

BOG's corporate connections: from Sudbury to Chile

By Ian Kellogg

What do the recent Inco Sudbury layoffs of 2,400 miners, Noranda Mines' investments in Chile, and the black revolt in South Africa have to do with York?

York is run by some of the corporate chiefs who run Inco, Noranda Mines, and firms which profit from exploited black workers in South Africa.

Who are these York governors? How do they tie us in to the controversial world of corporate power?

Members of York's Board of Governors (BOG) are the university's highest decision makers when it comes to money questions. 26 men and four women make up the BOG.

Four of the 30 are elected: Harvey Pinder and Jay Bell, the two student reps, and the two faculty reps.

The rest appoint each other. Out of the 26 appointees, fully 20 are to be found in the 1977 *Directory of Directors*; the *Financial Post's* prestigious guide to the Canadian corporate elite.

According to the directory, these 20 powerful people hold close to 150 presidencies, chairmanships, vice-

presidencies, governorships, or directorships of Canadian and foreign firms.

The firms include the two Canadian giants, Argus and Power corporations. BOG members help run most of the Canadian banks, Canadian Pacific, MacLean Hunter, and the *Toronto Star* corporation.

The Canadian Press, Eatons of Canada, Peoples Jewellers, Burns Food, and prestigious law corporations all have their business taken care of by Board members.

MacMillan Bloedel, Canadian International Paper, IBM Canada, Bell Canada, Texasgulf, and a slew of steel, engineering, mining, insurance, and finance corporations partially comprise the BOG's corporate connections.

"Beyond these companies are the 'controversial' ones. These have recently been pushed into the headlines by interest groups or by the press itself.

Inco is the BOG firm most in the headlines at the moment. Allen Lambert, Chairman of the Toronto Dominion Bank, is an Inco director and a York governor.

One day he may be discussing the freeze

on the hiring of profs at York. He can get up the next morning and decide whether or not to keep Inco's Sudbury profits in Sudbury.

Recently Inco decided to employ cheap labour in Indonesia and Guatemala in new ventures and to lay 3,000 Canadian workers off. Inco also has interests in South Africa.

An examination of the most famous BOG company, Noranda, can shed light on Inco's decision.

The BOG has a strong Noranda presence.

Until recently when Alfred Powis, President of Noranda, was still a member, Noranda had more representatives on the Board than did York students by a three to two margin.

Now they face each other equally with L.G. Lumbers, who is a chairman of three Noranda firms and a director of five other known Noranda controlled firms, and A.J. Little, who is a director of Noranda Mines Ltd.

Noranda achieved world-wide notoriety last year by announcing plans for the first major corporate investment (\$350 million) in Chile since 1973. (Only \$240 million had been invested by all other foreign interests as of this summer.)

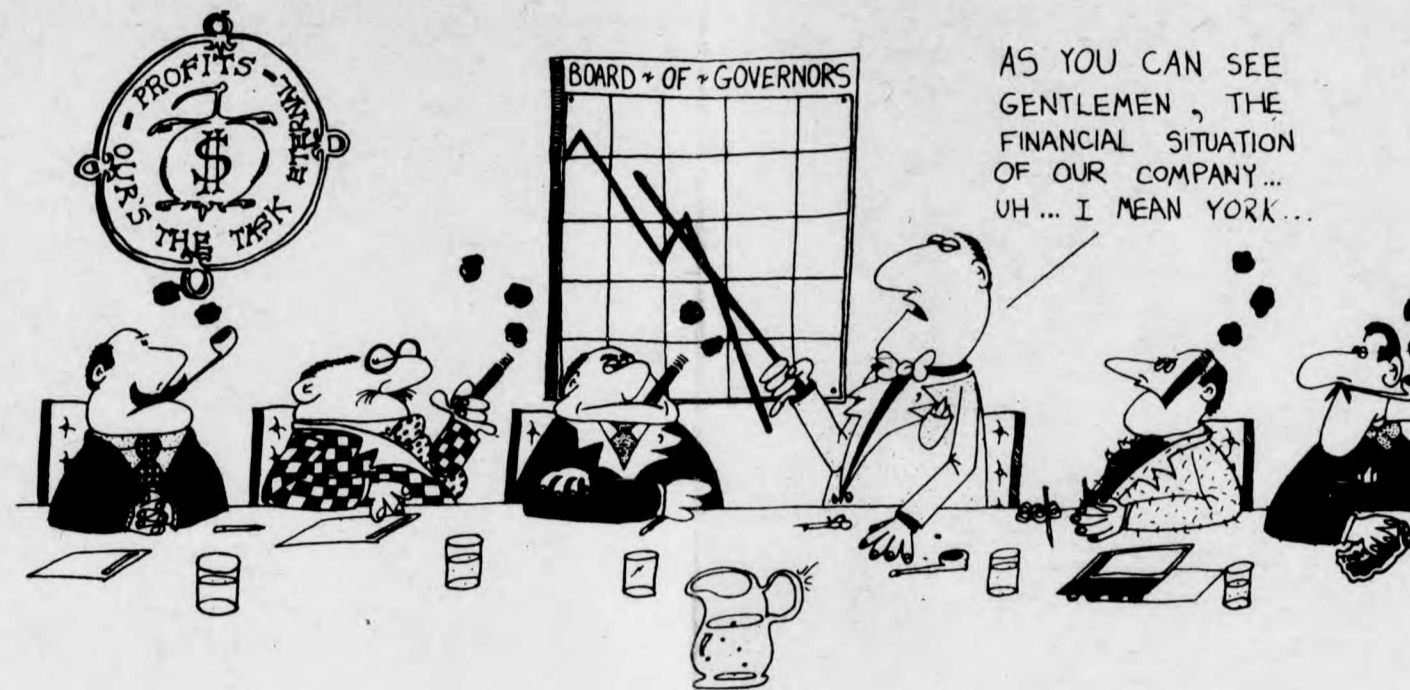
That was the year of the coup that dissolved the democratic constitution and brought the military dictatorship of General Pinochet to power.

