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The Slepak Principles Act and Soviet Union–United States Joint Ventures: Profits or People?

I. INTRODUCTION

Although the Soviet Union’s human rights record has improved throughout the last year, further progress remains to be made.\(^1\) To encourage further Soviet reform and to ensure that United States companies in the Soviet Union do not indirectly support human rights abuses, the United States Congress recently introduced legislation designed to promote United States–Soviet joint ventures and encourage Soviet compliance with human rights guidelines.\(^2\) In general, this legislation promotes the fair treatment of employees, safety in the workplace, and environmentally safe production methods in the Soviet Union.\(^3\) However, the proposed legislation is voluntary. Failure of a United States company to comply with the provisions of the proposed bills would not be a violation of the law. The legislation merely serves as a list of standards that Congress encourages United States companies to follow.\(^4\)

The legislation consists of two bills introduced simultaneously in the House and Senate on May 16, 1989.\(^5\) The bills are collectively referred to as the Slepak Principles Act ("Act"),\(^6\) after Vladimir Slepak, an original member of the Helsinki Monitoring Group.\(^7\) Although the House bill is more forceful than the Senate bill, both

enumerate principles which United States companies should follow when entering into joint ventures in the Soviet Union. Both the Senate and House versions are pending in their respective foreign relations committees.

The Act's introduction was precipitated by the Soviet Union's failure to follow the human rights provisions it voluntarily agreed to in the Helsinki Final Act. Although the Soviet Union has improved its recognition of these fundamental rights, it is still violating the agreement by using forced labor, discriminating in employee hiring, terminating employees for exercising their rights, and confiscating property from religious organizations.

During hearings before the Senate Foreign Relations Committee, many speakers opposed the Act on economic grounds. However, Congress has previously authorized stricter economic sanctions against other countries to induce changes in their human rights policies. Nonetheless, both bills are currently languishing in committee.

This Comment will first address the Soviet Union's human rights situation and its continuing violation of the Helsinki Final Act. Next, this Comment will examine the Soviet Union's acute need for industrial modernization and joint ventures with the United States. This need has created an opportunity for the United States to influence the human rights policies of the Soviet Union. This Comment will then compare the proposed Act with previous actions the United States has taken with respect to human rights violations in other countries. Finally, this Comment will describe the Act in detail, analyze the arguments for and against its passage, and assert that its enactment will inhibit Soviet human rights abuses. This Comment will then conclude that Congress should immediately pass the Act and that the Act will not economically disadvantage United States joint ventures in the Soviet Union.

8. The House bill contains some measures of enforcement that the Senate bill does not by providing that companies that fail to abide by the principles will lose a portion of their export marketing support. H.R. 2366, 101st Cong., 1st Sess. § 6(a) (1989); Bills Introduced to Encourage U.S. Firms to Follow Employment Principles in U.S.S.R., Daily Report for Executives (BNA) No. 98 (May 23, 1989).
II. SOVIET PARTICIPATION IN THE HELSINKI FINAL ACT

The Helsinki conference began on July 3, 1973, and concluded two years later with the signing of the Final Act on August 1, 1975.12 Thirty-five countries were present at the conference, including the Soviet Union.13 The common purpose shared by the attending nations was to "contribute . . . to peace, security, justice and co-operation as well as to rapprochement among themselves and with the other States of the world . . . ."14 The Final Act expressly recognized that human rights are fundamental to the relationships between the signatories and, therefore, must be scrutinized internationally.15

The Final Act gained much attention when signed because it represented the first occasion in which the Soviet Union entered into an international human rights agreement.16 Unfortunately, subsequent events indicate that the Soviet Union may have signed the Final Act for the wrong reasons. Arguably, the Soviet Union's primary motive for agreeing to sign the Final Act was to gain international acceptance of the post-World War II borders in Eastern Europe, rather than to further human rights.17 The other signatories expected the Soviet Union to abide by the terms of the Final Act.18 However, these expectations remain unmet.19

The Final Act provides that all participating states "will respect

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13. Other countries present were Austria, Belgium, Bulgaria, Canada, Cyprus, Czechoslovakia, Denmark, Finland, France, the German Democratic Republic, the Federal Republic of Germany, Greece, the Holy See, Hungary, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, the Netherlands, Norway, Poland, Portugal, Romania, San Marino, Spain, Sweden, Switzerland, Turkey, the United Kingdom and Northern Ireland, the United States, and Yugoslavia. Id.
14. Id.
15. HELSINKI WATCH COMMITTEE, SOVIET-AMERICAN EXCHANGE AND HUMAN RIGHTS—CONFERENCE REPORT AND NINE CASE STUDIES 2 (1980) [hereinafter HELSINKI WATCH COMMITTEE]. The Final Act is one of the most "comprehensive declaration[s] of human rights ever acknowledged in an international forum" because the text incorporates both the Universal Declaration of Human Rights and the International Covenants on Human Rights. Id.
17. HELSINKI WATCH COMMITTEE, supra note 15, at 3.
19. In May 1988, two days before a summit meeting with President Gorbachev, President Reagan made a speech in Helsinki, Finland, concerning human rights in the Soviet Union. Although recognizing that some progress in this area had occurred, such as higher toleration of dissenters, more emigration, and the release of dissidents from exile, Reagan declared that Moscow "had not lived up to commitments on Human rights . . . [that are a part of] the
human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion.”20 The states must also “respect the equal rights of peoples and their right to self-determination, acting at all times in conformity with the purposes and principles of the Charter of the United Nations. . . .”21 The document is a statement of political intent and thus has no self-enforcing mechanisms.22 Moreover, the Final Act is not legally binding as a treaty, although many signatories consider it to have the same effect.23

Soviet participation in the Helsinki Final Act provided Soviet human rights activists with a new way to focus their efforts. In 1976, they formed the “Helsinki watch groups” in various parts of the Soviet Union.24 These groups monitored the Soviet government’s activities to determine if it was abiding by the terms of the Final Act.25 Soviet citizens began to report human rights violations to these watch groups, and the watch groups then publicized the violations internationally.26 Over the next six years, the watch groups reported approximately two-hundred human rights violations.27 Unfortunately, by 1982, these monitoring groups had dissolved because of the imprisonment of their members and the futility of their efforts.28

III. HUMAN RIGHTS VIOLATIONS IN THE SOVIET UNION

The Soviet Constitution grants Soviet citizens rights similar to those articulated in the United States Constitution.29 For instance, “citizens of the USSR shall be guaranteed freedom of: speech, press,

