This is the first revived edition of COBLSA News. It is meant to be of use to those active in organizing on the bank campaign issue. As such I've tried to make its format as flexible as possible. The Newsletter will contain on as regular a basis as possible:

- Coordinator's Report
- CAISA Update
- Update on Lending
- Action Update [would include reports by affiliates on their activities]
- Update on South Africa [on financial and corporate activities and info that help provide an organizing handle]
- Update on the Banks [news about banks and the banking industry]
- Resources for Organizing [a listing of new and useful resources]
- Thinking about Strategy [materials aimed at provoking reflection and dialogue about effective campaigns]
- Supplement [a packet of articles, brochures, publications and internal COBLSA documents - for affiliates only]

Your contributions are needed to make this newsletter truly useful to all our affiliates; the national office cannot do it all alone. Please send in updates on your activities; queries you want pursued in the newsletter; information on banks and new resources; informative articles for sharing with others.

COORDINATOR'S REPORT

Since the COBLSA National Meeting in June, I have set up the national office at the Institute for Policy Studies. I had hoped to produce a newsletter by late July-early August; illness and a lack of expected contributions forced a delay until early October.

A major task during the summer was production of a funding proposal for COBLSA. This has been reviewed by the Staff Support Committee; we are currently making plans for its circulation and for follow-up on funding contacts. A copy of the basic proposal is included in the Newsletter Supplement (minus Appendices). Please write or call in any reactions, comments, criticisms; changes can be incorporated if needed. Local affiliates should note that funds are being sought for an Organizing Fund to provide matching grants to local campaigns for specific projects; and for Organizing Tours and regional and state forums. Funds raised for these purposes would be of most benefit to local campaigns.

Monthly Summary of Activities (selected):

June: prepared resources for PUSH; met with Rochester (NY) affiliate members; meeting with Chicago Congressman; recruitment of interns; preparation of Minutes from COBLSA National Meeting; wrote article for AFSC Women's Newsletter on "African Women Under Apartheid: The Role of U.S. Corporations" (Summer 1981 issue); meetings; meetings...

July-August: Co-sponsored two public programs with IPS (discussions with two people recently arrived from Mozambique; film showings of South Africa Belongs to Us for over 90 viewers from community & human rights groups); did workshop on COBLSA at New American Movement Conf. (Milw.); met with Chicago groups on possibilities for a statewide/regional conference; meetings (CAISA and many, many more); attended DC Bank Campaign Advance; meeting with DC groups on ICSA Conference; moved....
September: Contributed to two ICSA Conference Commission papers (Political; Economic) and invited to be panelist on Workshop on Community Organizing; worked with DC/national groups on Sept. 22 Rugby Tour Demonstration in front of White House (see statement endorsed by COBLSA in Supplement); meetings with Southern Africa Working Group (chaired by WOA and TRANSAFRICA, it monitors legislation, coordinates lobbying) and church group; attended hearings on Solarz and Gray bills which would ban all new loans to South Africa; recruited two interns; completed proposal; attended Congressional Black Caucus Legislative Hearing on South Africa policy; hosted CAISA meeting; Solidarity Day!...and meetings!

October plans: ICSA Conference; outreach for fund-raising; join tour of 7 Southern states being organized by AFSC (with representatives of ANC; SWAPO; AFSC; WOA; ID&A); orient new interns.

—Carole Collins, National Coordinator

The next Newsletter will be produced in early November. It will contain a report on my trip through the South and the ICSA Conference. I need updated reports from you on what you are doing, your successes and problems in local organizing, suggestions on how the Newsletter and the national office can be more useful. Please send materials and responses in by November 2nd.

UPDATE ON SOUTH AFRICA

Anglo American Corp of SA was the largest foreign investor in the U.S. in 1980, with $27.047 billion in revenue from 3 U.S. subsidiaries:
- Engelhard Min. & Chem. (32% owned)
- Inspiration Consol Copper (50% owned)
- Terra Chemicals Intl (55% owned)

Engelhard changed its name to Phibro, which in turn purchased Salomon Bros. (investment bankers who have lent to South Africa) in August 1981.