Noranda is no stranger to Chile. In 1964 Noranda opened a small copper mine there. In 1971, a year after the socialist government of Salvador Allende was elected, Noranda pulled out.

Thus the Canadian multi-national was a small part of the strike of international capital which along with the CIA "destabilized" the Chilean regime.

In September 1973 Allende was murdered. The CIA, the generals, and the corporations moved in.

Unions were outlawed, tens of thousands of socialists and union leaders



were killed, tortured, or imprisoned. The parliament was dissolved. Traditional rights were suppressed, social service spending was decimated, unemployment soared, wages plummeted.

The United Nations has condemned the dictatorship on three separate occasions. A year ago three MPs bent on investigating the human rights situation were refused entry to Chile.

Copper and other resources of the nation were denationalized and foreign companies were invited back in.

Noranda is the first major investor to take up the invitation. But why not? The government is stable and friendly

(Noranda and the junta will be partners in the proposed copper mine) and the wages of the miners are extremely low.

Other Chilean investors are three Canadian banks all of whom have directors on BOG: Royal Bank (Lumbers); Bank of Nova Scotia (John Proctor); and Toronto Dominion Bank (Lambert). The three banks are loaning over \$20 million to the Pinochet regime, to pay off European investors who will not extend financing due to human rights violations.

Noranda's move has been condemned by many churches, the Canadian Labour Congress and others as being a prop for the murderous Chilean regime.

But neither is the planned investment of concern simply for basic humanitarian reasons. It also concerns the jobs of Canadian workers.

Last year Noranda, with much less publicity than Inco has recently received, reduced its mining, smelting and refining payroll in Canada by 2,400. Some of the layoffs may be due to mines closing. But the availability of cheap labour around the world drives down the price of copper, which is Chile's only major export.

Cheap labour makes investments in places like Chile more profitable to multi-nationals than in Canada.

The underdeveloped world's labour is cheaper than that of Canadian workers partially because regimes like Allende's in

Chile, which were pledged to raising the standard of living of the workers, have been overthrown by the CIA and the local military.

According to a Project Chile report, the "share of national income going to wages and salaries in Chile dropped from 68 per cent to only 30 per cent in three years (since the coup).... 70 per cent of the workers earn less than \$50 a month."

Copper prices have fallen, and Canadian workers cannot compete. Chile's brutal march towards poverty ends up dragging the Canadian economy along.

Inco's investments in Guatemala and Indonesia follow the same pattern. In both of these underdeveloped countries, left of centre regimes were overthrown with CIA help in 1954 and 1965 respectively.

In Guatemala, Amnesty International recently reported, "since 1966, the number

of victims of extralegal execution has exceeded 20,000."

Indonesia saw anywhere from 200,000 to a million people executed immediately after the 1965 coup.

