"The Banks Say—On South Africa"

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INTRODUCTION:

Despite the large number of banks listed in this document, responses fall consistently within a range of two or three categories. This may indicate a general banking response is surfacing and/or some communication within the banking community to provide a uniform response to people making inquiries.

The larger banks generally fall into two categories. One category states that they do not and will not make loans to the South African government, its agencies and instrumentalities. However, nearly all of the larger banks holding this position refuse to apply a similar policy to either loans to the private sector or trade related loans. On the other hand, several banks state that they will not make private sector loans to projects they feel support apartheid or are not beneficial to the population as a whole. The remainder of the larger banks state that for international loans, they make decisions country-by-country based on financial information and modified by judgements on political, social and economics developments which they find likely to affect a country's ability to repay. A few say they have no branches or personnel in South Africa (Citibank is the only U.S. bank with branches operating in South Africa.) and are thus not subject to its labor laws and social restrictions. These same banks indicate that refusal to make loans to viable commercial or development projects could work considerable hardship on all the people of that country especially on those who suffer the greatest disadvantage under apartheid.

When confronted with opposing arguments on loans these banks generally fall back on the "loans benefiting all people" argument. In developing this argument they point out that a denial of loans would reduce South African economic activity and thereby affect black employment. They choose to disregard evidence that the benefits resulting from such loans are overwhelmingly absorbed by the white minority. They also ignore the fact that loans to the private sector facilitating strategic trade, such as those facilitating purchases of the Cessna aircraft, are obviously capable of military uses and/or generally improve South African military capabilities.

Specific types of loans are excluded by certain banks as indicated in correspondence (Chase, Continental Illinois, Wells Fargo). Those holding this position usually list bantustans, government owned corporations or military purposes, but are generally vague about applications of this criteria to less obvious but equally supportive projects that greatly aid the white minority's ability to maintain itself in power. Many state that blacks favor continued U.S. presence and cite statements by several South African and American blacks who support their position. The favorites are Gatsha Butelezi and Vernon Jordan. They tend to ignore evidence that increasing numbers of South African blacks call for an end to loans to the South African government, including many black organizations both inside and outside that country, as well as the OAU and the U.N. General Assembly. In addition, Vernon Jordan has called for a moratorium on future lending.
Smaller banks generally tend to be involved more in short-term trade related loans. Some have no exposure in South Africa and thus chose not to state a policy concerning an area in which they do not operate. Others defend short-term trade related loans as being either insignificant or of importance in relation to U.S. employment. Those smaller banks who have made direct loans to the government generally conform to the two categories cited earlier.

Finally, some banks argue that decisions affecting overall loan and investment practices in South Africa which affect the stability of the South African government are "within the sole province of the Federal Government." However, numerous Congressional representatives, including Senator Clark, have stated they would welcome decisions of U.S. banks to stop lending to South Africa as a corporate act showing social conscience.
U.S. BANKS

THE AMALGAMATED BANK OF NEW YORK
Howard Lee, V.P. & Cashier
November 4, 1977

"To the best of our knowledge, we have not made, and are not making, loans to firms doing business in South Africa." also "We have not made and do not make loans to, or investments in that government."

AMALGAMATED TRUST & SAVINGS BANK - Chicago
Peter R. Monahan, Senior V.P.
April 26, 1977

"To the best of our knowledge and belief, we have not and are not making loans to corporations doing business in South Africa."

"We are pleased to advise you that we have not, do not, and will not make loans to the government of South Africa."

BANKAMERICA CORPORATION - San Francisco
Irwin L. Gubman, Secretary
July 5, 1977

"Bank of America's South African loan portfolio is less than $200 million, which by way of perspective, should be compared with a total loan portfolio in excess of $35 billion. The South Africa loan portfolio consists primarily of short-term trade-related loans to commercial banks and private corporations.

"Because of concern over the stability and investment climate of that country, our present South African loan policy is to not consider requests for long term loans. Emphasis is given to short-term trade-related transactions, and that portfolio presents no unusual problems of collectibility. Also, as indicated, BankAmerica has no physical assets to protect in South Africa."

Proxy Statement, March 22, 1978

Within the framework of U.S. foreign policy, and recognizing distinctions between what a commercial enterprise can undertake at home and abroad, BankAmerica employs an objective and dispassionate analysis in making its business decisions. In the case of international loans, this analysis includes a country-risk system based on financial information and modified by judgements on political, social and economic developments deemed likely to affect a country's ability and willingness to repay debt.

