

# Background On South Africa

## And U.S. Banks



### Apartheid

It is the South African legal term for "separate development of the races." The South African white minority government has declared that Blacks are NOT citizens of South Africa, but rather citizens of reservations called "Homelands." These Homelands, created for 70% of the South African population, represent only 13% of South African land, and the land is the most barren, desolate, and industrially undeveloped in South Africa.

### Voting

Blacks cannot vote in white South Africa and instead they vote in state-controlled Homeland and municipal elections. These elections do not include major Black political parties, and any opposition to the South African government is illegal. Therefore very few Blacks vote and instead boycott the elections as a demonstration against apartheid. The monopoly of political power by Whites is, of course, a mainstay of apartheid. Black political power is unthinkable to the South African government. Voting rights for Blacks would lead to the immediate elimination of the apartheid laws.

### Speech

Prior to the Soweto "uprisings" (which spread throughout the country in 1976), South Africa allowed a moderately critical press. In suppressing the uprisings, police closed critical newspapers and detained writers and editors. Some are still in detention, some have chosen exile rather than prison, and some have been released for surveillance.

### Travel

Blacks must carry identification passbooks everywhere in white South Africa. They are subject to inspection by police anywhere and at any time. They must be renewed every two weeks. It is estimated that over 2,000 Blacks a day are arrested for passbook violations. As for international passports, they are virtually non-existent for Blacks, unless a particular person has an acceptable international sponsor (such as churches, educational institutions, American companies, etc.)

### Education

Black parents must pay the entire cost of educating their children, since Black education is neither free nor compulsory. White education is both free and compulsory. Black students resent their inferior education with its separate curriculum because they want the opportunity for better jobs than their parents had. This resentment exploded in Soweto Township in 1976 when demonstrating students were attacked and killed by Special Riot Police.

### Jobs

The unemployment rate of Blacks in the "Homelands" (more like reservations) is staggering. Programs there by the South African government would be referred to as "foreign aid." In the townships, Blacks are found doing the jobs that Whites least want. The best jobs are legally classified as "jobs reserved for Whites-only." Restrooms, cafeterias, and lockerrooms are strictly segregated. Since South African law does not require equal pay for equal work, Blacks are always paid much less (the gap between Black and White wages is still growing). 80% of the Blacks in Johannesburg, Durban and Pietermaritzburg (major cities) struggle to pay for essentials like food, rent and clothing. 30% of the 2.3 million Blacks unemployed have no cash income of any sort.

### Housing

Apartheid law requires Blacks to live in the "Homeland," except when they obtain work and travel permits to get into white South Africa. "Homeland" housing is very primitive. It is largely inhabited by women, children and the elderly. Many of the men go to live "temporarily" in factory barracks in white industrial and mining centers.

About half of the Black population has been allowed to settle in all-Black townships which lie 20-30 miles outside the white cities. Blacks spend hours each day in long, wasteful commuting to jobs in the cities. A large portion of their wages is spent on transportation. There is a strict curfew against them staying overnight in white cities.

Housing and land in the townships cannot be owned by Blacks. Only long-term rentals are available. Supporting facilities such as roads, light, water, sewage, and recreational space are deliberately maintained in poor condition by the South African government. The government does not want to encourage migration from the "Homelands" to the townships. The government wants the township Blacks to live under conditions of high stress so as to slow down political organizing amongst the inhabitants.

## U.S. Bank Loans

According to the Congressional Subcommittee on African Affairs, U.S. banks had loaned \$2.3 billion to South Africa in 1977. A more recent study by the Control Data Exchange documents \$3 billion in loans. This represents one-third of all South Africa's foreign credit, and (interestingly enough) is equivalent to South Africa's defense and oil import costs. Most of these loans go directly to state-owned industries, and strengthen the economic and military self-sufficiency of South Africa's apartheid regime. This amount is more than double the investments made by corporations with operations in South Africa.

U.S. banks take the position that this bank credit for South Africa is not credit for apartheid! THIS IS NOT TRUE. Some U.S. banks lend directly to the South African government and the government-owned corporations. These loans directly feed into the internal security system which enforces apartheid. A major part of U.S. bank loans represents trading credit so that South Africa can buy from the U.S. For example, South Africa buys 40% of its crude oil from U.S. companies, and uses U.S. bank credit to finance the purchase.

Trade credits support apartheid because such credits help South Africa's policy of "strategic investments." Bank loans directly aid South Africa to establish its own self-sufficiency so that economic sanctions will have little effect. Bank loans enable South Africa to obtain, from the U.S., oil, cars, trucks, planes, computers and many other technologically important, and militarily important, products.

## Seattle First National Bank

Throughout the United States and the world, people are taking action to stop bank loans to South Africa. Here in Seattle, we chose SeaFirst as our starting point because it has the largest and most direct loans to South Africa. (\$14 million in loans to South African government controlled corporations.) Our research has also shown that Rainier Bank loans money directly to South African government-controlled corporations and that both Rainier and People's Bank loan money for trade with South Africa through the Private Export Funding Corporation (PEFCO). We expect to include Rainier and People's in our actions more directly in the future.

SeaFirst uses **your** money without considering whether or not you agree with how it is being used. As well as loaning money to South Africa, SeaFirst also:

1. loans money to other repressive dictatorships, such as \$5 million to the military junta in Chile
2. was implicated in 1975 in the redlining scandal for discriminating against poor and third world people for home loans.
3. is engaged in a struggle against its employees' union (the Financial Institution Employees of America) and has already been found guilty twice of bargaining in bad faith by the National Labor Relations Board.
4. has loaned \$27 million to Wien Air Alaska, thus allowing the company to continue its strikebreaking activities against its pilots.

SeaFirst must hear from us that this is not how we want our money to be used. Contact

## Seattle Committee To Oppose

### Bank Loans To South Africa

c/o AFSC  
814 N.E. 40th St.  
Seattle, WA 98105  
(206) 632-0500