The CIA is keeping the world safe for profit-and in doing so exaggerating Canada's growing unemployment.

York's corporate connection extends to South Africa also. York governor Sonja Bata is a director of Bata Ltd., which invests in South Africa. Governor Roy F. Bennett is President of Ford of Canada, the owner of Ford of South Africa.

The Board has many governors connected with Canadian banks, notorious South African investors. Add to this list the investors Inco, IBM and Adela Investments (South Africa) all directed by BOG member Lambert.

Corporate BOG members do not see anything wrong in their international investments. Nor do they concede that their investments conflict with their duties at York.

Sonja Bata, noting that Bata has held investments in South Africa, Chile, and elsewhere for decades, said the company cannot reassess their investments with each political change.

"We try to keep as far away from political issues as possible," said Bata.

This point was reiterated by A.J. Little, a director of Noranda and Brascan, which has extensive holdings in the military dictatorship of Brazil.

When asked by *Excalibur* how the repressive politics of the Brazilian state should be considered when making profits in Brazil, Little replied: "What do the Brazilians think of the RCMP?"

As for Noranda in Chile, Little thinks the people who are getting upset about his firm's plans for further investment there are "largely communist dominated." He believes Noranda's famous \$350 million investment may fall through because of poor copper markets.

Two governors who, in differing

degrees, oppose the corporate connection on BOG are the two student reps. One of them, Harvey Pinder, was elected last spring on a platform calling for a democratic board, and opposing its corporate domination.

"Even if most people at York do not find it objectionable to be run by corporate head, most would find it ethically objectionable to find at York directors of companies who invest in South Africa, Chile, Guatemala, Brazil, etc.," said Pinder.

Jay Bell, the other student rep, while leery of BOG members who deal with dictatorships through their corporations, does not go as far as Pinder.

Bell feels that if the nomination procedure to the BOG were made public, the background of our potential administrators could be examined.

The York community would have a chance to comment on what is acceptable and unacceptable.

Bell, unlike Pinder, feels businessmen should have unelected representation on

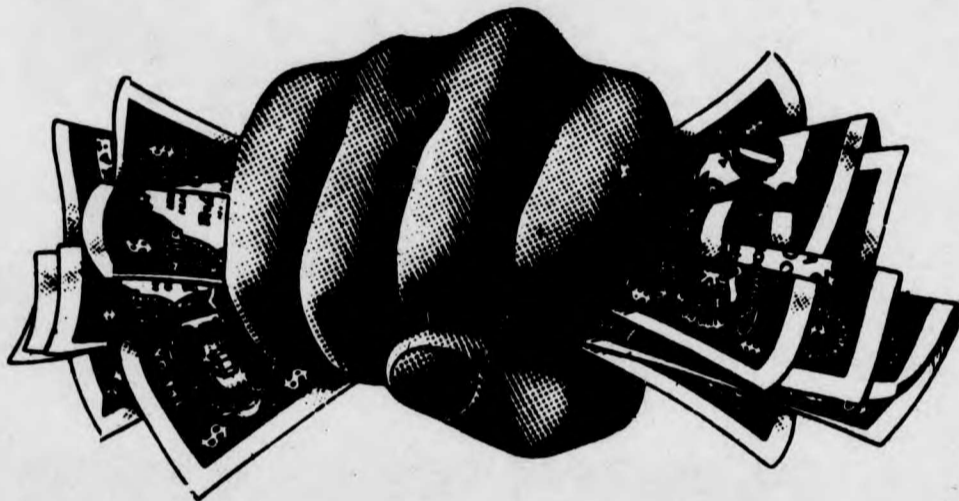
BOG, though to a lesser degree than at present, because of their "expertise in business and economics."

Student pressure against university - corporate involvement with racist or military dictatorships is having some effect across North America.

In September the University of Manitoba divested itself of shares in Brascan, Inco, and Shell Oil because of their Latin American investments. The University of Saskatchewan has been pressured by its own Board of Governors to sell 240 shares in Noranda.

In the United States the University of Wisconsin and Hampshire College of Massachusetts have agreed to divest themselves of holdings they have in companies dealing with South Africa. The University of California is under pressure to do likewise.

York University, like many of its governors, sees nothing objectionable in investing in corporations with dealings in Chile and South Africa. See the story directly below.



Board of Governors members make corporate deals by day...

