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CUTTING APARTHEID'S INVESTMENT LIFELINE

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SOUTH AFRICA: GENERAL BACKGROUND MATERIAL

Southcm Africa Perspectives

.South Africa Fact Sheet

Thirty-three million people live in South Africa today. Only the 4.8 million whites have full rights of citizenship. Because of the color of their skin 28 million Black people have no political power and are subjected to controls which restrict where they can live, work, go to school, be born and be buried.

This is the apartheid system.

But that system is under growing pressure to change. By the mid-1980s opposition to apartheid inside

South Africa had reached a new level, with boycotts, strikes, massive demonstrations and stayaways

sweeping the country. Internationally, pressure on the white minority government was also growing.

In response to growing domestic and international opposition, the government has modified a few

existing apartheid laws without eliminating the basic structure of apartheid. This so-called reform

program has done nothing to satisfy Black South Africans' demands for majority rule in a united,

democratic and nonracial South Africa.

Struggling to reassert total control, the government declared two successive states of emergency

In the mid-1980s and unleashed intensive repression seeking to conceal its actions by a media blackout,

press censorship and continuing propaganda about change.

This fact sheet is designed to present an accurate picture of the continuing impact apartheid has

on the lives of Black people in South Africa.

Whites 87%

Africans 13%

Population v. Land Distribution, 1985

Under the Land Acts of 1913 and 1936, 87% of

the country's territory has been reserved for

whites. 13% for Africans, Africans can own land

only in the bantustans (see below) and in certain

designated African townships. Whites

and Coloureds must live in segregated areas

in the territory reserved for whites.

75% Africans

13.7% Whites

Africans 25,163,000 75.3% 5.5% Coloureds

Whites 4,569,000 13.7%

Coloureds 2,333,000 8.5% Asians

821,000 2.5% Total 33,386,000

Population Land Distribution

(Includes population estimated for Transkei, Bophuthatswana, Venda and Ciskei)

Apartheid: An Afrikaans word which literally translated means parts of South Africa.

'separateness.' A system that enables a small white minority to maintain

political, social and economic control of the Black majority and consequently

maintain its own wealth, power and privilege.

The Bantustans: Ten fragmented geographical areas designated as

'homelands' serve as reservations for Africans. In 1986, 13 million Africans

or 52% of the African population lived in the ten bantustans. Four

of these areas - Transkei, Bophuthatswana, Venda and Ciskei - have

been unilaterally declared "independent homelands" by the South African

government, although no other country in the world has diplomatically

recognized these areas. The Africans that the white government

declares citizens of these areas lose their South African citizenship

and become bantustan citizens. Even if they are physically living in other

parts of the country, because the bantustans are totally inadequate for even minimal

subsistence needs, about 90% of families living there are forced to seek

work in white South Africa. But under the Restoration of South African

Citizenship Act of 1966 75% of the "citizens" of the independent

bantustans - about 7.5 million people - were further stripped of any

right to permanent residence in the white areas while only a small portion

under 2 million, may be allowed to reapply for South African

Citizenship. In 1986, the government was forced to cancel plans for

making a fifth bantustan, KwaNdebele, independent after powerful local

protests.

,HThe rncral divusions used are othctd South AMc-n government categor-
, rues. The term Black includeetho Anton, Odouved Ind Asen oopulattons

Forced Removals: Between 1960 and 1983. the South African government removed more than 3500.000 Blacks from "white areas" to areas designated for Blacks. The government announced an end to this policy in 1985. but the removals have continued. In 1986. new removals were taking place in many areas, including Nyanga. Langa and Brits.
Distribution of Population, 1955:

Urban Rural Bantustans

Africans 25% 23% 52%

Whites 90% . 10% -

Coloureds 17% . 23% -

Asians 93% . . . 7%. -

Government: The South Africa Act of 1909 and the Republic of South Africa Act of 1961 effectively restricted voting for and membership in the governing parliament to whites. The South African Constitution of 1984 established a three chamber parliament with one dominant chamber for whites and chambers for Coloureds and Asians. The election of Coloureds and Asians to the parliament was successfully boycotted by opposition organizations because the new constitution further entrenched the apartheid division of races. ensuring whites a continued monopoly of real power and totally excluding Africans.

. . I

"153": . \$1.

Economy "

Gross National Product (total value of goods and services). 1985:

\$51.17 billion (0.5% growth per year 1964 level).

Government Budget: 1986 373.169 billion (estimate). Military and Police: .533 billion (19%); Health: 31.3 billion (7%); Education: \$2.7 billion (16%)

Value of m: Foreign trade accounts for between 50% and 60%

of Gross Domestic Product imports, 1985 - \$16 billion, including 57 billion in gold. Imports, 1950-81 0 billion.

Principal Exports and Imports: Gold. manufactures, minerals. coal. diamonds. agricultural products. imports- manufactures. machinery, motor vehicles. chemicals. agricultural products. minerals. Major Trading Partners, 1951-55 Imports from exports to. in billions of dollars-US; 1.411.351; West Germany 1.710.6; Japan 1.0/13; UK 1.310.195. ' a . '

International, Relations . .

South Africa and the Apartheid Museum Africa illegally occupies neighboring Namibia and has militarily occupied parts of southern Angola almost continually since independence in 1975. In addition. Pretoria has armed and supported the anti-government movement in Angola and the anti-government MNB rebels in Mozambique. All told South Africa caused at least \$10 billion in damage to neighboring countries through economic. military and political intervention between 1980 and 1984. . ta. . ' " h '

Sanctions: The UN Security Council passed a mandatory arms embargo against South Africa in 1971. and OPEC nations have attempted to end oil shipments to South Africa since 1974. By 1986. sanctions of varying stringency had been imposed on South Africa by the US. Japan and Denmark as well as the European Economic Community. the Commonwealth Nations. and the Nonaligned Movement.
?"i' '

Income and Employment ,

Unemployment: Between 4 and 5 million Blacks were unemployed as of mid-1966 according to some reports. The government figures. which are widely regarded as inaccurate, report that 26,846 whites. 28.569 Coloureds. and 14.856 Blacks were registered as unemployed in 1985 and an estimated 513.000 Africans were unemployed.

Migrant Labor, 1935: Some 1:8 million Blacks work in South Africa as so-called migrant workers under contract. a system which forces the separation of workers from their families. Also. 371.000 foreign Blacks were employed as contract workers.

U.S.-South Africa

US. Companies Doing Business in South Africa. 1905-86: About 270 US. companies have direct investments in South Africa and a further 6.000 do business there. Some 65 companies ended their investment in South Africa in 1985 and the first half of 1986.

Major U.S. Corporations in South Africa (assets/employees or sales): Mobil Corp. (\$400 million 3559150182 workers); Caltex (Chevron Corp and Texaco Inc.1 (\$324 million assets 12,186 workers); Ford Motor Co.

(\$150 million assets 17,174 workers); USX (\$102 million assets); Good.
year Tire & Rubber Co. (\$97 million assets 12,471); Burroughs Corp.
(\$55.8 million assets 100 workers); Citibank (\$332 million assets 12,500
workers); General Motors' (\$310 million sales); IBM' (\$180 million
sales). 'No longer has direct investment.

U.S. Percentage of Total Direct Foreign Investment In South Africa:
20% (second only to Britain. the largest investor)

U.S. Investment in South Africa: The real value of US. direct invest-
ment declined only slightly between 1980 and 1985. although the dol-

U.S. Financial Direct investment

Involvement \$1.3 billion

in South Africa 14%

Bank Loans

\$4 to \$6 billion

53%

Employment and Average Monthly Wage. 1985:

Min. Number: Employed Average Wage

Africans: 662,293 8174 .

Whites: 78,948 \$902

Coloureds: 8,871 5293

Asians: 696 \$460

Manufacturing

Africans: 703,800 \$21 1

Whites: 302,500 \$831

Coloureds: 232,100 5240

Asians: 88,500 3300

Economically Active Population, 1985:

Africans 7,500,000

Whites 2,100,000

Coloureds 1,000,000

Asians 300,000

Total 10,900,000

Agriculture: About 890,000 Blacks worked in the formal agricultural
sector in 1966. mostly on white farms. Estimates for farm worker wages
range from \$16 to \$20 per month with additional "in kind" payments and
other benefits which add up to the equivalent of between \$7 and \$17
per month.

Domestic Workers: About 38% of working Black South Africa.

women are domestic workers. There are 300,000 registered domestic
workers (unofficial estimate is much higher). Average wages range
from about \$45 per month in Johannesburg to as little as \$13.50 a
month in East London for a 61/2 day work week. Some 60% of domestic
workers are the sole wage-earners in their families.

1 Economic Ties

lar amount dropped substantially because of the fall in the rand/dollar exchange rate. U.S. direct investment in 1985 was \$1.3 billion. and U.S. t a had an additional \$3.2 billion in bank loans outstanding. In addition, I.S. stockholdings on the Johannesburg stock exchange were \$4 and \$6 billion.

U.S. Trade with South Africa 1985: Exports to South Africa- Industrial machinery \$204 In: Computers and office machinery \$124 In: Chemicals \$94 In: Aircraft \$57 rn; Rice and Corn \$56 in; Electric Equipment 557 m. Imports from South Africa - Platinum \$534 In; Diamonds \$328 m; Iron and Steel \$267 in; Uranium \$139 m; Artworks and Antiques 3104 m; Clothes 536 m; Shellfish \$30 m.

U.S. Bank Loans: In October 1986 the US. government banned public and private sector lending to South Africa except trade related loans. Virtually all external lending to South Africa had already ended in September 1985 after Pretoria declared a debt repayments standstill as a result of the growing refusal of foreign banks to provide new loans. More than 25 U.S. banks have also adopted public policies of refusing to make any loans to South Africa and only one U.S. bank, Citibank, continues to operate as a commercial bank in South Africa.

The U.S. Investment Campaign: This campaign seeks to force U.S. corporations to end their support for white minority rule by severing all ties with South Africa. By October 1986, 19 states, 80 cities and counties and 116 colleges and universities as well as substantial numbers of churches and other organizations had adopted binding measures requiring the sale of stocks and bonds in U.S. corporations involved in South Africa.

African Incomes Venue Poverty Level: The household subsistence level in September 1984 ranged from \$113 to \$147 a month in the major urban areas while the monthly average household income for Africans at that time was \$123. The household subsistence level is the estimated necessary income per month for an African family of six to meet bare subsistence requirements, including rent and food but excluding education or health expenses. Income levels in the rural areas and especially the bantustans are much lower. About 60% of households in the bantustans receive income below the minimum living level and 13% receive no income at all.

Unions: There were 1,650,000 members in 11 trade unions in South Africa at the end of 1984, of whom 1,165,300 were Black. Since then two new independent Black trade union federations, the Congress of South African Trade Unions (COSATU) and the CUSA/AZACTU Federation, have been formed.

Strikes: More workers were involved in strikes in 1985 than ever before: 239,816 workers were involved in 389 strikes, not including political strikes and stayaways. The largest general strike in South African history took place on May 1, 1986 when nearly two million Black workers denounced apartheid in marking the centennial of May Day in response to the call by COSATU.

Distribution of

Total Income, 1984

60% whites

. 29% Africans

(excluding agricultural and domestic service income for Black: for which no accurate data exists)

Coloureds and

Asians 11%

Education

Attendance: All public education is racially segregated with racially differentiated curricula in 1985 014. 223,578 African students 81% were in the primary grades and 19% were in post-primary school of 1,006,081 white students. 57% were in primary grades and 43% were in post-primary grades. More than one million African students, however, were not attending school at all as part of widespread student boycotts to protest inferior education, segregated schools, detentions of students and the presence of troops in the classrooms.

Teacher/Pupil Ratios, 1984 (excludes homelands): Africans, 1:41; whites, 1:19; Coloureds, 1:26; Asians, 1:23.

Per Capita

Spending

on Education

, Africans:

Whites:

Coloureds:

Asians:

Hean

Mortality: Infant mortality rates per 1000 live births' In 1962 were 80 for Africans, 13.4 for whites 59 for Coloureds. and 20.7 for Asians, In some areas of the bantustans. but overall children die before reaching the age of 1 live. In addition 55% of all deaths among Blacks occur between the ages of one and five

Malnutrition: Some 3 million children suffer from malnutrition. Up to 66% of all Black children suffer from protein deficiencies. although South Africa produces enough food to meet 122% of the optimum daily energy requirement of the entire population.

