

Canadian business profits from Apartheid

James Maclean, an *Atlantic Issues* co-editor and spokesperson for the Southern Africa Information Group of Nova Scotia, was recently interviewed by CBC Radio in Halifax. The two-part interview on "Information Morning" dealt with recent events in South Africa and Canadian relations with that country. With the permission of "Information Morning", we reproduce excerpts from the interview. We begin the transcript with a question about Canadian presence in Namibia, a country whose occupation by the South African minority government has been declared illegal by the U.N. and the International Court of Justice.

Information Morning: There is a Canadian Company, Falconbridge Nickel, in the Namibia. What is its status under the law there?

MacLean: It has a copper mine, and the conditions there are very bad. Hugh Nangle, who did a series of articles in the *Ottawa Citizen* in 1973, investigated Falconbridge mines in Namibia and he found that they were paying below poverty level wages to the Namibian workers there. And of course Falconbridge's presence, as well as of the Hudson Bay Company, which does a very profitable fur trade with the Karakul furs—Karakul is a type of sheep that is found in the Namibia—both of these companies are working in Namibia illegally in so far as they are respecting the South African laws. They are recognizing the South African presence, they are paying taxes to the South African Government, and so on. The Canadian Government has done nothing to discourage this essentially illegal presence of these Canadian companies in Namibia.

Information Morning: What kind of trade is going on between this country and the regime in South Africa now?

MacLean: It's a fairly substantial trade, really. Canada imports one hundred and fifty million dollars' worth of goods from South Africa, of which ninety-five million dollars are in raw sugar. So it's primarily agricultural imports that we have. Canada exports ninety-six million, three hundred thousand dollars of goods to South Africa, mostly finished manufactured goods.

Information Morning: What kinds of things do we send down there? Do you have any idea?

MacLean: Yes, we send equipment for the mines, rolling stock for railways, things like this. Also high technology equipment, computers, etc.

Information Morning: What about investment? Is it an area where Canadian money sometimes goes to multiply itself?

MacLean: Very much so. According to the latest figures, which are from 1975, Canada has one hundred and nineteen million dollars invested in South Africa. There are several Canadian firms which have plants and operations in South Africa, for example Massey-Ferguson. Massey-Ferguson produces 40% of the tractors sold in South Africa. Again, it pays its black workers wages lower than the poverty datum line.

For example at its plant in Vereeniging in South Africa, Massey-Ferguson pays 642 of its 733 black workers wages below the poverty datum line. This is an official criterion in South Africa put out by the government, which includes the very minimum income necessary to live at the subsistence level. It doesn't include education, which has to be paid for by blacks in South Africa. It doesn't include health care.

Falconbridge Nickel is also in South Africa itself, as well as in Namibia, as we mentioned already. Alcan Aluminium is in South Africa. The Ford Company of Canada has a subsidiary in South Africa. (Ford of South Africa is a subsidiary of Canadian Ford, not of American Ford.) In all these cases, with the exception of Ford, the overwhelming majority of workers are paid wages below the poverty datum line.

Information Morning: Is there any pressure on them from the South African Government to do anything about that? They are obviously aware that these foreign companies are underpaying the blacks.

MacLean: But the South African companies are as well. It is not that the foreign companies like



Blacks in South Africa are deprived of all basic human and political rights.

Canadian companies are exceptional here. It's rather that they are following the rule.

Information Morning: I see. So the government in fact would not disapprove but in fact probably make a case for maintaining that particular status quo?

MacLean: Yes, that's right.

Information Morning: Now we have recently heard a good deal about Canadian banks becoming involved in South Africa making loans there. For example, recently here in Nova Scotia we had some of these shareholders in the Bank of Nova Scotia come down to complain to a shareholders meeting about the fact that the Bank of Nova Scotia was involved in that sort of

Canadian companies pay the majority of their black South African workers wages below the poverty line.

thing. The bank says that business is business is business, and what about the bank loans in South Africa?

MacLean: Well, with the exception of the Bank of Nova Scotia, the major chartered banks in Canada make loans to the South African government. These are not simply investment loans, you must understand, these are loans directly to the government. The Bank of Montreal, the Toronto Dominion Bank, the Royal Bank of Canada, and the Imperial Bank of Commerce all make such loans.

The Bank of Nova Scotia apparently doesn't, but will not state that it won't as a matter of policy. In 1971 these banks made eight million dollars in loans to the South African Ministry of Finance, and in 1972 nine million dollars of loans to the government Iron and Steel Corporation. Since 1973 these banks have participated in an international consortium of banks which has made loans of two billion dollars to the South African Government.

Information Morning: We don't know how much Canadian money was actually involved in that, if it's in the international consortium, do we?

MacLean: No, the banks refuse to give out these statistics. It can be only determined from the public statements made by the consortia themselves.

Information Morning: What has been the reaction, generally speaking, to the admission from church groups and other areas that they shouldn't be doing that kind of thing, in fact that it's supporting a very suppressive regime? Have the banks shown any interest in reacting to that?

MacLean: No, they haven't. They claim that they can't, that even to disclose the amounts that they are making to the South African government would be to infringe upon the confidentiality of the banker-client relationships. Their attitude

seems to be business is business, basically.

The Taskforce on the Churches and Corporate Responsibility, which represents the largest protestant denominations as well as the Roman Catholic Church in Canada, has this year been sending representatives to the shareholders meetings of the different banks, and the answer they get is the same in every case, or has been so far.

Information Morning: Just before Christmas we heard that the Canadian government was going to begin a new policy towards South Africa in which they were going to restrict Canadian government sponsored activities in South Africa. I wonder if you could explain what they were trying to do and what you expect the impact of that might be.

MacLean: This probably has a certain symbolic value, but it will not have any great impact on commercial relations between Canada and South Africa. In fact the *Financial Post* referred to the measures as "hollow technicalities." It's a question of the Export Development Corporation making loans, guarantees, and insurance on Canadian exports to South Africa.

Now in actual fact what the government has announced is that it will not do this on its government account. (The Export Development Corporation has two accounts: the government account and the Corporation's own account.) But it will continue to do so with the Corporate account.

In 1977 only 10% of exports to South Africa received Export Development Corporation assistance in any event. And the Department of Industry, Trade and Commerce will continue to finance businessmen's trips to South Africa. This includes 50% of their travel costs, \$70 a day expenses, and 50% of any other costs that are incurred, under its Programme for Export Market Development. So I think we can say with the *Financial Post* that the government measures will have little practical effect on trade relations between Canada and South Africa.

The other thing the government announced it would do was to withdraw its trade commissioners from Johannesburg and Cape Town, but the Embassy will still be able to provide advice to Canadian businessmen who go to South Africa and are involved there.

Information Morning: Thank you very much.

Church organizations, anti-apartheid groups, and international development agencies in Canada have embarked on campaigns against bank loans to South Africa and the sale of South African products in government liquor stores. You are urged to write your bank manager and MLA or MHA to protest against this type of economic support of the repressive minority regime. For further information write to: The Southern Africa Information Group of Nova Scotia, 2975 Parkdale Avenue, Halifax, Nova Scotia B3L 3Z2.