To: ACOA Board
From: R. W. Prexy Nesbitt

- The Current Situation

The campaign to oppose bank loans to South Africa seems now to be gaining substantial momentum. We are having some impact and that's a good feeling. Recent articles in the South African press have been citing with regularity the bank campaign (see the October 15, 1977 Johannesburg Star). It has been reported (Financial Times, October 7, 1977) that the European American Banking Corporation, partly owned by Britain's Midland Bank, "will no longer grant credits to South Africa except for the financing of current trade."
The First National Bank of Atlanta and the Wells Fargo Bank have both publicly announced 'no more loans to South Africa.' (An effort is being made to clarify and monitor the precise meaning of these announcements). Chemical Bank here in New York is considering making a new "no loans" policy statement. (We need more pressure there).

In general as the New York Times (December 4, 1977) reported 'pressure being put on banks making loans seems to be having some effect.' On the other hand, Africa News (December 5, 1977) discussed a recent roll-over of a $50 million loan which may have involved two of the major New York banks.

-Campaign Organization

Presently, thirty-eight organizations are participating in the campaign and have joined COBLSA. The list includes such national organizations as Clergy and Laity Concerned (CALC), the American Friends Service Committee (AFSC), the United Church of Christ Commission for Racial Justice (UCC-CRJ), the International Union, United Automobile Aerospace and Agricultural Implements Workers of America (UAW) and the American Committee on Africa (ACOA). (Copies of the full list are attached).

A new brochure--intended for a mailing to 200,000 people--is in preparation. It is going to be ready for mass educational use before the Christmas holiday season.

Bank campaigns are now underway in Rochester, Boston, Chicago, San Francisco, Philadelphia, and Cleveland, in addition to New York City. Campaigns are beginning in Milwaukee, Madison, and Minneapolis. We hope soon to see some activity in Pittsburgh against the involvement of Pittsburgh National Bank (loans to ISCOR) and the Mellon Bank (trade loans). Inquiries on how to research local banks keep coming from places like Arizona, New Mexico, Nebraska, and Georgia.
There is a good communication network between these centers. Through the various centers, there are over 1,000 people who are actively involved, either in withdrawing and/or active campaign efforts. One goal of our work is to increase the size of this network.

A minimum of $30 million to $35 million has been withdrawn which can be identified. There are other amounts which are simply not known, e.g., a major health organization wrote a letter saying it was withdrawing but did not want to publicize it under any circumstances for fear of losing the space it rented from the same bank!

-The Campaign and the Church

The Protestant denominations have been, unlike 1973, very slow to get aboard. Some indication of the problems involved in withdrawal is provided by the following passage from a recent letter by a major denomination's treasurer:

"As an example of the operational difficulties, we maintain at Citibank more than seventy-five trust accounts for individuals. We need access to these accounts almost daily in order to fulfill trustee responsibility,... Recently, we did an inventory of our banking transactions for an average month and found we used eighty-nine deposit tickets (representing 1,200 transactions) involving approximately $2,242,630."

The November 10 decision by the National Council of Churches (NCC) to "undertake the withdrawal" may stimulate some of the powerful church forces. At the same time, it is also true that there are serious conservative sentiments amongst those who are the financial leadership of the church. And there is a lot of "backsliding" going on regarding the church as the moral trustee for alleviating the suffering of the South African people.

-Future Plans

a. Besides working with demonstrations, some our own, some initiated by other groups, including one this Saturday and one March 21, we also want to try talk-ins at the banks--small delegations of people to talk with customers and show them pictures of South Africa as they approach the bank.

b. We would like to see more delegations visit the banks. (The Board could be very helpful in this area).

-Exim

a. We would like to orient the campaign in a mass direction, more street work, larger mailings, taking the issue to the public or those organizations and institutions, e.g., the black church, which are more mass-based.

b. At the same time, working with the WOA, the Potomac Association of the UCC and IPS, we are going to start a campaign on Exim with an objective of getting an executive decision to prohibit any further Exim underwriting of loans to South Africa.
Help is needed for all the above and in order to keep the campaign moving. (Let alone complete one analytical piece and finish the "ABC's of Bank Lending," the primer started in the spring). Presently, correspondence alone is assuming gigantic, nearly unmanageable, proportions. At the same time this is a good barometer, it is also inefficient.

A Bennington College student will soon be joining and assuming major bank campaign responsibilities. Her arrival will mean some time to get some of the above items done. Unfortunately, she will only be with us for two months.