



South African Embassy

Trafalgar Square
LONDON WC2N 5DP

2 June 1988

Mr Charles Powell
Private Secretary to the Prime Minister
10 Downing Street
LONDON SW1A 2AL

Dear Mr. Powell,

Much interest has been shown here in the draft "Promotion of Orderly Internal Politics Bill", fears having been expressed about the effects that such legislation might have on humanitarian aid from abroad. I enclose a background briefing on this matter, as well as an on-the-record reply by the Minister of Justice to media enquiries, in the hope that they might be of interest to you.

Yours sincerely,

Justus de Goede
MINISTER

Question:

The proposed Promotion of Orderly Politics Bill is interpreted in some quarters as aimed at cutting off all funds from foreign governments, organisations and businesses for black upliftment in South Africa.

Reply:

In addressing the House of Assembly when proposing the appointment of a joint committee, I clearly stated that the Government was not bound by the Promotion of Orderly Politics Bill and that it was merely a working document for the committee to consider, should it wish to recommend legislation after it had considered the principles involved and the necessity for further legislation.

In any event a reading of the bill will confirm that it is not aimed at cutting off funds from foreign governments, organisations or businesses for black upliftment (or the upliftment of anyone else) in South Africa. What is primarily involved is the monitoring of foreign funding and the placing of controls on the use of funds for politically subversive or illegal activities.

Foreign donors - governments, international organisations and businesses that wish to contribute to programmes for economic growth, job creation, education, health and other humanitarian activities are welcome to continue with this. Such funds will neither be cut off nor restricted and will indeed be well received.

Donors, including governments, are welcome to discuss the aims and content of their aid programmes with the South African government to eliminate any misunderstanding.



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BACKGROUNDER

PROMOTION OF ORDERLY INTERNAL POLITICS BILL : PROVISIONS REGARDING FOREIGN FUNDING

In March 1988 the Promotion of Orderly Internal Politics Bill was introduced in the South African Parliament. As some fears have been expressed about the possible effect the Bill would have on humanitarian aid from abroad it is necessary to set out a few facts.

In introducing the draft legislation on 8 March 1988 the Minister of Justice emphasised that it was tabled as a draft to be considered by Parliament, and should not be seen as a final product. A Select Committee appointed by Parliament to investigate the proposed legislation is gathering evidence on the issue and evaluating it. The Bill, the Minister said, was a point of departure and did not purport to bind either the Government, or those participating in the committee, which was at liberty to amend the Bill or propose a new Bill altogether.

Any person or organisation is free to present his or her concerns about the Bill to the Select Committee for its consideration.

The Minister of Justice said that no one could fault the principle that the internal politics of any country should be conducted in the best interests of that country. It was not in the best interests of any group that opposing political factions should pursue their political objectives by the instigation of hostility between groups, or by violent action. The acceptance of funds from outside

the country for the pursuance of political objectives inside the country left the recipient open to be prescribed to by the donor. The risk that foreign donors would act in their own interests and not necessarily in the interests of the recipient country was overwhelming. It was therefore an accepted principle that internal political parties should not receive money from outside the country.

The Bill seeks to extend and make more effective the principle, already the subject of various laws, that political aims and objectives in South Africa ought to be pursued without interference, monetary or otherwise, from abroad.

The Prohibition of Foreign Financing of Political Parties Act, 1968, (Act No 51 of 1968) has in practice been proved to be ineffective, on the one hand as a result of differences of opinion regarding the definition of the offence and on the other hand as a result of evidential problems arising from that definition. The Bill seeks to repeal that Act but the principles are incorporated in an amended form in the Bill and the offences more clearly defined.

Furthermore, the Minister of Justice explained in the speech of 8 March that the Affected Organisations Act of 1984 placed an absolute prohibition on the activities of an organisation declared "affected". The new Bill creates an alternative. The Bill provides that the Minister may declare "restricted" an organisation which, or a person who, furthers, propagates, pursues or opposes a political aim or objective which may endanger the safety of the public or the maintenance of public order or which may delay the termination of a state of emergency and receives money from abroad. An organisation which, or person who is being used as a channel for introducing

money from outside the Republic to be used for the financing of abovementioned activities, could also be declared "restricted" by the Minister. All money which accrues to such an organisation or person from abroad, would be paid over to a Registrar. Money which would not be used for the purposes mentioned, would be returned to the donor organisation or person while money paid over to a restricted organisation or person, by the Registrar, could only be used for the declared purposes. In this way, money would still be allowed to enter South Africa for laudable purposes.

On 11 March 1988 the Ambassador of Germany called on the Deputy Minister of Foreign Affairs to voice the concern of the European Community over the proposed legislation. Clarifying the South African Government's point of view, the Deputy Minister said that the South African Government welcomed the fact that there were governments which, by means of financial aid, wanted to make a contribution towards the important socio-economic development programmes which the South African Government was continuously engaged in. There was, however, sufficient evidence that funding from abroad was frequently not used for the purposes for which it was apparently donated, but indeed to promote the political objectives of the receiving organisations and of the donors. Actions of this nature were not acceptable to the South African Government.

The proposed legislation, the Deputy Minister said, did not affect the principle that the Government welcomed foreign funding destined for socio-economic projects. The proposed legislation also stipulated that funds destined for political application should be returned to the donor.

The fact that there was a refusal on the side of some South African recipients of EEC funds to furnish information

on the nature and extent of the projects supported by those EEC funds, heightened the suspicion that foreign aid - supplied to certain organisations only - was used for purposes not embraced in the generally applicable principle of interstate relations.

ISSUED BY:

COUNSELLOR (MEDIA AND INFORMATION)
SA EMBASSY LONDON

23 MAY 1988

