

"A lot of people have the view that Riggs is a rich man's bank." — Melvin Chrisman, Senior Vice President, Riggs National Bank

## RIGGS: Rich Man's Bank

Have you ever tried to get a mortgage, home improvement or small business loan from Riggs and been turned down? If so, you have something in common with other DC residents who live in predominantly black and working class neighborhoods. But if you want to purchase an expensive home west of Rock Creek Park or a recently renovated townhouse on Capitol Hill or, perhaps, even in Shaw, then you have a "friend" at Riggs.

Riggs is, in fact, a "rich man's bank." Discriminatory mortgage lending, employment and promotion practices and a lack of services to the vast majority of community residents are the evidence.

Riggs, the DC bank with the largest amount of deposits, has the lowest percentage of loans to District residents and businesses of any commercial bank in the city. Where is Riggs investing the money deposited by DC residents? Riggs is using our money as the basis of its loans to the South African white supremacist government and the military dictatorship of Chile. As of January, 1978, one-third of Riggs National Bank's international lending went to South Africa and the military dictatorships of Chile, Argentina and Uruguay. Chile alone accounts for 20% of Riggs' international lending.

Riggs finds these banking practices very profitable. Profits last year were up nearly 22%. These profits were made at our expense and at the expense of the majority of people in Chile and South Africa.

## Banks Promote Housing Crisis in DC

"D.C. is getting so only rich people can live there. They ain't got nothing for folks like me who are struggling."

—Former D.C. resident quoted in *Washington Post*, 10/11/79

Riggs, together with the other commercial banks in DC, must shoulder much of the blame for the city's present housing crisis. During the 1960's and up to the mid-1970's, the banks actively disinvested from the city, shifting their loan money to the suburbs. Large areas of the city were "redlined" (declared high risk areas by the banks and denied loans—the term is derived from the bank practice of drawing red lines around these areas on their maps). Mortgages were unavailable for purchasing homes in these areas; many remained unsold and boarded up. Entire neighborhoods deteriorated and property became very cheap for anyone who had the funds. This situation attracted the housing speculators. The banks followed the speculators into these formerly redlined areas, providing mortgages and renovation loans to young professional people moving into the inner city. Long-time residents who saw their neighborhoods deteriorate due to redlining now are being forced to relocate. They are being forced out by rising rents, increased property tax assessments, by landlords selling housing at inflated prices or turning rental units into condominiums.

## Riggs' Record on Housing

Riggs' mortgage lending record parallels the development of the housing crisis. From 1972 to mid-1975, 79% of Riggs' mortgage money went into exclusive, high-priced housing units west of Rock Creek Park. During that period, Riggs lent \$15.6 million for housing west of the park but only \$170,000 in Anacostia and only \$850,000 to all the rest of upper northeast and northwest. In 1977, Riggs made loans of only \$1 million for moderately-priced housing in DC.



## Riggs Rated Worst by DC Government

In 1978, the District Government surveyed local banks, ranking them according to types of loans made, location of the borrower, and employment practices. This is what they found: Riggs ranks *lowest* in terms of social responsibility! (DC Auditor's Annual Report on Depository Activities.)

### DC Auditor's Ranking

1. United National Bank
2. Industrial Bank
3. Diplomat Bank
4. Hemisphere Bank
5. Bank of Columbia
6. Union First
7. D.C. National Bank
8. American Security Bank
9. Nat'l Bank of Washington
10. RIGGS National Bank

*Banks listed in italics deal with Chile or South Africa.*

Riggs still redlines predominantly black areas of the city. In Anacostia where Riggs is one of only two commercial banks, Riggs made merely 4 residential mortgage loans in three years from 1976 to 1978. Only 22% of Riggs' mortgage loans in 1977 went to neighborhoods which had more than 50% black residents. These neighborhoods had \$68 million in deposits at four Riggs branches, but received less than \$4 million in home mortgage loans from Riggs.

