

Peace Research and Education Project
of Students for a Democratic Society
1100 E. Washington
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MARCH 19 STUDENT ACTION AGAINST AMERICAN

ECONOMIC SUPPORT OF SOUTH AFRICAN APARTHEID

U.S. Involvement in the South African Economy

The role of U.S. corporations and financial institutions in the South African economy is great, but hard to quantify with precision. These roles have been particularly significant in maintaining the South African regime since 1960. After the Sharpeville massacre of March 1960 and the subsequent South African withdrawal from the British Commonwealth, foreign capital began to flee the country. It looked for a while in 1961 as if the economy was on the verge of collapse. But as Africa Today, the magazine of the American Committee on Africa, has said, "The United States came to the rescue." The U.S. Atomic Energy Commission negotiated for a new six-year contract for South African uranium, improving the Republic's trade balance. But equally significant, the eighty U.S. companies with investments in South Africa increased their investments in 1961 alone by \$23 million; and \$150 million in dollar loans was extended to the South African government from U.S.-dominated financial institutions (\$38 million, International Monetary Fund; \$28 million, World Bank and its affiliates), from U.S. lenders not publicly identified (\$70 million) and from two major U.S. banks--\$10 million from the Chase Manhattan Bank, \$5 million from the First National City Bank of New York.

Since 1961 as well, this pattern of U.S. public and private support of the South African economy has continued unabated. Where there were, in 1960, eighty U.S. corporations with investments in South Africa, there are now about 200, including many corporate giants (General Motors, Ford,

Chrysler, Firestone, Goodyear, Armstrong, Eastman Kodak, Dow Chemical, Rexall, Pepsi-Cola, Coca-Cola, Olin Mathieson, etc., etc.). In 1963, eleven U.S. banks (Chase Manhattan, First National City, and nine others not publicly identified) extended \$40 million in revolving credit to the South African Treasury. A revolving credit amounts to a loan that is automatically re-lent after the principal is repaid; except for the (low) interest, in other words, it is tantamount to a grant.

In short, both U.S. banks and U.S. corporations have been influential in underwriting South African apartheid, a system so brutal, unjust and universally condemned that it need not be gone into in detail here. But little public attention has been drawn to these "private" initiatives; and the U.S. government has not discouraged these loans and investments.

A Direct Action Proposal

With the fifth anniversary of the Sharpeville massacre approaching on March 21, 1965, Students for a Democratic Society does not want the occasion to pass without calling attention to the major role played by U.S. economic institutions in supporting a social system that institutionalizes the brutality and injustice of Sharpeville. Traditionally, American protests against apartheid have been content with unpointed condemnation of the Verwoerd regime; they have left the impression that apartheid is a system-"way off there over the ocean", rather than a system tied intimately to hidden American interests.

Believing that the most effective way to draw attention to these links is through the use of direct action, SDS proposes to conduct a sit-in at the Chase Manhattan Bank on Friday, March 19, 1965. In preparation, a letter of demands has been sent to the major offices of the Bank. SDS leadership, prominent individuals in the academy and the professions, representatives of the thirty-five SDS chapters across the country (with heavy participation from Northeastern chapters), and participants in the community organizations with which SDS works will take part in the sit-in with the largest possible representation from civil rights

and peace groups which are currently being invited to participate. CORE and SNCC have already endorsed the action. The participants will urge the bank to discontinue its support of the South African government, and urge depositors to cancel their accounts until that decision is made. At a rally in New York the evening of the sit-in, the follow-up program will be announced; for a one-shot, while valuable, does not exhaust our capabilities, or our duty in the face of apartheid.

On the same day, SDS chapters and other far-flung groups will demonstrate at the home and branch offices of the non-financial corporations that invest in South Africa. These offices are scattered in almost every state and major city in the country. These supporting demonstrations could simply be educational, or might seek to halt the operations of the offices involved. Attempts will be made to involve workers at the factories concerned. Emphasis will be on a single particularly offending corporation, although each group should choose its targets with a sense of the resources at hand. Information on these companies is available from the above address.

Publicity surrounding each demonstration will clarify the nature of the link-ups between the U.S. and South African economies. Some of the demonstrators at the Chase Manhattan Bank should expect to be arrested for trespassing and/or obstructing business. The logistics are being worked out.

Implications

The proposed sit-in and supporting demonstration would set a number of important precedents for foreign policy action in the United States.

1. It would establish the possibility of visible, pointed action against specific targets.
2. It would establish a working relationship among peace, student and civil rights groups on peace issues.
3. It would for the first time make visible, to some extent, the role of the American economy in injustice and repression abroad.

To bring home these implications in a sustained and systematic way is the major problem posed by the proposed action. A large-scale educational program on U.S. partnership in apartheid, in cooperation with the Consultative Committee on South Africa is one possible follow-up. Another would be a campaign for Congressional restriction on the now uninhibited behavior of U.S. corporations abroad. (The State Department now says, "We respect the right of Americans to invest where they want to invest.") And in various ways pressure will be kept up on the companies, on the Chase Manhattan Bank, and on those who support their immorality.

If not now, when?

February 19, 1965

C+I - Africa - South Africa - Protest in the U.S.