

COMMITTEE TO OPPOSE BANK LOANS TO SOUTH AFRICA

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Bank Campaign Builds Strength

On January 22, twenty organizers met in New York city to formulate goals and strategies for the ongoing US campaign to stop all bank loans to South Africa.

It was agreed that:

- The campaign should force US banks to stop making new loans and to stop renewing old loans to South Africa.
- It should force banks to issue explicit public announcements stating they will make no new loans and they will not renew old loans until the apartheid system is dismantled and majority rule is realized in South Africa.
- The campaigns should force US banks to stop financing US corporate investment in South Africa and to stop facilitating trade with South Africa.
- Pressure should be exerted to insure that the US government's Export Import Bank stops guaranteeing, insuring, and discounting loans from US banks to South African corporations seeking to buy US products.

These goals should be accomplished in relation to ongoing campaigns to stop all US corporate investment in South Africa—campaigns to isolate the South African state from the capital investment and vital cash flow necessary to intensify its subjugation of the African population.

Key dates picked for actions to build the bank campaign were March 21—the commemoration of the Sharpeville massacre, and June 16, the day on which the Soweto uprising in 1976 began.

March 21 demonstrations were planned to take place at the headquarters of branches of banks making loans to South Africa in several major cities. People were urged to close their accounts at these banks. Large institutions already in the process of closing out their accounts were asked to complete the process and make a formal announcement on that day.

In New York, Chemical Bank was chosen as a major organizing focus. The recent Senate report on US involvement in SA has referred to Chemical as one of the major lenders to South Africa.

Lending is dominated by key giant commercial banks like Bank of America, Chase Manhattan, and Citibank. But many smaller regional and local banks have also been involved, often through transactions linked to the US government Export Import Bank.

Size of US Bank Loans

According to the Committee to Oppose Banks Loans to South Africa, US banks have lent more than \$3 billion to South Africa since 1974. Much of this money has gone directly to the government, or to government controlled corporations, which play a crucial role in the economy, and include ESCOM (Electricity Supply Commission), ISCOR (Iron and Steel Corporation) and SASOL (South African Coal, Oil and Gas Corporation).

Maintaining a constant flow of capital into the country is vital for the Pretoria regime, which desperately needs the foreign currency to buy oil, defense equipment, and a wide range of other equipment which will help build self-sufficiency now, so that the economy will shake off its vulnerability to foreign sanctions.

Building the Committee

There are now active local groups working on the bank campaign in at least 11 centers in the US, in Boston, Chicago, Cleveland, Charlotte, Milwaukee, Minneapolis, New York, Philadelphia, Pittsburgh, Rochester and San Francisco. Many other groups, like trade unions, church and community organizations, and students have also begun to organize around the issue.

Work has been co-ordinated by a small staff in New York; Gene Jones, of Clergy and Laity Concerned and Prexy Nesbitt of the American Committee on Africa. These two have carried primary responsibility for the mobilization which has built the wide coalition of many groups working together as the Committee to Oppose Bank Loans to South Africa.

When *Southern Africa* talked to Prexy Nesbitt in New York he was being given what he termed "invaluable assistance" by Beata Klein, a Bennington student working with him as an intern. From the piles of queries stacked up on her desk to be answered,

and the constant ringing of the telephone it was obvious that a major problem was the need for help. But, unlike the banks with their infinite funds for apartheid, the bank campaign is operating in a very finite, almost non-existent budget.

Actions—National and International

Nevertheless the achievements have been significant. When the twenty organizers met in January they came from all over the United States—the campaign has really spread. Equally important was the presence of active representatives from the Canadian and British campaigns. The banks operate multi-nationally, ignoring national boundaries; in addition, they operate in groups—a British, a West German, an American bank will all participate in one loan. Ending the flow of capital to South Africa means turning the taps off in all the major western lending countries; it also means being able to check the flow of so-called offshore money from the uncontrolled American branch banks in the Caribbean.

This challenge is being met by the widening involvement of groups internationally around bank actions in their own countries. Thus in Britain 200 branches of Barclays Bank were picketed March 1 as a first step in a campaign which aims to get 10,000 accounts withdrawn from that bank.

Members of an Irish teachers' union are calling on their congress to resolve not to hold money in banks lending to South Africa; Caribbean groups are seeking out the networks which channel funds to South Africa; Canadian banks are being confronted; each week brings news of new areas of activity.

