RESPONSES OF THE BANKS TO LETTERS OF WITHDRAWAL IN CONNECTION WITH THE CAMPAIGN OF THE COMMITTEE OF CONSCIENCE AGAINST APARTHEID

CHASE MANHATTAN:

"The Chase Manhattan Bank does not believe that the conduct of international banking relationships with a country implies endorsement of the social or political policies of that country's government." (Thomas Bellinger, Vice-President, 42nd St. Branch)

"As bankers we are particularly conscious of the pressing problem of the balance of payments to the United States and of the need to increase our exports. Our part in the financing of this trade is responsive to a national need." (Charles Deveney, Assistant Treasurer, U.N. Plaza Branch)

"Today, more than ever, there is a pressing need to increase U.S. exports to improve our country's international balance of payments. Our part in financing this trade through foreign loans is responsive to this national need." (Bellinger)

"We might point out that we have an important stock interest in the Standard Bank, Limited, which does business in 16 African countries which are just now beginning their economic development and urgently need all possible financial support. We believe that withdrawal from the Standard Bank would be a move away from the goal that all of us want: the sound development of the continent of Africa for the benefit of all Africans." (Deveney)

"Chase Manhattan and the other American banks, which do an international business, conduct normal commercial banking relationships with both private and governmental customers in virtually every country outside the Communist bloc. So long as our own government maintains friendly relations with a country, we believe that we would not be warranted in any attempt to interfere with the flow of international commerce by discriminating against such a country." (Raymond C. Thompson, Assistant Treasurer, 73rd St. Branch)

"The Bank does not feel that it has the right to refuse to consider normal banking relationships with any country which, like the Republic of South Africa, is recognized by the government of the United States." (Bellinger)

FIRST NATIONAL CITY

"Let me first assure you that we do not support any government except our own. The fact that we have branches in South Africa is no more an indication of our support of that government or its policies than our operating a branch in Paris is an indication of our support of General De Gaulle." (Harold Stevenson, Vice-President)

"The loans we are alleged to have made to South Africa have nothing to do with the operation of the government and relate only to U.S. dollar foreign exchange reserves."
"This Bank, as I hope you already realize, deplores intolerance as much as any responsible citizen of this country and resents injustices wherever they are committed, even here at home. That is one of the reasons this Bank was among the pioneers in the New York community in both the employment and training of minority groups." (Stevenson)

"Our long experience, operating as we do in 60 countries outside the United States including 14 countries elsewhere in Africa, has taught us that it is disastrous for all concerned to interfere in the internal affairs of another country, just as we in the United States resent other nations telling us how to run our affairs. In all the foreign countries in which we are guests, we follow the basic policy of never interfering in internal affairs and always following the lead of our government in foreign policy. The limited freedom given citizens of many foreign countries and the total lack of civil liberties which exists in some African and South American nations, are matters of legitimate concern to us. But, they are not, in our judgement, matters where it is proper for the private citizen or the corporation to attempt to make his own foreign policy. To do risks embarrassment to our government as well as serious misunderstanding throughout the world." (Stevenson)

"In all foreign nations where we operate, we attempt to contribute to economic health and growth. On this count we are proud of what we are accomplishing in South Africa, which is today one of the most economically robust nations of the world. We believe that an economically healthy nation is better able to deal with its problems, both domestic and foreign, than one that is economically deprived. Therefore, our contribution to the economic health of South Africa, is a contribution, at least indirectly, to the solution of the race problem there. Certainly our withdrawing from South Africa would not contribute to solving that problem. ... This is not offered in any way as a defense of apartheid, but rather as an example of how economic growth can make for social progress in which we all believe. Therefore, we see no reason to apologize for our presence in South Africa." (Stevenson)

"Often overlooked in discussions of boycotts of South Africa is the fact that if any boycotts or sanctions were ever to made effective against that country, the persons who would be hurt first and most extensively would be the Coloured and the Bantu, and there is no reason to believe the government would fall. Indeed, it might well become stronger because it would rally more patriotic support." (Stevenson)

"The lot of the Coloured and the Bantu in South Africa is considerably better than it would be if foreign investment were not there." ..."There standard of living is the highest to be found in all Africa." (Stevenson)

CHEMICAL BANK

"... it remains a fact that our Government continues to have full diplomatic relations with the government of South Africa, with no indication that these relations are to be terminated." (Keith M. Urmy, Exec. Vice-Pres.)

"Chemical Bank, through its U.N. office, has been active in assisting Africans and African states and has established itself favorably with these new countries.
Of even greater significance is the fact that the Vice President in charge of that office, Mr. Roméo Balaguer, has been the recipient of several honors from the African states. The latest of these presentations occurred less than six weeks ago when the Cross of the National Order of Senegal, with the rank of Commander, was awarded to him by the President of Senegal who stated that the award was "in recognition of your efforts in bettering the relations between our country and the U.S.A., and your thorough understanding of our people, to whom you are a friend." (Urmy)

SUMMARY OF MAJOR ARGUMENTS:

1. United States banks and businesses cannot apply ethical criteria to their operations in foreign countries.

2. Financing trade with South Africa is in tune with the U.S. government's international balance of payments 'problem.'

3. As South Africa is fully recognized by the U.S. Government, good citizenship prevents a contravention of these good relations. (Banks cannot make foreign policy)

4. The value of the banks in other areas of Africa to aid economic development would be hampered by a change of banking policy towards South Africa.

5. Continuing and increasing American financial participation in strengthening South Africa's burgeoning economy offers the best promise of ultimate alleviation of prevailing evils.

6. Sanctions are more likely to have an adverse effect on the political climate in South Africa, as well as hurting the African peoples.

7. The banks' policies in the United States to promote racial justice indicate that involvement in South Africa is not undertaken with any love of apartheid.

8. Involvement is related to U.S. dollar foreign exchange reserves, and not to the functioning of the South African government.