Doctor/patient Ratios: Rural areas. 1:25000: urban areas 1:750.

Ratio of people to available hospital beds: Africans 337:1. whites. 61:1.

Estimated number of African physicians: 500; 17 dentists.

Repression and Control

Twice' In less than a year the South African government attempted to crush internal resistance by declaring 3 states of emergency. in July 1985 and June 1986. Even without these emergencies the government has a wide range of laws and policies designed for repression and control. Some of these include:-

Security Legislation: The Internal Security Act of 1982 allows for indefinite detention without charge or trial and excludes the right of access by lawyers. private doctors or family. Under this law a government minister can order the preventive detention of anyone whom authorities consider a danger to state security: can outlaw any organization alleged to be a threat to public order; can prohibit the production and distribution of publications; can order random police searches; can curtail freedom of movement and restrict communication. association and participation in any event. This law makes it illegal to render assistance to any campaign. domestic or international. that protests or seeks to modify or repeal any law or such a campaign aid: a banned organization. Under article 23 the government has since 1976 banned all outdoor political meetings. except bona fide religious or sporting events. as well as many indoor meetings.

Law: Controlling Movement of Black People: The government enforces racial segregation of neighborhoods and schools through the Group Areas Act and classifies people according to race under the Population Registration Act. In June 1986 the specific legislation regulating the pass laws and influx control was abolished. but the government has begun using trespassing laws and housing and work permits as a way to regulate the movement of Black people. Opposition organizations charge this action effectively continues the pass laws under a new guise.

Legislation Regulating U.S. Companies: Under the National Key Points Act of 1980 the Minister of Defense is empowered to declare any area a Key Point requiring the proprietor to provide security under supervision from the armed forces. These provisions are applicable to U.S. corporate operations in South Africa. It is illegal to print any information about security measures or about any incident at a Key Point. According to the government there were 413 official Key Points and another 800 semi-Key Points as of March 1984.

There are 5 separate laws, including the National Supplies Procurement Act and the Price Control Act, which can be used to require U.S. firms to sell goods and services to the South African government. Under these laws, for instance, U.S. corporations can be required to sell to the military and prevented from publicly revealing such sales or other agreements with the government. Petroleum has been legally defined as a "munition of war" by the government, and oil companies are particularly restricted by South African laws.

Restrictions on the Press: There are at least five different laws that regulate the press and prevent coverage of events or individuals. Among other provisions, by December 1986 the press was forbidden to publish reports on any actions of the police or military or any "subversive statement" (including discussions at boycotts, reports of opposition to any state official or structure or statements by opposition organizations).

Declaration of a State of Emergency: Under the Public Safety Act of 1953 the state president is empowered to declare a state of emergency and suspend normal judicial procedures. The first emergency was imposed following the Sharpeville massacre of 69 unarmed Black protesters in 1960. A second emergency was declared in July 1985 and a third was declared less than a year later on June 12, 1986. The emergencies were primarily declared to provide individual, low ranking members of the security forces with the same powers as the army and to give security forces immunity from prosecution for their actions. They also enabled the government to further restrict press coverage and ban journalists from covering actions of the security forces. In the first six months of the third emergency at least 20,000 people were detained. 50% of whom were under age 18. Amendments to the Public Safety Act in 1986 effectively gave the government the same law-breaking powers it has under a state of emergency without requiring the formal declaration of an emergency.

Compiled by David Brooks, James Cason, Lise Grooms, Jennifer Devi, and Richard Knight. Additional copies are 30¢ each: 15¢ on orders over twenty. Please add 15% postage. The Africa Fund (associated with The American Committee on Africa) 198 Broadway, New York, NY 10038 (212) 962-1210.

Write for a complete list of Africa Fund publications.

Statistics on Government Violence

Arrests for Political Offense: Many anti-apartheid activists are arrested and charged under existing security laws. For instance, thousands have been arrested and charged with 'public violence' for actions from throwing stones at troop carriers to burning down schools. In addition, human rights organizations in South Africa report increasing numbers of people arrested for political offenses are being charged with petty crimes. These figures do not count the 1,924 charged in 1985 for offenses under the Internal Security Act or the at least 1,370 people jailed under that act in the first eight months of 1986.

Official Violence: At least 2500 Black South Africans were killed in political violence between September 1984 and December 1986.

Hangings: 136 people were hanged in 1985. 5 of them white.

Torture: Torture and deaths in detention have been a well-documented part of South African police and military practice for many years.

Methods include electric shock, beatings, sleep deprivation and isolation. In the summer of 1986, for instance, there were well-documented cases of torture of workers, clergy and especially children. At least 80 people have died in police custody in the last twenty years.

Prison Population: The average daily prison population in December 1985 was 113,792 - more than ten times the per capita prison population in the U.S. At that date, 258 were imprisoned for two years or longer for "offenses against the state," including 22 people serving life sentences.

Children: Black children in South Africa bear much of the brunt of the apartheid system. A Black child between ages one and four is 14 times more likely to die than a white child and has less than a one in five

chance of going beyond sixth grade at school. Increasingly, children are also becoming a target of government repression. In the last seven months of 1986, during the state of emergency, more than 8,000 children were detained and many of those were tortured or physically assaulted.

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0 All figures have been converted into dollars at the following rates 1.
one rand: 1985-5045; 1984-5068; 1963-5090.

- South African government statistics on the African majority are increasingly fragmented and incomplete because of the apartheid policies of bantustan 'independence'. Where possible the figures used here are for South Africa as a whole. However, in some cases, due to a lack of other information, government statistics which undercount certain categories of workers have been used. As a result, figures from different sections of the table may not be directly comparable.

December 1986

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SOUTH AFRICA

_ SOUTH AFRICA FACT SHEET (Africa Fund. 1987). 4pp. Facts and figures on population, removals, wages, repressive legislation, SA-US economic ties and more. 30¢ Over twenty, 15¢ each

SOUTH AFRICA: QUESTIONS AND ANSWERS ON SANCTIONS by William Minter (Africa Fund. 1986). 6pp. An overview of the arguments for sanctions. 35¢. Over twenty, 15¢ each

DIVESTMENT ACTIONS MUST TARGET FRANCHISE AND LICENSING AGREEMENTS AS WELL AS DIRECT INVESTMENT (Public Investment and South Africa Newsletter. ACOA. 1987). 4111). Includes "Guidelines for Divestment" issued by five national anti-apartheid organizations in response to companies which have ended direct investment in, but continue to do business with, South Africa. 30¢ each. Over twenty, 15¢ each

SOUTH AFRICA: QUESTIONS AND ANSWERS ON DIVESTMENT (Africa Fund. 1987). App. 3¢ Over twenty, 15¢ each, VOICES FOR WITHDRAWAL. compiled by Stephanie Urdang and Donald Jamison (The Africa Fund. 1985), 6pp. Quotes from Nobel Peace laureates, South Africans as well as from prominent Americans in support of sanctions and divestment from South Africa. 35¢. Over twenty, 20¢ each.

BLACK DISPOSSESSION IN SOUTH AFRICA: THE MYTH OF BANTUSTAN INDEPENDENCE by Richard Knight (Africa Fund, 1984). 6pp, An overview of the "grand apartheid" system of bantustans with a special focus on Bophuthatswana. Includes information on the casino resort complex known as Sun City. 35¢. Over twenty, 20¢ each.

UNLOCK APARTHEID'S JAIL? (brochure), (Africa Fund. 1987), 30,000 people have been detained in South Africa in the past year because of their opposition to apartheid. This brochure is for a campaign to end these detentions. 15¢ each, 1984 IN SOUTH AFRICA: THE ILLUSION OF REFORM, THE REALITY OF RESISTANCE by Jennifer Davis. Executive Director of ACOA (The African Fund. 1985). 6pp. An analysis of the growing resistance to apartheid. 35¢. Over twenty, 20¢ each

SOUTH AFRICA INFORMATION PACKET. includes the above items. \$2.00 each

Apartheid

THIS IS APARTHEID: A PICTORIAL INTRODUCTION (IDAF. 1984). 40pp. \$1.70.

SOUTH AFRICA: A DIFFERENT KIND OF WAR by Julie Frederikse (Beacon. 1986) 192pp. A unique combination of information, images and interviews on the resistance to Apartheid since 1976. \$12.95.

APARTHEID: THE FACTS (IDAF. 1983). 11pp. A comprehensive overview of South Africa. 57¢ 00A

_TORTURE IN SOUTH Southern Africa

Literature List 1987

t The Africa Fund (associated with the American Committee on Africa)
198 Broadway, New York, New York 10038 (212) 962-1210

.. IF THIS IS TREASON. I AM GUILTY by
Allan Boesak 1Africa World Press, 1987).
134ppt Fifteen speeches and sermons by one
of South Africa's best known anti-apartheid
activists. 57,95.

___ KING SOLOMON'S MINES REVI-
SITED: WESTERN INTERESTS AND
THE BURDENED HISTORY OF SOUTH-
ERN AFRICA by William Minter (Basic
Books. 1986), 320pp. A comprehensive over-
view of southern Africa and US. involve-
ment. Extremely useful in understanding the
current situation. \$21.95.

THE SOUTHERN AFRICAN DISEASE:
APARTHEID HEALTH AND HEALTH
SERVICES by Cedric de Beer (Africa World
Press, 1986). 86ppt Documents the connec-
tion between disease and the unequal distribu-
tion of resources. \$7.95.

_ CRIPPLING A NATION: HEALTH IN
APARTHEID SOUTH AFRICA by Aziza
Seedat (IDAF. 1984). 110pp. 5500.
SOUTH AFRICA IN STRUGGLE (a spec-
ial issue of Monthly Review magazine. 1986).
95pp. Overview articles on the current situa-
tion and the struggle for freedom in South
Africa and of US policy. 5300. Five or more
\$250 each.

CHILDREN UNDER APARTHEID (IDAF.
1980), 120pp. A book which reveals the
effects of apartheid on children includes 110
photos, \$6.00.

APARTHEID'S PRIVATE ARMY: THE
RISE OF RIGHT-WING VIGILANTES IN
SOUTH AFRICA by Nicholas Haysom
(Catholic Institute for International Relations.
1986). 141pp. \$100.

_ REPORT ON POLICE CONDUCT DUR-
ING TOWNSHIP PROTESTS AUGUST-
NOVEMBER 19" (compiled and published
by Southern African Bishop's Conference).
38pp. 5150,

AFRICA:

RECENT DOCUMENTS (Catholic Institute
for International Relations, 1982). 42pp.
Includes material on the detainees by the
Detainees Parents Support Committee. \$3.00.

DIVIDE AND RULE: SOUTH AFRICANS
BANTUSTANS by Barbara Roger (IDAF.
1980). 136pp. \$5.00.

_ NO. 46-STEVE BIKO by Hilda Bernstein
U.S.

(IDAF. 1978). 149pp. 33.50.

NELSON MANDELA: THE STRUGGLE
IS MY LIFE (IDAF. 1979, 208mm A collec-
tion of the writings and speeches of Nelson
Mandela, a leader of the African National
Congress, who is currently in prison serving
a life sentence as a result of his role in the
freedom struggle. \$5.00.

AKIN TO SLAVERY: PRISON LABOR IN
SOUTH AFRICA by Allen Cook (IDAF.
1982). 81pp. The story of thousands of black
prisoners serving their sentences on white-
owned farms. \$20.00

Economic Links

UNIFIED LIST OF UNITED STATES
COMPANIES WITH INVESTMENTS OR
LOANS IN SOUTH AFRICAN AND

NAMIBIA. compiled from existing source lists by Pacific Northwest Research Center (The Africa Fund, 1985). 98pm. Individuals 5800. Institutions 52800 Add SLOO postage per copy.

UNIFIED LIST UPDATE. the update to the above publication (Africa Fund, 1987). 71);) Published approximately twice a year. Most recent update comes with order of the above, Individuals \$3.00 Institutions \$5.00,

SUMMARY CHART ON PUBLIC FUND

DIVESTMENTNACOA. 1987). Mpp. (typescript) A summary chart of state and municipal divestment actions. including a summary of the action taken and amount affected.

