New York, New York February 21, 1986.....The leading organization promoting divestment of funds from apartheid issued a statement today condemning the actions of the international banks in "rolling over" billions of dollars in loans to South Africa.

"At a time when blacks are dying in the streets in ever increasing numbers, the banks are simply saying to black South Africa, 'You don't matter!'" said Jennifer Davis, Executive Director of the American Committee on Africa (ACOA) in New York.

Ms. Davis is an economist, exiled from South Africa in the mid-1960's due to her own activities against apartheid. ACOA has been a leading force encouraging more than $5 billion in divestment of public funds through testimony, publications, and work with grass roots coalitions.

The text of her statement follows:

"The American Committee on Africa strongly condemns the international banks decision yesterday to reach an agreement with South Africa on its foreign debt. The agreement gives apartheid a new lease on life. Rolling over the loans is a slap in the face of every black South African. By sitting down and negotiating an agreement with the white minority at a time when blacks are dying in the streets in ever increasing numbers the banks are simply saying to black South Africans: 'You don't matter'.

"The banks are not interested in aiding those suffering under apartheid. This has been a year of exceptional brutal repression in South Africa. More people then ever before have been killed by police, or held without trial and almost all meetings, frequently including funerals, have been banned. The banks should be listening to Bishop Tutu, Rev. Boesak, Dr. Naude and other black leaders. By their acts, the banks have lengthened the day till black South Africans enjoy freedom in the land of their birth.'

Background

South Africa froze repayment on $14 billion in loans last September after several banks refused to make new loans. The banks had become worried that resistance to apartheid inside South Africa, and the growing divestment campaign in the U.S. threatened repayment.
The agreement was negotiated by between Chris Stals, representing the white minority government of South Africa and Swiss mediator Fritz Leuthwiler, on behalf of 30 major international banks, including a number of U.S. banks. U.S. banks have some $3.4 billion in outstanding loans to South Africa, with Citibank and Chase Manhattan among the largest lenders.

South Africa's representative Chris Stals hailed the agreement as "a return to normal with the banks" and concluded that "banks now agree that it's not their role to bring political change in South Africa".

Leutwiler has not turned out to be a neutral negotiator. When he visited South Africa, he refused to meet with representatives of the black majority other than those approved by the government.

Three South African church leaders, Nobel laureate Desmond Tutu, Anglican Bishop of Johannesburg, Rev. Allen Boesak, president of the World Alliance of Reformed Churches, and Rev. Beyers Naude, General Secretary of the South African Council of Churches, issued an urgent appeal to the banks not to roll over the loans. This appeal was ignored.

###