

WHAT IS CANADA DOING IN CHILE? PLENTY!

It's been called the most brutal dictatorship of our times. It has been condemned on three separate occasions by the United Nations for violations of human rights. It is internationally known for its practice of torture.

But somehow the military dictatorship of Chile is gaining the support of Canadian corporations, banks and government agencies. Within the past year three initiatives have clearly strengthened the "Canadian" presence in Chile: a \$350 million proposed investment by Noranda Mines Ltd., the involvement of three Canadian banks in significant loans to the military regime; and the granting of an investment guarantee by a Canadian Crown corporation. They are all deals which Canadian churches, unions and public interest groups criticize as lending support to the Chilean dictatorship. While the Chilean dictatorship gains new friends in Canada, these groups are asking who will defend the Chilean people!

Since September 11, 1973, this long, narrow country of South America's west coast has been ruled by the iron fist of a military junta

Pinochet is adamant, insisting that he will never return the country to democratic rule. "I'm going to die and the person who succeeds me will also die", says Pinochet "but there will be no elections."

Yet to some degree Chile's military rulers sense their isolation from world-wide public opinion and are concerned about the growing international criticism. Attempting a face-lift of its image the junta announced, in November 1976, the release of about 300 political detainees. At the same time unexplained disappearances within the country sharply increased. Amnesty International expresses concern that the occurrences of "disappeared" persons becomes more frequent as the official prisoners list shrinks.

The repression extends to the economic level as well. The economic priorities of the junta create such extreme hardships for the majority of the Chilean people that the U.N. investigative working group intends to include

headed by General Augusto Pinochet. The military takeover toppled the democratically-elected Popular Unity government of President Salvador Allende and ruptured the longest-standing democratic tradition in Latin America. **Continuing repression**

In its first three years of rule hundreds of thousands were expelled from the country or have themselves sought exile. The junta has suspended Congress, outlawed the activities of all political parties, closed down the Central Workers Federation (CUT), many unions and community organizations, censored education and stifled public freedoms of expression, including the press.

Condemnations of the regime have been issued by such international organizations as the United Nations, Amnesty International, the International Labour Organization (ILO) and the World Council of Churches.

economic deprivation on its agenda when it examines human rights violations.

The military has dismantled state involvement in social development and public services. Prices have been allowed to rise astronomically with inflation running at 340% in 1975 and 174% in 1976 (by official figures). The share of the national income going to wages and salaries dropped from 63% to 38% in only three years.

Unemployment, which stood at a record low of 3% in the last days of the Allende government, has rocketed to about 20% by official estimates. Outside observers put the figure much higher. They say that one of every four members of the Chilean labour force is without work; that 70% of the workers earn less than

\$50 a month; that a quarter of the population—2.5 million people—had no income at all by mid-1976 and had to depend on hand-outs from churches and other humanitarian organizations. In order to earn foreign exchange, the junta has stepped up exports, creating the contradictory situation of the country exporting foodstuffs while its population goes hungry.

Noranda moves in
The current economic system benefits an obscenely affluent elite at the expense of the vast majority of the people and the destruction of the former economy. For this reason, the junta urgently needs external financing—loans and investments from abroad—to keep itself going and in power.

Since the coup, however, only \$240 million in new foreign investments have been realized by the junta. In this light the proposed Noranda investment of \$350 million is a bonanza. A Noranda official in Chile admits that it is "one of the principal, major investments" since the coup. The Noranda corporation, Canada's eighth largest and an internationally known mining multinational, is currently negotiating the particulars for its development of an open-pit mine and smelter at Andacollo, 250 miles north of the capital city of Santiago. The Canadian company is studying the copper deposit and is scheduled to commit itself to a 49% stake in the venture. Its partner, the junta, hopes Noranda will help it raise funds for its 51% share.

Noranda is intervening in the most strategic sector of the Chilean economy—copper. Typical of many underdeveloped countries, Chile relies on the one commodity for 80% of its foreign exchange earnings and 70% of government revenues. As the single most important export financing internal development, copper always played a central role in Chilean politics. In attempts to recover control of the industry from the domination by foreign multinational corporation, Chilean governments, beginning in the early sixties, initiated programs of state ownership of the national resource heritage. In 1971, after decades of debate, the Chilean Congress **unanimously**—right, left and centre—voted to nationalize the copper industry so that the country and its people could more fully share in the wealth of their resource patrimony.