Updated frequently. 51,00.

APARTHEID IN OUR LIVING ROOMS:

U.S. FOREIGN POLICY AND SOUTH

AFRICA by Ptey Nesbitt (Midwest Research, 1986). 58m). An excellent concise introduction to US. policy toward South Africa. \$4.50

TAXES FOR APARTHEID by Jennifer

Davis (ACOA. 1987), Bpp. (typescript). Testimony before Congress exposing the large sums of taxes paid by US. corporations in South Africa \$2.00.

COMPUTERS IN SOUTH AFRICA by

Richard Knight (Africa Fund, 1986), 13ppb typescript. Overview of US computer companies in South Africa with profiles of ten US corporations including Control Data. IBM and Hewlett Packard \$2.00,

W5

Join the Unlabeled Anti-Apartheid Campaign. Distribute one of these brochures 1. per community.

_ ECONOMIC ACTION AGAINST APARTHEID: AN ANALYSIS OF THE DIVESTMENT CAMPAIGN AND FINANCIAL IMPLICATIONS FOR INSTITUTIONAL INVESTORS by Brooke Baldwin & Theodore Brown (The Africa Fund. 1985), 47pp, (typescript).
 ECONOMIC DISENGAGEMENT AND SOUTH AFRICA: THE EFFECTIVENESS AND FEASIBILITY OF IMPLEMENTING SANCTIONS AND DIVESTMENT by Jennifer Davis. James Casan and Gail Hovey (reprinted from Law and Policy in International Business. 1983). 35pp. \$2.00.
 _ AUTOMATING APARTHEID: COMPUTERS IN SOUTH AFRICA by (NARMIC. 1982). 70pp. 5350.
 Mtttury
 _ SOUTH AFRICA AT WAR: WHITE POWER AND THE CRISIS IN SOUTHERN AFRICA by Richard Leonard (Lawrence Hill, 1983). 380pp. Examines the - militarization of South Africa in its attempt to maintain apartheid. \$8.95.
 _ BRUTAL FORCE: THE APARTHEID WAR MACHINE by Gavin Cawthra, (IDAF. 1986), 320pp. \$11.00
 PORTABLE PHOTO EXHIBITS
 Produced by International Defense & Aid Fund, Lnnndottt
 _ CHILDREN UNDER APARTHEID (16 display sheets. each sheet 25 x 17 1/2 inches) For the use of the majority of children in South Africa. life under apartheid. the South African government's official policy of racial segregation. means inadequate housing. poor education and little medical care. Areas covered by this exhibit include health. school family life. housing and refugees, \$5.00.
 WOMEN UNDER APARTHEID (14 display sheets. 25 x 11 1/2 inches) Women suffer special hardships under white minority rule in South Africa. Areas covered include: the migrant labor system. family life. resettlement of women at work and women and the struggle against apartheid. \$15.00,
 NAMIBIA IN STRUGGLE - A PICTORIAL HISTORY (16 display sheets, 25 x 17 1/2 inches) Illustrates the Namibian people's struggle for freedom and independence. (from German occupation to the current illegal South African occupation. Some photos as in the book of the same name \$21.00.
 These sets have been designed for use in schools and colleges and by church. trade union. and anti-apartheid groups to serve educational needs and to provide a graphic backdrop to meetings and conferences. They are easily hung using either professional exhibition facilities or simple push pins.
 SOUTHERN AFRICA-GENERAL
 _ OLOF PALME MEMORIAL LECTURE ON DISARMAMENT AND DEVELOPMENT: OLIVER TAMBO. ALLAN BOBAK. WM. SIAMN COFFIN. ANDERS PERM. Con Weiss (edt). (Riverside Church Disarmament Program. 1987). 84pp \$7.95
 _ THE SUN WILL RISE: STATEMENTS FROM THE DOCK BY SOUTHERN AFRICAN POLITICAL PRISONERS ed. Mary Bensen (IDAF. 1974). 56pp \$3.00.

IF YOU WANT TO KNOW ME: REFLECTIONS OF LIFE IN SOUTHERN AFRICA, poetry compiled by Peggy L. Halsey. Gail J. Morlan and Melba Smith (Friendship Press. 1976) 48pp. \$2.2.
POETS TO THE PEOPLE: SOUTH AFRICAN FREEDOM POEMS'ed, Barry Feinberg (IDAF 1974). 32pp. \$4.50.
DEALING WITH UNIVERSITY REPRESSION: A RESOURCE FOR STUDENT ACTIVISTS. ACOA and the Center for Constitutional Rights. (ACOA. 1987). 6m). 35: each. Over twenty. 20: each.
NAMIBIA

_THIS IS NAMIBIA: A PICTORIAL INTRODUCTION (IDAF. 1984). 40pp. \$1.70.

_ A NATION IN PERIL: HEALTH AND APARTHEID NAMIBIA (IDAF 1985), 40pp. \$1.45.

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16th CONSTITUTIONAL CONVENTION

April 28 to May 2, 1986

Document No. 8

REPORT OF THE INTERNATIONAL AFFAIRS

. COMMITTEE

The Intcmationul Affairs Committee considered resolutions 1A-1 to 1A-78 inclusive. resolu
tion 6-56 and the Pnlty

Statement "Intemutionul Affairs and the Pursuit of Human Dignity: A Canadian Labour Respo
nse". referred to II by the Executiw
C nuncil.

The Committee recommends the disposition of the resolutions as follows:

Resolutions 1A-1. 1A-17. 1A-ZS. 1A-30. 1A-31. 1A-39. 1A-43. 1A-47. 1A-49. 1A-50. 1A-56. 1
A-59 and 1A-fIX 2m:

compositcd in the substitute resolution on South Africa:

WHEREAS the repressive Government of South Africa continues to brutally impose its racist
policies of Apunhmd On

the people of South Africa. denying them fundamental freedoms and a society based on majo
rity mle. and contnucs tu

illegally occupy Namibia. uses force to destabilize neighbouring countries such as Angola
. Mozambique and Lesothtx and

WHEREAS the people of South Africa are increasing their heroic resistance in all sectors
of society as wttneaxcd by

the formation of COSATUi and have called for assistance and sanctions against the regime;

THEREFORE BE IT RESOLVED that the Canadian Labour Congress reaffirm its condemnation of A
panheidt w tth

its Iniquitous Pass Laws. and the shameful imprisonment of Nelson Mandela and other polit
ical prtsoners: and

BE IT FURTHER RESOLVED that the CLC and its affiliates reaffirm and vow to increase suppo
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with the political and trade union organizations committed to the creation of a democrati
c and non-racial South Africa. and

with the Canadian workers who refuse to handle. produce. dispatch or use in any way goods
from or destined (0 South

Africa; and

BE IT FURTHER RESOLVED that the CLC call on the Canadian government to impose comprehensi
ve political.

social. and economic sanctions against South Atrlcat commencing with a ban on investments
in South Africa and Numibtu.

and to take action at the Commonwealth. the United Nations. and its specialized agencies
to join with other countrtcx in

beating Apunheid.

CANADIAN LABOUR CONGRESS I
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December 22, 1986

To: Members of the Executive Council,
Ranking Officers of Affiliated Unions,
Federations of Labour, Labour Councils,
Greetings:

I am happy to report that I welcomed Jay Naidoo, General Secretary of the Congress of South African Trade Unions, (COSATU), to CLC Ottawa offices December 5, for a high level meeting on the situation in South Africa. Brother Naidoo had just completed a very successful speaking tour in Canada which included addresses to the Conventions of the Ontario and B.C. Federations of Labour, and to regional meetings of the United Steelworkers of America and National Automobile, Aerospace and Agricultural Implement Workers Union of Canada, (CAW).

During the meeting in our offices, Brother Naidoo forecast an increase in repression against black trade unions in South Africa in the coming months as the Apartheid regime digs itself in to resist the demands of these unions for an end to both the economic and political apparatus of Apartheid. Both Brother Naidoo and myself stressed the importance of the CLC campaign to assist COSATU which was launched at the 1986 CLC Convention in May, 1986. Both of us agreed that this direct bilateral assistance would be even more crucial in the new year. Brother Naidoo had made these same points during speeches to trade unionists in Ontario, Quebec and British Columbia.

At a separate meeting, I then discussed the South African situation and the issues of assistance to black trade unions in South Africa with Aaron Pemba, Head of the International Department

of the South African Congress of Trade Unions, (SACTU), and SACTU's new Co-ordinator for Canada, Peter Mahlangu.

The SACTU officials agreed that the CLC's policy of offering direct bilateral assistance to black trade union organizations inside South Africa, such as COSATU, was a useful and positive contribution towards building independent, democratic trade unions in their country, and helped to advance the liberation of all South African people.

I informed the SACTU officials that at the December 9th Executive Council meeting of the CLC, I would ask Ranking Officers of CLC affiliates to increase the amount they contribute to the International Activities Fund of the CLC, and, for those who are presently not contributing through this channel, to do so, as well as maintaining other solidarity efforts they may be engaged in as part of the overall struggle to bring about the liberation of South Africa from Apartheid. I want to repeat these points through this letter.

I assured the SACTU delegation that the CLC recognizes the leading contribution towards the liberation of South Africa made by the ANC, which has been very supportive of SACTU and has emphasized its current role. I told them, "I know that many of our affiliates choose to support exclusively the CLC's program of direct solidarity assistance to COSATU as well as the other democratic trade union federation inside South Africa, CUSA/AZACTU, while some of our affiliates have similarly established direct links with SACTU". I also stated that I was "aware that COSATU and SACTU had jointly declared that there was no contradiction in their separate existence".

During the very open and cordial meeting with the SACTU officials, I reaffirmed that the CLC, which has a constitutional responsibility for the international concerns of the Canadian labour movement, which includes federations of labour and labour councils, will continue to be guided by the advice of all South African progressive, democratic organizations, and will continue to respond to the direct requests from the trade union movement inside South Africa. I also expressed the hope that, given the intensity of the South African crisis for the millions of ordinary workers in that country, CLC affiliates would step up their efforts to increase their contacts with, and understanding of, the South African labour movement. This I must emphasize with you.

In my meetings with both COSATU and SACTU, I emphasized that my experience in working within the CLC, the International

" Confederation of Free Trade Unions, (ICFTU), the Commonwealth Trade Union Council, (CTUC), and the International Labour Organization, (ILO), shows that there is plenty of room in the world-wide struggle to beat Apartheid for everyone, and that Canadian workers would continue to make their voices heard and their presence felt at every level and in all available forums until Apartheid is finally beaten, and South Africa is on the road to democracy.

Yours fraternally,

SGECijg Shirley .E. Carr,

President

opeiu 225

c.c. Canadian Labour Congress Headquarters

Staff, Regional Directors and

Representatives

. O . Tambo

A. Pemba

OINTERNATIONAL

COSAT

Some of the world's richest and most powerful mining companies have been caving in under the strength of the militant National Union of Mineworkers (NUM) of South Africa. In recent months Anglo American, Gencor and other mining companies have tried to dismiss thousands of Black South African workers who have demanded to be represented by the unions of their choice, and who have asked for . increased wages and better working conditions. In the past these companies would easily have found thousands at scabs to replace the dismissed workers. But not now. The NUM has not only stood firm. It forced the companies to take back the vast majority of these workers, it has even succeeded in winning unprecedented industrial court decisions against the employers and it will no longer allow the South African Chamber of Mines to divide workers by offering different wages in different companies.

Mining companies like Genoor and manufacturing companies like the Canadian Bata Shoes try increasingly to do business in the Bantustans. to escape the organized strength of the new unions and what little labour legislation South Africa has that favours them, but the unions have vowed to force management to extend automatically all gains made to its Bantustan plants.

A giant has awakened in South Africa. The fraternal delegation at this year's CLC Convention representing the Congress of South African Trade Unions (COSATU) comes from one of the newest and lastest growing trade union organizations in the world, COSATU was founded on November 30. 1985 with 449,000 members. Five months later, it now has over 560.000 paid up members.

The South African political landscape has been radically transformed, There are now three main actors: The Botha regime.

