Why are these people protesting?
This is the New York Committee to Oppose Bank Loans to South Africa (NY-COBLSA), part of a nationwide movement of people from church, student, and community organizations who are working to end U.S. bank loans to South Africa. We put direct pressure on banks, particularly by encouraging individuals and institutions to withdraw their money from banks which continue to do business with South Africa. The bank campaign, which began in 1976, has active chapters in a dozen U.S. cities. There are similar campaign movements in all Western European countries, as well as Japan and the Caribbean.

Why is COBLSA Trying to end Bank Loans to South Africa?

South Africa is the only country in the world where racism is institutionalized in a system known as apartheid. White South Africans enjoy one of the highest standards of living in the world while the black majority lives in poverty. Here are some statistics on life in South Africa.

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<th>WHITES</th>
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<th>BLACKS</th>
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<td>4.5 million</td>
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<td>21.6 million</td>
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<td>16%</td>
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<td>percent of population</td>
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Blacks cannot vote in elections or live in the 87% of the land which is reserved for whites and which contains the best farmland, all the cities, and major mines. Education is free for whites but blacks must pay. The best jobs are reserved by law for whites. The very low wages for blacks has always made South Africa a profitable place for investors. Today, over 350 U.S. companies operate in South Africa, and the U.S. is South Africa's largest trading partner. U.S. banks finance this trade, as well as making loans to the government, banks, and private companies. From 1974 to 1976, South Africa's loans from foreign banks tripled to $7.6 billion—one-third of this came from U.S. banks. These loans are made up of those dollars which we have deposited, both individually and institutionally, in local banks and which the banks refuse to re-invest in our communities. A study done by the NY-COBLSA shows that the same banks which are deeply involved in South Africa are equally involved in redlining low-income neighborhoods in New York. We feel that U.S. banks should redline South Africa, and not New York.

If we cut our ties.

No one denies that black South Africans will suffer when economic ties with the U.S. are cut. But, these economic ties have been and continue to be a source of repression and exploitation for the black majority in South Africa. As one South African trade union leader stated: "The black is a human being and he should be treated as such by those who come to South Africa to buy his labor. And, the black is a human being and he should be treated as such by those who come to South Africa to invest their money in the exploitation of the black."

We feel that the U.S. should make it clear to South Africa that those economic ties which are responsible for the repression and exploitation of the black majority in South Africa cannot be continued. The U.S. must stop giving aid and comfort to those who in turn give aid and comfort to the repressive South African government.
If we cut our ties to South Africa, won’t Black South Africans suffer most?

Can’t U.S. banks act as a positive influence on South African government policies?

South Africa’s history shows that, as the foreign lending increased, so did repression within the country. This is very understandable since most U.S. loans went to the South African government and government-owned corporations. Both the government and the corporations are trying to decrease South Africa’s dependency on the outside world in case of an international boycott, as well as keep down growing domestic protests against the apartheid system. Government projects are highly technological and therefore create relatively few jobs for blacks: unemployment for South African blacks now stands at 31%. Since the banks’ profit rate is directly linked to the cheap labor of apartheid, wages are extremely low even for those blacks who have jobs. The economic boycott will entail undoubtedly hardship for Africans. We do not doubt that. But if it is a method which shortens the day of blood, the suffering to us will be a price we are willing to pay. In any case, we suffer already . . .” Many people fear that an economic boycott of South Africa will trigger violence, but the longer change is put off, the more violent the change will be. We believe that an international boycott of South Africa may be one of the few remaining ways to bring about change in South Africa.
In 1978, most of the major banks were forced to respond to public pressure about loans to South Africa. The result was a flurry of public statements, most of them saying something like, “We are not now making loans to the South African government or its agencies.” These statements were both misleading and inadequate because they gave the impression that all lending had stopped. The banks were only stating that at that time, they were not making loans. This does not mean that they would refuse to make a loan tomorrow if they got a good offer, nor does it mention anything about loans to South African companies, SA banks, US corporations in SA, or financing trade. In fact, lending has increased since the banks made those statements but the dollars are now going to South African banks and into trade. More and more US dollars are entering South Africa through the back door. Only a complete end to all types of loans will have an impact on the SA economy and apartheid.
What can we do?

The first step to take is to find out if your bank is a lender. A list of identified lending banks is available from NY-COBLSA. If your bank is not on the list, write to the bank and ask if they are in any way involved in lending to South Africa. This would include loans to the government and government-owned agencies, as well as trade, interbank, or private sector lending. Secondly, do they have a public policy prohibiting all such lending until apartheid has been dismantled? If your bank cannot answer these questions to your satisfaction, withdraw your money. Always write a letter to the bank manager explaining that you have withdrawn your account because of the bank’s involvement in SA. Tell your friends and associates about the bank campaign and get them to withdraw their accounts if their banks are lenders. Do the same with any organization you may belong to, including churches, unions, schools, tenants associations, etc. Almost every organization has some sort of account, or pension fund, or retirement fund handled by a bank. Remember, it is our money which goes to South Africa. The same banks that lend to SA are those which do not reinvest the community’s funds in the community because it is more profitable to invest in apartheid.

Redeposit your funds in a bank which is not tied to South Africa. Any savings bank is suitable because the law forbids them from lending overseas. Commercial banks (banks which make large, business loans) and investment banks, (those that buy and sell stocks and bonds) can only be assumed to be "clean" if they meet the criteria laid out in this brochure. In addition, credit cards and interest charges must be kept under review. Every bank should be questioned as to the nature of their lending in SA. State-owned institutions, even if not directly the result of the bank, are also part of this system. It is important to check to see if your bank has an affiliation with any of these institutions.
Some major lenders to South Africa

Commercial Banks
Chase Manhattan Bank
Chemical Bank
Citibank
European American Bank & Trust Co.
Morgan Guaranty Trust Co. of New York
Manufacturers Hanover Trust Co.

Investment Banks
Blyth Eastman Dillon & Co.
Dillon Read & Co Inc.
Goldman Sachs & Co.
Kidder Peabody & Co.
Merrill Lynch & Co. Inc.

Some Alternative Banks
Amalgamated Bank of New York
First Women's Bank
Freedom National Bank
Merchants Bank of New York

Also
Savings banks
Savings & Loan Association
Credit Unions
NY-COBLSA, 4R, 313 West 78 Street, New York, N.Y. 10024 (212) 865-8972

☐ I have withdrawn my account of $___________ from _________.
   (name of bank)  (optional)

☐ Please send me a complete list of New York banks which lend to South Africa.

☐ Enclosed is $2.00 to cover the cost of NY-COBLSA's redlining study.

☐ Enclosed is a contribution to NY-COBLSA to assist in the continuing work of the bank campaign.

Members of the NY-COBLSA are available to show a slideshow and speak about the bank campaign to interested organizations. We welcome new members.