## Riggs Denies Community Services

● Thousands of DC residents receive food stamps. Riggs is not eager to service these people's needs, even though the bank receives a commission for each food stamp recipient it processes. During March, 1979, three branches of Riggs Bank, in Anacostia, northeast and downtown, processed only 67 cards of food stamp recipients while three branches of the American Federation of Community Credit Unions processed 3,750 cards.

● In 1977, blacks and Hispanics made up only 16% of Riggs' officers and managers. This was 17% less than the previous year. Until March 1977, Riggs' Board of Directors was 100% white and 100% male. Recently, one white woman and one Hispanic man were added to the Board.

● People coming to the USA from other countries often need letters of certification of the bank accounts of their hosts. Otherwise they won't get visas. Most banks provide a certification of account letter free of charge, but the Riggs branch at 1779 Columbia Road, NW, in the center of the District's Hispanic community, charges \$7.00 for this service.

## Riggs in South Africa

*"Everyone who invests in South Africa . . . is benefitting from the brutality and exploitation suffered by the non-whites . . . Investing in South Africa is blood money."*

—Julius Nyerere, President of Tanzania

Almost half of the African children born in South Africa die before the age of five. Racism is the reason why. In a country where three-fourths of the black people live below the poverty line, white people enjoy one of the highest standards of living in the world. Riggs National Bank's financing contributes to this inequality by strengthening key industries needed by the white minority to maintain its dominance over blacks.

## Apartheid

Only one government in the world is built upon the legalized segregation of its people by race—South Africa. The system of *apartheid* or "separateness" pervades every aspect of African life. Eighty-seven per cent of the country—the best farm land, the mineral wealth, and all of the cities—is reserved for whites; there, the 20 million Africans have no political rights. Every African man and woman over the age of 16 must carry a "pass book" which shows whether he or she has a right to be in a "white" area. Only those Africans who are useful to the white-owned economy may stay. Women, children and old people whom white South Africa considers "unproductive" are forced to remain in barren rural "Bantustans."

White children get education free while Africans must pay. Whites earn 11 times more than Africans. Africans are even denied the basic right to vote. More fundamentally, *apartheid* is stripping the African people of their citizenship in the land of their birth, relegating them to the "Bantustans" which are supposedly being given independence.

### From South Africa to DC . . .

William Corcoran, the founder of Riggs bank, made his fortune through close connections with the US Treasury Department. Using inside information, Corcoran monopolized the financing of the Mexican-American War.

Corcoran was also a notorious land speculator. He participated in schemes which pushed Native Americans from their traditional homelands. By the mid-1850s, he was the largest landholder in the District.

Corcoran supported the slave South where the bank had a high percentage of its loans. When the South seceded, he said that the North was waging "a cruel and unnatural war upon their brethren of the South, who only want to be left alone." This is the very same argument which the supporters of loans to South Africa use today.

Riggs National Bank still has close connections with government officials. Mayor Marion Barry, who has himself criticized Riggs' record in hiring blacks and women, named Daniel Callahan III, Riggs' president, to head his Economic Development Committee. Mayor Barry also took Carter Dove, a Riggs vice president, with him to Africa this summer, even though Riggs' South Africa connection had been widely publicized.

. . . Riggs Makes Profits from Slavery

### There's Even More Where That Came From!

South Africa and Chile aren't the only repressive regimes Riggs finances. The Shah of Iran, Somoza, Marcos, and the late Park Chung Hee are among Riggs' disreputable clients.

#### Loans and Lines of Credit (in millions)

Argentina	\$16.1	Nicaragua (Somoza)	\$3.0
Brazil	29.5	Philippines	5.6
Haiti	1.6	Taiwan	2.3
Iran (under Shah)	10.0	Uruguay	2.6
South Korea	5.8	<b>Total</b>	<b>\$75.0</b>



Peter Magubane

## Riggs Finances Racist Rule

International bank loans of more than \$9 billion are helping South Africa to build up "strategic" areas of its economy in the face of growing international isolation. As former Senator Dick Clark pointed out, "international loans that went largely to the South African government and its agencies provided the margin of funds during the mid-1970's . . . to finance its military build-up, its stockpiling of oil, and its major infrastructure projects in strategic economic sectors."

