

regime within major Western countries.

South Africa provides to foreign investors an opportunity for higher profit rates than anywhere else in the world. It seems able to convince investors that their investment will be secure. Investors in turn are unable to imagine any major redistribution of power in South Africa that would be other than threatening to their investment. Moreover, the foreign investor is closely integrated into the South African system, serving its interests and in no way challenging it. Foreign companies are involved in the development of a highly-sophisticated arms industry, and are conducting the search for oil that would make South Africa much less exposed to international sanctions. A foreign company, Mobil Oil, has built an oil-storage unit near the Zimbabwe border to facilitate the illegal supply of petrol to the Rhodesian regime. Right down the line, foreign corporations co-operate fully with the whole range of *apartheid* policies. They go far beyond the minimum range of compliance with *apartheid* laws. Massey-Fergusson and Alcan have co-operated with a crucial *apartheid* policy by locating major factories in a border area, thus permitting these factories to remain in the white area while the labour force and all the accompanying social costs remain in the African reserves. Ford of South Africa, owned by Ford of

Canada, has co-operated with the regime's preference that factories should not employ Coloureds, Asians and Africans within the same factory, but should, instead, have only one or the other of these employee groups in the same factory. Foreign firms are now beginning to locate branches in South Africa that they hope will be able to export to the independent states of Africa, thus aiding an important South African economic strategy, which, to the extent, that it will succeed, will stultify the growth potential within these states.

The conclusion seems unavoidable. One cannot realistically look to foreign investment to provide any significant reforming or liberalizing "input" into South Africa's public or economic life, and certainly none that would be sufficiently significant to counterbalance the reinforcement to the regime that investment entails.

Only in the narrowest and least important sense can it be said that the critical opinions summarized here are unrealistic or naively moralistic. In our judgment it is enormously important that some rich, white countries should stand aside from the scramble to cash in on the profit-making opportunities provided by a racist regime in South Africa in order to demonstrate actively and effectively that the Western liberal tradition has not become empty rhetoric.



Canada Wide Photo

*Following the overthrow of Portugal's Salazar, the Presidency passed to General Antonio de Spínola, who has since given*

*way to General Gomez. Spínola is shown here during his tenure as Governor and Commander in Chief of Portuguese Guinea.*