In South Africa, the consequences of the apartheid policy create social unrest that adversely affects the country-risk rating of that area. Because of this social unrest, BankAmerica's lending activities there are restrained, and will continue to be. With many others, however, we share the belief that the best interests of the people of South Africa - including its black majority - will not be served by the precipitous, voluntary withdrawal of American business.

We do not have any branches or personnel in South Africa, and so are not subject to its labor laws and social restrictions. Our outstanding loans there are primarily short-term and trade related, and constitute a very small part of our total loan portfolio. We do not agree with the contention that such loans serve to undergird the current government or facilitate repression.
The shareholders' proposal on South Africa seems especially short-sighted in that it would prohibit loans "to any companies for their operations in that land." This would require a refusal to support even projects which are specifically intended for the improvement of the condition of the black population, or activities that could aid opposition to the system of apartheid.

BANK OF AMERICA - San Francisco
Mark E. Hennessy, Research Officer - International
August 8, 1977

"with regard to the $188 million of outstanding loans in South Africa as of early 1977.

"Nearly one-half of the total represented short-term loans to commercial banks. Over one-fourth of the total was to private and public corporations for trade-related purposes or financing of industrial development projects. The largest recipient of the balance was the government, which received short-term loans to cover balance of payment deficits."

CENTRAL NATIONAL BANK - Chicago
John A. Fisher, Jr., VP & Director of Marketing
May 26, 1977

"please be advised that this Bank does not have any loans to customers in, or to, the Republic of South Africa."

CHASE MANHATTAN BANK'S POLICY ON SOUTH AFRICA

In the Chase Code of Ethics, adopted this year, we state:

"Strict attention should be given to the legal, moral and social implications of all loan and investment decisions on a global basis. We should seek to avoid business with identifiably harmful results and assure that we always carefully evaluate the long-term, as well as the short-term, meaning of our decisions."

"In South Africa, this approach has resulted in a lending policy which specifically excludes loans that, in our judgement, tend to support the apartheid policies of the South African government or reinforce discriminatory business practices. Conversely, we are willing to consider loan proposals for projects of a productive nature which we believe will result in social and economic benefits for all South Africans. We recognize that this general policy requires a high degree of subjective judgement when applied to specific instances. In addition, these guidelines are reviewed on a quarterly basis in order to give recognition to changing circumstances in a fluid environment.

Currently, we are not extending loans to Namibia, the homelands or the border industries. General purpose loans to the government or to parastatal institutions are also discouraged.

STATEMENT BY DAVID ROCKEFELLER AT THE ANNUAL MEETING OF THE CHASE MANHATTAN CORPORATION
APRIL 19, 1977
THE CHINESE AMERICAN BANK
November 2, 1976

in answer to: 1) Does your bank do business in any way with South Africa?
   2) Does your bank have a policy on banking with South Africa?

answered: 1) No.
   2) No.

CHEMICAL BANK
John B. Wynne, Senior V.P., Secretary and General Counsel
February 10, 1978

Chemical bank has, since 1974, limited its lending to essentially short-term trade related transactions. The effect of this policy has been to make no term commitments directly to the central Government or to Government controlled agencies or instrumentalities since that time.

"Regarding your second point about the purchase of a bond of the South Africa Electrical Supply Corporation (ESCOM), we find no record of such a transaction."

John B. Wynne
December 21, 1977

"Chemical bank has, since 1974, limited its lending to South Africa essentially to the financing of trade, almost entirely on a 180-day acceptance basis. We have a loan of very modest size, 90% guaranteed by the Export-Import Bank of Washington D.C., and have also had on our books for some time an unused loan commitment of modest size to a South African company. We have no loans to the South African government or its agencies with two exceptions. These are two small loans to government agencies, one made in 1972 and maturing in 1979, and the other made in recent years to the Electricity Supply Commission or the Iron and Steel Corporation, which have been mentioned in the press. A recent report that we have made at least one loan of $35,000,000 is incorrect. The total of our loans of all kinds to South Africa, including acceptances outstanding, does not nearly reach this amount."

Policy Statement, March 21, 1978

"Chemical Bank is strongly opposed to apartheid, and consequently has a policy prohibiting any loan transactions with the Government of South Africa. Chemical has not made any term commitments to the Government or to Government-controlled instrumentalities since 1974, nor does the Bank have any operating units in South Africa.

