I wish to thank you for supporting my appointment as National Coordinator of
the Campaign to Oppose Bank Loans to South Africa. This is indeed an honor for
me and I look forward to being of service to you.

Recently I returned from an extensive 10-week tour of the United States
visiting high schools, colleges, universities, churches and trade unions. On
several occasions, I also met with administration officials, trustees and
apologists of apartheid. It became clear in the ensuing debates that bank
loans to South Africa were indefensible.

Hence the banks are employing new strategies. One is increasing dealing with
the "correspondent banks". These are South African banks that procure the loans
much easier through inter-bank transfers and then pass them on to their customers.
For example, Chemical Bank in New York which has made statements that it would
no longer make loans to South Africa, is corresponding with Volkskas, a South
African government created bank that is patronised by the police, military and
other State agencies. A Chemical Bank spokesman recently admitted dealing with
Volkskas, and "said that his bank had no control or interest about what Volkskas
did with the loans.

The second strategy is to make loans that are supposed to benefit blacks, like
the $30 million given jointly by Bank America, Citicorp (City Bank) and Manufacturer’s
Hanover to the Urban Foundation, an organisation aiming at "improving the lot of
blacks." In Soweto this money will be loaned to those who want to secure long-
term leases of their homes. Bank America is already publicizing the "loan that will
help blacks." Yet this is all part of the government policy of creating a so-
called black middle-class that can be paraded as a sign for change by the racist
regime.

During my travelling I met individuals and organizations that had undertaken
actions against banks in their own areas. They met success and frustrations.
It is therefore necessary that we share our experiences and hopes of our efforts
in a newsletter. I aim at producing one early next month. However, I need to
know what has been happening in your area. Telephone me as soon as possible.
The deadline for all reports is June 20.

As per agreement, the national conference of all groups will be held on the
weekend of July 21-22 in Minnesota. Karen Lehman of CALC in Minneapolis is
coordinating the meeting. She needs to know very soon how many people are
attending. Her telephone is (612) 871-8033.

Again, please feel encouraged to contact me and I will try my best to be of
any help.

D.S. KUMALO

P.S. The last conference further agreed that delegates coming to the national
conference would pool their travel costs. In order for this plan to work out
smoothly, the delegates are reminded to start now booking their super-saver tickets.
Karen Lehman’s address is Minnesota CALC 122 W. Franklin Ave., Minneapolis, Minn.
55404