Ten years ago, participation by several large American banks in a $40 million revolving credit to South Africa prompted ACOA to lead a campaign of protest which continued until the credit was terminated in 1969. Now, in the face of new and increasing U.S. loans to the minority regime and to large enterprises in South Africa, ACOA has once again moved to the forefront of opposition.

This time the call for action is more urgent and is nationwide in scope: current estimates put US loans to South Africa at more than $2 billion, while participating banks have grown from a few major lenders to include a growing number of regional banks. The need to research such participation — and to oppose it where found — offers important opportunities for action at the local level.

A Committee to Oppose Bank Loans to South Africa, whose formation was initiated by ACOA with the assistance of various staff members, has announced its intention to mobilize action groups as possible around the country to work for an end to U.S.-South African banking connections. Action groups have already been formed in cities including Boston, Chicago, Los Angeles, San Francisco and New York City, and 40,000 brochures describing the campaign have been distributed nationally.

**GROUPS INVOLVED**

Members of the Committee in addition to ACOA include Clergy and Laity Concerned and the American Friends Service Committee. Other organizations working with the committee include the Amalgamated Meatcutters and Butcher Workers of North America, the Furriers Joint Council, and District 1199, National Union of Hospital and Health Care Employees (AFJC).

The Committee is calling on individuals and institutions to withdraw funds from banks involved in South Africa loans while at the same time pressuring banks to cease their loan activity. The Furriers Joint Council has announced that it will withdraw more than $11 million in pension and welfare funds from one bank with South African ties, while three other unions are expected to make similar moves shortly.

The New York Annual Conference of the United Methodist Church has called for encouragement of withdrawals by congregations and members. In a resolution approved unanimously, the conference approved the withdrawal of its own funds from Chase Manhattan, Citibank, Morgan Guaranty Trust, and Manufacturers Hanover Bank, noting that "sizable loans by US banks serve to provide financial support and lend moral legitimacy to South Africa's apartheid government and its repression of the democratic aspirations of its black majority." A similar resolution calling on its member congregations to withdraw funds has been put before the New York conference of the United Church of Christ. One bright spot in the banking picture is an ambiguous statement by the Amalgamated Bank of Chicago that it does not and will not grant loans to South Africa because of its opposition to apartheid policies.

**AIDS AVAILABLE**

A research arm of the Committee has prepared a guide on how to investigate a bank's possible involvement in South Africa loans which details steps including examination of annual reports and contacting of bank officials. It will also publish by mid-August an essay describing the process through which international bank loans are made.

Copies of the research guide and additional information on the bank campaign are available through Presby Nesbitt, ACOA executive associate, and through the following regional bank campaign centers: Boston - Boston Coalition for the Liberation of Southern Africa, P.O. Box 101, Boston, Mass. 02123; Chicago - Chicago Coalition on Southern Africa, 8th Day Center, 22 E. Van Buren, Chicago, III. 60605; Northern California - ICER, 870 Market St. #770, San Francisco, CA 94102; Southern California - c/o Thompson, 5925 Canterbury, Apt. 101, Culver City, CA.
Boycott of apartheid banking launched

NEW YORK CITY (MFP) — An estimated $3 billion in loans from US banks is providing a crucial financial underpinning for the white-settler apartheid regime in South Africa. The American Committee on Africa, a citizens group that has called people to withdraw their savings from banks dealing with South Africa.

The settler regime in South Africa is facing a growing economic crisis. The price of gold is unstable, there is an 11% inflation rate, and the regime was forced to adopt a harsh austerity program.

As the economic crisis deepened, investors are keen to take their money out of South Africa. The net outflow of capital, $640 million in the first quarter of 1976, became a monthly outflow of $4.4 million by the third quarter. At the same time, the apartheid regime was increasing its military spending to 42% above 1976.

To meet this financial shortfall, the South African regime sought massive foreign loans, and US banks were in the front ranks. Senator Richard G. Clark (D-Iowa) estimates that US banks have lent almost $2 billion to the apartheid regime.

For example, Citibank participated in several loans during 1976 that totaled $438 million. The funds went to various apartheid regime-controlled corporations.

A bank consortium headed by Citibank also made a $110 million loan directly to the white-settler regime to help it balance its payments problems.

OTHER BANKS participating in the consortium include Chase Manhattan, Manufacturers Hanover, Morgan Guaranty, First National of Chicago, Continental, and the Bank of America.