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20. KAVASS, supra note 12, at 191.
21. Id. at 190.
22. HELSINKI WATCH COMMITTEE, supra note 15, at 3.
25. Id.
26. Id.
27. These reports included “stage managed trials, interference with mail and telephones, mistreatment of political prisoners, persecution of religious believers, forced separation of families, denial of the right to emigrate, and harassment of workers attempting to form an independent trade union.” Id.
28. Id.
assembly, meetings, street processions and demonstrations." In reality, however, political activity opposing the government is forbidden. The Soviet government has viewed any attempt to change its position on human rights issues as an effort to weaken the government. Therefore, the government’s policy has been to quiet the expression of nonconforming ideas. In 1987, the Soviet Union finally expanded its citizens’ freedom by permitting “lawful” demonstrations against the government. Although demonstrators were not formally prosecuted for their actions, many were interrogated, searched, fired from their jobs, and put under administrative arrest. Some protesters were briefly placed in psychiatric hospitals. At the end of 1989, at least sixty people were still being held in psychiatric hospitals for exercising their human rights. Soviet citizens have recently been arrested and injured for demonstrating in support of their independence or unofficial election candidates. For instance, one priest was sent to Chernobyl as punishment for participating in political demonstrations. In Georgia, twenty people were killed and 3,000 injured when Soviet troops attempted to disperse a group demonstrating for that republic’s independence.

Notwithstanding these recent human rights violations, the Soviet Union has officially stated its plans for liberal human rights reform. For instance, the Soviet government admitted that it had confiscated

32. Foreign Affairs Note, supra note 24, at 4.
33. Id. This is often accomplished by firing, physically assaulting, expelling from school, or institutionalizing these critics. Id.
34. Citizens were also allowed to form “independent discussion groups” and print journals without having them confiscated by state censors. Amnesty International Report 220 (1988). The Soviets have changed the law from one that prohibits anti-Soviet propaganda to one that prohibits public incitement. Amnesty International Report 244 (1990).
36. Id. The Soviet Union historically punished its citizens for political crimes by confining them to psychiatric hospitals, even if they did not need medical attention. For instance, in Moscow, 81,000 people were hospitalized in 1987, and 71,000 in 1988. Kommunisti' Calls For Reform of Psychiatric Service, The British Broadcasting Corp., Summary of World Broadcasts, Part I, § B (Aug. 20, 1990).
37. Amnesty International Report 244 (1990). One man is still confined to a psychiatric hospital because he held a sign that stated “meat for the workers and non-party unions.” Id.
38. Id. at 245.
39. Id.
40. Id.
churches illegally.\textsuperscript{41} However, the government's practices remain substantially unchanged; the government continues to use the churches for such things as warehouses and restaurants.\textsuperscript{42}

Another example of the stark difference between Soviet policy and Soviet action is the government's recent promotion of private enterprise. In 1988, as part of \textit{perestroika}, President Mikhail Gorbachev allowed some Soviet companies to be self-governing and to retain their profits.\textsuperscript{43} However, when these newly privatized companies became too successful, the government would either shut them down or tax them at such a high rate that it would be impracticable to continue operating as a private enterprise.\textsuperscript{44}

Another illustration of Soviet inconsistency is the government's claim that it liberalized some of its laws, while it has made other laws stricter. For example, before the October 1987 changes in the labor law,\textsuperscript{45} a first time offender convicted of committing a petty crime was relocated to a labor camp near his home to serve a short sentence, with a six-day workweek. Under the new law, these first time offenders may be sent to work in other republics many miles from their families.\textsuperscript{46} In these labor camps, prisoners may be required to work seven days a week.\textsuperscript{47}

Another human rights problem in the Soviet Union continues to be religious persecution. It is still official Soviet policy "to hinder and deny the free practice of religion and to deny freedom to emigrate to the victims of religious persecution . . . ."\textsuperscript{48} Under this policy, the Soviet government has sold many historic and national churches in the Ukraine.\textsuperscript{49} Members of religious groups in the Ukraine have been imprisoned or harassed for their beliefs.\textsuperscript{50} The Soviet government has limited Ukrainians' access to religious literature and subjected them to many house searches, interrogations, and arbitrary arrests.\textsuperscript{51} Soviet Jews, in particular, encounter considerable persecution. Many

\begin{itemize}
\item \textsuperscript{41} SLEPAK FOUNDATION, 1 THE SLEPAK REPORT 5 (Nov./Dec. 1989).
\item \textsuperscript{42} Id.
\item \textsuperscript{44} Id.
\item \textsuperscript{45} AMNESTY INTERNATIONAL REPORT 220 (1988).
\item \textsuperscript{46} Id.
\item \textsuperscript{47} Id.
\item \textsuperscript{49} Act of May 2, 1988, Pub. L. No. 100-305, 102 Stat. 452.
\item \textsuperscript{50} Id.
\item \textsuperscript{51} Id.
\end{itemize}
feel that they live in grave danger. 52 One million Jews are ready to leave the Soviet Union, but thus far the government has issued only 300,000 exit visas. 53 Soviet officials blame the delay on an inadequate number of airplane seats, stating that more will not be available until 1991. 54

In a particularly egregious incident, four Soviet citizens sought refuge from religious persecution in the United States embassy in Moscow. 55 However, before they could enter the embassy, Soviet guards arrested three of the four and severely beat them. 56 Fortunately, the fourth person was able to enter the embassy where American officials interviewed him. 57

Despite the Soviet Union's poor human rights record, the government has expressed a willingness to discuss human rights issues. Historically, the Soviet government has avoided the topic of human rights in discussions with the United States. 58 Recently, however, Eduard Shevardnadze, the Soviet Foreign Minister, has been much more willing to discuss human rights violations in the Soviet Union. 59 In fact, the Soviet Union has been willing to confront human rights issues that United States officials have previously raised. 60

The Soviet Union has recently shown a genuine desire to reduce its human rights violations. For example, the United States Department of State announced that there were approximately 700 prisoners convicted for subversive activities in Soviet prisons and camps. 61 Subsequently, 140 prisoners who were involved in anti-Soviet propaganda have been pardoned and released by the government. 62 Although human rights abuses still exist in the Soviet Union, this heightened response by the Soviet government to United States pressures to end human rights abuse is one of the most surprising developments in

53. Id.
54. Id.
56. Id.
57. Id.
Many United States Secretaries of State have attempted to discuss human rights with Andrei Gromyko, the Soviet Union's previous foreign minister. To one such allegation of Soviet human rights violations, Gromyko responded, "Are you finished yet?" Id.
59. Id.
60. Id. at 164-65.
62. Id.
United States–Soviet relations. Some officials in Moscow even admit that “American opinion sometimes affects Soviet behavior.” On an international level, President Gorbachev publicly stated that he wanted the United Nations to play a more aggressive role in human rights enforcement. Gorbachev also encouraged other governments to enact laws encompassing international norms of human rights. However, despite the improvements that have occurred in the last year, the Soviet Union is still a long way from complying with the provisions of the Helsinki Final Act.

