July 6, 1978

Newsletter #4

I.

- On May 1st, the House Banking Committee endorsed an amendment to end all Export-Import Bank financing to South Africa, by a 28-16 vote. On June 2nd, the full House approved a compromise amendment by a vote of 219-116, to end only Ex-Im financing to the South African government, its agencies, and private companies which have not endorsed nor are "proceeding toward implementing" a modest standard of fair employment principles. Some supporters of the original amendment voted against the compromise amendment, fearing that a complete ban would now become more difficult to achieve. The Ex-Im legislation is expected to come before the Senate in mid-July.

This House action mirrors recent statements of some banks, which have focused on loans to the South African government and its agencies. They can all be seen as significant responses to grassroots pressure, but loans to the private sector in South Africa remain crucial to the apartheid system. The goal of the bank campaign is for U.S. banks to issue clear policy statements of no new loans and no renewal of old loans to the South African government, its agencies, and private corporations. This includes no participation in Ex-Im's programs of financing trade with South Africa.

II.

- On the weekend of Friday, June 16th, demonstrations in Europe, Africa, and across the North American continent marked the second anniversary of the Soweto uprising. Two years ago the South African police fired on an unarmed crowd of Soweto schoolchildren, protesting peacefully against the government. Demonstrations of outrage spread throughout the country, in which more than a thousand persons were killed by the police and military. In 1977 and last month in 1978, the people of Soweto commemorated the day with demonstrations, showing that the spirit of resistance endures despite the arrests, bannings and killings.
In Canada and the U.S., the activities focused on bank loans to South Africa.

Toronto: On Commerce Court, Toronto's Wall Street, 300 demonstrators called on Canada's banks to stop financing apartheid. Account pass-books were burned, to symbolize the resistance of the people of South Africa, who have staged repeated mass burnings of their identification pass-books in protest against the apartheid system.

Washington, D.C. and Milwaukee, Wisconsin: Soweto was commemorated with community rallies, featuring films, speeches and educational workshops.

California: 20,000 leaflets were distributed at 60 branches of Bank of America in 22 cities. Withdrawals of $1 million were pledged, and several hundred immediate account withdrawals were made.

Chicago: In a letter to Secretary of State Cyrus Vance on the eve of the Soweto uprising, representatives of ten religious, sixteen labor, and four student organizations called for the closing of the South African consulate in Chicago, stating that "a large percentage of the population of Chicago finds the presence of this official representative from South Africa offensive to our dignity". Twenty representatives of these various groups, with Father Charles Dahm as their spokesperson, personally delivered a copy of the letter to South African deputy Consul Gert Grobler. On June 16th, the Chicago Coalition on Southern Africa and various other supporting organizations, held a demonstration against South Africa and her financial supporters at the location of the South African Consulate. Afterwards, the group marched to the Federal Building in Chicago and presented the signed letter and petitions asking for the removal of the South African Consulate, the severing of diplomatic relations with the apartheid government, and the institution of economic sanctions against that government, to a representative of the Secretary of State.

Minneapolis: On June 16th in Minneapolis, Minnesota, attention was focused on the Northwestern Bank. Leafleting, picketing, and a "phone-in" to Northwestern officials protesting the bank's policy with respect to South Africa were some of the actions employed. The coordinating organization Clergy and Laity Concerned also urged the public to withdraw bank accounts and to call or write their representatives and senators requesting them to vote against EXIM financing to South Africa. Pledges for account withdrawals were also made.

North Carolina: After a rally and speeches, about 12 persons marched to the main branch of the North Carolina National Bank in Charlotte and withdrew their accounts. In total, approximately $35,000 was withdrawn from the Charlotte branch of this bank as a result of the June 16th campaign. Organizations in Chapel Hill, Durham, Greensboro, and Raleigh also "remembered Soweto" on June 16th with rallies and calls for bank account withdrawals.

Boston: The Soweto Day Solidarity Coalition, composed of six Boston groups, sponsored three days of actions commemorating the Soweto uprisings and protesting Bank loans to South Africa. The First National Bank of Boston was the target of pickets on June 15 at the Roxbury and Downtown Boston branches, and on June 16 at the
Jamaica Plains branch. A cultural and political program was held on Saturday afternoon June 17 featuring speakers from the African National Congress and the Soweto Day Solidarity Coalition as well as presentations of African poetry, dance, and theatre.

Rochester: The Ad Hoc Committee Against Bank Loans to South Africa sponsored a commemorative service and actions against Manufacturers' Hanover Trust on June 16. The service included a talk by South African exile Phil Ndaba and was followed by leafletting of MHT branches during lunch hour. The leaflets urged customers to withdraw their accounts from MHT to protest their loans to South Africa.

