DO YOU SUPPORT APARTHEID?
CONTINENTAL ILLINOIS BANK DOES

In a recent meeting with representatives of the Citizen's Coalition for Southern Africa, official representatives for Continental Illinois conceded that they had made a loan to South Africa under pressure from the U.S. government. Since that meeting, Continental Illinois has publicly attempted to deny having made the loan. But Continental Illinois cannot substantiate this denial.

"by saying that they "did not make the loan", they only "arranged financing", because the effect--U.S. dollars supporting the South African economy--is the same:

"or by asserting that they only follow U.S. foreign policy, because, as we are seeing with ITT in Chile, it is not solely the U.S. government that determines foreign policy. And whoever determines the policy, when Continental Illinois follows it, Continental Illinois financially supports South Africa.

LOOK AT THE FACTS:

In a turnaround of policy dating back to 1964, the U.S. Export-Import Bank has agreed to guarantee a 10-year $48,600,000 loan to South Africa for the purchase of American-made diesel locomotives...

The loan guarantee insures the American lender--in this case Continental Bank of Illinois--that if South Africa defaults, the Eximbank will repay the debt. The Reserve Bank of South Africa is also a guarantor of the loan which covers the purchase of diesel locomotives from General Motors.

--Washington Post, January 15, 1972

"Thirty-four locomotives, part of an R11,7 million order from General Motors, have arrived in Durban and a smaller shipment is expected soon."

--South African Daily, January 14, 1972

LOOK AT THE SITUATION:

The Continental Illinois Bank loan strengthens the South African political system of apartheid, meaning complete separation of Black and White peoples. Under this system:

* Blacks have no political rights--including no voting power.
* Blacks have no freedom of movement or of employment.
* Blacks are imprisoned and killed without trial.
* 81% of the people (Blacks) are restricted to 13% of the land.

THE CONTINENTAL KANGAROO... The big bank with the little...inside.

(Whatever's inside, it spells trouble for Blacks in South Africa.)
"Barriers to American trade with South Africa created by the Kennedy and Johnson Administrations are slowly toppling under the pressure of the fierce international competition that last year produced the first American trade deficit of the century.

The trend was vividly demonstrated last weekend by the disclosure that the US Export-Import Bank - a Government agency -- had agreed to guarantee a 10-year loan of $48.6 million dollars to South Africa to cover the purchase of diesel locomotives from General Motors.

To clinch the deal against stiff British competition, Exim-bank scrapped its seven-year-old ban on "long-term" guarantees of more than five years for South African trade. This was done over protests from the State Department that the American image in Black Africa would be tarnished......

....Diplomatic observers noted that the Eximbank guarantee -- which almost trebles the amount of credit to South Africa which is insured by the bank -- was merely the latest in a series of defeats suffered by the partial boycott school at the Department of State.

The Nixon Administration's willingness to get down to business without regard to ideological convictions was first demonstration late in 1969, with the conclusion of the gold sales agreement that allowed South Africa to sell more than 77 million dollars worth of gold in the ensuing two years.

This was followed, under pressure from manufacturers of American light aircraft who saw a valuable market going to Europeans, by the decision to allow the sale of American light aircraft to the South African government....the Nixon administration have taken the view that they fall outside the arms embargo.....

(from the Johannesburg STAR, January 12, 1972)

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from the Washington Post, January 15, 1972:

- A spokesman for the Eximbank said the loan guarantee was approved in order to meet officially supported British competition. The loan - the loan guarantee insures the American lender - in this case Continental Bank of Illinois - that if South Africa defaults, the Eximbank will repay the debt. The Reserve Bank of S.A. is also a guarantor of the loan which covers the purchase of diesel locomotives from General Motors.
- In 1970, the U.S. exports to South Africa were at a level of $563 million or one-third of the total exports to Africa; total U.S. investments in South Africa were valued at $800 million, or 25% of total US investment in Africa.

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from the South African Daily, Jan. 14, 1972
(beneath photo of diesel locomotives)
"In a few years giant diesel locomotives such as this one should be a common sight in South Africa. The S.A. Railways is buying them from the United States to replace the old steam engines. A train of 15 of the locomotives, pulled by four electric units, recently left Durban docks for East London - to be used on the Eastern Cape line and in South West Africa. Thirty-four locomotives, part of an R11,8 million order from General Motors, have arrived in Durban and a smaller shipment is expected soon. "They are far more powerful than the old 'puffers' and also more practical as there is not the constant problem of finding water for them"said a railways spokesman."