

Bay Area banks boycotted

Groups campaigning to end loans in South Africa

By Mark Jacobson

"The more South Africa can attract outside investment, the more allies it obtains. Far from undermining apartheid, foreign investment's contribution to expanding the South African economy makes intensification of exploitation on racial grounds more inevitable." — Julius Nyerere, President of Tanzania.

One Friday last November, 2000 people carrying one-quarter million leaflets descended upon Bank of America branches throughout California. Thousands of depositors stopped and listened to these volunteers explain how Bank of America is not only the largest California investor in South Africa, but also, how it has a notorious record of neglecting inner city needs here in the United States.

Depositors were urged to withdraw their savings from Bank of America. They were given the names of other local banks — banks that do not loan money to South Africa and that have a better record of serving local communities. As a result of this single day's effort, more than 700 individuals closed their Bank of America accounts. One leafleter commented, "When the average person finds out what's going on at the other end of the planet, their actions change."

Growing movement

This was but one example of a growing national movement. Banks granting loans to South Africa have been targeted for a

withdrawal campaign by church, labor, school, and community organizations throughout the U.S. and Canada. Their goal is to end loans to South Africa and to get banks to make an explicit public commitment that they will not make such loans in the future. Their strategy is to persuade organizations and individuals to withdraw their money and place it in allegedly more socially responsible financial institutions.

As a result, savings accounts are being closed, pension and health funds are being reinvested, stock of corporations doing business in South Africa is being sold, and bonds floated by South Africa are being refused. Hundreds of millions of dollars have already been withdrawn from banks and corporations doing business in South Africa.

Some of these funds belong to the following organizations: National Council of Churches, NAACP, YWCA, United Auto Workers, AFL-CIO, Canadian Union of Public Employees, and National Union of Hospital and Health Care Employees. Notably, four major eastern, and midwestern banks have adopted a policy of no more loans to South Africa. There are many more too numerous to list.

Stop Banking on Apartheid (SBOA), is the California-based participant in this campaign. This coalition of religious, military, university, high school, and trade union groups meets monthly to plan activities throughout the state.

While the Bank of America is by far the largest lender to South Africa, SBOA recognizes the role played by eight other California banks: Crocker National, Security Pacific, United California, Wells Fargo, Sumimoto, French, Union and Chartered Bank of London. Their alleged local discrimination is being publicized: redlining activities, deficient affirmative action practices, denial of their employees' right to unionize, and their use of public and private pension funds to support corporations operating in South Africa.

SBOA is recommending local banks which they feel have a better record of serving the communities in which they operate. These include: Hibernia, Western Women's, First Enterprise, Security National Central, and Mechanic's.

Why end loans to South Africa?

Today in South Africa a government elected by 4.2 million whites controls the lives of 21.7 million blacks. The government's policy, apartheid, is to create ethnically separate reserves dependent upon and regulated by white interests. Most blacks live in abject poverty in urban slums or "homelands" in the countryside.

They are denied the right to organize to improve living and working conditions and are subject to a pass system which severely restricts their travel in their own country. Virtually all blacks hold low paying, un-

Is your bank being boycotted for making loans to South Africa?

YES

NO

Bank of America
Crocker National
Security Pacific
United California
Wells Fargo
Sumimoto Bank
French Bank
Union Bank
Chartered Bank of London

Hibernia (S.F.)
Western Women's (S.F.)
First Enterprise (S.F. & East Bay)
Security National (East Bay)
Central Bank (East Bay)
Mechanic's Bank (East Bay)

Courtesy of STOP BANKING ON APARTHEID

skilled jobs and are provided with an educational system designed to limit their acquisition of training. South Africa's whites, on the other hand, enjoy one of the highest standards of living in the world.

There now is widespread, growing resistance to apartheid within South Africa. To insure white economic, political, and social dominance, the South African government has dramatically increased its military spending. When direct, foreign corporate investments slowed down after the Soweto uprisings in 1976, foreign banks stepped in to provide the critical underpinning to South Africa's economy. North American banks alone have increased their loans from \$1 billion to \$3 billion since 1976, surpassing direct U.S. corporate investment in South Africa.

President Carter and UN Ambassador Andrew Young

support continued U.S. investment in South Africa, arguing that greater U.S. business involvement will lead to gradual changes in the apartheid structure.

U.S. banks use the same argument in defending their loans. According to Bank of America president, Tom Clausen, "Our national objective should not be to isolate South Africa, but to bring it into harmony with the social values of the democratic nations. Continued commercial ties play a role in this process."

But there is no evidence that U.S. loans are having any effect other than supporting the apartheid government. Foreign investment in South Africa has not thus far challenged the apartheid system or resulted in any changes. In fact, repressive legislation in South Africa has increased in the last two years just as U.S. loans have increased.

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Peasants protest in South Africa.

The United Nations, black South African leaders, and even white South Africans opposed to apartheid are urging all nations to economically cut off South Africa from the rest of the world. They argue that foreign investments provide the apartheid government with badly needed support.

Loans to South Africa also

provide U.S. banks with big profits. The Washington-based Investor Responsibility Research Center in an April 1976 report notes that the return on U.S. investment "has been higher in South Africa than in most developing and many developed countries."

Stop Banking on Apartheid

has developed a multi-faceted campaign to stop these loans. Besides leafletting at banks, they mail out information packets and have an educational slide show on South Africa that is being shown throughout the state. One effect of their work has been the withdrawal and reinvestment of \$3 million in student funds

at U.C. Berkeley, San Diego State, Sacramento State, and San Jose State.

SBOA's future plans center around more mass publicity. Bank of America's and Wells Fargo's annual meetings to be held in the Bay Area in April, and a day of church concern.

SBOA volunteers are also working on an initiative cam-

paign in the city of Berkeley. They are soliciting signatures for a "responsible investment ordinance" to be on the April ballot. The proposed ordinance requires the city of Berkeley to withdraw its money from banks doing business in South Africa and to set up a citizen's committee on investment which "will take ethical, social, and economic considerations into full account."

For more information about SBOA, write to 2160 Lake Street, S.F., Ca., 94121 or call 752-7766.



Groups feel that investments and loans to South Africa are keeping apartheid alive.