"The Bank also believes that its mandate as a major financial institution is to serve as a catalyst for economic progress. Our role should facilitate the worldwide exchange of goods and services. Active and open participation in a global economy by all nations can best serve human needs. In our view, short-term financing and the few loans that the Bank had made in the past to entities in South Africa are economically productive.

"A total withdrawal of American business interests from South Africa, together with a refusal to finance current trade could have an extremely harsh effect on
Chemical Bank (continued)

all South Africans. It is our position that a decision to impose a complete economic boycott is within the sole province of the Federal Government."

CITIBANK
Mr. Hamilton W. Meserve, VP - Africa
December 13, 1977

re: "our recent $25 MM participation in a $110MM five-year syndicated loan to the Government of South Africa. "our lending policies and procedures are identical around the world."

Donald J. Cohen, V.P. Public Affairs
October 26, 1976

"In South Africa, by contributing to the creation of a pluralistic marketplace we think we assist in the development of a more pluralistic social system."

Proxy Statement March 10, 1978

In the past year, Citicorp has disclosed the basis of its lending decision in South Africa and elsewhere. The March 1977 proxy statement indicated that the decision was based not only on the specifics of the particular loan, such as the purpose, risk characteristics, interest rate, maturity and security, but also included an assessment of the social and economic environment of the country. The current policy on loans to South Africa has been communicated to some of the proponents of this resolution. It has been stated that we regard apartheid as having a negative effect on South Africa's economic viability and so long as this is the case we will continue to moderate our business involvement in the country. Specifically, Citicorp is limiting its credit, selectively, to constructive private sector activities that create jobs and which benefit all South Africans. Citicorp would regard tangible progress away from apartheid as a positive factor in its risk-evaluation process. The 1977 proxy statement also indicated the view of Citicorp that the withdrawal of international financing to South Africa would lead to a constriction in the economy which would probably have disproportionately adverse effects upon the black community and other minority groups.

CITIZENS AND SOUTHERN INVESTMENT COUNSELING, INC.
Ben Jones, V.P.
January 6, 1978

"I cannot speak for the Bank; however I have talked to the International Division of the Bank as to their lending policies to the government of South Africa. The Bank does not issue formal statements of policy pertaining to any lending relationship but I have been told that the Bank has not extended any credits to the government of South Africa for the past two years. There is, however, a remaining balance on a long-standing term loan which will mature during calendar year 1978, and I have been told that this would not be renewed."

CONTINENTAL BANK - Illinois
Ray Myers, Exec. V.P., Corporate Counsel, and Secretary of the Board of Directors
December 6, 1977

Here is a complete summation of our activities over the past few years in South Africa:
CONTINENTAL BANK (cond't)

- Continental Bank has not extended credit to the government of the Republic of South Africa.  
- We have not, in our estimation, made any loans that would directly support the policy of apartheid.

-We have not made loans for military purposes and in fact have refused requests for such loans.
- We have participated in loans to government-owned corporations that produce steel and electricity and which also provide reasonable employment to blacks.
- We extend credit in South Africa under conditions that we believe will further the general economic development of the country but will not reinforce any prevailing discriminatory practices.
- For three years Continental Bank made South African Krugerrands, along with Mexican pesos, Austrian coronas, and other gold coins, available for purchase by the public. With sales activity chronically slow the service has not been profitable, and the sale of all gold coins at the gold teller window will be discontinued effective January 1, 1978.

- We are opposed to apartheid, and abhor every abuse to which it has led, but we do not believe that these can be remedied by our withdrawing legitimate support of international trade and economic development.

Continental Illinois Proxy Statement March 1978

At the time, the Corporation clearly stated that it shares with all responsible Americans an opposition to apartheid, which is a denial of basic human rights. In the intervening year, management has carefully re-examined the Corporation's loan policy with respect to South Africa. It has found nothing to alter the Corporation's view that economic isolation of South Africa would not contribute to the elimination of apartheid there and would clearly endanger the prospects for non-whites whom the opponents seek to assist. This assessment has taken into consideration the legal, moral, social, economic and political implications involved. Management's view coincides with the belief held by many large American and European banks and companies and informed observers, including several Black South Africans, that the promotion of trade and investment and the support of economic development within South Africa will prove to be a most important vehicle for correction of the problem of apartheid.

