

the activities of foreign companies operating in Canada in a way that displaces Canadian law and policy. Such practice would be contrary to international law and an infringement on Canadian sovereignty. Canada as a home country, therefore, cannot purport to extend its own law to South African activities of South African companies controlled by Canadian nationals or residents in a way that directly displaces South African law and policy, no matter how objectionable the latter may be. Therefore, we could not enforce any ban on new investments in South Africa based on retained earnings or local borrowing by South African affiliates of Canadian companies. Neither can we, as a country, compel Canadian-controlled companies operating in South Africa to break South African law.

As for the proposed ban of Kruggerand coins, Mr. Weiner pointed out that in the absence of a multilateral agreement with other signatories of the General Agreement on Trade and Tariffs (GATT) on a ban, "such a unilateral action might also be considered to be contrary to Canada's obligation under the...Agreement." On the issue of Canadian private lending to South African firms, Mr. Weiner suggested that:

the rules of international law limit the authority of a state to control or direct conduct in the territory of another state. They make it illegitimate to attempt to prohibit lending to South African borrowers in South Africa. The difficulties of enforcing such action are obvious.

When pressed in the House one month later to announce measures against South Africa as soon as possible, given the escalation of violence in that country, Mr. Clark stated that "what we most need is to take action that would be effective, and that means a co-ordination of action with other countries."⁵

In response to the June 1985 attack by South Africa on ANC offices in Botswana, the Secretary of State for External Affairs stated that

Canada deplores the violence from any quarter and

⁵ Commons Debates, 15 April 1985, p. 3717.