Noranda success story

By Andrew Nikiforuk

...in recent years we've become altogether too preoccupied with the redistribution of wealth, to the exclusion of its creation.

Alfred Powis, executive

At the moment they [the Chilean military junta] seem to be restoring order the Chilean economy in a way that is acceptable to a lot of people.

A. Zimmerman, executive

A multi-national corporation exists solely to make money.

It is an immensely powerful and domineering prodigy, which first entered the world economy at the turn of the century.

To accumulate capital, a multi-national must be a disciple of growth and progress, and commit itself to domestic and foreign expansion.

Expansion opens up new markets for a product and new sources of the raw materials needed to make it.

The multi-national is a very modern child of capitalist society.

A Canadian member of the community of power forged by the corporations is Noranda, Canada's eighth-largest corporation.

Noranda is one of Canada's most powerful multi-nationals. It is the nation's foremost producer of gold, and the world's seventh most important extractor of copper. Moreover, Noranda produces more zinc than any other corporation in the world.

The corporation truly deserves the label "multi-national".

It owns mines and metallurgical plants in ten countries and factories in thirteen.

Forty-five countries are a market for Noranda's many products. Fertilizers, wire, paper, plywood and pipes are the

corporation's most popular North American products.

Noranda has followed this simple rule: "appropriate, consolidate, integrate and diversify". In real language this means buying into a mine or industry failing for a lack of capital or intelligence.

Then, you resurrect the venture, add it to your other purchases and make sure you don't make the same product all the time. By adhering to this

miraculous - and rational - formula Noranda has earned steady profits since 1928. A fine showing for a company founded in 1922 in northern Quebec.

Like most successful multinationals Noranda has achieved "vertical integration". This is a very elaborate phrase for monopoly.

Noranda owns copper mines, smelters for copper ores, copper refiners and factories which produce copper wire, tubes and cables. Oil companies are also famed for integrating vertically.

Canadian workers have enabled Noranda to amass assets worth two billion dollars. Labour produces not only a commodity, but the value of a commodity.

The successful capitalist like Noranda pays its workers only for the production of a commodity and not for its real value. This is now a company makes money.

In this respect Noranda has been most ungrateful. Canadian workers have had to wage long and bitter strikes in order to secure dignified salaries and union representation.

Latin Americans know Noranda almost as well as many Canadians. They know Noranda operates a gold mine in Nicaragua and manufacturing plants in Mexico and Brazil.

Noranda owns a copper mine in Chile, with a grand design in the works, for investing 350 million dollars in another mine at Andacollo. This last venture is a very contentious one.

Noranda wants to form a business partnership with the fascist government of Chile, because this government guarantees few restrictions, low wages and therefore maximum profits.

The Chilean government wants to form a partnership with Noranda

because the revenue and prestige from such heavy investment would blur its fascist image.

I am not using the word "fascist" as a leftist invective, but as a word with a distinct meaning. A fascist government is a highly centralized body which exercises absolute control over every facet of public life.

Such a government represents a complete contempt for the human being. The Chilean government has demonstrated again and again that it does not value human life.

Unions and church groups have condemned Noranda's proposal as a moral outrage. In response, Noranda claims it is an apolitical organization and that its investment will create jobs for Chilean workers.

But, Noranda is not dealing with Chilean workers or with representatives of Chilean workers. Noranda wishes to become a partner with a government which has systematically destroyed the democratic rights of the Chilean people.

Noranda has already signed a contract with the regime. This contract gives the fascist government control of fifty-one percent of the project.

Multi-nationals are amoral institutions, and Noranda is certainly no exception. One does not maximize profits by condemning violators of human rights and dignity.

Milliband's words should be remembered: "businessmen, like administrators, wish to depoliticize highly contentious issues and to have these issues judged according to the criteria favoured by business."

Another Canadian multinational, Falconbridge, is now following Noranda's example and planning a major investment in Chile.



South African loans

Banks boycotted

CALGARY (CUP) — Student money is disappearing from Canadian banks.