Riggs National Bank has provided at least \$7.5 million to South Africa and private interests there. \$3.5 million went directly to the racist South African government. An additional \$1 million has gone to the state-owned Iron and Steel Corporation which supplies South Africa's industry and military. Another \$1 million went to the Electricity Supply Commission, engaged in the development of energy, including nuclear reactors.

## Liberation Struggle in South Africa

Since 1912, black South Africans have been organizing nationwide to overturn *apartheid*. Africans protested with petition campaigns, mass demonstrations and passive resistance, but the government always responded with more repression. Seventy-five thousand African miners struck for better wages in 1946. In 1956, 20,000 African women came to Pretoria to peacefully protest the extension of pass laws to women. At Sharpeville in 1960, 69 people were killed during a peaceful demonstration against the pass laws. In Soweto in 1976, at least 400 teenagers were shot in an uprising begun by high school students protesting against inferior education and *apartheid*. Even after Soweto Riggs continues to finance *apartheid*.

# Riggs in Chile

In September, 1973, right-wing generals backed by the CIA and ITT overthrew the elected government of Salvador Allende. Fifty thousand people died, 100,000 were arrested or imprisoned. Another 2,500 "disappeared" through government-sanctioned kidnapping. Almost 10% of the population was forced into exile. Congress was disbanded. Political parties, community organizations, and trade unions were outlawed or put under severe restrictions. Freedom of assembly, speech, press, and association—long guaranteed by the Chilean constitution—were denied. The effects of the coup were felt even in this city when Pinochet ordered the assassination of Orlando Letelier, former minister in the Allende government.

Six years later, Pinochet continues to institutionalize his repressive regime. But it is challenged by an increasingly militant resistance movement and effective international solidarity. With no popular support, power struggles in the ruling circles, and criticism from the US government, how does Pinochet maintain his rule?

## US Banks Support Pinochet

General Pinochet has a steady and increasing source of support for his government of "authoritarian democracy": private USA-based banks. The money that is keeping the Chilean government afloat comes from those banks. When the Chilean government's flagrant violations of human rights and resultant domestic and international pressure forced the Carter administration to cut back economic and military aid to Chile, private banks picked up the slack. More than 90% of Chile's foreign borrowing is now from private banks. USA banks have poured approximately \$2 billion into the regime's coffers.

Bank loans and credits have paved the way for reinvestment by multinational corporations. Banks have assured the corporations that Chile is once again safe-for-profit, underwriting the sale of Chilean industry and natural resources to foreign companies whose only aim is to extract as much wealth as possible.

What happens to the Chilean people as their country is sold out from under them and their economy re-made? Those few Chileans who have money can buy anything they wish: imported salt in a country with thousands of miles of salty ocean coastline, Sara Lee cakes, Scott toilet paper, VISA credit cards. The majority of Chileans, however, face a very different reality: inflation of 30% since 1978; government-reported unemployment of 14% with estimates of as high as 50% in some neighborhoods, rising prices and falling wages, a diet of tea, bread, sugar and occasional fresh vegetables.

# What is the DC Bank Campaign?

Begun in April, 1979, the DC Bank Campaign is a coalition of organizations and individuals working to change the operations of local banks which finance repression and *apartheid* abroad, and economic and racial discrimination at home. These banks profit from repression and racism, which keeps wages low and investments safe. At the same time they ignore the needs of depositors, employees, and local communities.

Riggs National Bank is our first target here, not only because it is the largest bank in the city, but because of its expanding role in Latin America and Africa and its poor record

## Riggs' Loans Aid Repression

Riggs National Bank is financing repression with at least \$73 million in loans and lines of credit to the Chilean dictatorship. Much of this money has gone directly to military expenditures. In 1977 \$3 million went to the Chilean Military Missions in Washington, DC. Another \$9 million in letters of credit allowed the Chilean Air Force to make over 100 purchases including specialized counter-insurgency aircraft bought from the government of Israel and communications equipment bought from such US corporations as United Aircraft and Elta Electronics.