As in the past, the Corporation's lending policy in South Africa is in full accord with the foreign policy of the United States government. The Corporation will continue to consider financing proposals which support international trade and economic development and will redound to the benefit of all South Africans. This approach specifically excludes loans that in management's estimation would support the system of apartheid. In addition, this loan policy will continue to be regularly reviewed by management in light of current developments.

CROCKER NATIONAL BANK  
Diane D. Graham, Director of Consumer Affairs  
December 9, 1977

"At the present, a very small portion of our entire loan portfolio is committed to the Union of South Africa. Because we believe that their political and social system of apartheid has a negative effect on the long-term viability of that government, our lending policies to that country are carefully scrutinized and loan
commitments have been made cautiously, considering the purpose of a loan as well as the government's ability to repay the debt.

"We also recognize that total economic withdrawal would cause the collapse of worthy projects that benefit all the peoples of South Africa, regardless of race."

Ward B. Stevenson, Sr. V.P.
August 1, 1977

"All loans are governed by the same policies and criteria world-wide: i.e. the ability of the borrower to repay the loan and the purpose for which the loan is to be used."

FIRST CHICAGO CORPORATION
Proxy Statement March 1978

Management intends to review the Corporation's loan policy with respect to South Africa regularly and closely, as we have in the past, to ensure that the Corporation meets its business and social responsibilities. The Corporation has made no new loans to the South African government or its related agencies since December, 1976, and management believes that amelioration of South Africa's racial policies is necessary to assure that the country remains creditworthy.

EUROPEAN-AMERICAN BANKING CORPORATION
H.E. Ekblom, Chairman and Chief Executive Officer
January 3, 1977

"Under the present circumstances we have decided not to grant any credits to South Africa other than those for the financing of current trade."

William M. Keeler, Vice President
October 17, 1977

"Our policy has not changed since the January 3, 1977 letter from Mr. Ekblom to Alexander Kirby of the World Council of Churches."

FIRST NATIONAL BANK - ATLANTA
Thomas R. Williams, Chairman of the Board
January 20, 1977

"We have outstanding one commitment in South Africa. That commitment is represented by a $2 Million participation in $100 Million loan to the South African Iron and Steel Industrial Corporation. The loan is headed by West Deutsche Landesbank of West German."
FIRST NATIONAL BANK - ATLANTA

May I quote from our letter of June 12, 1977, to Dr. Richard J. Ernst, Presbyterian Church in the U.S., dealing with this matter:

"Like your good Investment Committee, we are deeply concerned over the state of affairs now existing in South Africa. The Bank has no plans for further loans to South Africa until such time as it is clear to us that there is meaningful movement toward resolution of these problems. That resolution would of necessity have to involve very substantial political and social change. We are hopeful that that change will be brought about without violence and without wrecking of the economy of the country with all the contingent suffering that would accompany the dissolution."

FIRST NATIONAL BANK OF BOSTON
Kenneth R. Rossano, Sr. VP
December 1, 1977

We can confirm to you that this Bank does have outstanding loans in South Africa. Our involvement, however, is not great and much less than our outstanding and projected loans to so-called "black Africa". Further, the greatest proportion of the credits consist of short-term trade related advances to private commercial banks. You may be interested to learn that we currently believe that Africa, particularly black Africa, represents an important potential market for us, and we are currently considering a number of loans which will be of value to the people in those countries as well as to our stockholders. Obviously, our judgement will be influenced by our estimate of the country's political stability.

First National Boston Proxy Statement
February 1978

For the Bank to conduct its business properly, management must be free to make credit decisions based upon all pertinent factors, which include not only the ability of the particular borrower to repay, but, in the case of international loans, such factors suggested by the proposal as the political and economic stability of the country in which the borrower is located. However, the Board of Directors believes that it would be extremely unwise for the stockholders to impose on management any extrinsic standards relating to credit judgments and the deployment of the Bank's assets either geographically or by identity of the borrower. Furthermore, the Corporation's involvement in the Republic of South Africa is so small as to be virtually de minimis. The volume of loans of the kind covered by the resolution is less than three-tenths of one percent of the Corporation's total consolidated loans.