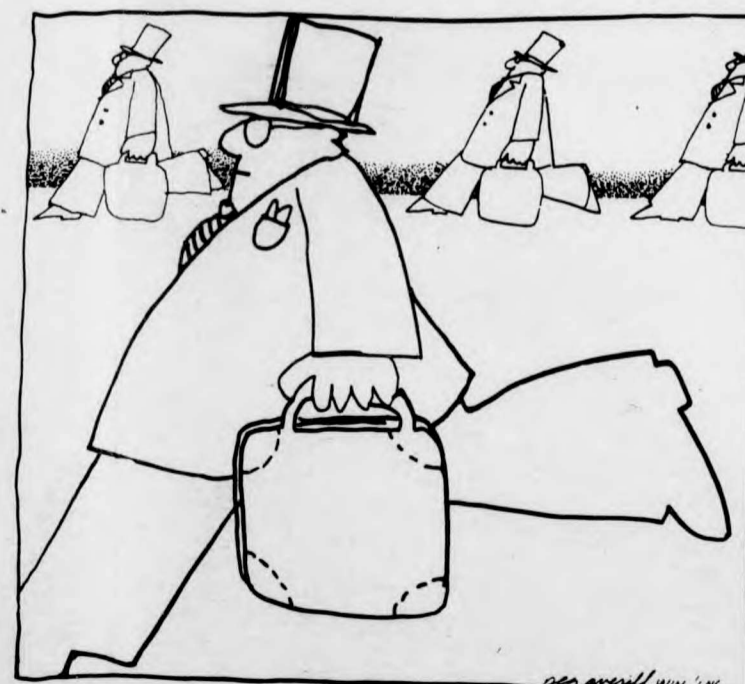
At the October 23 National Union of Students conference, delegates from student councils across Canada decided to withdraw their deposits from four of the largest banks. These banks provide direct loans to the government of South Africa, "thereby becoming a partner in the prosecution of its apartheid policies," according to NUS.

The banks are: the Bank of Montreal; the Toronto-Dominion Bank; the Royal Bank of Canada; and the Canadian Imperial Bank of Commerce.

NUS also urged university administrations to withdraw their funds from these banks. Also, many universities have invested in these banks, and NUS is urging them to sell their shares in the banks.

NUS will also inform all students of the role of the banks in South Africa "so they may make responsible choices concerning their own funds."

Conference delegates suggested using the services of credit unions instead of banks.



York dabbles in Noranda

By Ted Mumford

Besides having a Board of Governors whose members lead companies investing in racist regimes and military dictatorships, York University is in the habit of investing money in these same companies.

York's love affair with Noranda, which is planning to invest \$350 million in a partnership with the Pinochet dictatorship in Chile, includes short-term high-interest loans.

As of January 31, York had five loans on the books to Noranda, totalling over \$2,888,000. Two members of BOG hold directorships on various Noranda companies.

As of the same date York was loaning Ford of Canada (which is tied to Ford of South Africa) \$197,000, and Toronto-Dominion Bank \$500,000 (T-D plans to lend \$4.2 million dollars to the Chile regime). The chief executive officers of both of these companies are on BOG.

Of the major short-term loans outstanding last January, eight were to corporations or banks with directors on BOG, and four to interests with no corporate connection to BOG known to *Excalibur*.

Most of the loans were due before the present time. York's current investment situation was unknown at press time.

York's long-term investments, as of



A recent Board of Governors meeting at Glendon. The Board's investment committee makes loans to Noranda, Ford and other multinationals.

January, consisted for the most part of bonds. There was one long-term loan of \$25,000 to Inco, which has invested in South Africa and the military rule states of Guatemala and Indonesia. BOG member Allen Lambert is an Inco director.

The university's investments in such companies are minor compared to those of the University of Winnipeg, which owns 50,000 shares in Inco, 50,000 shares in Noranda, and 75,000 shares in Alcan, which has South African interests.

BC board reps axed?

VANCOUVER (CUP) — British Columbia's deputy education minister has warned that the provincial government is considering removing student representation on university governing bodies.

Walter Hardwick told a UBC alumni meeting October 24 that if the provincial Universities Act had been revised this year, student representation would have been reduced or eliminated because of outspoken student board members.

He referred particularly to former student representative Svend Robinson, who was vocal and outspoken during his 1975 term as student member of the UBC board of governors. Robinson recently defeated Simon Fraser University president Pauling Jewett to win the federal NDP nomination in Burnaby.

And in the last month, current student board member at UBC, Moe Sihota, has been accused of being too open with the press about board affairs and has been pressured by other board members to restrain his public comments.

BOG student reps

The student reps on the Board of Governors are Jay Bell (who may be contacted at CYSF), and Harvey Pinder (who may be contacted at 653-5546). The next BOG meeting is Monday at 4 pm in the Board Senate office at Glendon College (Lawrence and Bayview).