The proposed Noranda investment in Chile has come under fire both internationally and within Canada. In a statement to the federal government in March, 1976, a coalition of church, labour and public interest groups called the investment "an act of economic opportunism. It takes advantage of the Chilean people and the loss of their democratic means of expressing their will."

The Canadian Labour Congress (CLC), in a resolution passed at its annual convention in May, 1976, condemned Noranda for "bailing out the fascist Pinochet through a multi-million dollar copper investment". The CLC went on to state that "any corporate investment in Chile at this time oppresses the Chilean people and disgusts their Canadian friends."

Churches take stance
Policy statements have been formally adopted by the Anglican and United Churches of Canada urging a halt to all investments and loans to Chile until fundamental human rights are restored. Similar positions were expressed



The Anglican, United, Catholic, and Lutheran churches have called for a halt to all investment in Chile.

by representatives of the Canadian Catholic Conference of Bishops and by the Lutheran Church in America/Canada Section. Not content with issuing statements, the churches took their protest to last year's annual meeting of the Noranda corporation but were defeated on a straw vote by Noranda shareholders who were not willing to halt the investment despite the well-documented situation of human rights violations.

Critics of the investment point to the growing caution among international investors and other governments when it comes to economic relations with the military junta. At least one \$62 million private investment by a Dutch firm was called off because of the human rights issue. The U.S. Congress, now aware of the involvement of their government in the overthrow of Allende, cut off future military aid and sales to the junta and limited other forms of assistance.

Noranda turns a deaf ear
But Noranda turns a deaf ear to the numerous condemnations of the junta and the growing international criticism.

The company dismisses the well-documented studies on human rights and maintains that it has no way of knowing "whether what is alleged to be happening in Chile is accurate or exaggerated." The company's Toronto executives say that its proposed investment will create sorely needed jobs in Chile and be of general economic benefit to the country.

Workers denied rights
Copper mining, however, is very capital intensive. By the end of the five year development it is doubtful that a significant number of new jobs would be created to make any real dent in the panorama of massive unemployment. Furthermore, prospective Noranda workers would not enjoy the basic rights that trade unions have achieved, in Chile as in Canada, through their years of struggle. Most unions have been destroyed, union leaders exiled, murdered or imprisoned; wages are strictly regulated, the right to strike is non-existent as is the process of collective bargaining.

The company insists that it cannot become involved in Chilean politics, that it doesn't particularly like the Pinochet regime but that business is business, and in any event its direct partner in the deal will be a Chilean state corporation not the junta itself.

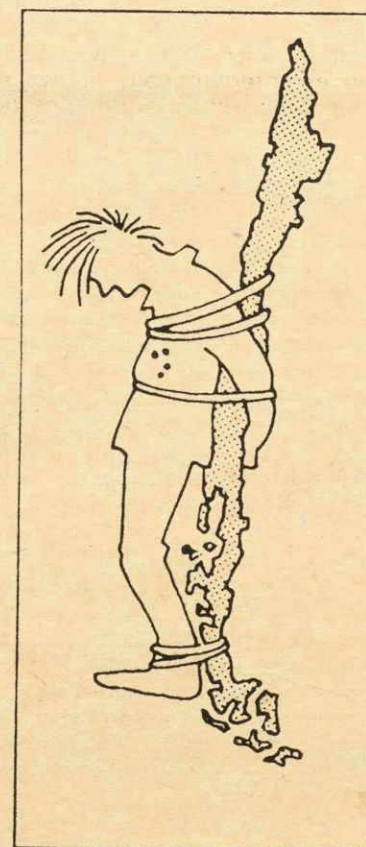
In a country where the military has intervened so thoroughly in all aspects of political, economic and social life, it is difficult to accept Noranda's distinction between the junta itself and its state-corporation partner in the investment. The junta, after all, recognizes the political credibility which the Noranda investment imparts. When the proposal was first announced in early 1976, one junta-controlled newspaper trumpeted the news to the international community as a symbol of corporate faith in its policies. "The agreement reached with Noranda Mines," said *El Mercurio*, "in the present national and international conjuncture, reiterates the confidence that foreign investors are demonstrating toward our society."

