MEMORANDUM ON THE AFL-CIO AND BANKS THAT LOAN TO SOUTH AFRICA

The AFL-CIO has moved toward a position urging withdrawal of funds from banks that do business with South Africa, yet the AFL-CIO national office in Washington, D.C. has an account at the Washington bank with the strongest connection to South Africa.

The Thirteenth Constitutional Convention of the AFL-CIO held in Washington, D.C. on November 15 - 20, 1979 passed the following resolution on South Africa:

"Recent events in South Africa have done nothing to ease the plight of the majority of the people of that country. It is time for the Western world to cease its high-minded rhetoric and begin to implement steps that will demonstrate to the Botha regime that the support of Western nations for democracy and human rights is unswerving. These steps should include a total cessation of U.S. government support for economic transactions with South Africa. Legislation should be enacted to establish a binding code of conduct for U.S. corporations doing business in South Africa with severe penalties for non-compliance.

In addition, the AFL-CIO urges its affiliates to consider severing ties with banks which do business in South Africa and to encourage U.S. companies to recognize and bargain with trade union organizations which are striving under extremely difficult conditions to give dignity and economic security to their South African members."

The AFL-CIO maintains an account at Riggs National Bank, the largest bank in Washington, D.C., which as provided at least $7.5 million in financing to South Africa. At least $3.5 million has gone directly to the racist South African government. An additional $1 million has gone to the state-owned Iron and Steel Corporation which supplies South Africa’s industry and military. Another $1 million went to the Electricity Supply Commission, engaged in the development of energy, including nuclear reactors.

The D.C. Bank Campaign, which opposes Riggs’ financial dealings with the repressive military dictatorship in Chile and its racially discriminatory lending practices in the District of Columbia as well as its support for minority rule in South Africa, urges all organizations and individuals to withdraw their money from Riggs National Bank until it changes these policies. We ask for assistance from trade unionists and affiliates of the AFL-CIO to express concern to the AFL-CIO about the contradiction between its policy and practice on the issue of bank loans to South Africa and to immediately withdraw its account from Riggs National Bank.

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