IV. THE FAILING SOVIET ECONOMY AND THE NEED FOR JOINT VENTURE INVESTMENTS

The Soviet Union’s economy has steadily declined. The government is attempting to revitalize the economy by encouraging joint ventures with companies from other nations. “Soviets need American capital and ingenuity to achieve their political [and economic] objectives.” These objectives will require both restructuring the economy and institutionalizing principles of democracy. Gorbachev himself revealed this objective when he stated that in order for perestroika to succeed, “the serious, deep democratization of Soviet Society [is required] which will enable us to involve [the people] in reconstruction . . . We need democracy like air. If we don’t understand this . . . our policies will founder, and reconstruction will collapse.”

64. Id. at 165.
69. Id. at 1.
71. Comment, supra note 23, at 181. Further, when the Soviet government recently approved the establishment of an Executive President and the end of the communist political monopoly, Gorbachev stated “[I]t is a giant step for the benefit of democracy and in the defense of democracy.” L.A. Times, Mar. 14, 1990, at 1, col. 5.
In January 1987, the Soviet government moved to strengthen its inherently weak economy by passing a law allowing Soviet companies to participate in international joint ventures. This marked the first time in over sixty years that the Soviet Union allowed foreign companies to invest in Soviet enterprises. To Gorbachev, the concept of joint ventures is a logical step toward his plan to restructure the entire Soviet economy. By allowing joint ventures, the Soviet Union seeks to achieve six basic objectives:

(1) gaining access to Western technology, particularly improvements which will be jointly developed; (2) increasing exports of Soviet manufactured goods by producing goods which are more competitive on world markets; (3) training their work force in both technical and managerial skills; (4) import substitution; (5) earning foreign exchange; and (6) encouraging capital investment in the Soviet Union and expanding trade with capitalist countries. Ideally, the accomplishment of these objectives will raise the Soviet economy to superpower status.

Since the joint venture law passed, Moscow officials have been attempting to persuade United States businesspeople to establish joint ventures with Soviet companies. In 1987, United States–Soviet trade was almost exclusively limited to United States grain exports. The joint venture law was targeted toward attracting investors in enterprises that would produce food, energy, chemicals, health care products, automotive products, and medical products. In addition, the new joint venture law provides United States companies with advantages they did not previously have. For example, while speaking to United States businesspeople, Gorbachev stated that the Soviet Union would not tax a joint-venture’s profits for the first two years. This benefit, combined with the Soviet Union’s potential market of 280 million citizens, makes joint ventures especially attractive to

72. L.A. Times, Dec. 16, 1987, § 4, at 1, col. 1. Before this law passed, Gorbachev had mentioned this option, but he did not seem serious about immediate implementation. Id.
73. Dean, supra note 63, at 53.
74. Id. at 54.
76. Id. at 1, col. 3.
77. Firms originally expressing interest were Ford, Kodak, Nabisco, and Archer-Daniels. L.A. Times, Apr. 14, 1988, § 4, at 2, col. 3.
United States companies. Further, the Soviet Union allows these ventures more freedom in such areas as production and input than their domestic counterparts. Under the new law, joint ventures have independent legal status. This gives joint ventures power to obtain and possess property without fear of confiscation by the government. It also guarantees that Soviet law will protect industrial property rights. Further, the law allows joint ventures to acquire obligations and to sue or be sued in court.

Despite these progressive provisions, the Soviet government still imposes conditions on international joint ventures. For example, a United States partner in a United States–Soviet joint venture may only own up to a forty-nine percent interest in the enterprise and may not appoint the managing director. However, in response to the concerns of foreign businesses and to further attract United States companies, the Soviet Union enacted new rules allowing foreign majority ownership in joint ventures.

The Soviets have also been willing to alter some of their most basic rules to assist their foreign partners. For example, joint ventures originally were required to abide by Soviet labor law concerning salaries, work routines, recreation, and benefits. Now, however, the Soviet Union allows the foreign partner veto power over the personnel policies of the joint venture.

Perestroika has created new opportunities and challenges for joint ventures in the Soviet Union. Foreign businesspeople agree that the Soviets have been much more accommodating and “business-like” in their approach to such ventures. Unfortunately, perestroika reforms have caused a high turnover of Soviet trade officials. Many

79. Id.; see Fin. Times., Sept. 13, 1990, § I, at 34.
80. Dean, supra note 63, at 55.
81. Id.
82. Id. Industrial property rights are industrial secrets such as patents. There is no Soviet industrial property law; therefore, any protection must be included in the joint venture agreement. K. Hober, Joint Ventures in the Soviet Union IV.C(12)–(13) (1990).
83. K. Hober, supra note 82, at V.B(1).
85. Dean, supra note 63, at 56.
86. Senate Schedules Hearings on the Slepak Principles, Press Release Newswire (July 20, 1989). The law has been changed so radically that a foreign partner can theoretically have 100% ownership. K. Hober, supra note 82, at IV.C(6).
88. Dean, supra note 63, at 55.
89. Id. at 56.
90. Id. at 58.
long-term contacts and relationships that United States businesspeople had established have been affected. These businesspeople must now establish relationships with new Soviet officials, which can be a long and difficult process. These new relationships must be based and conditioned upon a mutual understanding of basic human rights and dignity.

V. **Past United States Use of Economic Sanctions to Discourage Human Rights Violations**

A. **The Jackson-Vanik Amendment**

In the past, the United States has placed major importance on the progress of human rights development in the Soviet Union. United States trade policy with the Soviet Union is closely tied to overall United States-Soviet relations and is particularly influenced by human rights and emigration issues. Therefore, the United States has passed trade laws encouraging the observance of international human rights.

One United States trade law that encourages international human rights observance is the Trade Act of 1974. Specifically, section 402 of the Trade Act, often called the Jackson-Vanik Amendment, burdens potential United States profits to encourage other countries to liberalize their emigration policies. By enacting this law, the United States Congress effectively sacrificed profits for the greater goal of putting an end to human rights abuses. The Slepak Principles address human rights violations that are at least as cruel as Soviet restrictions on emigration. The Slepak bill, however, is not a

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91. Id.
95. Trade Act of 1974, § 402, 19 U.S.C. § 2432. Under the amendment, the President can only extend nondiscriminatory tariff treatment to those countries which allow their citizens the freedom to emigrate and do not tax, even nominally, those citizens wishing to emigrate. 19 U.S.C. § 2432. This prohibits a country from imposing taxes on "emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever." Id. At first, the Soviet government cut back on emigration because of its resentment towards the United States for legislating Soviet policy. However, in the late 1970s, the Soviet Union began to increase the number of people it allowed to emigrate. Shipler, supra note 58, at 178.
direct restraint on trade as is the Jackson–Vanik amendment. Moreover, the Slepak bills are only voluntary.