Nor does the company's track record in Chile demonstrate an attitude of impartiality. Noranda originally arrived in Chile in 1964 with a small investment in a copper subsidiary, Chile-Canada Mines. But their interest in this subsidiary was dropped when Allende came to power. Noranda left Chile for three years. Immediately after the coup Noranda was one of the first foreign investors returning to the country, pumping another \$600,000 into Chile-Canada Mines and providing the junta with one of its first transfusions of capital.

When Noranda's investment intentions were first announced it was feared that the company would pave the way for other corporations to follow suit. Unfortunately, it looks like others have already picked up on the Noranda example.

Other Canadian connections
The Bank of London and South America now reports that Superior Oil-Falconbridge network of companies is currently negotiating a similar multimillion dollar copper mine development for the deposit at Quebrada Blanca. Canadians have questioned Falconbridge in the past because of its continued operation in Zimbabwe (Rhodesia) and its support of South Africa's illegal occupation of Namibia. Now, corporate sources indicate that the Superior-Oil-Falconbridge group plans to invest in Chile, but the Companies refuse to reveal specifics of their intentions. They appear to be repeating the same sad pattern as in Africa—investing in regimes where the doors are wide open to foreign capital while labour and the general population are repressed.

Canadian banks have also been active on the Chilean scene in recent months. The Royal Bank of Canada and the Bank of Nova Scotia are each putting up \$8.2 million, and the Toronto-Dominion Bank \$4.2 million, as part of a U.S. led consortium of banks lending a total of \$125 million to the Pinochet regime. The junta arranged the loan in order to pay off debts to European creditors who have become critical of it and unwilling to extend further financing due to human rights violations. It's a case of Canadian banks going where others fear to tread, and on uncertain economic grounds at that.



Ottawa involved

The proposed Noranda deal, and the possible investment by other Canadian firms in Chile, also raises the question of Canadian governmental involvement in supporting Pinochet. With a senior vice-president on the board of directors of the Crown-owned Export Development Corporation (EDC), Noranda has access to possible export credits and investment insurance from a publicly-owned body—and one which seems to operate outside of "official" government policy. Ottawa has twice officially condemned the Pinochet regime at the United Nations. But last December the EDC granted an investment guarantee to Chile, thus revealing another face of government policy. The guarantee went to a Canadian company investing in Chile. But the EDC refuses to reveal the amount of the guarantee or the company it is insuring. Ottawa is not only involving itself in supporting the junta, but also commits itself to

According to estimates of the United Nations Commission on Human Rights, the military dictatorship killed 30,000 people and imprisoned another 100,000 many of whom were terribly tortured.

making foreign policy behind closed doors, a case of government secrecy versus the public right to information.

Canadian governmental representatives to international lending institutions continue to vote in favour of loans to bolster the junta's sagging economic fortunes. The World Bank, the Inter-American Development Bank and other institutions in which Canada participates, have granted Chile over \$631 million since the coup. Over the past three years a growing number of European nations of these institutions have abstained or voted against loans to Chile on grounds of human rights violations. The U.S. was obliged to vote against some recent loans by the Inter-American Development Bank because of Congressional restrictions on aiding repressive regimes. The precedents are set, but the Canadian government continues to ignore them and vote in favour of loans to the junta and its brutality.

Let's one think that loans and investments in Chile are of benefit to the Chilean people, a quick look at the junta's spending priorities sets the record straight. Since coming to power the Chilean military has dismantled spending on social development and education, health and social services — while purchasing an estimated \$600 to \$700 million worth of military equipment from various sources. While the Chilean people grow

increasingly hungry and impoverished, the junta uses its foreign exchange to buy new instruments of repression.

Opposition grows
Opposition to the Noranda investment and the involvement of other corporations, banks and government agencies in Chile is building. Church groups, unions, non-governmental organizations, institutional shareholders and concerned individuals are presently formulating positions and developing actions to halt all such involvements in Chile. Labour unions have pointed to the anomaly of Noranda closing plants and mines in Canada in order to move operations to nations where labour is cheap and suppressed. For them it appears to be a case of taking profits out of Canada at the expense of jobs here, in order to exploit the resources of people whose hands are tied and voices silenced.