Consolidated Gold Fields, whose mines are held through 46% owned Gold Fields of So. Africa, has bid to purchase 49% of Newmont Mining Corp. stock; it already owns two U.S. companies: Azcon (oilfield services) and Newconex (metals fabrication) with combined revenues of $600 m.

CAISA UPDATE

There have been two follow-up meetings of the CAISA Coordinating Committee since the June 1981 Conference in N.Y. [COBLSA hosted one]. Discussion has focused on what kind of division of labor and possible staffing seems feasible and desirable. Two possible models have emerged so far: one would have a national coordinator working out of D.C.; the other would have 2-3 part-time regional organizers working on regional and state-wide legislative conferences and sharing the resources of sponsoring organizations with relevant legislators. Each model implies some problems and strengths:

(a) National Coordinator model: seems topheavy; might compete with several sponsoring group's activities, esp. COBLSA and ACOA; may imply a new organization independent of sponsors; not clear what sponsoring groups' commitments are.

(b) Regional Organizers model: would get people out in the field organizing! How regional organizers would relate to a central office and/or sponsoring groups (the current decision-making body) would be a problem.

An organizational issue was whether CAISA should become a separate organization (with staff) or whether sponsoring groups would continue to coordinate as they do now (with or without staff accountable to them).

A meeting will be held following the ICSA conference to pursue this discussion and other ongoing CAISA business: reports on a Michigan legislative conference held Oct. 3; updates on WISC, CONN and PENN foreign investor campaigns; role of CAISA in 7-state tour of the South involving AFSC, WOA and COBLSA staff. Decisions will be taken at a Nov. meeting, if possible, so that a fund-raising proposal can be written and sent out.

Please send any reactions on these issues and information relevant to CAISA's ongoing work to the national office.

ACOA and the Conference on Alternative State and Local Policy (CASLP) both produced reports on the CAISA Conference. CASLP's report and an article from AFSCME's Public Employee (August '81) are in the Newsletter supplement.
ACTION UPDATE

Oregon: a resolution aimed at getting the State AFL-CIO to go on record urging people not to patronize U.S. National Bank passed a committee but failed on the floor; local organizers are currently planning to concentrate greater energy on the state legislative campaign. PSAF has produced a very useful listing of U.S. Companies with Operations or Investments in So. Africa currently being revised.

Los Angeles: SASC is gearing up for more active campaigning against a local bank that houses the South African consulate.

Chicago: Local affiliates met this summer with other groups (NU; Ill. Consortium of Churches; Ill. Public Action Coalition; NUL) to explore the feasibility of a conference on divestment and alternative reinvestment. Discussion is continuing on whether it should be regional in scope or statewide (and hence more able to directly build a state legislative campaign). The Rugby Tour protests subsequently diverted energies through September.

Seattle: The Church Council will respond to Seafirst's letter and will be more active in pursuing this in the coming months. The local campaign is reassessing what its focus should be in the coming months.

D.C.: The local affiliate is going to focus on mobilizing institutional withdrawals, esp. from unions and churches, while doing a study of the feasibility of a local referendum campaign; the national coordinator will work with their union subcommittee on targeting national unions to withdraw.

Wisconsin: Hearings were held in early Sept. on HB 594 which would direct the State Investment board and University Regents to sell stock of corporations doing business in or with South Africa. In late September it was passed 5-4 by the Comm. on Women, Aging and Minorities. It now goes to the Finance Comm.