Since the Jackson–Vanik Amendment, Soviet emigration policies have become more liberal. In 1989, more than 42,000 Soviet Jews were allowed to leave the Soviet Union, the highest total since 1985. In light of the liberalization of the Soviet emigration laws, evidence exists that President Bush may waive trade penalties under the Jackson–Vanik amendment. Contrary to what many think, there is evidence that these types of bills are effective.

B. The Comprehensive Anti-Apartheid Act of 1986

The United States Congress’ response to South Africa’s practice of apartheid was much more forceful than the voluntary Slepak Principles Act. The Comprehensive Anti-Apartheid Act of 1976 ("Anti-Apartheid Act") created mandatory sanctions which effectively prohibited all future trade with South Africa.

The Act was designed to encourage reform in the South African government and establish a nonracist democracy. The Act requires

98. Id.
99. Id. "President George Bush is expected to try wielding the amendment as an incentive rather than as a punishment." By offering to waive the amendment, President Bush would encourage the Soviets to further liberalize Soviet emigration law. Id.
100. Comprehensive Anti-Apartheid Act of 1976, 22 U.S.C. §§ 5001-116 (1988). The Act prohibits, among other things, importation of military articles, id. § 5052; computer exports to South Africa, id. § 5054; loans to the South African government, id. § 5056; air transportation with South Africa, id. § 5056; landing rights of South Africa aircraft, id. § 5056a; nuclear trade with South Africa, id. § 5057; importation of uranium, coal, and textiles from South Africa, id. § 5059; new investment in South Africa, id. § 5060; United States government procurement from South Africa, id. § 5064; promotion of United States tourism in South Africa, id. § 5065; United States government assistance to, investment in, or subsidy for trade with South Africa, id. § 5066; importation of South African agricultural products and food, id. § 5069; cooperation with armed forces of South Africa, id. § 5072; and, sugar imports from South Africa, id. § 5073.
101. Id. § 5002; Butcher, The Unique Nature of Sanctions Against South Africa, and Resulting Enforcement Issues, 19 N.Y.U. J. INT’L L. & POL. 833 (1987). The Anti-Apartheid Act essentially codifies an employment code for United States businesses in South Africa written by the Reverend Leon Sullivan. As Reverend Sullivan was preparing to leave South Africa after a visit fifteen years ago, airport security officials subjected him to a strip search and ransacked his luggage. He was allowed to leave without further incident, but vowed to combat South Africa’s system of apartheid. Sullivan carried out his pledge by writing his “Sullivan Principles.” N.Y. Times, Sept. 9, 1985, § A, at 8, col. 1. Though the provisions of the Slepak and Sullivan principles are very similar, the Sullivan Principles apply only to United States
the South African government to accomplish six objectives before the sanctions will be lifted.

The United States will work toward this goal by encouraging the Government of South Africa to—

(1) repeal the present state of emergency and respect the principle of equal justice under law for citizens of all races;

(2) release Nelson Mandela, Govan Mbeki, Walter Sisulu, black trade union leaders, and all political prisoners;

(3) permit the free exercise by South Africans of all races of the right to form political parties, express political opinions, and otherwise participate in the political process;

(4) establish a timetable for the elimination of apartheid laws;

(5) negotiate with representatives of all racial groups in South Africa the future political system in South Africa; and

(6) end military and paramilitary activities aimed at neighboring states. 102

Although United States public opinion was the motivating force behind the Anti-Apartheid Act, 103 it faced similar opposition to that now facing the Slepak Principles Act. 104 For example, Secretary of State George Shultz argued that “South Africa's racial problems cannot be changed by outside pressures.” 105 Instead, Shultz advocated the administration's existing policy of constructive engagement which “encourag[ed] peaceful change through quiet diplomacy.” 106 However, Congress rejected the administration's approach and overrode the President’s veto of the sanctions. 107

In light of recent events in South Africa, it appears that the sanctions imposed by the Anti-Apartheid Act may have resulted in more freedom for black South Africans. 108 For example, the South African government recently released African National Congress leader Nelson Mandela, who had been in prison since 1962. 109 Additionally, on
August 31, 1990, President Frederik DeKlerk announced that the White National Party which has denied membership to blacks for forty years is now allowing all races to become members.\textsuperscript{110} Furthermore, in his recent trip to the United States, DeKlerk stated that his goal was to let "the majority live in an apartheid-free society."\textsuperscript{111}

Some experts believe that the Anti-Apartheid Act has economically isolated South Africa and is responsible for the South African government's concessions.\textsuperscript{112} However, despite these concessions, most of the six objectives have not been met.\textsuperscript{113} Therefore, the United States government will not likely lift the mandatory sanctions against South Africa until there is a complete dismantling of apartheid.\textsuperscript{114} If the United States were to lift the sanctions now, the South African government would get the impression that the United States is satisfied with the present reforms, and that South Africa does not need to make further improvements.\textsuperscript{115}

How can this United States policy of maintaining sanctions against South Africa until there is a full dismantling of apartheid be reconciled with the United States' failure to pass the Slepak Principles Act, which would hold the Soviet Union to the commitments it made in the Helsinki Final Acts? Despite recent improvements in the Soviet Union, such as a relaxation of emigration laws, it is clearly inconsistent to defeat a bill that encourages the elimination of continuing human rights violations.\textsuperscript{116} Increased profits simply cannot justify the failure to vigilantly attack human rights abuses. Neither should the United States Congress be apathetic in light of recent improvements.

\textsuperscript{110} L.A. Times, Sept. 1, 1990, at A1, col. 1. South Africa has 27 million blacks. Blacks outnumber whites five to one and currently have no vote in national affairs. DeKlerk further announced that before the 1994 elections he wanted a new constitution written that would give blacks the vote while also protecting minorities, specifically whites. \textit{Id.} at A19, col. 2-3.


\textsuperscript{112} Schram, supra note 108, at 59.

\textsuperscript{113} For instance, although apartheid has been somewhat reformed, the entire South African legal system incorporates apartheid. Gray Press Conference, supra note 111.