'2 Canada" Laoom Agn/ vgas

the African National Congress (ANC). and COSATU President P. W. Botha has good reason to be interested since the ANC and COSATU have found much common ground to support each other, COSATU insists upon maintaining its independence in order to represent workers' interests and the ANC has asked for COSATU's support for its many non-trade union activists especially in the Black townships and community organizations, Thirty-three trade unions came together to form COSATU. This super-federation is the culmination of four years of unity talks and years of heroic struggle since the heyday of SACTU. followed in turn by the rebirth of militant trade unionism in South Africa in 1973. The major elements in COSATU are the nine affiliated unions of the Federation of South African Trade Unions (FOSATU), the National Union of Mineworkers (NUM), some other independent unions and most of the unions affiliated to the United Democratic Front (UDF). Remaining outside COSATU (at least for the time being) are the affiliated unions of the Council of Unions of South Africa. AZACTU and some small independent unions.

Canadian trade unionists have already had some opportunities to meet with these young, brave South African trade unionists. CUSA, an ICFTU affiliate. attended the 1984 CLC Convention in Montreal. FOSATU sent a fraternal delegation to the Convention in Winnipeg in 1982. More extensive discussions and contact were made possible in 1984 with FOSATU and 1985 with NUM during two education exchange visits organized by the CLC's Department of International Affairs. The CLC's affiliated unions, provincial federations and labour councils have been generous in response to appeals made in the past from these struggling South African trade unions. Through the CLC International Activities Fund and with grants from the Canadian International Development Agency (CIDA) the Congress has been able to channel over \$500,000 to educational and organizational projects in South Africa and in the front line states at the request of trade unionists in South Africa. COSATU is also seeking assistance and, on behalf of the 2,2 million members, the CLC Executive Officers have promised that this assistance will be forthcoming.

But COSATU has made it clear that they are not looking for charity. Rather they are prepared to enter into solidarity relationships with national trade union centres and other progressive organizations on the basis of mutual respect. They want the widest possible support with open and honest exchanges of information. They have decided not to affiliate with any international trade union body. nor with any South African political party. This does not mean that COSATU will not be engaged politically within South

Africa. On the contrary. COSATU is committed to generating leadership within itself. and. more broadly. encouraging local worker leaders to participate in organizations and struggles outside the factories. In this way COSATU expects to see the spread of working class principles of organization such as accountability. reporting back, and discipline: in other words, working class politics.

In a recent interview, Jay Naidoo, COSATU's general secretary. was asked to elaborate on COSATU's five basic principles He said:

"The most important of these is our position on non-racialism

"We believe that South Africa is a racially divided society, and that apartheid, and its specific aspects like influx control. pass laws. and Bantustans, all act as agents of domination of the working class, both politically and economically Apartheid and economic injustice are integrally related in South Africa.

"More importantly, we regard non-racialism as a principle: we know. in the short term, that white workers are not going to join us in great flocks But it is important to develop a principled base of what the future society should represent, and from that point of view, we adhere strongly to non-racialism,

"Workers' control is the other important principle For the working class to represent its interests effectively. worker leadership should have control of the structures. and be able to exercise the aspirations of workers through those structures.

"As the principle of worker control develops. we. as the working class. would want to apply it to society as a whole.

"Other principles are: one union per industry, which, as We said. strengthens our ability to challenge monopoly capital.

"Representation based on paid up membership is another COSATU principle All COSATU affiliates' membership figures are on the basis of paid up and fully active members. And the extent of our influence is enormous.

"The last one is the principle of national co-operation. Under the present oppressive regime. co-operation not only at a national level, but also at local and regional levels, is one of the most effective ways of countering attacks on our organization."

Just before the CLC Convention. Congress representatives met with Britain's Trades Union Congress. and the other members of the Steering Committee of the Commonwealth Trade Union Council (CTUC). together with the COSATU iratemal delegation, to look in detail at an education project we are trying to make available to the non-racial trade union movement in South Africa Like ourselves they recognize that solid trade union education is the key to the future of their organization. They are fully aware that their liberation is not just a short step away.

They must face the last ditch efforts of the dying apartheid regime. They must negotiate with companies who are used to taking super profits out of South Africa and dealing with a docile work force, and who would rather move elsewhere than share the wealth. They are being attacked not only by management and the police, but also by misguided tribal organizations like Chief Galsha Buthelezi's Inkatha warriors. They must maintain the fragile unity they have recently forged.

And we must be prepared to help them. Apartheid is not dead yet. As they work from the inside to dismantle it and we increase our pressure from the outside, the best hope for the future is to nurture the working

class must play a leading role in the struggle for liberation, to ensure that the society we build after liberation represents the interests of the working class,"

says Jay

Naidoo, General Secretary of the new labour

giant, the Congress of South African Trade Unions

these democratic, non-racial trade union organizations that will provide South African society with a model we can applaud. We can only support from knowledge and a genuine understanding of their realities. We must receive more South African trade unionists on education exchange visits to Canada and we must try to organize similar visits, at their invitation, for Canadian trade unionists to go to South Africa. When we know each other better,

when we've compared their working and living conditions to our own, from first-hand experience, then we will be in a position to be in real solidarity with them,

- PAUL PUNITT

Paul Punitt is an educational representative in the International Affairs Department of the CLC. Canadian Labour Journal Ann "166", 5

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In a policy document approved by the 16th convention. the CLC affirmed its strong support for peace. based on respect for human rights, economic development of the "South" and an end to the build-up of armaments and military intervention in disputes between nations

Working through the International Confederation of Free Trade Unions and the Commonwealth Trade Union Council the CLC. in its first 30 years. has promoted "trade union solidarity. workers' unity and the elevation of a worker's dignity as a guiding principle for governments everywhere." the policy statement recalled "Workers deserve. and the world needs. respect for human and trade union rights and a world at peace," the document affirmed

"The need for a strong United Nations system is as pronounced as ever The CLC remains convinced that Canada's interests are well served by the maintenance of a UN system committed to promoting universal respect for its Charter the Declaration on Human Rights the labour standards of the International Labour Organization and the integrity of the various UN agencies.

"We rejected the efforts of the Union of Soviet Socialist Republics (USSR) to undermine the monitoring work undertaken by the ILO in the field of labour standards: and we reject the decision of the United States to turn its back on the United Nations' Educational. Scientific and Cultural Organization (UNESCO), '

Peace, Security and Disarmament

Reaffirming the statement from the 1984 convention on Peace. Security and Disarmament. the policy document urged the Government of Canada to "recognize that the pursuit of peace should have priority over all international political objectives." Thus the CLC welcomed the negotiations between the USA, and the U.S.S.R. at a recent meeting in Geneva.

"An agreement for both superpowers to abandon the development of weapons in space, either for satellite destruction or for ballistic missile defence, would profoundly improve international stability in the coming decades. In this spirit. we have opposed Canadian participation in the Strategic Defence Initiative announced by President Reagan."

In the Americas, the CLC specifically affirmed the right to self-determination of Nicaragua and all sovereign states in our hemisphere, while demanding that Jay Naidoo, general secretary of the Congress of South African Trade Unions (COSATU), here speaking at the CLC Convention, left Toronto with a cheque for \$25,000 from the CLC International

Activities Fund and the pledge of further assistance from the Congress. affiliated unions and other affiliates of the Commonwealth Trade Union Council.

human and trade union rights for all Central American peoples. a condition impaired by foreign military intervention."

A separate resolution on this region noted that "the underlying causes of the conflicts in Central America are rooted in repression, injustice, poverty, external dependency and the denial of participation to millions of people" Noting that "military escalation in the region has directly increased the suffering and poverty of the people of Central America and has frustrated the goals of essential and inevitable revolutionary change." the CLC reaffirmed support for "the heroic struggle of Central American workers for bread, peace and freedom", the right to self-determination of the peoples of the region, "their human and trade union rights: and again condemned military intervention in Central America. "in particular US. support for the Nicaraguan contras'."

Further, the resolution demanded the guarantee of full respect for human rights in Guatemala; condemned "the continuing activities of right-wing death squads in El Salvador and the failure of the Salvadoran government to resume a constructive dialogue with the FMLN;" called for the resumption of the bilateral talks between the U.S.A. and Nicaragua; reaffirmed support for "negotiated settlements of the conflicts in the region through the Contadora peace initiatives;" urged the Government of Canada to "implement policies which will work against intervention and military escalation in the region and favour respect for human rights and economic development. deny bilateral aid to any country serving as a base for military intervention and actively undertake measures to support the Contadora initiatives for a negotiated settlement in Central America."

Citing tensions within Sri Lanka, the policy document called on the Canadian government to "make every effort to assist the emergence of a peaceful solution to the problems of Commonwealth countries ravaged by poverty and intercommunal violence."

Welcoming the overthrow of the Marcos regime in The Philippines, the CLC has consulted the TUCP, KAU and other labour organizations to intensify methods of helping Filipino workers to fully achieve their rights.

The statement reiterated the CLC condemnation of the Soviet "invasion and continued occupation of Afghanistan."

In the Middle East, the CLC called on Arab countries and peoples to categorically accept Israel's right to exist and live within secure and recognized boundaries."

And Israel should recognize "the legitimate rights of the Palestinian people and their just requirements, which include a national homeland for the Palestinians." Referring to the food crisis in several nations in Africa, the CLC document said that the government and non-governmental

organizations in Canada should "bring immediate relief assistance to the people of the region? The Government of Canada was urged to "sponsor long-term development projects in the region with a view to reversing the effects of the drought and famine."

South Africa

Apartheid, by whatever name, still denies to Black South Africans the goal of democratic majority rule sought by liberation movements, such as the African National Congress (ANC), the Pan-African Congress (PAC) and the South-West African People's Organization (SWAPO).

Retiring CLC President Dennis McDermott welcomes two members of the delegation from the AIT-China Federation of Trade Unions: Zhang Burying, leader of the delegation, ACFTU vice-chairwoman and standing committee member of the Chinese National People's Congress; and Huang Jing, deputy section chief, ACFTU International Liaison Department

"Efforts at persuasion through dialogue with the apartheid regime in South Africa can only succeed when backed by economic sanctions, and we urge the Canadian government to take strong and decisive action. This should include an end to Canadian investments not only in South Africa but also in Namibia which is still illegally occupied by South Africa. It should include the promotion of a campaign of disinvestment of current Canadian holdings." including pension plans covering union members.

The international affairs statement expressed doubt about the actual cessation of the State of Emergency, announced by the Government of South Africa in March 1986. "It is likely that the State of Emergency regulations will simply be traded for new police powers."

A separate resolution noted that "the people of South Africa are increasing their heroic resistance in all sectors of society as witnessed by the formation of the Congress of South African Trade Unions (COSATU); and have called for assistance and sanctions against the regime." Thus the CLC reaffirmed "its condemnation of apartheid, with its iniquitous Pass Laws, and the shameful imprisonment of Nelson Mandela and other political prisoners" and pledged increased support for the political and trade union organizations committed to the creation of a democratic and non-racial South Africa, and with Canadian workers who refused to handle, produce, dispatch or use in any way goods from or destined to South Africa." The Government of Canada also was urged "to take action at the Commonwealth, the UN and its specialized agencies, to join with other countries in beating Apartheid."

International trade

The policy document expressed concern about the international debt crisis (a particular burden to developing

countries. the "South"). lower commodity prices and the speculative flight at capital which otherwise might be positively directed to job-creation.

"There is a pressing need for an improvement in North-South economic and political relations; and the initiative lies mainly. though by no means wholly. with the North," The CLC IS determined to maintain assistance to "the efforts of the LCFTU in developing a trade union response on this and other issues."

Recognizing that Canada must expand and diversify its foreign trade. the CLC Convention document insisted that the denial of human rights in certain countries must not be ignored, In the pursuit of economic links

"In stating that Latin America IS an important and growing market for Canadian exports, the Government of Canada must also recognize that commercial relations cannot be considered independently of the performance of governments vis-a-vis internationally recognized norms of human and trade union rights. As a bare minimum. the Canadian government must ensure that no export permits be issued for Canadian exports to Chile of a military or paramilitary nature"

On so-called "free trade" with the United States. the CLC Convention document pointed out that trade policy

"should be dealt with on a sector-by-sector basis. It should be designed to reduce our overall dependence on foreign trade and designed to diversify Canada's trading partners."