Other actions:
- Riverside Church withdrew a $6 m. operating account from Citibank to protest its loans to South Africa, the first such action by a major local congregation in New York City.
- The Archdiocese of Milwaukee sold $300,000 in Citicorp floating rate notes to protest Citicorp's $250 m. loan to South Africa; Archbishop Weakland said the Archdiocese "cannot in conscience receive financial benefit from the kind of evil that is inflicted in South Africa upon its non-white residents."
- The Toronto City Council voted in May to do their banking and investment business with companies that do not have dealings with the South African government.
- The 193rd General Assembly (1981) of the United Presbyterian Church in the U.S.A. passed a Resolution on South Africa and Namibia which, among other things, "directs all General Assembly agencies, insofar as practicable, to deposit funds and maintain accounts in financial institutions that have established policies that preclude future loans to the government of South Africa or any of its agencies;" the resolution also calls for South Africa's exclusion from OPIC insurance coverage; prohibition of the sale of South African gold coins in the U.S.
- The Ottawa City Council voted Aug.5 to instruct the Finance Commissioner that, all things being equal, the City's banking and investment business be done with companies that do not have dealings with the South African government.
- The UAW has asked the UAW-Chrysler Pension Fund trustee not to invest further in 5 U.S. companies operating in South Africa which have not endorsed the "Sullivan Principles".
- The House Subcommittee on Africa is holding hearings on the Gray and Solarz bills, both of which would ban all new loans to So. Africa. Affiliates are urged to support the Gray Bill (HR 3597) as being stronger; the Solarz Bill (HR 3008) proposes compliance with the Sullivan principles as a meaningful step for corporations active in SA to take.
Public Advocates, Inc., a S.F. public interest law firm, has stalled the proposed merger of Crocker Bank with the British-based Midland Bank with the filing of a formal protest before the Federal Reserve Board protesting Crocker's redlining; community activists fear the merger will send U.S. dollars abroad rather than being spent on projects of local benefit. They have invited Irish businessmen and black businessmen from London to testify at a scheduled hearing to protest Midland Bank's sectarian hiring in Northern Ireland and racial discrimination in Great Britain.

UPDATE ON LENDING

One U.S. bank was inadvertently omitted from the June 1981 Update on U.S. Bank Loans to So. Africa distributed at the Annual Meeting:

National Bank of Dallas participated with a Belgian bank in a $500 m. Credit to ESCOM/RSA; Maturity date 1985.

Foreign lending to South Africa increased from $295 million in 1979 to $800 million in 1980, a 171% increase within one year.

Standard Bank Review July 1981:
"Sooner or later capital inflows will be required to finance the expected large and possibly protracted current account deficit. This can be done by the Reserve Bank drawing on its ample short-term credit facilities and by encouraging the public and private sectors to raise trade and loan finance abroad."

UPDATE ON THE BANKS

Citicorp was the subject of an Investor Responsibility Research Center Update in July 1981 on Citicorp's lending to and activities in South Africa. Some highlights of the report:
- its total in outstanding loans in 1977 was $401 million
- the bulk of its loans to South Africa are to the private sector; most are short-term trade-related
- it participated with Crocker National Bank and 3 other unidentified banks in $30 m. loan in 1979 to the Medical University of Southern Africa
- Citibank, Nedbank, IBM and a South African building society are planning the first townhouse development in a well-to-do section of Soweto
- Citicorp's $250 m. loan made in Oct. 1980 was for social projects already included in SA's 1980 budget at levels matching those called for in the loan agreement; thus the loan did not cause these projects to be initiated or funded at an expanded level and SA evidently did not need foreign loans for these projects because ample domestic loans were available; the projects funded by the loans assist SA in implementing its policies of racial segregation
- "the foreign exchange provided by the loan goes into the State Revenue Fund and is available to other gov't departments that require foreign exchange. In recent years the two largest users of foreign exchange have been the Department of Defense and the state Strategic Oil Fund." (p. 15)

Other Citibank news:
- Citibank was terminated by 2 pension funds as their portfolio manager
- NASA signed a contract with Citibank for financial advice on satellite telephones
- Citicorp's credit rating was reduced, rare for major banks; the only other recent case was First Chicago

1300 guns seized by U.S. customs officials at Houston Airport in Texas in May 1981 were bound for South Africa or for UNITA forces inside Namibia, according to The Observer (UK), 17 May 1981. A British citizen, Peter Towers, was arrested in the incident; he had a valid letter of credit from a Dallas bank for $1.5 m. when arrested. He told undercover customs agents he was buying the weapons for Armscor, South Africa's arms agency.
RESOURCES FOR ORGANIZING

Labor & Investments, May 1981: a monthly 8 pp. publication on labor, pension and benefit funds & investments. Articles on financial institutions' domination of corporate shareholdings; the Conn. legislation; union role in pension investments. AFL-CIO, 815 16th St. NW, Washington, D.C. 20006

Council on Economic Priorities Newsletter, Nov. 1980: monthly 6pp.; this issue on pension funds & ethical investment, including a section on

Council on Economic Priorities Newsletter, Nov. 1980: monthly, 6 pp.; this issue on pension funds & ethical investment includes a section on South Africa and suggestions on what individual pension plan members can do. Is an excerpt from a 200 pp. CEP study. CEP, 84 Fifth Ave., NYC 10011.