\textsuperscript{114} \textit{Id.}\textsuperscript{.} President Bush's own United States trade representative stated, "Apartheid must go before those sanctions are lifted." Bush, however, does not necessarily share this viewpoint. \textit{Id.}

\textsuperscript{115} Chicago Trib., Mar. 8, 1990, at 20. In Mandela's first speech after he was released, he encouraged countries to continue to isolate South Africa. \textit{Id.}

\textsuperscript{116} Failure to pass the Slepak Principles Act at this time will erode the respect for United States trade policies that further human rights.
As one commentator noted, "there may be a temptation to let the [human] rights issue slide out from under the bright spot light that has kept it so visible during the last decades. That would be a mistake." 117

VI. THE PROPOSED LEGISLATION

A. The Senate Bill

The Senate bill applies the Slepak Principles 118 to United States

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117. Shipler, supra note 58, at 166.

118. The Slepak Principles are named after Vladimir Slepak, a former Soviet citizen and founding member of the Moscow Helsinki Monitoring Group. H.R. 2366, 101st Cong., 1st Sess. § 2(12); see supra text accompanying notes 24-28. As a code of conduct for United States businesses, the following principles place conditions on commercial activity and investment in the Soviet Union in an effort to promote liberalization of human rights laws in that country.

STATEMENT OF PRINCIPLES

I. CIVILIAN PRODUCTION: Because Soviet military expansionism poses a potentially grave danger to the United States and its allies, American companies engaged in commercial transactions with the USSR should not contribute directly to the strength of the Soviet military.

Therefore, each signator of the Statement of Principles will attempt to ensure, in consultation with the government of the United States, that its commercial transactions with the Soviet government do not produce goods nor provide services for the military sector, or in any way jeopardize the national security of the United States.

II. LABOR FREEDOM: Because no moral sanction should be extended to the practice of involuntary servitude, American companies engaged in commercial transactions with the USSR should not employ goods or products manufactured by forced labor.

Therefore, each signator of the Statement of Principles will suspend its use of any raw material or product if reasonable suspicions arise that the product is manufactured by forced labor.

III. WORKERS' RIGHTS: Because dismissal from employment can be tantamount to punishment, when the state is the sole employer, American companies engaged in commercial transactions with the USSR should not permit Soviet employees to be dismissed without good cause.

Therefore, each signator of the Statement of Principles will seek to ensure that an individual's political or religious views, sex, ethnic or national background, or involvement in activities protected under the Helsinki Accords and other statements of human rights signed by the Soviet Union will not affect the status or terms of his or her employment.

IV. ANTI-DESECRATION: Because fully independent congregations do not control their own religious property within the USSR, American companies engaged in commercial transactions with the USSR should not join in the secularization of structures previously devoted to religious activities.

Therefore, each signator of the Statement of Principles will decline to participate in a commercial transaction if it employs a structure previously serving as a religious institution.

V. PRUDENT TECHNOLOGY: Because each person possesses a right to be free from physical harm to his person and property, American companies engaged in commercial transactions with the USSR should not employ dangerous methods of production.

Therefore, each signator of the Statement of Principles will ensure that its meth-
companies involved in joint ventures in the Soviet Union specializing in sales, production, construction, plant modernization, or any joint effort resulting in the formation of a business.\textsuperscript{119} Currently, there are more than fifty international joint ventures operating in the Soviet Union.\textsuperscript{120} Thirteen of these are United States–Soviet joint ventures registered with the United States Department of Commerce.\textsuperscript{121} At the end of 1988, United States investment in United States–Soviet joint ventures totalled twenty-three million dollars.\textsuperscript{122} These investments are expected to swell in response to the Soviet Union’s new rules designed to lure investment of western capital.\textsuperscript{123}

The Senators sponsoring the bill are seeking to condition this expansion in joint ventures on seven standards based on the Slepak Principles.\textsuperscript{124} First, the bill encourages United States companies not to “use goods, facilities, or services when there is reason to believe that these goods, facilities, or services were produced, wholly or in part, with the utilization of forced labor.”\textsuperscript{125} Many Americans believe that
forced labor in the Soviet Union disappeared with the perestroika reforms. However, the AFL-CIO estimates that four to five million Soviets are still imprisoned for political crimes and subject to forced labor in 2,520 labor camps.

Second, the Senate determined that a common Soviet employment practice is to discriminate in hiring and dismissing employees who attempt to advance their own rights. Thus, the Senate bill urged United States joint ventures not to hire employees in the Soviet Union on the basis of religion, political belief, sex, social background, or advocacy of human rights.

Third, the Senate bill addresses the Soviet government's practice of confiscating buildings used by religious groups. "Between 1917 and 1986 over 56,000 churches, seminaries, assembly halls, mosques, and synagogues were forcibly confiscated by the Soviet state." Even during the era of glasnost and despite numerous requests, local governments are reluctant to return church property to the people. These traditional places of sanctuary and worship are being used as

126. Hansen, The Slepak Principles: No Threat to American Traders, 11 Whittier L. Rev. 459, 462 (1989). "Tragically, there are as many Soviets toiling at forced labor today as there were when Gorbachev came to power." Id.


128. S. 1018, 101st Cong., 1st Sess. at § 2(5) (1989). For example, the Soviet government currently has an organization called the pervoi otdel, meaning "first section." It operates in the workplace as a personnel department for businesses. The "first section" screens out citizens who are "ideologically undesirable" or who have "participated in dissident activities without breaking laws." The Slepak Principles Act: Hearings on S. 1018 Before the Comm. on Foreign Relations, 101st Cong., 1st Sess. 7 (1989) (statement of Tom Kahn, Director of the AFL-CIO) [hereinafter Kahn].


industrial sites, warehouses, restaurants, and bath houses. Recognizing this egregious conduct, the Senate bill states that United States companies should decline to participate "in an industrial cooperation project involving the use of a structure currently or previously serving as a religious institution or place of worship."

Fourth, the bill addresses occupational safety in joint ventures, stating that industrial operations should comply with international standards for occupational safety. For example, chemicals or methods of production that have been banned internationally should not be used due to the harm they may inflict upon Soviet employees and surrounding communities.