New York: Twenty organizations sponsored two days of actions in New York on June 16-17. Manufacturers' Hanover Trust was targeted for demonstrations on June 16 at their downtown headquarters and local branches in Harlem and Bedford-Stuyvesant. Preparation for the demonstrations included leafletting of MHT employees at the downtown and uptown headquarters and a dozen branches as well as research into MHT's lending practices in Harlem and Bed-Sty. This research exposed a blatant practice of redlining which connected MHT's support of racism in South Africa to its racist lending and hiring policies in the U.S. The rally at downtown headquarters attracted well over 200 people who heard speeches from representatives of several trade unions and COBLSA. A spokesperson for the Retail, Wholesale and Department Store Workers announced that the union will withdrawal nationwide all its funds from banks lending to South Africa and divest from corporations doing business in South Africa.

The following evening a cultural and political program was presented in Harlem around the slogan "Harlem--Soweto, Same Struggle, Same Fight". The program included speakers from ANC, ZANU, COBLSA and Harlem Community leaders. The film Last Grave at Dimbaza was shown along with presentations of African song and dance.

-Effective September 1, 1978, Prexy Nesbitt is resigning from the American Committee on Africa. ACOA is currently looking for a staff person to both work on the bank campaign and do campus work.

-It is anticipated that another strategy/planning conference of bank campaign activists will be held in Chicago at the end of July. This will be a follow-up to the January 22, 1978 conference in New York.

-Continued production of these newsletters is getting costly. Please help. Make your checks payable to the Committee to Oppose Bank Loans to South Africa (COBLSA).

-Several of the largest lenders to South Africa are New York banks. Encouraged by the successful demonstrations and the redlining research, a coalition of groups has come together since June 16 to form a local New York chapter of COBLSA. Regular meetings have already begun.
Rumours of R95m secret loan to SA

Johannesburg Star - June 17, 1978

John Cavill

LONDON — Strong rumours circulating in London say that a group of American banks is putting together a 110m Eurodollar (R95,65m) loan for South Africa.

If true, it will be the biggest South African bond raising operation in the Eurocurrency markets since early 1976 when a 200m dollar (R174m) credit was syndicated on behalf of Econs.

The report, contained in the latest issue of the authoritative Agefi International Bondletter, has aroused intense interest among international banks in London.

Agefi's Bondletter said: "The most speculative deal of the year is certainly the 110m dollar loan that a U.S. bank is currently arranging for a South African agency.

"We understand that the operation will be split into several branches, maturing between two and five years, one of the imperative conditions of the deal is that it should not be published," says the Bondletter.

This year South African public corporate borrowers have made a limited comeback in the Eurocurrency market.

Loans have been raised in drs and drs — between R16m and R20m — among German and Swiss banks. Senator Owen Horwood, Minister of Finance, recently claimed that R200m had been privately placed in loans for Econs/Johannesburg City Council, South African Railways, South African Broadcasting Corporation and Iboer.

But this latest report means the first return of South Africa to the Eurodollar market since mid-1976 when the Soweto riots virtually closed the sector to it.

Inquiring among leading American banks which have had previous links with South African loans — such as Kidder Peabody, Manufacturers Hanover Trust, Chase Manhattan — elicited no positive response.

Speculation continued however, around some of the regional American banks such as Continental and Illinois of Chicago, as possible participants in such a loan.

One international bank said: "If they are raising 110m dollars — which we doubt — then there is no way it can be kept a secret for long. It will mean a consortium of five or six banks involving some of the Europes and it would leak out eventually.

"We cannot see any of the bigger American banks getting involved at this stage. South Africa is just too sensitive a subject right now but it is possible that a Chicago or West Coast bank might," he said.

The feeling here is that Econs or Iboer are the most likely candidates for such a big loan although private borrowers such as Barlow Rand are not ruled out.

(NCNB = North Carolina National Bank)

Contact: Coalition Against Corporate Involvement in Southern Africa

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Barclays faces protest

Guardian (London)

May 31, 1978

By Baden Hickman

MEMBERS of two of Britain's leading anti-apartheid organisations plan a national picket of many Barclays Bank branches tomorrow in protest over the bank's continued involvement with South Africa.

Customers will be asked by pickets to withdraw their accounts.

Token protests are also to be made overseas outside major Barclays branches in a number of European and North American cities.

The one-day campaign will unite churchmen of different denominations working through an ecumenical body, End Loans to Southern Africa and the Anti-Apartheid Movement.

A spokesman for ELSA said the day of action against the bank and been organised because it remained "a vital prop in the whole apartheid system.

Some confusion or delays may be caused at branch counters tomorrow when the campaigners distribute leaflets to customers designed as deposit forms. Branch managers will probably have to rule whether these may be acceptable.

Tomorrow's protest is the latest development in the growing international link-up between church and political bodies opposing the Republic's apartheid system. ELSA has just been asked by the United Nations Commission on Human Rights to provide information about its work among company shareholders.

The church men, in particular, representing all the major denominations, are engaged in regular public dispute with such banks as Barclays, Midland, and Standard.