FIRST PENNSYLVANIA BANK
James F. Bodine, President and Chief Operating Officer
June 17, 1974

"We intend to hold and honor the loans and commitments which we have already made. Until there is a positive change in respect to apartheid, we have placed a moratorium on our International Department's making any further loan commitments to the South African government, or to business firms for operation in that area."

THE FIRST WOMEN'S BANK
Eileen Preiss, VP
November 23, 1976
"1) Our bank does not do business in any way with or in South Africa
2) Our bank does not have a policy on banking with South Africa."

HARRIS BANK (Chicago)
Donald S. Hunt, VP
August 11, 1977

"our current situation is that we do not make loans to the government of South Africa or to governmental agencies. We are willing to make loans to non-governmental corporations and correspondent banks. However, at present we have no loans in South Africa, and no commitments to make loans."

IRVING TRUST COMPANY
James MacNeary, VP
January 17, 1978

"Irving Trust Company does have outstanding loans to South African borrowers, amounting to about 1% of our total loans. They have been made primarily to businesses, banks, and individuals, but a small portion amounting to less than 3/10ths of 1% of our total loans have been made directly to the Government of South Africa. The latter represents term loans granted over various times in the past with a contractual obligation to run to maturity."

MANUFACTURERS HANOVER CORPORATION
Bruce Henderson, Senior VP
October 28, 1978

"We have followed a consistent lending policy in South Africa over recent years, although the criteria set out below have become more sharply defined in the minds of the bank officers concerned as a result of the criticism which has been directed toward certain classes of lending in that country. We have always been conscious of the fact that we did not wish to underpin the apartheid policies of the South African Government or to support practices which discriminate against the black population. As a result, a primary consideration when evaluating new loans has been, and still is, the purpose for which the money is required. We have been and will continue to entertain applications for projects of such a character as will, in our judgment, generate improved circumstances for the whole population of the nation. Loans which do not meet these standards are rejected."

"We finance the export of capital goods from the United States to South Africa when such capital goods can be used to improve the economic and social well-being of the population. In this category we would place the financing of locomotives, electrical generating equipment, power lines and even industrial equipment..."

"we do have a substantial amount of money extended as loans to responsible organizations in that country..."

Proxy Statement - March 1978

Doing business with or in South Africa does not constitute a general endorsement of its laws or social or economic policy. The Bank has taken care to avoid actions which would support either the apartheid policies of South Africa or practices which discriminate against its black population. In contrast to the flatly prohibitive resolution advanced by the proponents, however, the Bank's policy permits consideration of applications for credit-worthy projects which would, in the judgment of management generate improved circumstances for the whole population of the nation. Loans which do not meet these standards are rejected.
MARINE MIDLAND BANKS, INC.
Frank J. Laski, General Counsel and Secretary
August 4, 1977

"Marine Midland treats as confidential specific information concerning the amounts of our loans to any borrower whether that borrower be an individual, corporation or country."

MELLON BANK
Craig G. Ford, Senior Vice President
December 23, 1977

"In the rare situation wherein we would be approached to consider a loan in South Africa, the proposal would be reviewed to ascertain the use for the funds. This would provide the opportunity to determine whether the specific situation would benefit the entire nation.

G. Christian Lantzsch, Senior V.P. and Chief Financial Officer
July 25, 1977

"we do not, under any circumstances, disclose information on the Bank's financial transactions with any customer -- individual, corporate, governmental."

THE MERCHANTS BANK OF NEW YORK
Andrew Ziegeler, President and Chief Executive Officer
November 16, 1977

"we wish to advise you that we have not loaned money in the past to South Africa, nor do we contemplate lending any in the future."

MORGAN GUARANTY TRUST COMPANY
Lewis T. Preston, Vice Chairman of the Board
November 4, 1976

"while Morgan Guaranty does not have any operation or direct investment in South Africa, we have extended credit to South African borrowers for such purposes as the financing of trade and the development of industrial projects.

"We do not,( have a policy on banking with South Africa), if you mean by that a policy which applies only to South Africa; we do, in the sense that we apply general policies or guidelines to our business both domestically and abroad. Thus, as is in the case with our lending activities world-wide, the extension of credit to a South African borrower would be based on our assessment of the general credit-worthiness of the borrower, of his ability to meet the terms of the credit, of the viability of the...investment for which funds are being raised, and of the politically-economic outlook of the country in which the borrower resides.