Oliver Tambo, acting president of the African National Congress (ANC), said, "The ANC has long called for the ending of all foreign capital investment in South Africa. Companies are not motivated by the desire to bring employment to the African people... (but) largely by considerations of profit, their share of the market, and the sources of the raw materials supplies they require."

Similarly, the Pan Africanist Congress (PAC) states, "PAC abhors and denounces the continued investments of multinational corporations in South Africa."

For these reasons, William Enck, president of the American Committee on Africa, has called "organizations and individuals to withdraw accounts from US banks making loans to racist South Africa."

"In the fact of an economic crisis," said Dahm, "We believe that the American people learn more about the systematic violation of human rights imposed by the South African government on the majority of South Africans," he declared, "public indignation will mushroom and convince the banks that profiteering based on racial exploitation is unpatriotic, immoral and plain bad business."
Two banks here target of protest

A campaign to persuade Chicago's two largest banks to stop doing business in South Africa has been launched by a coalition of 20 religious and civil rights groups.

The Rev. Charles Dahm, a spokesman for the group, said Continental Bank and First National Bank should stop doing business in South Africa because of that nation's racial policies.

Father Dahm said the coalition will attempt to set up a boycott of the two banks.

Religious groups seek to boycott 2 largest banks

By ROBERT McCORRY

A campaign to convince the public to withdraw savings from Chicago's two largest banks, First National and Continental, has been launched, under the direction of a coalition of religious groups.

The group called on the banks in a press conference at a press conference at the Chicago Temple, 414 W. Washington, on the first anniversary of the start of riots in South Africa's Soweto township.

First National and Continental explained that such investments are financially "sound" and should not be considered an approval of South African apartheid. The religious groups labeled the explanation "absurd and illogical."

Speaking at a press conference to announce the boycott, Father Charles Dahm said, "South Africa is facing an economic crisis. He asked whether the price of gold is unstable, the inflation rate is rising, the trade deficit is critical, black unemployment is high, and racial tensions are so severe that the government is rapidly increasing its defense spending. "In the face of this crisis," said Dahm, "U.S. banks have come to the rescue of the South Afri
can government."

First National and Continental, he said, are among the largest lenders.

In addition to convincing the banks to halt investments, Dahm said the campaign will also try to persuade the banks to stop selling to Krugerrand, the much advertised South African gold coin.

"We believe that as Americans people learn more about the systematic violation of human rights imposed by the South African government on the majority of South Africans," he declared, "we will consider that golden ingot will not only be tarnished but one of the banks that profits from this exploitation is unpatriotic, immoral and plain bad business."
In the sprawling black South African township of Soweto, June 10 emerged in anger and sorrow. On that day last year, police fired upon a demonstration of more than 10,000 students protesting a decree making Afrikans the language of instruction in their segregated schools. Eyewitnesses claimed that several children were killed in the first volley. Riots ensued and spread to other areas. According to official figures, 170 people were killed and more than 1,100 were wounded; it is widely believed that the count is too conservative.

In that same war, the Pretoria government has relied upon a show of force and massive arrests when black anger has boiled over. This time, despite such tactics, Soweto did not cool off. Racial outbreaks continued, including a riot on May 1, when the government announced plans to increase rent hikes in state-owned housing.

As the anniversary of the June 1976 riots approaches, still dozers of Soweto's students called on workers to remain at home for two days in commemoration of last year's deaths. Thursday, June 10, began with two explosions that damaged the commuter rail line between Soweto and Johannesburg. Many of the township's cars were from work, electing instead to attend memorial services in Soweto's churches and community centers.

Throughout the day, groups of youths gathered on streets and roadsides, dispersed by police using tear gas. In the evening, students erected roadblocks in major thoroughfares of Soweto. Police claimed that youths threw stones from behind the barricades forced them to open fire. At least 11 people were wounded in the firing; two were reported to have died from their injuries. And across the world, in Cambridge and Boston, Soweto was remembered as well. Participants and guests at Harvard University's June 10 graduation ceremonies were met by students wearing white armbands and distributing leaflets protesting the school's investments in South Africa. Later that same day, demonstrators gathered outside the offices of the First National Bank of Boston to protest the more than $1 million in loans granted by the First's South African subsidiary.

The Harvard and First National Bank demonstrations are indicative of the discrimination in this country that apartheid has taken. In recent years the focus has been on the policies of US companies with investments in South Africa and on the institutions issue. But they have invested in those companies. The battle is being joined through shareholder resolutions calling for divestment of holdings in South African subsidiaries.

