

Committee to Oppose Bank Loans to South Africa

New York Chapter

4R, 313 West 78th Street
New York, NY 10024
(212) 865-8972

Some Background on Foreign Lending

The business of commercial banks is to take people's money and make commercial loans with them. This is profitable to banks because the interest they receive on loans is much higher than the interest paid to depositors. Because they don't pay interest, checking accounts are free money for banks to lend. Loans for people? Loans for housing needs? Loans to local companies that are staying in New York? No. Banks say that these loans are not profitable. In fact, several big New York banks recently announced a complete suspension of all home mortgage lending in the city. Instead, banks are lending more than ever - to runaway shops in the Sunbelt, multi-national corporations and foreign governments. The big five New York commercial banks - Citibank, Chase Manhattan, Manufacturers Hanover, Chemical and Bankers Trust - make over half of their total loans to foreign companies and governments.

The big bank's foreign loans go primarily to the industrialized West European countries and Japan. However, U.S. bank credits have also been an essential ingredient of survival for repressive governments across the world. U.S. bankers made loans to Chile's government until Salvadore Allende was elected; they then cut off virtually all credits, until he was overthrown. The current military dictatorship has received \$927 million in loans from the same U.S. banks. During the same period, the big five New York banks headed loans totalling over \$2 billion to the government and companies of South Africa. Similarly, the Shah of Iran's dictatorship received billions of dollars from U.S. banks.

These are the same banks which, according to the New York Times, made "exceptionally high earnings" in the last three months of 1978 (a 62% increase for Chase). Even the regulatory agencies, usually hand-in-glove with the banks, are currently asking for ceilings on profit margins to help control inflation. To boost earning ever higher, intense lobbying is going on now for a plan, hatched by Citibank, to create a "tax-free zone" in New York City for U.S. banks' international operations. Following are some useful statistics on the five big banks:

Bank	Loans		Deposits		% of Income from Foreign Operations	Loans to S.A. Participated In
	Total	% Foreign	Total	% NY State		
Citibank	\$46,605	65%	\$55,651	34%	82%	\$1,278
Chase Manhattan	53,180	57	43,508	48	65	592
Manufacturers Hanover	19,043	56	29,783	66	55	946
Chemical Bank	15,881	45	23,297	56	44	40
Bankers Trust	12,331	51	17,360	58	79	50

Sources: Bank 1977 Annual Reports; Economic Aid and Private Banks: The Case of Chile, Inst. for Policy Studies; U.S. Bank Loans to S.A., Corp. Data Exchange; World Bank.

WORLD'S LARGEST LENDER TO SOUTH AFRICA

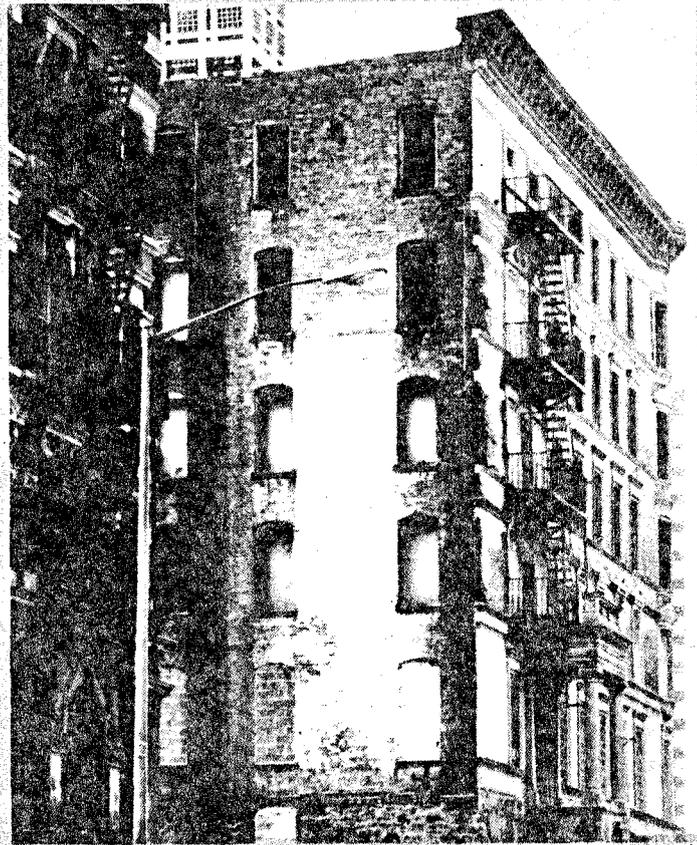
**CITICORP'S
\$1,563,000,000
GIFT GIVEAWAY TO APARTHEID**
Make Citibank your bank and get all this . . .

APARTHEID



A 1979 United Nations report reveals Citicorp's involvement in \$1.6 billion of loans to South Africa between 1972 and 1978. This makes Citicorp the world's largest lender to the apartheid regime.

REDLINING



In 1977, residents of Harlem deposited nearly \$42 million in Citibank. In return, they received only \$607 thousand in bank mortgage loans from Citibank.

WITHDRAW YOUR MONEY FROM CITIBANK! REDLINE SOUTH AFRICA—NOT NEW YORK!

NY COMMITTEE TO OPPOSE BANK LOANS TO SOUTH AFRICA (NY-COBSLA) 865-8972

SPONSORS: American Committee on Africa, Clergy and Laity Concerned, Coalition of Black Trade Unionists, Coalition of Concerned Transit Workers, Committee Against Investments in South Africa, Fur, Leather and Machine Workers Joint Board, National Lawyers Guild-NYC Chapter, Northeast Coalition for the Liberation of Southern Africa, Puerto Rican Solidarity Committee.