New York, New York---The organization leading the campaign for withdrawal of funds from making loans to South Africa today issued a response to recent announcements by seven major banks not to lend to the South African government. The banks which have issued similar statements are Citibank, Chemical Bank, Continental Illinois Bank, First National Bank of Chicago, Northwestern National Bank of Minneapolis and First Wisconsin Bank.

The Committee to Oppose Bank Loans to South Africa (COBLSA), with affiliates in 9 cities and 55 participating national and local organizations, termed the banks' announcements "a significant concession", but said the statements "fall far short of the objectives of the campaign which seeks an end to all loans to South Africa".

A COBLSA spokesman, PREXY Nesbitt, Associate Director of the American Committee on Africa commented, "The banks have no intention of ending financing for corporations in South Africa, which are the backbone of South Africa's racist apartheid system."

Nesbitt also charged that the banks have made no commitment to stopping financing the $1 billion a year in trade to South Africa, which made the U.S., South Africa's chief source of imports in 1975 or to ending their current loans to the South African government and its parastatal corporations.

COBLSA noted that the banks' statements do not unequivocally state they will not lend to South Africa. It is unclear whether they are merely stating their current economic judgment about loans to the South African government or taking a stand against financing South Africa until the demise of the racist apartheid system. The statement also notes that the banks have not gone as far as other large banks which have in the past sold off their involvement in loans to government-controlled corporations in South Africa.

"Our campaign seeks an end to all loans and financing for South Africa by American banks...We call on these banks to adopt this position" the COBLSA response concludes.

The statement was issued on behalf of the American Committee on Africa and Civil Rights & Liberty Concerned, who comprise the national coordinating center for COBLSA.
MARCH 24, 1978

STATEMENT OF THE COMMITTEE TO OPPOSE BANK LOANS TO SOUTH AFRICA IN RESPONSE TO RECENT STATEMENTS BY CITIBANK, CHEMICAL BANK, CONTINENTAL ILLINOIS BANK, FIRST NATIONAL BANK OF CHICAGO AND NORTHWESTERN NATIONAL BANK OF MINNEAPOLIS CONCERNING LOANS TO SOUTH AFRICA

Recenty, six major banks have issued public statements which report that they are not currently undertaking loans to the South African government or government-controlled corporations. While these statements represent a significant concession, in response to the growing number of trade unions, churches, groups and individuals who have withdrawn their funds from these banks, they fall far short of meeting the objectives of the national bank campaign which seeks an end to all loans to South Africa.

1) The new statements make clear that the banks have no intention of discontinuing lending to U.S., European, or South African corporations which are the backbone of apartheid exploitation.

Contrary to the claims of the banks, loans to the private sector do not promote economic opportunity for the black majority in South Africa. For example, in June 1977, Citibank advanced $60 million dollars for a joint mining venture headed by the Phelps-Dodge corporation and Consolidated Goldfields of South Africa. This loan is helping to finance an industry notorious worldwide for the gross disparity in wages between black and white miners and an unparalleled number of work-related deaths and accidents. The wage disparity between white and black miners averages 5 to 1, while on average 8 miners, over 90% of them black, die on each shift in South African mines.
2) None of the banks have ruled out financing trade between the U.S. and South Africa.

South Africa purchases over $1 billion worth of U.S. goods each year. This trade provides the critical edge of technology which helps keep South Africa's vicious apartheid machinery running efficiently. For example, despite the U.S. vote at the United Nations for a mandatory arms embargo against South Africa, the U.S. government is licensing the sale of light aircraft and helicopters to South Africa which are easily convertible for military use. U.S. banks finance these transactions.

3) Banks which have South African subsidiaries, such as Citibank, are required by South African law to place a portion of their assets in "prescribed investment" (i.e., government financial instruments). Citibank's claim not to finance the South African government is hypocritical.

4) The statements issued by the banks are equivocal. A closer reading of most of the statements indicates their claim that they are not currently lending to the South African government. However, there is no clear indication whether this is bank policy until the ending of apartheid, or merely a statement of current fact. The banks do not unequivocally state they will not lend to South Africa. It is an open secret that the South African economy is in terrible condition at present, hence it is unclear whether the banks' new statements are merely restating their current economic judgement about loans to South Africa, or taking a clearcut stand against financing apartheid.

5) The banks' statements fall short of what other major banks have done in the past. For example, in 1973, First Pennsylvania Bank, the largest in the state, adopted a policy against loans to the South African
government and corporations, while Maryland National Bank and Merchants Bank of Indianapolis divested their loans to government-controlled corporations in South Africa. None of the banks issuing new statements have assumed similar commitments.

6) COBLSA's objective is clear and simply understood. Our campaign seeks an end to all loans and financing for South Africa by American banks. Our position is consistent with the position of the liberation movements of South Africa (recognized as the representatives of the black majority), the Organization of African Unity, the United Nation's General Assembly and numerous groups such as the World Council of Churches. We call on these banks to adopt this position.