Some US corporations are active in South Africa, and their investments total more than $1.5 billion. Many are among the largest companies in the US, including 12 of the top 50 and 55 of the top 100 in Fortune's list of the 500 biggest concerns in this country. Some, like General Electric, have been in South Africa since 1903. And the government is too old to turn the century; others have established branch offices only recently. In addition, there are an estimated 6,000 companies doing business with South Africa through agents.

If South Africa can offer unusual opportunities to US companies, it provides problems as well. "To live within the laws of many nations while at the same time trying to follow worldwide corporate policies that are both just and consistent is a task which Xerces managers face every day," according to Xerox chairman Peter McCollough. But the problem, he continued, "is nowhere more apparent than in South Africa, where extremely complex and restrictive racial laws have enormous impact on employment, property and wealth-sharing conditions."

Simal Houghton, personnel officer for General Electric, adds in unintentional understatement, "The situation in South Africa does not lend itself to equal opportunity."

US companies in South Africa have evolved a simple answer to the moral questions their operations pose. American businessmen, they say, are a force for change in South Africa. "Within the limits of law" they are pursuing enlightened employment policies that will raise the income and status of black and other non-white workers. Economic development, they say, will bring social change, and besides, if US companies withdraw their business because of opposition to apartheid they will not be replaced by "less progressive" concerns.

Many laws circumscribe labor-management relations in South Africa. The Industrial Conciliation Act, for example, defines the term 'employee' as to exclude blacks. It prohibits their membership in registered trade unions and, by specific provision, makes it illegal for them to work in government institutions that have established the route for becoming a 'skilled worker' while at the same time non-viability conditions that exclude black workers from apprenticeship or training.

The Mines and Works Act also limits the type of jobs available to blacks by requiring certification of companies for employment. Such certifications are not generally given to blacks. In the mining industry, for example, blacks may not be mining, but only under the supervision of a white miner with a temporary certificate. Additionally, a variety of statutory laws mandate separate facilities - eating, toilet, recreation rooms - when blacks and whites work together.

And beyond the specific laws is a whole range of customs inhibiting the advancement of blacks. The latest effort to restrict promotion to salesmen front-office jobs, for this would bring them into contact with white customers.

Within these restrictive structures, have US corporations indeed been a "force for social change" through the employment and workplace policies they pursue? This question was addressed in a report, "Labor Practices of US Corporations in South Africa," released last year by the Washington-based Investor Responsibility Research Center Inc. (IRRC). US companies in South Africa, the report concluded, are "not uniformly promot[ing] salesmen front-office jobs, for this would bring them into contact with white customers."

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come victims of "white-purchase" and "white-living," and end up with greater debts than they had even when their wages were lower." As for equal pay for equal work, some companies simply said that it didn't make sense under "current market conditions"—a shortage of skilled white workers and a surplus of black laborers.

The "fragmentation" of jobs has become commonplace. Blacks are sometimes promoted into positions similar in substance but not in title to those held by whites, although the work is essentially the same, the wages are different. "Proponents of job fragmentation," the report states, "argue that it satisfies workers of all racial groups. The blacks regard a fair wage, they maintain, and more positions are opened up to blacks. The fact that white workers are regularly making higher wages for similar work should be disregarded. No wage scale because the white jobs are highly individualized and limited availability."

Though improved recruitment and selection of blacks are seen as necessary by many companies, too, have instituted social programs. Some say their efforts are impeded by government restrictions, others say there are enough whites to meet their needs, especially in white-collar jobs.

Promotion is a particularly difficult matter: "In fact," the report continues, "it is in the area of promotion that many of the constraints on equal employment of blacks in South Africa are most evident. At virtually every company, some constraints operate to limit advancement of blacks. Occasionally, the constraints have forced companies to make only minimal efforts to evaluate, train and promote black employees."

Most American companies, the report indicates, "have taken significant steps toward providing equal employment opportunities for black workers, yet even the most progressive . . . have not taken all the steps possible, even within the constraints—real or perceived—of the South African system." It concludes that the bulk of US companies are no more innovative in their labor practices than other foreign companies—or even those native to South Africa.

In March of this year, 12 of the major US companies operating in South Africa signed a declaration pledging to observe "Six Principles" of fair practice. They agreed to work toward non-segregation of races "in all eating, comfort and work facilities; to equal employment practices for all," and to "equal pay for all employees doing equal or comparable work for the same period of time." Other provisions include more training programs, increasing the number of non-whites in supervisory positions and, finally, "improving the quality of employees' lives outside the work environment."