Canada and all its trading partners are affected by the international economic system. Acknowledging that the United States will remain Canada's principal trading partner. the document rejected the "free trade" proposal. Canldlln Labour May June \$986 '5

ANC President Oliver
Tambo to visit
Canada

Oliver Tambo, president of the African National Congress (ANC). has indicated he would like to visit Canada in the near future to hold discussions with the Canadian Labour Congress and Prime Minister Brian Mulroney, and to intornr Canadian ot the situation in South Africa, CLC President Shirley Carr announced on June 19.

Carr met with the 69-year-old leader in Paris June 15. the day before the start of the United Nations' Conference on Sanctions against South Africa. She told Tambo that she had recently met with Canada's External Affairs Minister Joe Clark and plans to meet soon with Prime Minister Brian Mulroney to repeat the CLC's call that Canada take the lead in pressing for comprehensive mandatory sanctions against South Africa. both in the economic and diplomatic fields.

Tambo, a former law partner of jailed uth African leader Nelson Mandela, wrest! that Canada is in a unique position to show the way to other western countries, Carr said.

"He thanked us for the excellent work the CLC has done on behalf of the oppressed workers of his country which. he said. are already ably represented by South Africa's dynamic trade union organizations COSATU and CUSA." Carr said.

"He particularly appreciated my initiative in writing the Queen as head of the Commonwealth and asking her to help ensure Commonwealth action against apartheid, and the initiative of the CLC in recommending the creation of a Committee of Eminent Persons at the Nassau meeting of the Commonwealth heads of government."

Carr, who recently was unanimously elected chairperson of the steering committee of the Commonwealth Trade Unions Council, told Tambo of the committee's adoption of her proposal to urge other Commonwealth trade union leaders to follow her example in writing the Queen. Both agreed that this might push the government of Great Britain to join the call of the Commonwealth Eminent Persons' Group to take serious economic measures against South Africa now to avoid increase in the bloodletting.

Carr told Tambo she had warned Clark of the impending clampdown in South Africa, during her meeting with him June 10. three days before that country's government declared the state of emergency.

til recommended to Clark that the Canadian

We're with you,, Carr tells South Africa's Oliver Tambo
CLC President Shirley Carr pledged African National Congress President Oliver Tambo continued CLC support in the fight against apartheid and discussed Tambo's planned visit to Canada, at a meeting in Paris. June 15. Left to right: Carr; CLC International Affairs Director

John Harker and Education Representative Paul Purin; ANC Paris Representative Dulcie September; and Tambo.

ement declared the state of emergency.
til recommended to Clark that the Canadian

dian government he prepared to provide an additional one million dollars in humanitarian assistance to the latest round of victims of apartheid," she said. Carr said the CLC now has a list of the names of 74 South African trade unionists among the more than 2,000 people rounded up June 12-13.

"We have lodged a strong protest with South African President P.W. Botha demanding their immediate release," she said.

Carr added she was particularly disgusted by the news of the arrest of CUSA's General Secretary Phiroshaw Camay, just hours before his wife gave birth to a baby boy.

"We cannot simply go on this way, watching the brutal repression and just sending aid. We must act now to end apartheid. Armed with the hard-hitting report of the Eminent Persons' Group, we must press Canada first, and then the other western countries, to impose mandatory economic sanctions for the sake of peace in South Africa."

o labours

world

South Africa: increased CLC,

international pressure for sanctions

After a special meeting of its steering committee in London. England, July 31-

August 2. CLC President Shirley Carr.

chairperson of the Commonwealth Trade

Union Council (CTUC), returned to Can-

ada and told an Ottawa press conference

that she had met with and lobbied sev-

eral Commonwealth heads of state just

before their meeting to encourage

them to bring forward a comprehensive.

mandatory package of sanctions against

the racist South African regime

The CTUC steering committee was

attended by trade union members of sev-

eral front-line states. In addition, three

top officials of the major non-racial trade

union organizations from inside South

Africa also participated: two from the Con-

gress of South African Trade Unions

(COSATU) came out of hiding to attend

the meeting as well as the general secre-

tary of the Council of Unions of South

Africa (CUSA) who had been detained

and held in solitary confinement five min-

utes after the state of emergency was

declared and just live hours before his

wife gave birth to their son.

Carr told the press conference on Aug.

6. and a South Africa Women's Day rally

in Toronto on Aug. 9 that "In discussions

we had amongst ourselves and with the

prime ministers and president who met

with us. our South African brothers and

the trade union representatives from the

front-line states made it very clear that

when British Prime Minister Margaret

Thatcher (who refused to meet with us)

talks about the effects of sanctions on

black workers, she is not speaking for

them. They are prepared for sanctions.

they told us. They want us to see to it that

they are imposed - comprehensive and

mandatory. And they are prepared to live

with, or die if necessary, the conse-

quences.

'As far as Jobs In Canada, in South

Africa. and in the front-line states are con-

Commonwealth unions plan South Africa strategy

Leaders of Commonwealth unions met in London. England, to press Commonwealth heads

of state for mandatory sanctions against South Africa From left: Makhulu Ledwaba. 2nd

vice-president. COSATU: John Harker. director, International Affairs Department. CLC.

CLC President Shirley Carr: Phiroshaw Gamay. general secretary. CUSA. and Chris

Dlamini. 1st Vice-President. COSATU,

concluded' she said. 'first of all job losses

due to sanctions will be minimal in Can-

ada. In Africa the stakes are much higher

than Jobs. They are risking their lives every

day, First of all apartheid must end. Then

we will talk about jobs."

Carr also announced that the Interna-

tional Confederation of Free Trade Unions

(ICFTU) will hold an extraordinary con-

ference in Lusaka. Zambia, in October,

entitled 'Beating Apartheid and Support-

ing the Front-line." Plans are being drawn

up. not only to impose and monitor eco-

nomical sanctions against South Africa, but

also to provide concrete aid to the front-line states which are already suffering from South African economic and military retaliation. This support, she said, would take the form of encouraging the redirection of investment away from South Africa and to the neighbouring countries, airlifting food and other supplies, and advocating a Commonwealth peacekeeping force to help safeguard front-line states from further South African raids.

Other anti-apartheid activities of the CLC over the summer months included meeting with Canadian Prime Minister Brian Mulroney, June 26, to urge Canada to take the lead within the Commonwealth by announcing full sanctions now.

In June at the ILO Annual Conference, CLC Secretary-Treasurer Richard Mercier was elected worker spokesperson of the ILO's anti-apartheid committee. He replaces Carr who had held the post since 1979.

On July 17, Carr presented evidence to the Canadian Parliamentary Committee on Human Rights which was hearing Witnesses on South Africa. She told the committee that since the most recent state of emergency was declared June 12, the South African regime and its puppet bantustan administrations were mounting a systematic campaign of violence against the black majority population. "This state violence, whether direct or through vigilante groups," she said, "threatens to bring about a more catastrophic bloodbath." Then, from July 31 to Aug. 2, the CLC president chaired the enamel meeting of the CTUC steering committee which met in London, England, just prior to the Commonwealth mini-summit, in lobbying the Commonwealth heads of state. Carr argued that the Commonwealth has a unique and special role in spearheading international action to apply pressure on the South African Botha regime.

In August, the CLC sent a special appeal to all affiliated unions, federations of labour and labour councils asking them to promote additional solidarity assistance through the CLC's International Act/Mtias Fund for South African trade unions.

Two effective anti-apartheid posters, prepared by the ICFTU, were sent out to the CLC membership. Bulk orders are available from CLC headquarters in Ottawa.

INTERNATIONAL

".0 sets safety standards for
asbestos, condemns apartheid

..!,,.t l' ..

CLC Secretary-Treasurer Richard Mercier! (back centre) With a group of Canadian trade unionists

at the International Labour Organization Conference in Geneva, Back row, from left: Steelworkers'

Andre Frechette and Gerard Proulx: Mercier: Robert Bouchard and Fernand Daoust.

Quebec Federation of Labour. Front row: Steelworkers' Andre Fillion. Jean Lepage. Clement Godboul, Andre' Brochu.

'0 Canadian Labour October 7956

The 1986 International Labour Conference. which concluded in Geneva on June 24, approved new standards to protect workers for Safety in the Use of Asbestos. This meeting of the International Labour Organization. the United Nations' agency representing governments. workers and employers. strongly urged the immediate imposition of economic sanctions to persuade the government at South Africa to end apartheid.

CLC Secretary-Treasurer Richard Mercier, the Canadian workers' delegate. was elected chairman of the workers' group on apartheid and vice-chairman of the ILO Committee on Apartheid. succeeding CLC President Shirley Carr. He also is a member of the Governing Body of the ILO,

Mercier agreed with ILO Director-General Francis Blanchard that the growth of unemployment and of extreme poverty in many parts of the world is a major challenge.

However. in a plenary session, the Canadian workers' delegate disagreed with the thrust of three sections of the ILO director-general's report: labour market flexibility. the informal sector and other forms of protection for workers, and the role of governments as employers.

The protagonists of increased labour market flexibility "are to be found largely among the governments and employers who argue that there are too many rigidities in the operation of the labour market." Mercier said. "Wage flexibility. employment security, labour mobility all require further critical examination."

The only sure way for workers to defend their rights is through union organization, he stated.

Regrettably, he agreed that "in both industrialized and developing countries,

the principles of freedom of association and free collective bargaining are the subject of violation in an increasing number of member-states. This trend is certainly apparent in labour relations in the public sector, given the incidence of governments taking restrictive measures in their capacity as employers of the public service."

And business leaders use the excuse of recession to cut back workers' wages and other benefits. Mercier said.

"Taking advantage of the fear and uncertainty now prevalent in the world of labour, business firms have re-organized, made staff cuts, reduced labour costs and tried to recruit a less refractory labour force."

Trade unions must use imagination and determination to develop an alternative economic strategy, Mercier said.

Such a strategy must aim at job-creation, not reduction of jobs and security. It must promote socially useful investment and not reward financial speculation and profit-seeking. It must increase real wages and standards of living and not weaken them to create a climate favourable to investors; show a proper appreciation of public services and promote them; and be based on democratic economic planning under public supervision. Finally, it must be built on solidarity of workers and between them and other members of society who have also suffered from setbacks due to present economic policies."

The new ILO Convention on Safety in the Use of Asbestos bans and restricts certain types of asbestos and proposes regulations concerning its uses. The ILO standard also sets forth protective measures for workers, as well as medical surveillance of asbestos workers. Education programs concerning the safe use of asbestos also are recommended.

The ILO Convention requires all governments to ban crocidolite (blue asbestos), which is mined in South Africa and Zimbabwe. The Convention also calls for a ban on all spraying of asbestos.

The ILO Convention and Recommendation on asbestos "is a relatively strong and substantive document," Mercier said. It was developed over five years, "a relatively short time for the production of a major international proposal in health and safety", through discussions between labour, government and business representatives.

One article of the ILO Convention recommends that less harmful substitutes for asbestos be used wherever possible, he noted. And the ILO Recommendation calls for research into and development of such materials.

The ILO Convention specifically states that workers who believe they are exposed to serious danger to their life or health should be protected from reprisals when they complain about such hazards. Mercier pointed out.

Other safeguards in this ILO Convention include clear labelling of all products

containing asbestos and protective rules for its removal from existing structures: and the disposal of asbestos waste.

"The ILO Convention makes it very clear that engineering controls rather than personal protective equipment should be the method of controlling exposure to asbestos," Mercier said. "This fits squarely into our philosophy of control of hazards 'at the source' The Convention leaves to national governments the setting of limits on airborne exposure to asbestos.

"There is no known safe limit for exposure to asbestos", he stressed.

"Hence trade unions must work for zero exposure, with all the control measures that existing and future technology may permit.

"If the ILO Convention and Recommendation on asbestos had been instituted and implemented 50 years ago, the toll of The only sure way for workers to defend their rights is through union organization. human tragedy would have been drastically reduced.

"There is no cause for complacency over the use of asbestos." Mercier said. "We in the labour movement should strongly support this ILO action as the best practical code we could get within the confines of a tripartite international agency of the United Nations."

The Committee on Apartheid adopted several suggestions proposed by Mercier. Thus, the Conference sent a telegram to the Government of South Africa calling for the release of all political prisoners, the lifting of the state of emergency and a permanent end to the apartheid system; and a similar request, with specific reference to imprisoned trade unionists, to the South African ambassador in Geneva.