In one of the most recent examples of its arrogance, the Chilean junta last fall refused entry to three Canadian Parliamentarians who had set off to explore the human rights situation in Chile on the invitation of the Chilean churches. Progressive Conservative M.P., David MacDonald, summarized their reaction succinctly at an Ottawa press conference upon their return: "I just don't see, if Canadian Parliamentarians can't visit there, how we can have Canadian investment there."

noranda	noranda	noranda	noranda
Assets: \$1,707 million (1974)	Revenue: \$1,375 million (1974)	Net Profit: \$155 million (1974)	

Worldwide

The Noranda network operates mining, metallurgy and exploration companies or offices in the United States, Mexico, the Dominican Republic, Chile, Colombia, Brazil, Venezuela, Nicaragua, Spain, Ireland, Korea, New Zealand, Australia, Nigeria, the Republic of Guinea, Sardinia, Portugal and the United Kingdom.

In Canada:

The company & its subsidiary & associated firms:

Mines

Horne Division, Noranda, Que.; Geco Division, Manitouwadge, Ont.; Bell Copper Division, Granisle, B.C.; Boss Mountain Division, Hendrix Lake, B.C.; Alberta Sulphate, Horseshoe Lake, Alta.; Brenda Mines, Peachland, B.C.; Brunswick Mining & Smelting, Bathurst, N.B.; Central Canada Potash, Colonsay, Sask.; Gaspe Copper Mines, Murdochville, Que.; Kerr Addison Mines, Virginiatown, Ont.; Normetal Mines, Normetal, Que.; Joutel Mines, Joutel, Que.; Langmuir Property, Pamour, Ont.; Mattagami Lake Mines, Matagami, Que.; Mattabi Mines, Ignace, Ont.; Orchan Mines, Matagami, Que.; Pamour Porcupine Mines, Pamour, Ont.; Schumacher Division, Schumacher, Ont.; Placer Development: Craigmont Mines, Merritt, B.C.; Endako Mine, Fraser Lake, B.C.; Gibraltar Mines, McLeese Lake, B.C.

Forest Products

Northwood Mills, Penticton, B.C.; Aircrow-Weyrock, Chatham, N.B.; Fraser Companies, Edmundston, N.B.; Northwood Pulp and Timber, Prince George, B.C.; British Columbia Forest Products, Vancouver, B.C.

Fertilizer Plants

Belledune Fertilizer, Belledune, N.B.; St. Lawrence Fertilizers, Valleyfield, Que.

Metallurgical

Horne Division, Noranda, Que.; Gaspe Copper, Murdochville, Que.; Canadian Copper Refinery, Montreal East, Que.; Brunswick Smelting Division, Belledune, N.B.; Canadian Electrolytic Zinc, Valleyfield, Que.; Federated Genco, Scarborough, Ont.

Manufacturing

Canada Wire & Cable, Toronto, Ont.; Plants: Toronto, Fergus and Simcoe, Ont.; St. John, N.B.; Montreal East, Que.; Winnipeg, Man.; Weyburn, Sask.; New Westminister, B.C.; Industrial Wire & Cable Division, Toronto, Ont.; Plants: Quebec, Que.; Toronto, Ont.; Canplas Industries, New Westminister, B.C.; Plants: Barrie, Ont., and New Westminister; Grandview Industries, (Rexdale) Toronto, Ont.; Plants: Rexdale, Brampton, and Mississauga, Ont.; Montreal, Que.; Edmonton, Alta.; Weyburn, Sask.; Langley, B.C.; Noranda Metal Industries, Montreal East, Que.; Plants: Montreal East, Que.; Fergus, Ont.; New Westminister, B.C.; Quebec Iron Foundries, Mississauga, Ont.; Plants: Mont Joli (2) and Noranda, Que.; Moncton and Bathurst, N.B.; Surrey, B.C.; Wire Rope Industries, Pointe Claire, Que.; Plants: Pointe Claire, Que., Vancouver, B.C.; Gourck Industries, Boucherville, Que.

The political situation in Chile is one that has to be a concern to everyone in Canada. In fact, the military dictatorship in that country requires more than our concern; it requires our action. The activities of Noranda Mines, a Canadian owned company in Chile is one abomination that offends the integrity of every Canadian citizen.

During the past week, Halifax has been the scene of much activity aimed at educating

Canadians about the situation in Chile. Several refugees from the military junta gave talks on the campus while this Friday refugees representing the Chilean Central Union of Trade Unions will give an address to the Nova Scotia Federation of Labour.

The Dalhousie Gazette reprints this feature from the *Meliorist*, the student newspaper at the University of Lethbridge. It was researched by the Latin American Working Group.

