U.S. BANKS FINANCING SOUTH AFRICA'S NUCLEAR PROGRAM

U.S. bank loans and credit have played an essential role in financing South Africa's white-controlled economy—including its nuclear energy and weapons programs—and thereby helped increase the risks of nuclear weapons proliferation in Africa.

U.S. banks have done this most directly through loans to South Africa's Electricity and Supply Commission (ESCOM), a government-owned corporation which owns and operates South Africa's electricity industry, including its nuclear energy program.

US banks have provided critical foreign exchange for South Africa to use in purchasing technology and equipment for its nuclear research, enrichment and energy programs. These programs have provided the basis for South Africa's developing nuclear weapons. Supplies of equipment designated for KOEBERG have reportedly been rerouted to Valindaba, South Africa's uranium enrichment plant.

US banks have also financed uranium mining in Namibia, have participated in nuclear-related loans—sometimes through their holdings in foreign banks, and have provided trade-related loans for South African purchases of nuclear-related technology and equipment, including computers and artillery shells capable of delivering nuclear warheads.

US banks and corporations assisting South Africa's nuclear program claim they are only helping develop its "civilian energy" as opposed to "military weapons" nuclear capability. However, the distinction is artificial. South Africa's nuclear program has been military-oriented from the beginning. In 1976, ESCOM awarded a contract to the French consortium FRAMATOME (15% owned by Westinghouse) to build the KOEBERG reactors despite its uncompetitive bid and lack of experience. South African sources have asserted that the contract was awarded as a result of Cabinet pressure in the wake of French willingness to sell South Africa sophisticated ship-based missiles.

RECENT U.S. LOANS TO SOUTH AFRICA'S NUCLEAR PROGRAM

From 1979 to mid-1982, U.S. banks participated with other foreign banks in over $849 million in loans to ESCOM. This represents 31% of all known international loans to South Africa during that period. ESCOM has always relied very heavily on foreign loans to finance its activities. In 1978, external borrowings provided 47% of ESCOM's capital requirements of R1,252 m.

The following US banks and investment/brokerage houses have helped finance, directly or indirectly, South Africa's nuclear industry or weapons program:

* Loans to Escom, 1979-1982 (partial list):
  - Bache Halsey Stuart Shields Inc. (1980, 1982);
  - Chase Manhattan (1981);
  - Citicorp (1981);
  - Dillon Read (1980);
  - Drexel Burnham Lambert (1982);
  - Goldman Sachs & Co. (1980; 1982);
  - INA Corp. via Blyth Eastman Paine Webber (1982);
  - Liddell Peabody & Co. (1980; 1982);
  - Lazard Freres & Co. (1980);
  - Manufacturers Hanover (1981);
  - Morgan Stanley & Co. (1980; 1982);
  - Smith Barney Harris Upham (1982);
  - Dean Witter Reynolds (1980; 1982).

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Loans to military-related SA companies linked to nuclear program (partial list):
Chase Manhattan; Citibank; First Pennsylvania; Manufacturers Hanover.

Loans to directly finance nuclear program or uranium mining in Namibia (partial list):
Chase Manhattan; Citibank; European-American Banking Corporation; Marine Midland (through its shares in European bank).

WHAT CAN YOU DO?

* Let your bank know that you oppose their directly or indirectly financing nuclear weapons proliferation and repression in South Africa. Write a letter to, or meet with, bank officials demanding that they end such loans as a matter of policy.

* Withdraw your funds from any bank that continues to finance Apartheid's nuclear program. Get other individuals and groups to join you. Organize churches, unions, student and community groups to publicly protest such nuclear collaboration and other financial support for white minority rule in South Africa.

* Get your city and state to bar deposit or investment of public monies in banks and corporations active in South Africa—including those banks that have financed their nuclear program. Our tax dollars have no business financing the Apartheid Bomb.

FOR MORE INFORMATION:
Please do not hesitate to call or write COBLSA for more information on banks' collaboration with South Africa's nuclear program and on how to organize on this issue at the local level. COBLSA is an endorser of the Campaign to End U.S.-SOUTH African Nuclear Collaboration.
CAMPAIGN TO OPPOSE BANK LOANS TO SOUTH AFRICA

COBLSA National Office: 1901 Que Street, N.W.
Washington, D.C. 20009 • (202) 234-9382
Carole Collins, National Coordinator

CITIZEN ACTION TO END NUCLEAR COLLaborATION WITH SOUTH AFRICA

Below are some suggestions on what you can do to end nuclear collaboration with South Africa by governments, corporations, banks and other institutions.

1. RESEARCH YOUR COUNTRY'S AND COMMUNITY'S NUCLEAR LINKS WITH SOUTH AFRICA!
   - Has your government assisted South Africa's nuclear program via training technicians, licensing export of nuclear-related technology/materials/services?
   - Have state-owned corporations or banks helped develop or finance South Africa's nuclear capability?
   - Has the government allowed export to So. Africa of equipment utilizable in So. Africa's nuclear weapons program? (e.g. shell casings for tactical nuclear weapons; aircraft with nuclear weapons delivery capability; etc.)
   - What corporations and banks in your community have directly assisted So. Africa's nuclear energy/weapons programs? What is their track record of involvement in your community, as employers (unionization; affirmative action), as service-providers (e.g. red-lining), as taxpayers (e.g. tax write-offs), as members of your community (e.g. pollution; nuclear industry involvement; etc.)?