Further a minute of silence was observed on June 16, both in the committee and in the plenary session, in memory of the persons killed in the Soweto massacre. The Committee on Apartheid referred to the recommendations of the Commonwealth Eminent Persons' Group in the recommendations for sanctions which were approved by the conference. These included a ban on trade with South Africa and investments in the Bantustans - the so-called "homelands"; and the immediate withdrawal of investments in South Africa; and from banks which maintain commercial relations with South Africa. Trade unions were encouraged to step up public actions against apartheid including consumer boycotts of companies investing in the Bantustans. The export of armaments and oil to South Africa also should be banned.

Dr. Oliver Tambo, president of the African National Congress, was a keynote speaker during the Conference debate on apartheid.

"History has given us the opportunity to be present at the moment when the old and dying South African society is dis-

appearing and when new struggles are emerging." he said.

The apartheid system is immersed in a deep and worsening economic, political and social crisis, Tambo stated. ult we must die then we will be sacrificing our lives. not for marginal changes. but for a genuine social and political transformation of our situation." the ANC President said.

Sanctions are "the one weapon at peaceful struggle available" in the fight to end apartheid.

"We reject entirely the argument that sanctions should not be imposed because they would hurt both the oppressed and the neighbouring countries," he said. Tambo thanked the ILO for its continuing support at the struggle to bring the carnage of apartheid to an end." This struggle is centred on the "urgent necessity for all South Africans to govern our country together. to determine its future as equals, to fashion it into a peaceful and prosperous motherland, the common patrimony of all its people. both black and white," the ANC President said.

The role of small and medium-sized enterprises in the creation of jobs was examined by a special committee of the 1986 ILO Conference, There Fernand Daoust, general secretary of the Quebec Federation of Labour, outlined the function of the QFEs Solidarity Fund, administered by union members. The Solidarity Fund provides financial assistance to Quebec business to preserve, create and protect jobs. he said, Although various levels of government have participated in the fund, it has remained administratively independent, Daoust said.

A committee which examined the universal underemployment of young people made a series of proposals. including improved opportunities for training. retraining and union membership.

On reflecting on the accomplishments of the 1986 ILO Conference, CLC

Secretary-Treasurer Richard Mercier said that the development of effective international standards for asbestos and the endorsement of economic sanctions against apartheid by this tripartite body indicated its continued relevance for workers and others struggling for basic human rights.

"The CLC and the Government of Canada were represented at all stages of the development of the ILO Convention and Recommendation on asbestos," he said.

"While the Committee on Apartheid has consistently supported the struggle of the black majority in South Africa, it is significant that this position was doubly affirmed by the Conference - in the endorsement of the economic sanctions by representatives of governments, employers and workers, and the attention to the message of ANC President Oliver Tambo,"

- MARY KEHOE

Canadian Labour October 1985 11

Black workers
demand sanctions to
end slavery

Representatives of the Council of Unions
of South Africa (CUSA) and the Congress
of South African Trade Unions (COSATU),
ICFYU p on; _
recently described the detenoratmg con-
ditions In South Africa under apartheid tn
meetings With an ICFTU delegation Wthh
vusvted South Africa. The message from
black trade unionists and workers at
every level was the same: those who are
suffering from apartheid must prescribe
the cure. They instst that severe econom-
ic sanctions against the regime are the
only hope for peacetul change.

CLC President Shirley Carr participat-
ed in a meeting between South African
trade union leaders, ICFTU affiliates and
trade UNION leaders from the "front-tine"
states in Lusaka in late October to dis-
cuss the impact 0l sanctions on the front-
line states. The CLC has called for streng-
thening solidarity wuth trade unions in the
tront-line states and for increased Cana-
dian government assnstance to these coun-
tries to offset actions against them by the
South African apanherd regime.

Copies of a new ICFTU poster calling
for sanctions against South Atrlca can be
obtained by CLC affiliates from CLC Edu-
cational Services. 2841 Riverside Drive,
Ottawa, Ont, K1V 8X7.

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Breaking Down the Wall of Sitence'

Break/ng Down the Wall of St/ence a report on chltd tabour In Asna, Latin America Attica,
the
Middle East and countries in southern Europe.1u5tpublished by the International Contedera
tlon

0l Free Trade Unions. Outlines cml dren s workmg conditions. how such labour hampers their
phySical and mtetlectual development. as well as the potlctes of the Internanonal Labour
Organization and the ICFTU on child labour, Breakmg Down the Wall of Stlence - now to
combat child labour, 60 pages. may be ordered from the International Affalrs Department.
Canadlan Labour Congress. 2841 RiverSIde Drive. Ottawa. Ontu K2P tJ7

Lusaka conference on anti-apartheid sanctions
Stronger, mandatory sanctions against
South Africa were demanded by a conference in Lusaka. Zambia. Oct. 21-23.
co-sponsored by the International Confederation of Free Trade Unions and the
Southern African Trade Union Co-ordinating Council. at the headquarters of the
Zambia Congress of Trade Unions
Zambia's President, Kenneth Kaunda,
welcomed the 120 union leaders from
60 countries on all continents. including
CLC President Shirley Carr. Also present
were 13 leaders of black independent
unions from South Africa, as well
as Oliver Tambo. president of the African
National Congress.

The conference called on the Security
Council of the United Nations to impose
mandatory sanctions against South Africa.
which should parallel those of the US.
Congress. And the Organization of African
Unity should urge all African states
to withdraw landing and overflying rights
to South African aircraft

There should be national and international
monitoring systems, with criminal
penalties. to prevent sanctions-busting.
such as the rerouting and false labelling
of cargoes.

All member-states of the International
Labour Organization should remove legislative
impediments to trade union observance
of sanctions against South Africa,
until apartheid is ended.

Direct union action to assist the enforcement
of economic sanctions should include
a monitoring system established
by the ICFTU. in co-operation with the
independent black South African unions
(SATUCC). the International Trade
Secretariats and regional trade union
organizations. Further, there should be
increased pressure on multinational companies
to withdraw investments from
South Africa and the bantustans; (such
companies are listed in the ICFTU publication
Investment in the So-called
Bantustans).

"The punitive effect of sanctions must
be made to fall on the South African
regime and monopoly profits." the ICFTU-
SATUCC conference declared in a concluding
document. "The international trade
union movement will fully support workers
in South Africa and Southern Africa
in defending their jobs in whatever way
possible."

Aid to front-line states

In her address to the conference, CLC
President Carr proposed a series of economic
measures to assist the front-line

At the headquarters of the African Nation Congress in Lusaka, Zambia. from left: ANC
President Oliver Tambo; CLC President Shirley Carr; and Gerard Docquier, Canadian
director of the United Steelworkers of America.
states. (The front-line states. members
of the Southern African Development
Co-ordination Conference are: Angola.
Botswana. Lesotho, Malawi, Mozambique,
Swaziland, Tanzania. Zambia and Zimbabwe.)

Carr urged "a massive effort to create jobs in the front-line states for returned migrant labour, possibly as many as 380,000 jobs,"

Then, to promote job-creating investments. A special fund could be established, with financial help from our governments, to facilitate new, direct, socially responsible foreign investment in the front line states. This could be managed by an appropriate intergovernmental body, assisted by an advisory committee in- The free Polish trade union Solidarnosc was admitted into the 90-million-member International Confederation of Free Trade Unions, on Nov, 19, in Brussels, Solidarnosc's application was supported by CLC President Shirley Carr, an ICFTU vice-president, at a regular meeting of the ICFTU Executive Board.

The Chilean trade union federation - Comando Nacional de Trabajadores - also was admitted to the ICFTU with CLC support

Carr said she considered it an honour to support the applications, including trade union and even business representation,"

The ICFTU-SATUCC conference pledged to strongly urge governments to support 100d, medical, social and infrastructure programs 0! the SADCC; provide economic support to offset the effects of sanctions and South African retaliation; reallocate South African trading quotas, access rights and preferences to SADCC countries; help these countries to set up banking institutions to "provide a vehicle through which investments, withdrawn from South Africa, could be invested in the SADCC countries;" and cut transpor links with South Africa and redirect the freight through SADCC countries

"The Canadian labour movement, together with workers all over the world, has been inspired by Solidarnosc and we are delighted to be joined by our Polish brothers and sisters in the fight for human and trade-union rights everywhere," Carr said.

"Lech Wałęsa and Zbigniew Bujak in Poland and Rodolfo Seguel and Manuel Bustos in Chile, these great figures in the fight for justice and peace, now take their rightful place in the ICFTU," Carr said, Their courage strengthens all of us."

Canadian Labour December 1986 9

Tonton Macoutes
still terrorising' Haiti
- ICFTU

There has been no tdeduvalierisationt
in Haiti: The Tontons Macoutes (strong-
arm squads) are still terrorising people:
corruption continues and the economic
and social situation is appalling" 80
reports a mission from the International
Confederation of Free Trade Unions that
has just returned from Haiti Mission mem-
bers held discussions with democratic
trade unions there and met the Haitian
president and labour minister as well as
other political leaders.

Taking part in the mission were ICFTU
Assistant General Secretary Enzo Friso.
based in Brussels. and Luis Anderson,
general secretary of ORIT. the ICFTUis
regional organization for the Americas,
from Mexico City

Friso painted an alarming picture of
the situation in Haiti: "it public opinion
does not take up the issue, if govern-
ments of democratic countries do not take
the initiative and il international financial
institutions do not take urgent action, the
Haitian people will suffer the same sorry
plight as during the 29 years ol the
Duvalier dictatorship,

Photos trorn Free Labour World,
published by the International Con-
federation of Free Trade Unions.
show one example oi the repres-
sion In Paraguay. On October 22
last year, about Sixty workers from
Hospital de Clinicas." the country's
only teaching hospital, gathered in
ironr oi the parliament building in
AsunciOn. calling for payment Ol the
35 per cent wage increase provided
for In the State budget. At present.
the clinics ancillary workers earn
25.000 guarani a month, and the
nurses 35.000, while the doctors
make less than 45.000 _ ,ust half
the 'legal" minimum wage

Large numbers of police soon ar-
rived on the scene and started heat-
ing the demonstrators to disperse
them The police were armed with
electric batons which discharge pow-
erful shocks.

8 Canadian Labour March 1987

"The situation is critical: 80 per cent
unemployment. 85 per cent illiteracy, an
Infant mortality rate of 150 per thousand.
No proper access to drinking water sup-
plies for 90 per cent of the population,
only one doctor ior every 15,000 inhabi-
tantst" he explained.

Friso also drew attention to the "cyni-
cal attitude oi many employers" who,
according to the Haitian trade unions. pre-
ferred to close their factories rather than
accept the workers' right to organize. He
spoke oi blackmail and of workers put
under pressure to give up union mem-
bership; and he denounced the mass dis-
missals of unionized workers and the govv-
ernment's t'passivity" over the issue.

The Brussels-based ICFTU, which represents 85 million workers in 96 countries, intends to make representation on the Haitian situation to the International Labour Organization in Geneva. The ICFTU will ask its affiliated organizations worldwide to put pressure on the Haitian government and also to press their own governments and the international financial institutions "to avert a new tragedy for a people that has paid dearly for a little bit of freedom. .

Since the Fall of 1986, ORLT has conducted trade union education programs in Haiti in co-operation with the Canadian Labour Congress. The CLC has also brought groups of Haitian trade unionists to Canada so that they could become familiar with trade union activities here.

Paraguay - a

forgotten

dictatorship?

Just outside the offices of the daily *El Sol*, in Asunción, Paraguay, three journalists were arrested on October 26. Three days later, Carlos Fiizzola, the leader of the doctors' union, was locked up in the headquarters of dictator Stroessner's police force. On December 3, the security forces seized four trade unionists who were putting up posters. In mid-December, police moved in on a workers' meeting in Yacyretá, next to the Argentine border. Several workers were injured and some disappeared without trace.

In their enthusiasm over the democratization of its neighbours (Argentina, Bolivia and Brazil), the media have tended to overlook Paraguay. In Asunción, Paraguari, Yacyretá and throughout the country, ordinary men and women are struggling for justice.