## Chilean People Resist

Despite the banks, despite the corporations, despite the USA government's weak opposition to the regime, the Chilean people are resisting. Since 1977, in schools, factories, and rural communities, people are re-grouping after the years of terror. They are providing essential human services not provided by the government and training themselves in the skills needed to eventually topple the dictatorship. Ignored by the media, this popular resistance is often invisible to us. Groups of relatives of disappeared and political prisoners for the last three years have gone on hunger strikes to learn if their relatives are still alive. Milk trucks are "re-routed" and milk distributed free to children in poor communities. Tiny newspapers which can be concealed in a person's hand receive wide distribution. Leaflets placed on high buildings blow the news of a strike or slow-down. Hundreds of thousands of letters pour into Chile reminding the people that they are not alone.

The Pinochet dictatorship is mortgaging Chile's tomorrow to finance repression today. Reducing the flow of money from banks and corporations is an act in solidarity with the growing Chilean popular resistance.



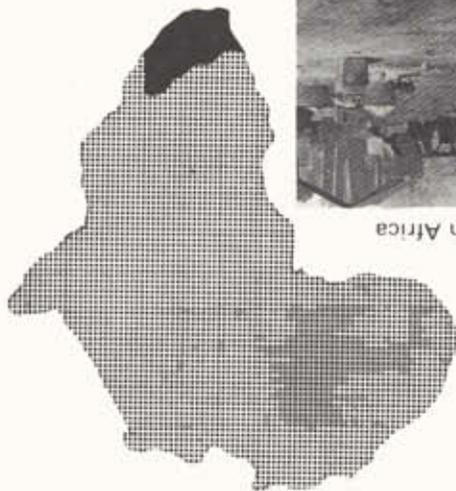
Protesters ask, "Where are our disappeared relatives?"

Marcello Montecino

of services and loans in the city.

The DC Bank Campaign also aims to support liberation movements and forces of popular resistance by reducing the flow of capital going from our city to the repressive governments of Chile and South Africa. In cities throughout the USA, Canada and Western Europe, groups like the DC Bank Campaign are challenging the international lending practices of their local banks. The result: \$127 million withdrawn from banks which have financial dealings with Chile and South Africa.

# Take Your Money Out of RIGGS



Apartheid in South Africa

Charles Gorenstein



Repression in Chile



Housing Crisis in D.C.



## The Sign of World Wide Oppression

# RIGGS

### Demands of the DC Bank Campaign

- End all redlining in our communities; make mortgage loans available on a non-discriminatory basis in all parts of DC
- End all financing to South Africa
- End all financing to Chile

Over \$100,000 has been withdrawn from Riggs in the first five months of the Campaign. A June 15, 1979 day of withdrawal in commemoration of the Soweto uprising drew wide community support and major media.



#### Endorsers of the DC Bank Campaign

Alliance for Labor and Community Action ● American Federation of State, County and Municipal Employees, District 20 ● American University Committee Against Investments in South Africa ● Center for Peace Studies ● Chile Legislative Center ● Clergy and Laity Concerned ● Council on Hemispheric Affairs ● D.C. Metro Area Alliance Against Racist and Political Repression ● D.C. PIRG ● East of the River Neighborhood Reinvestment Association ● Friends of the Filipino People ● Human Rights Internet ● Institute for Policy Studies ● Middle East Resource and Information Project ● National Network in Solidarity with the Nicaraguan People ● Non-Intervention in Chile ● Revolutionary Student Brigade ● Southern Africa Support Project ● St. Stephen and the Incarnation Episcopal Church ● TransAfrica ● United Church of Christ Potomac Association Task Force on Southern Africa ● Washington Office on Africa ● Washington Peace Center  
(list in formation)

### What You Can Do

- Withdraw your account from Riggs and let us know.
- Find out where your church, synagogue, community organization or employer banks. Urge them to withdraw from Riggs.
- Arrange a DC Bank Campaign presentation to your group.
- Let us know about your own problems with Riggs.
- Join the DC Bank Campaign! We need your participation.

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