Toward Disengagement from South Africa

Many Americans, aware of the evils of apartheid and the tyrannical practices that accompany it, have long been concerned about American economic involvement in South Africa. But they have been less sure how to act. Currently a Committee of Conscience Against Apartheid, initiated by the American Committee on Africa and the University Christian Movement, and chaired by A. Philip Randolph, is calling for a protest in one way that seems practical-withdrawal of accounts from those American banks most involved in South Africa.

Journals of opinion must also act, even though their financial resources may be small. They cannot simply endorse the decision of others to act when their own banking practices are at issue too. Hence the Board of Directors of CHRISTIANITY AND CRISIS after long study and consultation has decided to move our account.

We need not here elaborate the evils of apartheid. This journal has frequently attacked South Africa's virulent racism, its oppression of a majority by a privileged minority, its suppression of protest, its policy of arrest and detention of citizens of all colors.

Furthermore, these tyrannies and cruelties are not those of an impetuous revolutionary government that may be expected to moderate its policies as it grows more mature. They are the practices of a desperate minority, seeking by coercion to maintain power in the face of one of the major forces of modern history-the drive toward freedom and human dignity.

Economic success has sustained the Government of South Africa and has vindicated its policies to its own people. When censured by the United Nations and others it dismisses the criticisms as verbalisms in view of the financial support it gets from many parts of the world, including this country.

Writing from Johannesburg in 1963, Henry P. Van Dusen said:

Let there be no underestimate of the importance which the ruling minority ... attaches to American financial support. I know from firsthand testimony that it is their strongest single encouragement to pursuit of their present policies.... One of the foremost statesmen of South Africa remarked to me in personal conversation: "So long as United States banks and business back us, we can go ahead."

Not only has American financial involvement increased in recent years; it has also rescued the racist Government from specific embarrassments and troubles. For example, in the period following the Sharpeville massacre of 1960, a financial crisis shook the nation, and the Government might well have fallen without a heavy infusion of foreign credit, including American.

It is sometimes said that if Americans should stop investing in South Africa, other people would quickly take up the slack. Given the immense profits available, that judgment is probably right. But it does not provide us with a moral excuse. Furthermore, it ignores the important strategic effect of American involvement.

All the evidence points to a coming struggle in South Africa. It is unrealistic to suppose that 3 million Europeans can continue indefinitely to suppress 11 million black Africans, a million and a half Coloured, and half a million Asians. Revolution in one form or another is on the way.

At some point our Government will have to use its influence, both in the UN and in its own actions, either to promote or to stifle change. To the extent that American financial interests are at stake, the pressure will be to preserve the status quo.

Only recently has the US, through Ambassador...
Goldberg, taken an initiative in the UN discussions of South-West Africa. But the possibility that the US will use its weight to change the African situation remains remote so long as American industrial and financial groups stand to lose in the process. Economic disengagement-or at least de-escalation-is the prerequisite to resolute policies by this nation.

We recognize that this is a complicated issue on which many individuals and organizations have not made their decisions. Some wonder whether the disengagement of US economic interests will not do more harm than good. We have given serious attention to the issues they are considering.

First, we are told that prosperity will undermine apartheid and that economic pressures on South Africa will hurt the very people we want to help. To this we say that the booming economy has thus far only entrenched the privileged class and color. And from sources inside that nation we learn that the victims of the system are quite willing to accept the costs of efforts to weaken the oppressors.

Second, we hear-in fact, we have often said-that it is harmful to isolate governments we dislike. It is better to draw such governments more fully into the community of nations. We have favored this policy toward Communist China, Cuba and other nations. Furthermore, we have argued that American policy errs in doing too much rather than too little to tidy up the world. It is better to tolerate some evils than to become moralistic and pretentious in eradicating wrongs. But such considerations do not justify our active support of a system committed to racism and portentous of war. And the past examples of Germany, Italy and Japan in the 1930's and 1940's show that our nation can be as mistaken in neglecting to use its power as in over-reacting to policies we disapprove.

Third, some argue that it is the business of the government, not of economic interests, to make foreign policy. We see the force of the point. In general we doubt that the world would be better or safer if industries and banks gave a larger place to moral and ideological judgment in their policies toward other countries. At this point there is some value in the moral neutrality of business. But the trouble is that American investments are already making foreign policy. High governmental officials, although not free to speak out publicly, have told us privately of the harmful consequences.

Therefore, after taking into account these arguments we are convinced that, on balance, we should work toward economic disengagement from South Africa-especially disengagement of American finance from the present Government.

We are not prepared to say yet how radical this disengagement should be. Unlike some of our allies in this cause we are not ready to insist, for example, that American banks should get entirely out of South Africa. Our real objection is to loans and investments that strengthen the existing government and bring new capital into the economy.

We do not ascribe evil intentions to American industrial and financial interests in South Africa. They are simply doing business as usual, in a situation that is far from usual. We think the consequences have already been harmful and are potentially disastrous.

We are neither able nor eager to apportion the relative responsibility of various agencies. Plainly US industrial investments (roughly $500 million) are a bigger factor in the situation than bank loans. Banks handle the financial transactions that follow from trade and industry. But most Americans are more directly related to the South African economy through their banks, with which they deal day in and day out, than through the automobile or diamond industries, with which they deal more rarely.

Furthermore, banking, more than industry, has specifically shored up the Government in its time of difficulties-particularly through the revolving loan involving ten American banks: the First National City Bank of New York, the Chase Manhattan Bank, the Manufacturers Hanover Trust Co., the Morgan Guaranty Trust Co., the Irving Trust Co., the Chemical Bank New York Trust Co., the Bankers Trust Co., the National Trust and Savings Association, the Continental Illinois National Bank and Trust and the First National Bank of Chicago.

Therefore, we join the movement to withdraw accounts from these banks. We regret breaking a relationship with persons and an institution that have served us well. We make no claim to purity in this operation; all banks (like all churches and journals of opinion) are involved in the moral dilemmas of the world. But we see here an opportunity to make a meaningful gesture and perhaps strike a blow against the vicious institution of apartheid.

Accordingly CHRISTIANITY AND CRISIS is withdrawing its account from the First National City Bank of New York. We hope that our action will contribute to the more widespread movement, sparked by the Committee of Conscience, toward industrial and financial disengagement from South Africa.

THE EDITORIAL BOARD

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