BANKING ON RACISM IN SOUTH AFRICA

A Call to the American People:
Don’t use banks making loans to South Africa!
American banks are loaning money to South Africa again!

Ten years ago the American people campaigned against American bank loans to South Africa. That protest focused primarily on a $40 million revolving loan fund to South Africa from 10 United States banks and continued until the loan was terminated on November 21, 1969.

In the more than seven years since then, the situation in South Africa has changed dramatically and once again U.S. banks are lending large amounts of money to that country:

South Africa Today

The racist apartheid system in South Africa has become even more oppressive. Not since the dark days following the Sharpeville Massacre 16 years ago have there been so many foes of apartheid banned, detained, and held without trial. The Christian Institute of South Africa estimated the number to be over 5,000 in 1976.

Within South Africa, demonstrations and protests against the apartheid regime have erupted and spread. Beginning on June 16, 1976 with a strike in Soweto by school children, action has spread to all the major urban centers in South Africa. In addition to the thousands arrested, reliable sources in South Africa indicate that over a thousand civilians have been killed by police fire since the Soweto uprising. Still the protests continue. The demand is for an end to apartheid, for majority rule.

South Africa is facing a chronic economic crisis. The price of gold is unstable. There is an 11% inflation rate, and the trade deficit and balance of payments shortfall is so critical that the government was forced to adopt a harsh austerity program, which cut all economic growth in 1976, so that the economy shrank by 1% in real terms. There is serious unemployment estimated at 600,000 of the registered black work force of 2.7 million. The net inflow of capital, $184 million in the first quarter of 1976, had become a monthly outflow of $4.7 million by the third quarter, and at the same time defense spending is up some 42% from 1975.

The U.S. Connection

To meet its crisis South Africa has sought massive foreign loans. U.S. banks have responded swiftly to the cry for help. Almost $800 million in new loans had been granted in the first nine months of 1976. Senator Dick Clark (Chairman of the U.S. Senate Subcommittee on African Affairs) recently estimated that U.S. banks and their overseas branches are now involved in South Africa to the extent of almost $2 billion.

Which Side Are You On?

THE AFRICANS want an end to dollars for Apartheid.

As was the case in the 1960's, U.S. banks are making these loans in defiance of the African people:

"The African National Congress (ANC) has long called for the ending
of all foreign capital investment in South Africa... South Africa is an attractive center for profitable foreign investment, precisely because migrant labor in abundance is organized and made easily available to business by the regime as a conscious act of policy... Companies are not motivated by the desire to bring employment to the African people or to improve the economic condition of African workers (but)... largely by considerations of profit, their share of the market and the sources of the raw material supplies they require.'

Oliver Tambo, acting President-General of the African National Congress, South Africa

"The Pan Africanist Congress (PAC) of Azania abhors and denounces the continued investments of multinational corporations in South Africa. Their continued presence nurtures the apartheid racist regime and the super profits derived thereof are dripping with the blood of the children of Soweto, Guguletu and Mannenburg, etc. We therefore call upon the American public to denounce these business concerns."

Pan Africanist Congress of Azania (South Africa) Mission to the United Nations

THE BANKS justify lending more money.
The First National Bank of Chicago says that "credit extended to South Africa is profitable," and that continued business there is a way to articulate opposition to apartheid.

Another major U.S. bank has argued that giving loans to South Africa "will improve materially the general state of the economy of South Africa whereas the refusal to transact normal commercial business would work considerable hardship on that country's population as a whole..."

THE FACTS speak for themselves.
The growth of repression in South Africa, the continued impoverishment of the African population, the tightening of the pass and curfew laws, the severe restrictions upon the press, all this has happened while U.S. banks lend more and more money. The courageous and dramatic spread of protests against apartheid throughout the country reflect black recognition that change will not come from more and bigger businesses, but only from peoples' organization and struggle.

The massive response of U.S. and European banks to the needs of racist South Africa is morally repugnant and politically shortsighted. The process of change in South Africa is being hindered by U.S. banks. We must reverse this trend.

Some banks are silent. Hiding behind policy statements like: "It's a private affair how I loan out your money," they are reluctant to disclose the loans they make to South Africa. As one Citibank official told Business Week about its recent credit: "This is an embarrassing loan."