Fifth, the Senate bill links joint ventures to environmental concerns in response to the Soviet Union's severe environmental problems. For example, in Nizhni Tagil, a city in the Ural Mountains, the air pollution from the local metallurgical plant was so dense that motorists were forced to use their headlights at lunch time in order to see. The problem is not limited to one geographic area. There are one hundred cities in the Soviet Union with air pollution readings at ten times over acceptable standards. Recently, in response to the environmental problem, the government created the National Environmental Protection Agency to oversee the country's efforts to control environmental damage. This agency is empowered to promulgate standards and shut down violators. The agency can hold companies financially and criminally responsible for pollution or excessive consumption of natural resources. To promote further reform, the Senate bill encourages United States–Soviet joint

132. Id. For instance, the Kazan Cathedral in Leningrad now stands as a museum of atheism, and the Church of Frol in the Tulla Monastery is now a public toilet. Id.
136. Ten years ago the Soviet Union denied having any type of environmental problem. "Indeed, the belching chimneys and criss-crossed power lines that appeared in photographs on front pages were emblems of Soviet achievement." L.A. Times, May 1, 1988, § 1, at 1, col. 2.
137. Id. "The air was so foul that children broke out in rashes on the way to school. . . . [Fifty-four] unexplained still-births [were] reported in the town last year, [suggesting] strongly that bad air was to blame." Id.
138. Id.
139. Id. at 16.
140. Id.
141. UNEP News, Environmental Events Record, § 79, Supp. 7, Aug. 1988. For example, on February 16, 1988, the new agency fined a metallurgy plant thirty-three million dollars for polluting a reservoir in Northern Russia. Id. at Supp. 3. Robinson, Soviet Environmental
ventures to adopt environmentally safe production methods in coordination with local leaders.142

Sixth, the Senate bill encourages United States companies to engage in joint ventures with “private [Soviet] cooperatives as potential partners or participants in commercial activities, when . . . commercially feasible and allowed by relevant law.”143 Typically, American companies must engage in joint ventures with the Soviet government because most Soviet businesses are government owned.144 By entering into joint ventures with Soviet private enterprises, United States companies may be able to prevent them from being taken over by the government. This also promotes the United States’ goal of worldwide, free market capitalism.

Finally, the Senate bill establishes a reporting system which requires the United States Secretary of State to periodically report to Congress on United States companies’ adherence to the principles set forth in the bill.145 The State Department must also inform all United States companies interested in joint ventures in the Soviet Union of the Act’s provisions.146

B. The House Bill

The House bill, like the Senate version, applies the Slepak Principles to United States joint ventures in the Soviet Union.147 Although similar to the Senate bill, the House bill varies in several respects. For instance, the Senate bill states that joint ventures should not use goods

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Footnotes:

144. An indication of the Soviet government’s reluctance to allow private enterprises is the fact that such businesses are “either taxed to death, or shut down by the government when they become too successful.” Goodchild, supra note 43, at 5. This article’s author, John Goodchild, is an adviser to many business executives, some of whom are considering joint ventures with the Soviet Union. The article endorses the Slepak Principles by stating that “if we are going to . . . make a profit, we ought to lay the groundwork for something enduring.” Id. Private cooperatives generate only one percent of the Soviet Union’s gross national product. However, this figure is expected to increase by ten to fifteen percent over the next ten years. Id.
145. S. 1018, 101st Cong., 1st Sess. § 4(a) (1989). The entire bill is voluntary; therefore, if companies fail to report, there are no official penalties to be levied. Id. These reports should be made within two years after the Act is passed and then each year thereafter. Id.
146. Id. § 3(1).
147. H.R. 2366, 101st Cong., 1st Sess. § 3(a) (1989); see supra note 118.
or services made with forced labor.\textsuperscript{148} The House bill, on the other hand, adds the additional requirement that these projects not only refuse to use goods made with forced labor, but also, themselves refuse to employ forced labor.\textsuperscript{149}

The House bill also includes a provision to ensure that United States–Soviet joint venture projects do not support the Soviet military. The bill’s sponsors are wary of the United States assisting the Soviets in wars with other countries. However, they are especially concerned about American companies aiding the Soviet Union in producing materials for future hostile action against the United States. Substantial evidence suggests that the Soviet’s expanding military capacity relies heavily upon Western technological advances.\textsuperscript{150} Accordingly, the joint ventures must not “produce any goods or services of a critical or strategic nature for the Soviet military or in any way jeopardize the national security of the United States.”\textsuperscript{151} The drafters of the House bill considered this provision to be so important that they placed it at the very beginning of the bill.

The House bill also recommends that United States companies not extend “untied” loans to the Soviet Union.\textsuperscript{152} Untied loans are

\begin{enumerate}
\item It is the sense of the Congress that United States nationals involved in industrial cooperation projects, especially joint ventures, in the Soviet Union and the Baltic States, or seeking to do so, should undertake—
\begin{enumerate}
\item to ensure that they do not use goods, facilities, or services when there is reason to believe that these goods, facilities, or services were produced, wholly or in part, with the utilization of forced labor.
\end{enumerate}
\end{enumerate}


\begin{enumerate}
\item PRINCIPLES.—It is the sense of Congress that United States nationals engaged in commercial activities in the Soviet Union and the Baltic States should adhere to the Slepak Principles as follows:
\begin{enumerate}
\item No use of materials made by forced labor.—Suspend the use of all goods, wares, articles, and merchandise that is mined, produced or manufactured, in whole or in part, by convict labor or forced labor if there is reason to believe that the material or product is produced or manufactured by forced labor and refuse to use forced labor in the industrial cooperation projects being conducted by the United States national.
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\begin{enumerate}
\item Hansen, supra note 126, at 462 (citing CENTRAL INTELLIGENCE AGENCY, SOVIET ACQUISITION OF MILITARILY SIGNIFICANT WESTERN TECHNOLOGY: AN UPDATE 6 (1985)). The Soviets continue to acquire Western technology despite United States efforts to keep it confidential. \textit{Id.} at 461.
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those not earmarked for any specific project. These loans are suspect because of the fear that they may be used for such unintended purposes as indirectly financing the Soviet military. On the other hand, tied lending, under the bill, must be monitored by the United States government.

Finally, the House bill is distinguishable from the Senate bill because it proposes a limited measure of enforcement. A joint venture project would only receive United States export marketing support if it adheres to the Slepak Principles Act. Marketing support involves a United States government representative meeting with a foreign national to promote the sale of a good or service in the foreign market. United States companies that continue to operate businesses in the Soviet Union without complying with the principles would still receive government representation in trade disputes, but would not receive marketing support.

C. Support for the Legislation

Senator John Heinz of Pennsylvania introduced the bill in the Senate, arguing that United States companies should not be able to open businesses in the Soviet Union and disregard human rights laws which they must follow at home. The United States, as a leader in addressing human rights issues, should help the Soviet Union progress in this as well. Further, the Senator stressed that the voluntary bill was merely an exercise in "consciousness raising" and not a restraint on trade. Finally, Senator Heinz stated that "we should not give the Soviets everything they want without getting something in return. That's what these principles are all about."