As in so many oppressed countries, the democratic trade union movement is in the vanguard of the opposition in Paraguay. Here, it is the MIT, the Inter-Trade Union Movement of Workers. Born of the demonstrations on May 1, 1985, the MIT has rapidly grown into the different sectors of the Paraguayan economy. It has built up a strong reputation within the country's political and social opposition and receives full support from the international free trade union movement.

Carr calls for total South Africa boycott
In her address to a special United Nations committee in New York. Feb. 27, CLC President Shirley Carr called for a total economic and diplomatic boycott of South Africa's racist regime.

Noting that Canada's Prime Minister Brian Mulroney had recently said he may be prepared to impose such a boycott. Carr promised the CLC would remind Mulroney of this, "work with him and push him on those ideas."

"While the Canadian Labour Congress will never become an apologist for any government. let alone a Canadian one. I am rather proud of the role played by Canada within the (British) Commonwealth and the United Nations against apartheid." Carr told the UN Special Committee Against Apartheid.

The Commonwealth Eminent Persons Group's report made it clear that Pretoria was not prepared to negotiate and that we have a choice of implementing tougher sanctions or standing by while Pretoria toughs it out on the backs of the disenfranchised and creates a bloodbath in the process," she said "We cannot permit this to happen."

Carr said the situation in South Africa has reached "that flashpoint which will ignite the ultimate explosion. I hope that forums like the one created here (by the UN Committee Against Apartheid) will be duplicated all over the world and that from them will flow a new energy. new ideas and above all a new sense of urgency in the struggle to beat apartheid," she said.

Carr outlined the CLC's past activities against apartheid - moral and material assistance to the South African labour movement: exchanges of visits by Canadian and South African trade unionists; and assisting workers in South Africa and the front-line states to plan and deliver grassroots labour education programs.

"The next front for us involves working within the international trade union movement to influence the governments of the world towards ending apartheid." Carr said.

This is being done through the International Confederation of Free Trade Unions, the International Labour Organization, and the Commonwealth Trade Union Council, the latter chaired by herself. Carr said.

Carr suggested that the anti-apartheid forces must become more imaginative about their support for the front-line states.

"The front-line states will become the hostages to the terrorism of apartheid if we sit by and let it happen." Carr warned.

New union co-ordinating body

A new body to co-ordinate trade union action in Latin America's Southern Cone was set up in Buenos Aires. Argentina, on December 12. The decision followed a previous meeting between the area's trade union centres in September, 1956, cosponsored by the International Confederation of Free Trade Unions and its

Inter-American Regional Organizations 01
Workers (OFLIT).

The Co-ordinating Body at Trade Union
Centres of the Southern Cone (Coordin-
tTomorrow's Too Late!'

The Canadian Labour Congress re-
cently released a report on the situation
in Chile entitled Tomorrow's Too Late! The
report details findings of a mission from
the International Confederation of Free
Trade Unions to Chile in 1986. CLC Exec-
utive Vice President Dick Martin was a
member of the ICFU mission. accompa-
nied by Rick Jackson from the CLC Inter-
national Affairs Department. Copies of the
report can be obtained from: International
Affairs Department. Canadian Labour Con-
OK Bazaar chain _ not OK

Since December 18, 1986, more than
10,000 South African commercial work-
ers have been on strike at the largest
retail company in South Africa. OK Ba-
zaars. The company is an indirect sub-
sidiary of the Anglo-American Corpora-
tion. The strike, which followed more than
a year of fruitless negotiations, is fully
supported by the black community in
South Africa who are boycotting OK
Bazaar stores nationwide.

OK Bazaar's management has a long
history of anti-unionism and an appalling
rate of dismissals. Since the begin-
ning of the strike, workers have faced the
most blatant and brutal collusion between
police and management. Dozens of work-
ers have been badly assaulted by police,
more than 600 workers have been ar-
rested, more than 700 workers have been
dismissed and some 87 workers have
been detained under the State of Emer-
gency Regulations

In a strongly worded telegram to South
African authorities, CLC President Shir-
ley Carr strongly protested the treatment
of the workers by South African police.
Carr stated that the CLC "condemns the
collaboration between the South African
government and employers in South Africa
in a bid to roll back the modest gains
made by organized black workers in
recent years."

In an immediate response to a call
for assistance from the Commercial,
Catering and Allied Workers Union
(CCAWUSA), the CLC channeled \$5,000
in humanitarian relief to the families of
dismissed and detained workers. The
funds were made available from the Inter-
national Activities fund, a voluntary fund
within the Canadian Labour Congress.

Those wishing to make contributions
should make cheques payable to: CLC
International Activities Fund, Canadian
Labour Congress, 2841 Riverside Drive,
Ottawa, Ont. K1V 8X7.

Adora de Centrales Sindicales del Cono
Sur) consists of trade union centres in
Argentina (CGT), Bolivia (COB), Brazil
(CUT-CGT), Chile (CNT-CDT), Paraguay
(MIT) and Uruguay (PLT-CNT). CLC Pres-
ident Shirley Carr signed the founding

document of the new body during her visit to Argentina in November, 1986. The new body will provide constant support in the region to those struggling against dictatorships in Chile and Paraguay. gress. 2841 Riverside Dr.. Ottawa, Ont. K1V 8X7.

"Today Chile lives in a profound, economic. social and moral crisis. . . . An immense majority of Chileans perceive the gravity of the problem and that this situation has produced a disintegration and growing polarization of the society. . . . We invite all inhabitants of the country to unite and mobilize in response to the proposals of the Asamblea Nacional de la Civilidad to initiate together the reconstruction of a democratic and free Chile. . . . We believe that today it is possible, tomorrow it could be too late".

These statements, taken from a document produced by 18 of the most influential and representative trade union and social organizations in Chile, constitute an urgent plea for internal reconciliation and mobilization of all those in Chile who oppose the Pinochet dictatorship and are struggling for the re-establishment of democracy. The words are also a desperate plea for international understanding and support.

Chile In the Eighties

Following a short-lived economic boom in the late 70s (which benefited primarily the entrepreneurial sector with marginal benefit to workers in some sectors). Chile's economy began to collapse in the eighties. A combination of the long-term effect of monetarist policies, the absolute refusal of the dictatorship to distribute wealth, and an unprecedented level of foreign borrowing to prop up failing economic policies, converged to plunge Canadian Labour March 1987 9

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CLC President Shirley Carr pledges the full support of the Canadian Labour Congress and its

affiliates to the Congress of South African Trade Unions during the Dec. 5 meeting at CLC Headquarters with COSATU General Secretary Jay Naidoo.

At a Montreal meeting of the United Steelworkers, COSATU General Secretary Jay Naidoo (left) is welcomed by Quebec Steelworkers' Director Clement Godbout.

Campaign to support

COSATU stepped up

In a letter to members of the Executive Council, ranking officers of affiliated unions. Federations of Labour. Labour Councils, and Directly Chartered Local Unions, CLC President Shiney Carr reported on the successful speaking tour of Canada of Jay Naidoo. general secretary of the Congress of South African Trade Unions (COSATU).

"During the meeting in our offices, Brother Naidoo forecast an increase in repression against black trade unions in South Africa in the coming months as the apartheid regime digs itself in to resist the demands of these unions for an end to both the economic and political apparatus of apartheid. Both Brother Naidoo and I stressed the importance of the CLC campaign to assist COSATU which was launched at the last CLC Convention in May, 1986. Both of us agreed that this direct bilateral assistance would be even more crucial in the new year. Brother Naidoo had made these same points during speeches to trade unionists in Ontario, Quebec and British Columbia"

Among the contributions that have been made to the CLC's International Activities Fund for COSATU was a cheque from the National Automobile, Aerospace and Agricultural Implement Workers Union of Canada (CAW) for \$25,000.

x q AP 1,...

JKLt '

The brutal murder of two union shop stewards and the daughter of a trade union leader in South Africa in early December prompted the Canadian Labour Congress to call for an international inquiry surrounding a dispute involving a British multinational corporation, a South African union and INKATHA, a Black social and political movement led by Zulu Chief Buthelezi. Buthelezi was then in Canada on a speaking tour.

CLC President Shiney Carr said in Ottawa, Dec. 12, that she received firsthand reports that two shop stewards from the Metal and Allied Workers Union of South Africa and the daughter of a MAWU striker were brutally murdered Dec. 5 by persons clearly connected with INKATHA. A victim who escaped from the killings reported that, while the victims were being beaten to death, they were repeatedly asked why they didn't leave their union, abandon the strike against SARMCOL (the British company) and join INKATHA. SARMCOL is a subsidiary of the British multi-national BTR and has been engaged in a labour confrontation with the union for some weeks.

Carr also received reports which alleged that, after the killings, gangs of a Canadian Laban! January 1957

INKATHA youth began roaming the area shouting slogans against the strikers and demanding the strikers join INKATHA or get out of Mpophomeni, the local township. During the past few months other union activists have been murdered in South Africa and the union believes the recent incident and other incidents are part of a strategy by the company, INKATHA and the police to smash the union, Carr demands action on South African children

In a strongly worded telegram to Prime Minister Brian Mulroney. CLC President Shirley Carr expressed the deep concern felt by the Canadian labour movement regarding reports from South Africa that thousands of children are being held in camps by the South African authorities. In urging the government of Canada to take a strong international position on the issue, Carr pointed out that the CLC had reported on this situation in its brief to a Parliamentary Committee in July, 1986. Then the CLC noted that, between July 1985 and March 1986. some 2,000 children under the age of 16 had been detained without trial and without their families being officially informed. Among other measures. Carr called upon the Canadian Minister to use Canada's position within the Commonwealth to i'bring about a united condemnation of this situation by Commonwealth countries" and for Canada to step up humanitarian relief to the families of detainees in South Africa, particularly those who have children detained. In vowing that "the cries of these children cannot go unanswered" Carr announced her intention to carry out a special CLC effort to bring about the release of the children and to assist the families. Philippines, labour leader mourned by international labour movement

A blow against the struggle for the democratic reconstruction of the Philippines was struck on November 2, 1986. when Rolando Olalia. chairman of the KMU, (May First Movement) was brutally murdered along with his driver. In concert with the International Confederation of Free Trade Unions, and its affiliate in the Philippines, (the TUCP), the CLC strongly condemned the murder of Olalia, and in a message to President Corazon Aquino, demanded a full inquiry into Olalia's death In its message to Aquino, the CLC noted that "the abduction and murder of trade union leader Rolando Olalia followed his declaration of support for your (Aquino's) government and against coup attempts rumoured to be the inclination of sections of the Philippines armed forces" The CLC also expressed the hope that the Aquino government "will not stand idly by while trade union leaders are attacked or put-

ting their principles into effect."

The CLC will continue to closely monitor events in the Philippines. Concerns about threats to the democratization process in the Philippines were a major issue at the November Executive Board Meeting at the ICFTUI. The ICFTU pledged to increase assistance to the democratic trade union movement in the Philippines with a view to fostering the broadest possible unity of the trade union movement. The CLC will continue to maintain the closest possible relations with both major trade union organizations in the Philippines, (the TUCP and the KMU), in the coming months and years.

Brazilian national
strike successful

On December 12, 1986, millions of Brazilian workers staged a one-day national strike to protest government-planned austerity measures. In a telexed message of support to the Brazilian CUT and CGT, the Canadian Labour Congress expressed its solidarity with the strike. The message pledged the CLC's complete cooperation and solidarity in the struggle to advance the interests of ordinary workers over the greed of bankers and their national and international advocates" in the international Monetary Fund

Through the International Confederation of Free Trade Unions, the CLC also made representations to the Brazilian government in support of the trade union demands and against police repression of peaceful trade union demonstrations. The CLC has learned that the December 12 protest was joined by virtually all sectors in Brazilian society and has been considered a major organizational success by the trade union organizations.

Turkish Military
Tribunal moves to
smash trade union

On December 23, 1986, the Istanbul Military Tribunal condemned DISK Chairman Abdullah Basturk and six of his colleagues to ten-year prison sentences and the majority of other DISK leaders were similarly sentenced to periods between five and eight years. DISK is a public sector trade union in Turkey which has been systematically persecuted by Turkish military authorities through the application of martial law.

In addition to the prison sentences, the military court ordered the dissolution of DISK and of 27 of its affiliated unions as well as the forfeiture of the organization's property and assets. Those sentenced were also forbidden to be active in trade unions again.

