in
political cooperation for question time in
September 1977

Subject: EEC and Apartheid

What progress has been made to date in establishing an EEC programme to erode apartheid in South Africa?

1. On 23 February 1976 the Nine Foreign Ministers confirmed the basic position of the Member States of the EEC as regards Africa as being 'condemnation of the apartheid policy of South Africa'. On 18 April 1977 the Foreign Ministers again made a statement about the position in Africa. They repeated their condemnation of the policy of apartheid and pledged themselves 'to continue to oppose all forms of racial discrimination wherever it exists'.

2. On 12 July 1977 the Foreign Ministers took a major step forward to implement their stand against apartheid. The Nine, having discussed, but rejected following British objections, the possibility of controlling or withdrawing investments held by Community citizens in South Africa, went on to discuss a British counter-proposal. This was that a 'code of conduct' for firms based in Community countries with branches or subsidiary companies in South Africa should be drawn up, covering the following points -

- a) equal wages for equal work done by black and white workers,
- b) recognition by South African employers of independent trade unions.

A working party of national officials and Commission officials was set up to elaborate a possible code of conduct.

3. The Foreign Ministers recognised that it would be extremely difficult to enforce legally any such code of conduct for European companies operating in South Africa. Some had subsidiary companies established under South African law, which would thus not be subject to any Community-made provisions, even if such were otherwise feasible. The Ministers recognised that a code of conduct could thus have a moral authority only.

4. This British proposal was said by the Press to have been supported by Belgium, Denmark and the Netherlands, but to have been the subject of doubts on the part of France.

5. Other proposals discussed by the Nine for expressing in actions their verbal condemnation of apartheid included the implementation by all Member States of the proposed embargo by the UN Security Council of oil shipments to South Africa, the possibility of limiting or controlling the aids granted by Governments of the Nine to European investment in South Africa, and the imposition of an embargo on the sale of arms to South Africa. The most far-reaching economic measure by the Nine against South Africa, i.e. the enforcement of economic sanctions, was scarcely mentioned, according to the Press.

6. All this activity by the Foreign Ministers meeting in political cooperation was stimulated by the need to present a common front, both at the UN Anti-Apartheid Conference in Lagos, Nigeria from 22-26 August, and at the session of the UN General Assembly, starting later this month. At Lagos Mr Simonet, Chairman-in-Office of the Council of Ministers, made a statement on apartheid on behalf of the Nine. He recalled the measures and decisions already taken against apartheid by the Nine as follows:-

- they oppose the Bantustan policy and have refused to recognise Transkei,
- they will refrain from any act which might in any way help to maintain and develop this policy,
- they are providing increased aid to South Africa's neighbours, the better to enable them to deal with the specific problems resulting from their particular geographical situation,

- they contribute to the funds created by the United Nations to help the victims of apartheid in South Africa. Their assistance is mainly intended to help people who have suffered from repressive and discriminatory laws, for example, in the form of legal aid or teaching aid,
- the European Community as such helps the victims of South African occupation and of South African policy in Namibia through the Lomé Convention, by providing financial assistance to the Lusaka United Nations Institute and by making scholarships available to Namibian students,
- certain EEC member countries have embargoed arms sales to South Africa.

7. On the basis, as indicated by the British Foreign Secretary, Dr Owen, that South African business circles may be more open to change in the policy of apartheid than the South African government. Dr Owen himself met leading South African industrialists and trade unionists in Pretoria on 29 August. According to the 'Financial Times' the talks related to guidelines already given to subsidiaries in South Africa of British companies about pay rates and employment practices there, and to the proposed EEC code of conduct (see Annex). Already more than 20 US corporations have adopted a code of conduct in South Africa which emphasises equal pay for equal work and the training and promotion of black workers to responsible positions (see Annex).

8. At the end of August, the working group of officials met to prepare proposals on economic measures against South Africa and on the code of conduct. The former were said to include measures ranging from cessation of export credits to measures limiting South Africa's access to European capital markets; but agreement was proving hard to find. In any event, economic measures and the code are both due to be discussed by the Nine Foreign Ministers on 19 and 20 September, when an attempt will be made to concert policy on apartheid in view of the need for unity at the forthcoming UN General Assembly and Security Council meetings.

Possible supplementary questions

- a) On what provisions of the proposed code of conduct for EEC firms which operate in South Africa has the working group of officials reached agreement so far?
- b) What does the Chairman-in-Office foresee will be the main lines of agreement between the Nine Foreign Ministers on a code of conduct for EEC firms in order to combat apartheid?
- c) What measure of agreement have the Nine reached so far on restricting military cooperation with the South African Government, and in what fields?
- d) What study have the official working group and the Foreign Ministers made of the code of conduct adopted by more than 20 US corporations on equal pay for equal work by black and white workers in South Africa and on training and promotion of black workers to key positions?