J.P. Morgan & Company
Proxy Statement March 1978

The Bank makes loans to private and governmental borrowers in many countries. Such
extensions of credit do not indicate approval of all of the political systems and policies prevailing in those countries, such as the apartheid system in South Africa. The deprivation of basic rights is wrong wherever it may occur. However, refusal to make loans to viable commercial or development projects in South Africa, whether or not government-sponsored, could work considerable hardship on all the people of that country, most especially on those who suffer the greatest disadvantage under apartheid. The economic disruption which could be expected to result from a denial of all external credit to South Africa would seriously impair the chances that needed social change in that country can be achieved by peaceful means.

NORTHWESTERN NATIONAL BANK - Minneapolis
James L. Buckles, Vice President
August 8, 1977

"NNB - Minneapolis does not have any loans to the government of South Africa nor are we aware of any that have been made by the bank in the past.

We do engage in certain export financing in South Africa to assist United States exporters who sell equipment to purchasers in South Africa. In this connection, we have had a longstanding policy of maintaining a confidential relationship with respect to our loan transactions with our customers, and we do not disclose any such information unless we are furnished with a subpoena court order, or receive the customer's written consent to disclose information pertaining to the customer's affairs with this bank.

"We do not have any formal written policies concerning loans to South Africa; however, we do have an informal unwritten policy of not extending any loans to private borrowers in South Africa and to only engage in such loans which support exports from the United States to South Africa of a non-military nature."

NORTHWEST BANCORPORATION
Richard H. Vaughan, President
December 2, 1977

"None of our affiliated banks have loans to the government of South Africa, nor are we aware of any such loans being made by our banks in the past. Our largest affiliate is active in financing U.S. exports around the world, and has extended credits of this type to firms in South Africa. A small merchant bank affiliate has made credit available to a financial institution in that country. Since our banks have had a long-standing policy of maintaining a confidential relationship with respect to their loan transactions with customers, we cannot disclose the names of those borrowers."

NORTH CAROLINA NATIONAL BANK
Joseph B. Martin, Director of Public Policy
August 25, 1977

"You asked whether we have any loans currently outstanding in South Africa. We do.

"You asked about the nature, extent, and purposes of such loans. Information pertaining to customer accounts is not disclosed to third parties. To do so would be an unwarranted invasion of the privacy of our customers."

NORTH CAROLINA NATIONAL BANK - Financing of two Cessna aircraft
NCNB has made two loans in the last year to finance the purchase of Cessna aircraft by Comair of South Africa. Both loans were guaranteed by Export-Import Bank.

1. Loan of $412,000 to Cessna International Finance (Wichita, Kansas)
Export date: 9-30-76
Maturity date: 10-31-81
$350,000 Export-Import Bank Guarantee (G176 108)
Interest Rate - 9%
Aircraft destined for Comain

2. Loan of $671,000 to Cessna International Finance
   for a Cessna Citation
   Export Date 12-31-76
   Maturity Date 1-31-82
   $570,000 guaranteed by Export Import Bank (G176-114)

It is not clear that each loan is for one plane, but the cost of a Cessna is about $500,000, so it would appear it is one plane for each loan.

COMAIR

Comair is a South Africa corporation which markets general aviation products, mainly Cessnas. It also markets domestic appliances and has an interest in furniture and television retailing. It sells Cessnas to business executives, and probably also to farmers (used for crop dusting). It is not clear if they market Cessnas to the military or to the government, or if perhaps the government might offer farmers some kind of financing for these small planes. This need further investigation.

CESSNA

Cessna Aircraft Corporation, 5800 Pawnee Road, Wichita, KS 67218
Subsidiary: Cessna International Finance, 3900 E. McArthur Road, Wichita KS 67201

Cessna makes small executive type aircraft for civilian and military uses. The company says, "These are regular commercial models which may be adapted to military missions with only minor modifications." (Annual Report 1970) Cessnas have a high mobility capability, able to land in short places, good for low flying, low level reconnaissance, and casualty evacuation.

It is likely that Cessnas are used by the Air Commandos - a flying militia or national guard, mainly volunteers, that function as "territorials" primarily in defense of their home areas. They fly their own planes, and are paid by the government when flying in times of emergency or war. Technically these planes are not sold to the military, but are easily converted to military uses.

Jennifer Davis' Testimony to Senate Foreign Relations Committee July 24, 1975.