US Victories

The US Committee has used a two-pronged strategy, designed both to reach individuals, who often then become new organizers while at the same time seeking action from major institutions and organizations, such as trade unions, churches, universities.

There have been notable results, including some sizable withdrawals of funds.

Several labor unions have voted to withdraw funds. They include: the Furriers Joint Council, the United Electrical, Radio and Machine Workers of America, and the Fur, Leather and Machinist Workers Union. The executive board of the United Automobile Workers has endorsed the campaign voting "to withdraw UAW deposits in American banks that are loaning money to South Africa." District Council 31 of the Steel Workers—the largest local in the United States—voted to endorse the campaign, as did the pension fund trustees of the National Union of Hospital and Health Care Employees (District 1199). In a resolution the fund decided to ban investments that aid South Africa; announcing the decision, union president Leon Davis described US loans and investments that prop up South Africa's repressive regime as "an insult to all Americans."

Some religious bodies including the National Council of Churches, the New York Conference of the United Methodist Church, and the National Conference of Christians and Jews have also decided to take action in support of the campaign. But in general this sector of the community, particularly at the higher institutional levels, seems to have responded slowly to a challenge that basically calls for an examination of the morality of the use of large sums of money. Local churches have taken up the issue with greater enthusiasm. In early December, five church organizations—the Association of Chicago Priests, Church Women United in Greater Chicago, the Chicago Disciples Union, the Northern Illinois Conference of the United Methodist Church, and the National Council of Churches—announced the withdrawal of funds from Continental Illinois and First National Chicago.

Important national organizations have also begun to respond to the campaign. In January the National Association for the Advancement of Colored People (NAACP) called for a total withdrawal of US business from South Africa, and specifically called on individuals and organizations to withdraw funds from banks making loans to South Africa.

Other developments are characterized by the actions of the Davis Coalition on South Africa in California; citizens are being asked to vote in an official referendum which aims at establishing a task force to begin the divestment of city funds from banks and corporations doing business in South Africa; this would also raise the question at the State legislature level.

Corporate Campaigns

An important element in the growth of the bank campaign has been the close liaison with groups working on the question of US corporate investment in South Africa. The fundamental issues raised are the same, and in many places the decision not to have money in banks that lend is being coupled with a decision not to have money in corporations that invest in South Africa.

The organizing done around the issue of US aid for apartheid has also succeeded in raising a wider set of issues for many groups. Thus union members have begun to consider the contradictions frequently involved in the way in which, for instance, their pension fund money is invested in maximum profit ventures, without any consideration of social responsibility. Questions of who controls funds, and how, are beginning to be examined.

Problems to be Faced

As outlined, the campaign, barely a year old, has had many successes. The meeting of organizers also examined what they felt to be failures or weaknesses in their work. It was agreed that not enough effort had been put into taking the campaign "onto the street." Ultimate success for the campaign depended on being able to get the message to community groups throughout the country. This can only be achieved if people come to understand the living connections between issues like the banks' redlining and discriminatory anti-minority, anti-black, anti-women hiring practices in the US and their role in relation to South Africa. □

ORGANIZING RESOURCES

"The ABC's of Bank Loans to South Africa: A Primer." A 20-page pamphlet put together by CALC, the American Committee on Africa, with help from economists at the University of Massachusetts. This pamphlet is available from CALC or ACOA.

"Bank Profiles: The Specifics of Known Loans to South Africa." A 30-40-page mimeo listing of all known loans bank-by-bank throughout the United States. This is available from CALC or ACOA.

On January 25, 1978, Senator Dick Clark held a press conference at which he released a study of US banking as it relates to South Africa. This report was prepared by William Raiford of the Congressional Research Service. It is available from the Subcommittee on African Affairs of the Committee on Foreign Relations, Dirksen Senate Office Building, Room 4229, Washington, D.C. 20510.

The Interfaith Center on Corporate Responsibility will compile the shareholders resolutions filed with banks and other corporations doing business with South Africa. This is available from ICCR, 475 Riverside Drive, New York, NY 10027. Also available from ICCR will be a compilation called "What Banks Say," excerpts from letters which are banks' responses to questions and criticisms of bank loans to South Africa.

South Africa and US Multinational Corporations by Ann and neva Seidman provides an excellent overview. It was published in January, 1978. Available from Lawrence Hill and Company, 24 Burr Franks Road, Westport, Conn. 06880. \$4.95. Also available from ACOA.

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