Representative John Miller of Washington introduced the House bill, stating that the bill would contribute to the existing atmosphere

155. Id. at 8.
157. Id. § 6(b).
160. Id.
161. Id. Senator Dennis DeConcini also made the same clarification in his speech before the Senate, but he placed greater emphasis on the principles of the Helsinki Final Act than Senator Heinz. 135 Cong. Rec. S5515-16 (daily ed. May 17, 1989) (statement of Sen. Dennis DeConcini).
162. SLEPAK FOUNDATION, 1 THE SLEPAK REPORT 3 (Mar. 1989).
of perestroika and glasnost in the Soviet Union. He further stated that these principles have a larger economic objective because they "contribut[e] to a more democratic, more open Soviet Union, [and] will . . . ensur[e] a larger more stable market in which to operate." Representative Curt Weldon also supported these arguments stating that

the United States must ensure that the Soviet Union is not making cosmetic changes to reap economic benefits. By requiring our companies to follow certain criteria when doing business with the Soviet Union, the United States can encourage Moscow to continue its efforts toward establishing a more open society.

In addressing specific provisions, Representative Miller commented that joint ventures which implement safe workplaces will prosper. Providing a safe workplace will make United States companies more attractive to potential employees, thereby allowing United States joint ventures to select higher quality workers than their Soviet competitors. The safer working environment will also lead to less turnover, and consequently less money spent on training new employees.

In addition to the Congressmen that introduced the bills, many United States interest groups have expressed their support. For example, the AFL-CIO stated that the time is right to introduce the Slepak Principles so that a foundation of rules respecting human rights can be established before the number of joint ventures increases. The Baltic America Freedom League also commended Senator Heinz for introducing the bill and for referring to the Baltic states separately from the Soviet Union. This group, however, was

164. Id.
167. Id.
168. 135 CONG. REC. S8337 (daily ed. July 20, 1989) (statement of Sen John Heinz). Organizations supporting the bills include the AFL-CIO, the Union of Councils for Soviet Jews, the Ukrainian National Association, the Armenian Assembly of America, the Baltic America Freedom League, the National Audubon Society, Friends of the Earth, the Reverend Leon Sullivan, the Latvian Environmental Protection Club, the World Federation of Free Latvians, the American Latvian Association, the United Latvian Associations of Chicago, the Institute on Religion and Public Life, and the Ukrainian American Community Network. Id.
interested in adding provisions that would specifically address joint ventures in the individual Baltic states.\textsuperscript{170}

The World Federation of Free Latvians also expressed their support for the bill, but stressed their struggle to become economically independent. The Federation felt the bill could either hinder or help their cause.\textsuperscript{171} If “[Western involvement is] undertaken without regard for the interest of the Latvian, Lithuanian and Estonian people, it could worsen the economic, political and social problems that the Soviet occupation has brought to the Baltic people.”\textsuperscript{172} Joining this concern, the American Latvian Association stated that the Soviet government has combined human rights violations and “industrial and political exploitation to devastate these three formerly independent nations.”\textsuperscript{173} The Latvians fear that United States companies will exploit the Baltic republics. These groups want to ensure that the United States is aware of, and will respect their positions.

\textit{D. Opposition to the Legislation}

During hearings before the Senate Foreign Relations Committee on September 14, 1989, critics testified that adoption of the legislation would put United States companies at a competitive disadvantage.\textsuperscript{174} They argued that the United States would have less influence than other countries operating businesses in the Soviet Union that are not bound by these restrictive principles.\textsuperscript{175}

The president of the North American Grain Export Association commented that the bill could affect United States grain sales to the Soviet Union and, in turn, hurt American farmers and rural commu-

\textsuperscript{170} The three provisions they wanted to add were: (1) that no joint venture in the Baltic States would allow the inflow of non-Baltic workers to fulfill any labor shortage; (2) all joint ventures in the Baltic States will use the language of their respective republics in their everyday business; and (3) “ethnic Estonians, Latvians and Lithuanians will be represented in all supervisory and management positions in proportion to the demographics of the total force of the particular republics.” 135 CONG. REC. S8338 (daily ed. July 20, 1989) (letter from the Baltic American League).


\textsuperscript{172} Id.

\textsuperscript{173} Although there is the concern of further exploitation by United States companies, there is still much support for this bill. This group especially noted principles 5 and 6 of section 3 which deal with environmental protection and private cooperatives. Id. (letter from the American Latvian Association).

\textsuperscript{174} SLEPAK FOUNDATION, \textsc{I the Slepak Report} I (Nov./Dec. 1989).

\textsuperscript{175} Id.
nities. Groups such as the American Association of Exporters and Importers and the American Soybean Association submitted letters opposing the bill. The letters reflected their concern that, despite the bill's voluntary nature, it could easily become binding in the future. The associations claimed that if this occurred, the bill would severely impede United States business interests in the Soviet Union. These groups further expressed concern that by restraining trade, the bill would weaken the incentive for the Soviets to comply with the Jackson-Vanik amendment.

There was also criticism of section 4(a) of the Senate bill, which requires the Secretary of State to prepare annual reports on United States companies' adherence to the Slepak Principles. Critics argued that the requirement would burden heavily the United States embassy personnel because collecting the necessary information would be too time consuming.

Other critics of the bill argued that the Soviet Union would not willingly adopt these principles if they are forced upon them by the United States government. Instead, the Soviets may be more receptive to protecting human rights if these principles are voluntarily implemented by United States companies operating in the Soviet Union. A representative from the United States Department of Commerce testified before the Senate Foreign Relations Committee that there is no need for the principles because United States companies "are aware of the importance of human rights and emigration in U.S.--Soviet trade relations . . . [and] that they will [not only] make profits and improve the American trade balance, but also that their cooperation will benefit Soviet workers and citizens."

VII. ANALYSIS

Both Slepak Principles bills remain in committee. The arguments against the bills are mostly profit-oriented. The critics of the bills do not seem concerned about correcting the harsh injustices the

176. Id.
177. SLEPAK FOUNDATION, 1 THE SLEPAK REPORT 1 (Nov./Dec. 1989).
178. Lotarski, supra note 92, at 2.
180. Lotarski, supra note 92, at 3. The weakness in this argument is that the Slepak Principles are only voluntary and United States companies' compliance will be based on their own volition.
181. Lotarski, supra note 92, at 6.
Soviet government continues to impose upon its people and the potential for United States complicity in those injustices.

Some opponents argue that requiring United States companies to abide by the bills' provisions would put United States companies at a disadvantage because other foreign companies that operate in the Soviet Union do not have the same restrictions. This argument places greater value on the short-term economic profits of businesses in the Soviet Union than on the basic human rights and dignity of their employees. Moreover, these bills will only require United States companies to abide by the same laws that they are subject to at home. United States companies should not be able to locate in another country to avoid United States laws. If establishing United States businesses in the Soviet Union is viewed broadly rather than just as a short-term profit opportunity, the critics' alleged disadvantage may develop into a long-term advantage.

