The fight to end Export-Import Bank support for trade with South Africa began in earnest at hearings last week before the House Banking Committee. Though the proposal to end governmental financing of trade is a very modest one, U.S. business interests and South Africa's lobbyists are clearly prepared to fight it all the way. Consideration of the Eximbank authorization bill may provide the Administration with an opportunity to select one of the disengagement options it has been studying for months.

**HOUSE HEARINGS: THE OPENING ROUND**

The February 9th hearing before Rep. Stephen Neal's Subcommittee on International Trade, Investment and Finance amounted to a debate on the broad issue of corporate disengagement from South Africa. Witnesses from business, labor, Congress, the anti-apartheid movement, and even an African banker recommended by the South African embassy engaged in sometimes heated exchanges.

Rep. Andrew Maguire (D-N.J.) urged the Subcommittee to heed the advice of South African editor Donald Woods, who told several Congressional audiences the previous week that international ostracism of South Africa was the only remaining hope for peaceful change. Maguire said it was time for the U.S. to take "one, specific, concrete economic step after decades of moral rhetoric" against the Pretoria regime, and that his bill that would end official support for trade was "indeed a small step in that direction." Rep. Charles Diggs, Africa Subcommittee Chairman, backed Maguire's position and called for an end to the Administration's ambivalence.

Frank Collins of the Oil, Chemical and Atomic Workers union (ALF-CIO) said ending Eximbank support for exports to South Africa would not take away American jobs. Collins stressed that the "whole repressive machinery of apartheid stands behind the denial of full collective bargaining rights to black Africans." Twenty-four blacks are currently banned or in jail for trade union organizing. Ted Lockwood of the Washington Office on Africa emphasized that denying Eximbank credits could have a real effect on the South African economy, which is dependent on the west for credit and for strategic capital goods such as those financed by the Eximbank. He said the direct bilateral assistance Eximbank provides is "perhaps the most conspicuous contradiction" between U.S. policy and rhetoric on South Africa, and would damage U.S. political relations with independent Africa. [Copies of Mr. Lockwood's testimony are available on request.]

William Norris, Chairman of Control Data Corporation, claimed that economic expansion contributes to "improvement in the standard of living for everybody" in South Africa. He said that advocates of ending Eximbank financing were "flirting with the creation of an environment that could hasten revolution." Charles Stewart, President of the Machinery and Allied Products Institute, opposed a prohibition against future financing on free trade principles. Stewart said that ending Eximbank facilities would just result in European competitors replacing American exporters in the South African market.

**THE CONGRESSIONAL RESPONSE**

In a period of mounting trade deficits, Export-Import Bank has a presumption running in its favor. It is seen as a source of export sales that might not otherwise be made against fierce international competition, and therefore as a creator of U.S. jobs. But Congress is now under pressure to control Eximbank policy more closely, in such areas as financing nuclear materials, exports of steel-making equipment and bankrolling South African apartheid (see New York Times. Feb. 2 and 12)

---

**The Washington Office on Africa** 110 Maryland Ave., N.E.
Washington, D.C. 20002
(202) 546-7961
Subcommittee opinion is divided at this point, but not inflexibly locked in position. On one side, Rep. Paul Tsongas (D-Mass.) supported Congressman Maguire, a colleague on the Ad Hoc Monitoring Group on South Africa. He asked Mr. Norris to meet Donald Woods. If a corporate liberal like Norris should change his mind, it would be influential with Subcommittee members. Rep. John Cavanaugh (D-Nebr.) expressed support for taking some appropriate response to South African repression. On the other side, Rep. Henry Hyde (R-Ill.) predicted “chaos”, gains for the Communist bloc and black unemployment if Eximbank aid was cut off to South Africa. He accused Maguire of inconsistency and selective morality.

Rep. Les AuCoin (D-Ore.) asked for an estimate of how many U.S. jobs would be lost and how many export sales would be forfeited to the U.K., Germany and Japan. He questioned the use of economic bans for political ends. Chairman Neal (D-N.C.) seemed inclined to doubt a causal relation between U.S. exports financed by Eximbank and South African repression. Rep. Vento (D-Minn.), who is from St. Paul (home territory for Control Data) was impressed with Mr. Norris’ advocacy of the Leon Sullivan fair employment principles as more effective than the “blunt tool” of an Eximbank cut-off. Rep. Newton Steers (R-Md.) put forward a possible compromise position, warning against “conducting foreign policy by statute.” He favored a resolution allowing the President to use Eximbank as a bargaining chip with the Vorster regime, rather than Maguire’s bill which would legislate an immediate cut-off.

THE ADMINISTRATION’S POSITION

There is a possibility that the Carter Administration might choose to take action on the Eximbank-South Africa connection on its own. Chairman Dick Clark of the Senate Africa Subcommittee met with Secretary Vance last week to try to convince him that the U.S. should cut off Eximbank financing immediately. Senator Clark has just released a major report on U.S. corporate involvement in South Africa which recommends cutting off Eximbank credits and other governmental economic programs that support the South African government. He is reported to feel that the U.S. must not wait for another crisis before showing its disapproval of South Africa’s reactionary posture.

There is still debate within the Administration about what position to take. An Executive decision on Eximbank now could avoid the inevitable risks of a legislative defeat from which the South African government might draw confidence. It would also keep a controversial South Africa amendment off the Administration’s Eximbank authorization bill coming up this spring. Some within the State Department may be concerned about the impact of an Eximbank decision on the Namibia negotiations that are in progress. But this may actually be a good time to take such action. Administration officials promised early last year that they would not ignore South Africa’s internal repression in exchange for its co-operation on Namibia and Zimbabwe. Furthermore, South Africa isn’t co-operating; it just broke off high-level discussions on Namibia in New York, and can continue its delaying tactics almost indefinitely.

WHAT YOU CAN DO

- Lobby the Administration in the next two weeks. Write to Secretary Vance urging the Administration to cut off Eximbank facilities for South Africa immediately. Urge the State Department to testify to this effect before the House Banking Committee in early March.

- Meet with Representatives on the House Banking Committee. Rep. Neal’s Subcommittee will be marking up a major Eximbank authorization bill in mid-March, and will decide on a South Africa amendment at that time. Their decision could be a key to further Congressional action. Urge members of the Subcommittee to support the language of Maguire’s bill, H.R. 9746, which would immediately and all Export-Import Bank financing to South Africa. As Reps. Maguire and Diggs and Senator Clark have said, this is a minimum response that the U.S. should take to the growing authoritarian control in South Africa.

Organize in your community. The National Bank Campaign has called for two “National Withdrawal Days” on March 21, Sharpeville Day, and June 16th, the day the Soweto uprisings broke out in 1976. If you are organizing any political activities for these days to oppose banking on apartheid, may we suggest that you meet with your Congressional Representative and present him or her with “End Eximbank Financing for South Africa” petitions. [Send us a duplicate copy for national use.] Urge him or her to vote to end Eximbank financing for South Africa.