

THE WASHINGTON OFFICE ON AFRICA

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June 12, 1989

Dear Friend:

Your Senator, Donald Riegle, chairs the Senate Banking Committee. In the battle for comprehensive sanctions against South Africa, his vote has emerged as pivotal. Senator Riegle has not expressed opposition to H.R. 21/S. 507, the comprehensive sanctions bill introduced by Senator Paul Simon and Representative Ronald Dellums, but he has not co-sponsored the measure nor has he made statements to indicate his support.

As the Banking Committee Chairman, Senator Riegle will have a large impact on the clauses in H.R. 21/S.507 related to loans and trade credits to South Africa. Right now, U.S. law prohibits the introduction of new loans to South Africa, except for short term loans referred to as trade credits. At the present time, then, South African exports and imports are being financed by either these short-term credits or pre-existing loans that were in effect before the Anti-Apartheid Act of 1986. Some large banks, such as Citibank and Manufacturers Hanover, have extended their medium-term loans to South Africa, thereby easing the financial squeeze on the apartheid economy. Congress must pass a law to prohibit changing the terms of loans already existing and to end the exemption of trade credits from the 1986 law's definition of the word "loan." This would be a crucial step in bringing the white regime to the negotiating table. As the Chair of the Banking Committee, Senator Riegle's support of such a law is critical. either promote or restrict this sort of legislation.

The bill, H.R. 21/S. 507, is identical to the one introduced last year by Representative Dellums and Senator Cranston. It is an important vehicle for beginning the debate for the strongest sanctions possible. Included in the bill are specific clauses that would force U.S. companies to disinvest responsibly from South Africa. While we applaud the recent Mobil pull-out from South Africa, we are deeply concerned by the company's lack of negotiations with black trade unions. H.R. 21/S. 507 would mandate that companies negotiate with their workers in order to reach a fair settlement for these employees. The disinvestment of U.S. corporations would further remove our country's support for apartheid by cutting off tax dollars U.S. companies pay to the apartheid government, barring the reinvestment of profits made in South Africa, and denying technical expertise.

SENATOR RIEGLE NEEDS TO HEAR FROM YOU NOW REGARDING THE SANCTIONS ISSUE!

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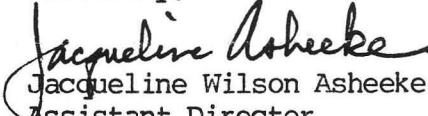
Grassroots pressure will be vital in convincing Senator Riegle to support the Dellums-Simon bill. You can contact his Washington office at 105 Dirksen Senate Building, Washington, DC 20510, or by phone at (202) 224-4822. His local offices are located in Detroit, Warren, Grand Rapids, Flint, Traverse City, Lansing, and Marquette; they can also be contacted.

When contacting Senator Riegle's office, identify yourself and any organization (church, union, local political groups, etc.) that you are affiliated with that might give your letter more consideration. In your letter, express your unhappiness with the Senator's lack of support of S. 507, and urge him to support and co-sponsor the bill. Express your concern that short term-credits are continuing to prop-up the apartheid system. Gently remind him that you will be watching closely his actions on this issue. Mention also that that continuing economic involvement in South Africa sends a message to the white leadership in Pretoria, one that says that the status quo of apartheid is acceptable. Express your outrage that U.S. institutions are paying taxes to the South African government which help it to continue its widespread oppression, and extending loans and trade credits that allow the South African economy to operate as it always has - at the expense of the country's majority. Finally, be sure to let him know that you advocate the strongest possible sanctions against South Africa, and that this is the most effective way for the United States to help bring an end to Apartheid. Please refer to the Action Alert enclosed for more information.

Do not feel that your letter or call is ineffective; on the contrary, Senate offices are watching their constituents closely and counting letters with regard to this issue. If you receive a reply from the Senator's office, we would appreciate a copy of it so that we can better keep track of his position. If you have further questions about H.R. 21/S. 507, please contact our Africa Hotline at (202) 546-0408, or our office directly at (202) 546-7961 and we will do our best to address your concerns.

Thank you very much for your time and consideration.

Sincerely,


Jacqueline Wilson Asheeke
Assistant Director

Enclosures
JWA:dq