A Special Report: Southern Africa by Lawyers Committee for Civil Rights under Law/Southern Africa Project, 1981, 8 pp. Includes numerous articles, including a review of the May 1981 Paris sanctions conference; of Congressional moves to repeal the Clark Amendment and more. LCCRUL, 733 15th St. NW, Washington, DC 20005


Spying on your Employer: A Guide to Researching Your Employer in Your Local Public Library. Labor Education & Research Project, POB 20001. Detroit, MICH 48220. 4 pp. 1981. Useful and succinct guide to how to find out about a corporation or bank from publicly available source books; helps interpret the meaning of what you will find.

The Role of Foreign Banks in South Africa: Economic Support for Apartheid by Tim Smith, ICCR (with the assistance of Beate Klein); U.N. General Assembly/International Conference on Sanctions Against So. Africa, May 1981. Useful summary of most recent bank links to SA.
UPDATE ON GOLD AND KRUGERRANDS

Debate is raging within the Reagan Administration over whether to back a return to the gold standard. Such a move would, as several columnists have noted, cement the U.S. relationship with S.A., since it is the next major producer of gold after the USSR.

One of COBLSA's interns is currently researching gold and Krugerrand sales and outlets and will be producing an article for the newsletter based on his work in the next 1-2 months. Below are a few quick updates on this area:

- Raymond Parsons of SA's Association of Chambers of Commerce, discussing next year's expected $2.2 b. deficit, feels SA can easily finance the deficit in international capital markets. The country is a well regarded borrower and is currently "under-borrowed". Foreign debt as a proportion of GNP was only 12% in 1980 (versus 22% in 1979), due to skyrocketing gold prices which have since significantly leveled off]. Gold exports totalled $11 billion last year, the first time in over a decade that bullion generated over half SA's export revenues. (in 1978, it was just 34%).

[From the Wall Street Journal, July 31, 1981]

THINKING ABOUT STRATEGY

At our June meeting, we began to discuss how to develop a national strategy for COBLSA. The time was much too short to begin to address how COBLSA could begin to develop such a strategy while still putting priority on strengthening and expanding local campaigns. Yet the changes occurring within the banking sector are happening so fast that they may very soon affect our local campaigns (and thus our national impact) in concrete ways. Some of these changes include:

- a move to national branch banking likely within the year, which would also result in major takeovers of smaller banks by larger banks, thus altering our targets;
- the popularity of "money market funds" and a lack of knowledge of what links, if any, such funds may have with South Africa;
- the new International Banking Facilities (IBF) to be created in December that will allow a "Eurobond" market to develop in the US with little regulation; this unregulated market is a likely source of loans to South Africa.

In order to begin some collective thinking on how to better target bank lending to South Africa, and how to put the withdrawal campaign in an overall-organizing-against-the-banks framework, I have included in the Supplement an article by Ray Rogers of Corporate Campaigns Inc. on How to Confront Corporations (Spring 1981). It outlines how the JP Stevens Boycott campaign used other tactics in combination with the boycott to isolate JP Stevens in several arenas and may provoke some useful thought on how we might better supplement our basic withdrawal strategy in local campaigns with other tactics.

SUPPLEMENT

Funding Proposal
COBLSA Statement on Rugby Tour
CASLP Report on CAISA Conference
AFSCME Article on CAISA Conference
"How to Confront Corporations" by Ray Rogers
Financial Times (London) article, May 26, 1981
List of Largest U.S. Bank Holding Cos.
Leaflets on targeting banks re job losses (Chicago Coalition on Southern Africa)