2. SUPPORT NATIONAL LEGISLATION TO END NUCLEAR COLLaborATION WITH SOUTH AFRICA!
   Such legislation should:
   - ban all imports of So. African/Namibian uranium for use in your domestic energy/nuclear weapons program!
   - ban exports of enriched uranium to South Africa or to other parties for use in South Africa's nuclear program!
   - ban export to So. Africa of hardware or software or transfer of technology which could assist So. Africa's nuclear program!
   - prohibit training of South African scientists/technicians at government, corporate or educational facilities!
   - ban all direct or indirect financing or investment in South Africa's nuclear program or So. African nuclear-related industries (esp. ESCOM):
   - prohibit companies from using their overseas subsidiaries to do any of the above!

3. MAKE THIS AN ISSUE IN YOUR COMMUNITY!
   - plan educational programs at your church, union hall, community or social center. (resources and films are available from groups listed below)
   - pressure your local newspapers and TV/radio stations to cover this issue (through phone calls, letters to the editor, etc.)
   - organize a local campaign to end collaboration by companies in your area:
     - get your friends and local organizations to refuse to put/keep their funds in any bank that collaborates with South Africa!
     - get your church, union, community organization to protest such collaboration directly to the company or bank involved! Organize a public protest!
     - support shareholders' resolutions asking these companies to end these links (check if your church, union pension fund, or public pension fund has investments/deposits in corporations and banks that have helped S.A.)
     - get your city council or state legislature to ban investment or deposit of state funds in corporations & banks collaborating with SA's nuclear program!
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COLLABORATION WITH SOUTH AFRICA'S NUCLEAR PROGRAM
FACT SHEET

UNITED STATES OF AMERICA
*The U.S. Gov't: - helped SA establish Uranium mining in the '50s, with UK help
- licensed major imports of SA Uranium from '50s on (US was major importer to 1971; 546,873 KG imported direct from SA/N in 1980)
- exchanged nuclear personnel; trained 88 SA experts/technicians from mid-50s to mid-70s; 20 in 1981 alone
- licensed US cos. to export nuclear materials & technology (e.g. computers, reactor equipment & design) to SA, despite SA's refusal to sign NNPT
- OKed export to SA of Helium 3 (when irradiated, can be used to make a H-bomb)
- allowed 2 US cos (Edlow Int'l & SWUCO) to use foreign subsidiaries to broker sale of enriched U to SA for reactors at Koeberg
* US CORPORATIONS HAVE: prospected for/owned SA/N uranium; helped construct, provided equipment & technology for SA's N reactors; helped develop SA's UE process (via shipments to SASOL II later diverted to Koeberg/Valindaba); imports SA/N U and exports enriched U to SA; financed SA nuclear industry directly and indirectly (via loans to ESCOM, SA state agency).
*BANKS INVOLVED: Most major US banks (e.g. Citibank, Chase Manhattan, etc.) have made loans to SA's Electricity Supply Commission (ESCOM), thus indirectly financing SA's nuclear industry, which ESCOM oversees. (National Bank of Dallas & Citibank have made loans in the past 2 years.) Marine Midland (through its shares in a European bank) participated in a nuclear-related loan.
*RESEARCH INSTITUTIONS INVOLVED: MIT*Univ. of Ill.*NYU*Argonne National Labs*Reno Res.Center

CANADA: Falconbridge and Rio Algo (a subs. of Rio Tinto Zinc, -UK) involved in U mining

FRANCE: state support and finance have enabled a Fr. consortium FRAMATOME, with Spic-Batignolle and Aisthoh, to build SA's Koeberg reactors. A state bank, Credit Lyonnais, provided 85% financing for Koeberg. France imports major quantities of SA U; trains SA technicians; enriches U for SA and fashions it into fuel rods.

FEDERAL REPUBLIC OF GERMANY: FRG has been main collaborator providing technology to SA for enriching uranium (via Siemens *Steag *GFK *MAN.*Linde et al.); mines and imports SA U; trains SA technicians in UE technology; supplied equipment for SA reactors.

BRITAIN: A major importer and miner of SA/N uranium, UK trains SA experts; has fabricated fuel elements for SA; made loans to ESCOM (Barclays *Standard *Lloyds *Hill Samuel & Co.).

JAPAN: major importer of SA U (via Kansai corp.); equipment for Koeberg/Valindaba UE plant provided by Hitachi *Mitsubishi *Toshiba.

*OTHER COLLABORATORS: ISRAEL / NETHERLANDS / SWITZERLAND / BELGIUM / IRAN (under Shah)

SA=South Africa(n)/ N=Namibia(n)/ U=Uranium / UE=Uranium Enrichment / N=Nuclear