The Slepak Principles bills are designed to "win the respect and admiration of the Soviet people." The United States operates under the basic tenet that all people should be treated equally. Therefore, when dealing with Soviets, whether as employees or as consumers, the United States should live up to this principle and not subject the Soviet people to the same type of treatment that the United States has historically condemned the Soviet government for. Although the Soviet Union in the past has not abided by its own anti-discrimination laws, in this era of glasnost, discrimination by employers may attract unwanted publicity and potential legal problems in the Soviet Union. Therefore, even if United States businesses are solely motivated by profits, they should still be concerned about their discriminatory treatment of Soviet consumers and employees. "If we're after an enduring business relationship with the Soviet Union, our best bet is to place ourselves on the side of the people." If United States companies fail to abide by the basic principles proposed in the Act, they

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183. Potential benefits to United States businesses may include: greater productivity due to higher employee morale; a better image in the eyes of the Soviet citizens; and a more stable marketplace.
185. K. HOBER, supra note 82, at VII.E(i).
186. Goodchild, supra note 43; Hansen, supra note 126, at 460.
may alienate the Soviet people and face boycotts and strikes. Such a public reaction would certainly defeat the United States companies' "competitive edge."

United States companies that fail to help protect the Soviet environment may eventually be disadvantaged. For instance, now that the Soviet Union has shown more respect for its environment, the United States should honor this effort and not contribute to the country's environmental problems. Strong Soviet public opinion exists against any new pollution in the Soviet Union. By participating in an environmentally deleterious joint venture, a United States company might alienate the Soviet people. It would be unfortunate if one of the companies fined or shut down for violating pollution standards was a United States joint venture company. Furthermore, an environmental disaster would attract attention and possibly alienate American stockholders as well as Soviet consumers.

Deputy Assistant Secretary of State, Curtis W. Kamman, argued at the hearing before the Senate Foreign Relations Committee, that this is not the right time to introduce, "highly symbolic legislation that would single out U.S. firms." However, the Soviet Union is currently experiencing a time of great change. These bills would help contribute to the reforms of perestroika and glasnost by encouraging greater compliance with international human rights laws. This, in turn, will provide a better business climate in the future.

Dr. Alexander Slepak responded to Curtis Kamman's comment, stating, "[s]ince when do we have seasons on human rights? Would the State Department feel comfortable telling four million imprisoned slaves in the Soviet labor camps—this is not the season to speak on your behalf?"

Simply because the Soviet Union has improved its human rights record does not mean that violations do not still exist on

188. Id. at 1.
189. Robinson, supra note 141, at 195. Protests over pollution in some cities included a demonstration of 10,000 people against the pollution emanating from a coke-burning furnace in Nizhny Tagil. This plant was later closed in April 1988. UNEP News, Environmental Events Record, § 79, Supp. 1, Dec. 1988.
190. Pomice, supra note 151, at 63. Currently, there is a United States company located in Latvia which is causing an environmental and ecological disaster in that city. SLEPAK FOUNDATION, 1 THE SLEPAK REPORT 4 (Nov./Dec. 1989).
a large scale. Passing the Slepak bills would send a message that the
United States respects the human rights of the Soviet people even in a
business context. "When it comes to human rights and human dig-

nity, the world looks to the Statue of Liberty to lead, and not to
follow."195

United States human rights policies must be consistent around
the world in order to maintain respect in the international commu-
nity. The severe and mandatory provisions of the Anti-Apartheid Act
simply cannot be reconciled with the United States Congress’ failure
to pass the voluntary Slepak Principles Act. The same type of egregious human rights abuses condemned by the Anti-Apartheid Act are
still occurring in the Soviet Union. Furthermore, the mandatory re-
strictions placed on United States-Soviet trade by the Jackson-Vanik
Amendment have been successful in promoting reforms in Soviet emi-
gration practices. The Slepak Principles Act should be at least as suc-
cessful as the Jackson-Vanik Amendment using mere voluntary
restrictions.

Now is the appropriate time to pass legislation laying these prin-
ciples down as a foundation for United States-Soviet joint ventures.196
The United States companies should be aware of these guidelines
before they establish themselves in the Soviet Union. If these bills are
passed after many United States companies enter into these joint ven-
tures, it may be more difficult to persuade these companies to alter
their established policies.

VIII. CONCLUSION

Because the Soviet Union’s economy so desperately needs United
States investment, and because the Soviet government has expressed
an intent to improve its human rights record, the Soviet Union may
be more amenable to accepting the Slepak Principles than some of the
Act’s critics contend.197 Some Soviet officials even admit that the
United States is having an influence on their reforms. One Foreign
Ministry official stated “[w]e are citing the American experience in
our reforms. ... We want our society to be at the level of interna-

195. Id.
196. SLEPAK FOUNDATION, 1 THE SLEPAK REPORT 3 (Mar. 1989); see Hansen, supra
note 126, at 460.
197. Lotarski, supra note 92, at 3. Ms. Lotarski stated that the impact of the Slepak Prin-
ciples would be diminished if the Soviets felt that they were being imposed on United States
companies. Id.
tional standards. We want our society to be civilized."¹⁹⁸ Furthermore, labor activists, environmentalists, and human rights activists in the Soviet Union have endorsed the Slepak Principles. Therefore, it is prudent to immediately implement these principles while the Soviet Union is responsive to United States concern and while the principles would be most effective. The Slepak Principles will encourage liberalism and openness in the Soviet Union and the Baltic states.¹⁹⁹ These principles are also a means of educating the Soviets about how United States businesses operate in a democratic and capitalistic system.

The Soviet government must be reminded that although the Soviet Union has made some human rights progress, much more must be accomplished before the Soviet Union reaches acceptable international human rights standards. Until the Soviet Union makes more substantial advances toward reaching these standards, the United States should not abandon or reduce pressure on the Soviet government. This will reconcile United States-Soviet joint venture policy with existing United States policies toward apartheid and Soviet emigration.

The Slepak legislation will send a message to the Soviet Union that human rights are still an important part of United States foreign policy. The bills’ passage will also familiarize United States companies with the human rights abuses that still exist in the Soviet Union. Hopefully, this will encourage United States companies not to contribute to or exploit these abuses. In light of the passage of more stringent, mandatory laws in furtherance of human rights, the United States Congress should immediately pass both the Senate and House versions of the Slepak Principles Act.

Carolyn M. Sneider

¹⁹⁸ Shipler, supra note 58, at 173.
¹⁹⁹ Hansen, supra note 126, at 460.