• Banks are no force for social change in the U.S. either, where their record includes redlining neighborhoods or denying home improvement loans; ignoring fair employment laws; denying low interest student loans; or creating and manipulating urban financial crises.

New Loans to South Africa

New York

CITIBANK headed a consortium of banks making a $110 million loan direct to the South African government, helping with its balance of payments problems. In 1976 Citibank also participated with other banks in loans to the South African government-controlled corporations: $200 million to the Electricity Supply Commission (ESCOM); $80 million to the Iron & Steel Corporation (ISCOR); $20 million to the South African Broadcasting Corporation and $138 million to Richards Bay Minerals. Citibank admits the bank's loans to South Africa total at least $300 million.

CHASE MANHATTAN participated in the $200 million loan to ESCOM, the $80 million
loan to ISCOR and a $25 million credit to the Industrial Development Corporation.

MANUFACTURERS HANOVER participated in the $200 million loan to ESCOM and made a $30 million loan to the Phosphate Development Corporation (Foskor).

MORGAN GUARANTY participated in the $110 million loan to the South African government, the $200 million loan to ESCOM and made a $75 million loan to the government-owned South African Railways.

Illinois
FIRST NATIONAL BANK OF CHICAGO participated in the $110 million loan to the South African government.

THE CONTINENTAL BANK has not disclosed its current loans but stated recently: "Continental Bank in recent years has made loans in South Africa to support international trade, including U.S. exports, and to assist economic development."

California
BANK OF AMERICA participated in the $110 million loan to the South African government.

Other Banks
Others known to make loans to South Africa include the European American Bank; European Banking International; The Bank of New York; Barclays Bank; the Chartered Bank and Northern Trust Bank.

Coupon
☐ I have withdrawn my account from .............................................. Bank making loans to the racist government of South Africa.

☐ I will withdraw my account from .............................................. Bank making loans to the racist government of South Africa on .............................................. (date).

Type of Account:
Checking .............................................. Savings .............................................. Certificate .............................................. Other .............................................. Amount: .............................................. (optional).

☐ Please send me .............................................. (number) of these brochures. (For 100 or more, send 2¢ each.)

☐ Please send me the form letter to my bank telling them about my decision to close my account.

A Call to Action
We call upon all supporters of the African people and of African freedom to close out accounts with banks loaning funds to South Africa. Withdraw your account and let us know about your action in the attached coupon.

Deposit your funds in a bank that does not make loans to South Africa such as:

New York
The Bank of Commerce
Banco de Ponce
Bank of North America
Chelsea National Bank
Freedom National Bank
Marine Midland
The Chinese American Bank
United States Trust Company
The First Women's Bank
Amalgamated Bank of New York
Central State Bank
Merchants Bank of New York

Illinois
Amalgamated Trust & Savings Bank
American National Bank
Central National Bank
Exchange National Bank
Lake Shore National Bank
Michigan Avenue National Bank
North Bank
South Shore National Bank

California
California First Bank
First Enterprise Bank
Western Women's Bank
Hibernia Bank
Mechanics Bank

In addition, any savings bank is recommended.

NAME .............................................. DATE ..............................................

ADDRESS .............................................. STATE .............................................. ZIP ..............................................

CITY .............................................. Organization ..............................................

Mail this coupon to:
THE COMMITTEE TO OPPOSE BANK LOANS TO SOUTH AFRICA*
305 East 46 Street New York, N.Y. 10017
Phone: (212) 838-5030

*INITIATED BY THE AMERICAN COMMITTEE ON AFRICA
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- Banco de Ponce
- Bank of North America
- Chelsea National Bank
- Freedom National Bank
- Marine Midland
- The Chinese American Bank
- United States Trust Company
- The First Women's Bank
- Amalgamated Bank of New York
- Central State Bank
- Merchants Bank of New York

Illinois
- Amalgamated Trust & Savings Bank
- American National Bank
- Central National Bank
- Exchange National Bank

- Lake Shore National Bank
- Michigan Avenue National Bank
- North Bank
- South Shore National Bank

California
- California First Bank
- First Enterprise Bank
- Western Women's Bank
- Hibernal Bank
- Mechanics Bank

In addition, any savings bank is recommended.

Urge your church, union or other organization to join with you and thousands of other Americans whose voices and actions are uniting to

Stop the loans to apartheid South Africa!

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