November 14, 1977

This is a brief note going only to people actively involved in the stop bank loans campaign. (A list of names and addresses is appended.)

The campaign to oppose bank loans to South Africa seems now to be gaining substantial momentum. We are having some impact and that's a good feeling. Recent articles in the South African press have been citing with regularity the bank campaign (see for instance the attached copy of the October 15, 1977 Johannesburg Star). Additionally it has been reported (Financial Times, October 7, 1977) that the European American Banking Corporation, partly owned by Britain's Midland Bank, "will no longer grant credits to South Africa except for the financing of current trade".

This is not, however, the time for us to slacken up, but to intensify our efforts. The current draconian attacks by the South African government against organized black movements may well be followed by a heightened effort by the South African government to procure new capital.

We also should not forget the question of offshore loan activity. A recent article of the New York Times places the current value of offshore loan flow at $75 billion. If anyone has done concrete research on this question, please get in touch.

-- Bank Loans Senate Report - By the time you receive this letter - the Senate Africa Subcommittee report on bank loans to South Africa, available at no cost, should be ready. Written by Bill Peiford, it is very useful and we should flood the Senate Foreign Relations Committee with requests so that they run off more than the projected 1,000 copies. The report is part of a longer piece called "U.S. Corporate Interests in South Africa". It is available from:

Subcommittee on African Affairs
Committee on Foreign Relations
United States Senate
Room 4229
Dirksen Senate Office Building
Washington, D.C. 20510

-- Export-Import Bank Hearings - The Export Import Bank Hearings will begin early 1978. We can and should put more pressure on the Exim to discontinue the insuring and guaranteeing of commercial bank loans to South Africa. One way we can do it is through a letter writing and visitations campaign. The President of Exim is John Moore (Washington, D.C. 20571). Letters can go to him or to Congressman P. Mauquere (D-N.J.) who recently introduced a bill to
prohibit Exim from any longer guaranteeing loans to South Africa. A recent letter from Exim gave the following information:

"As of August 31, 1977, Eximbank exposure in South Africa was --

- Financial Guarantees......$105.5 million
- Regular Bank Guarantees... 59.5 million
- Medium Term Insurance..... 25.2 million
- Short Term Insurance...... 24.9 million

($215.2)

Total Expense.......$215.1 million

"There is no exposure under the loans program because Eximbank does not extend loans for U.S. exports to South Africa."

(A brief note: Somebody in Exim can't add. The figures total 215.1 not 215.2. But we'll tackle that problem after the support for South African apartheid is terminated.)

The Congressional Black Caucus has presented to the Carter Administration the following recommendation:

Support elimination of Export Import Bank guarantees for loans to U.S. companies trading and investing in South Africa. This is especially critical to stop the advanced technology goods flow into the country.

- Can we please be provided with some feedback on the idea of national bank withdrawal demonstration on March 21st. (possibly followed by another on June 18th) What do you think of the idea? Who and what areas can participate? We need to start mobilizing (yesterday) for this possible activity.

- Enclosed is a copy of the recent National Council of Churches resolution. It provides a good organizational opportunity for mobilizing more individual churches and demonstration into the campaign. The current wave of more regular media coverage of South Africa also provides a good moment for more mass-oriented mobilizations. With the feathered bird season and Christmas both approaching, we might think about regular leafletting at banks, main offices and their branches.

Enclosures: 1. Name and address list
3. National Council of Churches announcement
4. Photocopy - Chicago demonstration
5. The Rochester Declaration

A luta continua

Prexy Nesbitt, ACOA
Gene Jones, CALC