"In the abstract," writes exiled South African economist Jennifer Davis, "the principles make unobjectionable reading. The catch lies in what they exclude . . . . There is no demand for any change in the fundamental structure of apartheid: no demand for black participation, and, closer government in negotiating with black trade unions or demands for their recognition by the government."

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**Which side are you on?**

A buyer's guide to boycotts

by Paula Span

Critics such as Tim Smith of the Interfaith Center on Corporate Responsibility and Percy Neshbit of the American Committee on Africa see the role of US corporations in South Africa not as a force to change apartheid but as a catalyst for change. The US companies' refusal to participate in South Africa's apartheid economy, they say, is not only a moral issue but a business decision.
Del Monte sardines in tomato sauce: they are caught off, and packed in, the Republic of South Africa, and the American Committee on Africa, among other groups, would like to prevent American consumers from contributing to the financial stability of apartheid. For the same reason, we are urged to avoid Granny Smith apples and lobster tails exported by South Africa.

South African critics have launched a national campaign to withdraw accounts from banks making loans to South Africa. Spokesmen of the campaign say they already have indications that withdrawals resulting from the campaign will exceed $25 million. In fact, several large groups are expected to announce withdrawals of money from U.S. banks making loans to South Africa.

The recognition of the role played by US investment in all this is of course what has led to resolutions by stockholders and demands from other groups for divestiture. This past year, some dozen-and-a-half companies were faced with stockholder resolutions questioning South African investments. "They never pass," admitted one expert, "but they do put a great deal of pressure on the company."

In universities across the country, student groups have been demanding that their schools divest themselves of stock in companies doing business in South Africa. Last month, demonstrations occurred at UMass-Amherst and at Hampshire College. Officials at Hampshire subsequently agreed to the divestiture. The protests at Harvard and the First National Bank are local signs that the movement to end American investment in South Africa will not fade — just like the anger in South Africa.

Two of the main sponsors are the American Committee on Africa and Clergy and Laymen Concerned, an interfaith group of Catholics, Protestants, and Jews with chapters in 40 cities in the United States.

The increase in American loans to South Africa coincided with a decline in the country's financial fortunes. This resulted partly from a worldwide economic recession and partly from a fall in the prices paid for South African gold. Also, racial unrest has created uncertainty about South Africa's future stability and has contributed to a slowdown in foreign investment.

Because of the uncertainty about South Africa's economic future, some banks already have become recalcitrant about making loans to the country. But sponsors of the new campaign against such loans want loans cut not for economic and financial reasons, but for moral and political ones.

The New York Conference of the United Methodist Church is also expected to announce that it will be withdrawing "sizeable amounts" of money within the next three months. Sponsors of the campaign said that included among the banks affected by the campaign would be Citibank, Chase Manhattan, Manufacturers Hanover Trust, and Morgan Guaranty in New York and the First National Bank and the Continental Bank in Chicago.

Ten years ago the American Committee on Africa organized a bank boycott similar to the one now getting under way. That campaign ended in 1969 with the termination of a $40 million revolving credit to South Africa by 10 major U.S. banks. Committee records show that at least $25 million in funds was withdrawn from the banks at that time.
Sir,

An article appeared in today's Argus in Cape Town headed Boycott on U.S. Bank Aid to S. A.

I was born in The Transkei and so know the blacks as well as the next man - we have here a vicious Govt. Told that Pat Mr Botha = who last week went to New York to try like a lunatic over Washington's policy to install a one can one vore here = but did not indicate in any way that the simple barriers of apartheid with all their hideous implications, would be removed. NOT Mr Botha = who like all the other Bothas in The Nationalist Cabinet are more neo Nazis in that they hate the blacks as the Nazis hated The Jews in Pre war gernany.

The Boycott of The Chase Bank = Manufacturers Hanover Bank must spread not only around the U. S.A. But Jimmy Carter must be told in plain words he must make an outright statement forbidding the banks to take any more loans.

As DWY yourself has said = it is meaningless to argue that the blacks will suffer - suppose they do = it will only be temporary = until the 1978 elections = when the new main opposition the Progressive party (Colin Eglin & Helen Suzman) is bound to win and a complete change in S. A. Policies will emerge = which is why I suggest The Banks and Labour unions issue an invitation to The Progressive party to come to New York (and dont forget to mention my name in future statements) where they will be openly told by The various banks = that huge loans will go to The Progressive Party if they win the next elections and furthermore they should meanwhile be granted say a gift of 1 Million Dollars to strengthen their campaign in the 1978 elections.

Yours truly

H. Landau