PITTSBURGH NATIONAL BANK
Merle E. Gilliland, Chairman
August 2, 1977

"we presently hold in our portfolio loans totaling approximately $15.5 million to agencies or companies controlled or owned by the Republic of South Africa. These loans were made to assist United States companies in their sale of goods or materials to South African purchasers; and are substantially guaranteed by the Export-Import Bank of the United States."
PROVIDENT NATIONAL BANK
Roger S. Hillas, Chairman
July 26, 1977

"In 1973, we participated to the extent of $5,000,000 in a $200,000,000 credit to South African Railways and Harbours, which I have to assume was generally for the betterment of all citizens of South Africa.

Due to conditions existing in that country we are not making additional loans at this time."

Alan A. Ballard, Vice President
October 11, 1977

"As you now know, we have in the past made development loans to South Africa including the Ex-Im related transaction referred to in your letter. Basically our activities have consisted of financing U.S. capital equipment sold to a private U.K. owned company in South Africa and one loan made a number of years ago to a South African company for the purpose of infrastructure development.

"In future, we do not contemplate any loans to finance infrastructure developments in South Africa."

SOUTH SHORE NATIONAL BANK (chicago)

The following resolution was adopted by the Board of Directors of South Shore National Bank at its regular board meeting of November 16, 1974.

"The Board of the South Shore National Bank is committed to the principles of racial and economic justice in the operations of the bank and the use of the bank resources.

The principles of racial and economic justice as we understand them require us to say "Yes" to prudent opportunities for the use of resources in neighborhood development. They also require us to say "No!" to the requests for participation in some loans. We must say "No!" to the requests for participation in loans to governments such as the government of South Africa which have official policies of racial apartheid. We must say "No!" to corporations whose activities in such countries support or reinforces the unjust racial policies. We must say "No!" to invitations to participate in loans for military supplies to undemocratic or terrorist regimes.

But our primary responsibility is to find ways to further racial and economic justice in our community and our city through the prudent use of our resources. It is to this purpose that we invite others to join with us or to entrust resources to our administration."

UNITED STATES TRUST COMPANY
John J. Wilson
November 4, 1976

"1) We currently have little, if any, existing business in South Africa.
2) We have no policy on banking with South Africa."
WELLS FARGO BANK
Ernest C. Arbuckle, Chairman
June 13, 1977

1. Wells Fargo Bank does have loans outstanding to South Africa.
2. Our total outstandings amount to $25.2 million. Of that amount $15.2 million represents short-term trade related credits.
3. With respect to lending opportunities in South Africa, our policy is to consider only short-term trade related loans to private sector borrowers on a case by case basis.
4. Under this present policy, Wells Fargo Bank will not lend to government or quasi-government entities.

FOREIGN BANKS

ALGEMENE BANK NEDERLAND
April 21, 1978
Letter to the World Council of Churches

-that it made no loans to the Republic of South Africa or its agencies since the middle of 1975;
-that "apart from the increasing economic risks attached to such a loan, one of our considerations has been the growing criticism, national and internationally both within and outside ecclesiastical circles, of the situation in South Africa, particularly with respect to racial discrimination...our Managing Board has an understanding for this criticism, because our decisions...are not governed by the profit motive alone, but non-commercial considerations also pay an important role in the process of making decisions;"
-that "a real solution must be found for the present racial discrimination, before South Africa will prove an acceptable debtor again, from a political as well as from an economic point of view;"
-that it has undertaken to continue discussions on the matter with the Council of Churches in Netherland.

Earlier in the year another major Dutch bank, the Amsterdam-Rotterdam Bank (AMRO), had already gone on record that it had decided to stop the granting of loans to the South African Government and its agencies for similar reasons.

BARCLAYS BANK INTERNATIONAL LTD.
S.G. Mogford, Vice Chairman
May 21, 1976

Our lending is not one to the South African Government nor, in our view, does it in any way represent acceptance of the Government's racial policies, which we have many times stated in public we abhor. The lending, as you indicate, is to the Electricity Supply Commission and naturally, as such, provides electricity which benefits black as well as white.

NATIONAL WESTMINSTER BANK LTD., UNITED KINGDOM
C.F. Green, Secretary
May 26, 1977

In response I can tell you that while it remains the policy of H.M. Government to trade with South Africa, National Westminster considers it right and proper to support that policy by continuing to finance legitimate trade with and investment in that country.