The CLC and the ICFTU have strongly protested this action and petitioned the Turkish authorities to revoke the military court ruling at the appeal stage. During the court proceedings the military tribunal provided no evidence that DISK or any of its officers had been responsible for violence. The CLC views the court decision

as a flagrant violation of fundamental
trade union rights and in contravention of
several conventions of the ILO.

COSATU solidarity with UFCW strikers

While in Edmonton, COSATU General Secretary Jay Naidoo walked the picket line with
members of the United Food and Commercial Workers, then on strike against Gainers'
meatpackers, owned by Peter Pocklington. Also on the line is Paul Puritt (tar Iett) of
the CLC

International Affairs Department.

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Protest union ban at GCHQ

Photo. Cagnam Report

It necessary, Britian's Trades Union Congress will appeal the ban on union membership at the

Government Communications Headquarters (GCHO) to the International Court at Justice in The Hague, TUC General Secretary Norman Willis (centre Wlth cap) pledged at a major rally marking the third anniversary of the withdrawat of union rights from GCHO employees by th e

British Government. With htm is John Vanderveken. general secretary of the International Conlederation of Free Trade Unions. who said that the ICFTU will urge the International L about

Organization, a tripartite agency of the United Nations, which already has condemed Brita in for

its violation of the ILO Convention on Freedom 01 Association. to take funher action,

Increase Canadian involvement

in international development and

peace - CLC

The Canadian Labour Congress has urged the Canadian overnment to in-crease its internationa action in defence of peace, security. and human and trade-union rights.

"Peace is too important to be left to politicians." the CLC said in its Annual Policy Review, released in Montreal, March 12, "The pursuit of peace has to

involve us all,

uThe CLC has always believed that nations should be able to protect their values, their way of life and their culture through defence. Nevertheless. defence requirements cannot under any circum-stances be used as a justification for the arms race." which "involves a shameful waste of precious human, natural and capital resources."

The CLC calls tor a full inquiry into Canada's role in the arms trade and a public assessment of Canada's defence requirements.

Disarmament negotiations should be multilateral between nations of the world. as well as bilateral between the USA, and the U.S.S.R., the CLC document sug-gests In particular, the CLC proposes withdrawal and termination of production 01 Sovtet 85-20 and American Cruise and Pershing II missiles, and strongly opposes t/h/e UjSt Strategic Defence Initiative (Star ars .

The CLC said it supports increased devetopment assistance to Third World countries, but suggested that such aid be tied to a requirement that beneficiary countries respect basic human and trade union rights.

In its policy review, the CLC singled out South Airica and Chile for special mention. In cases such as these, "Can-ada must be prepared to advance the cause 0! international human rights stan-dards through the effective use of diplo-.glNIEHNAlIBNALx

matic and economic sanctions." the doc-ument suggests.

Elsewhere in the world. the CLC has urged the Canadian government to: put pressure on the Soviet Union to with-draw its "occupation forces" from AfghanA istan: make every effort to assist in the emergence of a peacetut solution in the

political conflicts in Korea. Kampuchea, the Philippines and Sri Lanka: exercise its influence in contributing to a peaceful settlement in the Middle East based on an acceptance by the Arabs of Israel's right to exist in peace and security. and recognition by Israel of the "legitimate rights of the Palestinian people": condemn military intervention in Central America by the U.S.A. Cuba or any other country: and promote the Contadora peace initiative

Underscoring its concern in Central America. the CLC added: "Canada should loudly and clearly indicate its disapproval of the US. sponsorship of so-called contras" attempting to topple the government in Nicaragua (and) of US. military assistance to El Salvador.

"Canada should withhold bilateral aid from any country in the region serving as a base for military intervention and from any country which systematically violates fundamental human and trade union rights."

ICFTU complaint to
ILO against
Czechoslovakia

The International Confederation of Free Trade Unions last month lodged a formal complaint with the International Labour Organization, the tripartite agency of the United Nations, based in Geneva, against the Government of Czechoslovakia

The ICFTU complaint was based on the forced dissolution of the jazz section of the Musicians' Union of Czechoslovakia and the imprisonment of its leaders. These actions violate ILO Conventions 87 and 98, on freedom of association, the right to organize and bargain collectively, which were ratified by Czechoslovakia in 1964.

Karel Šrám and Vladimír Kouril, two leaders of the jazz section of the MÚČ, received sentences of 16 and 10 months, at a court in Prague on March 11. Three other leaders of the jazz section received suspended prison terms. "Illegal economic activities" was the charge against them after their union had been dissolved. The ICFTU, with headquarters in Brussels, maintains that the five jazz musicians were engaged in legitimate union activities.

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Chile into the deepest economic and social crisis in its history. By 1982 foreign credit had nearly stopped. exports plummeted. interest rates skyrocketed. unemployment soared beyond 30 per cent. and both real wages and the GNP dropped to basement levels. Today, Chile is burdened with servicing a debt of more than \$22 billion. its banking system is in virtual collapse. and its productive capacity has been reduced by the application of monetarist disincentives which have created a storefront economy. In summary, the Chilean economy, once vibrant and productive. has been completely gutted by the military regime. The monetarist experiment. imposed by a vicious dictatorship, has been a total failure thus provoking an unprecedented popular demand for a change in economic policies which directly challenge the dictatorship.

In social terms the crisis can be described by the words "poverty". "despair" and "frustration". The distribution of wealth in Chile since 1973 is numerically recorded by international economic figures which show consumption in the poorest 20 per cent of the population to have dropped by 30 per cent while increasing by 15 per cent in the top 20 per cent of the population; but the story in human terms is far more compelling. For example. the mission was told that Chile has a housing shortage of over one million houses. The Chilean medical college reported that 46 per cent of six-year old children are malnourished. and it is believed that a large percentage of the overall population is malnourished. Cuts in health care have been linked to drastic increases in typhoid and hepatitis. Child and juvenile prostitution have become commonplace in urban centres. The education budget has been reportedly cut in half since 1973. Repressive labour legislation introduced since 1973 has made normal collective bargaining next to impossible and many aspects of trade union organization completely illegal thus forcing the wages of those still employed to below 1969 levels.

On May 20, 1986. during the week the mission was in Chile, the CNT called a mass demonstration for "democracy and freedom". The response of the regime to those who filled the downtown main street of Santiago was to attack the demonstrators with tear gas. water cannon and real bullets. (shooting one student dead). A CLC eyewitness reported dozens of tanks and armoured personnel carriers in the streets and hundreds of soldiers (with blackened faces as an act of intimidation) attacking the unarmed demonstrators. During the demonstration visiting parliamentarians were forced back to their hotel. with tear gas and rifle butts. in an attempt to prevent them from witnessing the military attack on an unarmed non-violent people. More than one hundred demonstrators were arrested and doz-

ens more were beaten with title butts and batons.

Trade union leaders told the mission that the regime's response to the May 1st demonstration and strikes intensified in the coming months. (In fact, the July 2-3, 1986 strike called by the "Civic Assembly" met with a similar response. After the demonstration nearly all executive members of the Assembly were arrested and two students were set on fire by military thugs during the demonstration.) Trade union and social activists openly expressed the view to the mission that, while they remained committed to non-violent protest, they worried about the long term future unless there was an accompanying mobilization of the opposition political parties and unless there was a political opening in the attitude of the regime. The ominous phrase "time is running out for Chile" was repeated in nearly every meeting at the mission. In September 1986, the Chilean dictator imposed a State of Siege on the country which drastically increases police powers. This action was taken after a foiled assassination attempt on General Pinochet. The unions - force for change While considerably less factional than the political parties, the Chilean trade union movement has also had to overcome significant strains to its unity. Since 1983 these strains have included differences in tactics concerning alliances and concerning the question of popular mobilization. By 1984 it was clear that the Comando Nacional de Trabajadores, (CNT), was playing the major role in both unifying the labour movement and leading the popular protests against the regime. Pursuing a strategy of promoting alliances with opposition trade unions regardless of their political identification, the CNT has brought together trade union organizations in a single umbrella organization, cutting across the entire political spectrum. There is little doubt that it is also the CNT model which has been the main catalyst for the Asamblea de la Civilidad.

A second, smaller but important, grouping the Central Democratica de Trabajadores, (CDT), emerged after the initial demonstrations to pursue a path which excluded alliances with communist or left-wing led trade unions and undertook support for the original "dialogue and negotiation" approach at the AD. The failure of the dialogue process combined with the formation of the National Accord and the Asamblea, (which includes both the CNT and the CDT), has considerably decreased the differences between these two organizations. While neither organization was a member at the ICFTU at the time the mission visited, the major affiliates at both organizations are affiliated to trade secretariats of the ICFTU (ITS).

The mission's visit offered a first-hand

opportunity to view the instrumental role being played by the Chilean labour movement in providing Chilean workers with a strong voice both at the workplace and in the streets it is unquestionably a movement with a highly disciplined membership and a highly motivated and active leadership. There is also little doubt that this force of under 500,000 carries the aspirations of millions of Chileans. During the mission's visit all trade unionists met by the mission were eager to show their appreciation for the material and moral assistance provided by the ICFTU and its affiliates, which they believe has been the "lifeline" during the past 13 years at military dictatorship.

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. labour's

world

South Africa: 8 workers murdered
in legitimate strike

The CLC has condemned the unprovoked attack in April by South African police on striking railway workers which has resulted in the deaths of eight trade unionists and injuries to several others. shot by police.

In a strongly-worded telegram to South African President Peter Botha, CLC Pressident Shirley Carr expressed horror at the deaths of the railway workers and condemned the actions of the railway company and the government which also included: a systematic attack against the Congress of South African Trade Unions (COSATU) and its railway affiliate in a bid to crush the union and intimidate workers into abandoning their six-week-old strike: the storming of union headquarters followed by assaults and detentions of strikers and the destruction and confiscation of union property: and the initial

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Turkey: govt continues repression of unions WM ms'ma'a

A peaceful march by the Turkish labour federation Turk is was banned March 24 by the police

on government orders. The federations leadership wanted to submit a petition to parliament

calling for negotiations on pay and conditions for some 300000 workers In other developments. a strike by 2.800 workers at Netas. a Canadian-owned company in Istanbul. has recently ended successfully with major wage increases
tion of mass dismissals of the 16,000
striking workers by the state-owned transport service.

In her telex which was copied to Prime Minister Brian Mulroney. Carr noted that "the international community will not sit idly by while the South African government uses the apparatus of apartheid to crush the legitimate trade union movement."

She called on the South African government to take immediate measures to stop the actions against workers and their union and to oblige the state-owned company to negotiate in good faith. Carr also pointed out that the nature of this dispute makes it clear that the South African government has abandoned its earlier very modest reforms in the area of industrial relations, in favour of a path of violent confrontation with workers and their democratic unionist

Carr announced her intention to renew pressure on the government of Canada to pursue a more vigorous path of sanctions and said the CLC would be "stepping up its support for South African unions" including aid to those on strike and assistance to the bereaved families of those who have been killed by police.

Haiti: Baby Doc
gone but workers
still suffer

Haiti's dictator "Baby Doc" Duvalier was booted out more than a year ago and lives in benign exile in France, but the workers' lot in Haiti has hardly improved.

The International Confederation of Free Trade Unions and its regional organization, ORIT, have denounced a new wave at repression against Haitian unionized workers.

According to the ICFTU, 63 workers have been dismissed from three companies for their trade union activities. In order to discourage union membership, workers belonging to the Federation des ouvriers syndique's (the Haitian labour led-eration) are offered lower wages than non-union workers.

Helene LeBel, a Canadian lawyer sent by the CLC to help draft a new labour code, reported on her return that some companies have threatened to close down if their workers try to organize. Two of them - the country's largest sugar refinery and salt works - have carried out their threats and are now closed.

Poland: new rebuff
for Lech Walesa

In Poland, to obtain a passport, you need the prior permission of your employer: And since your employer is the state, it is easy to prevent somebody from leaving the country, simply by refusing holiday leave.

In April, Solidarnosc President Lech Walesa experienced this at first hand. He was invited by the three Italian trade union confederations to take part, April 28, in Rome, in a seminar on the role of workers' organizations in the promotion of well-being, equality rights and peace. But the management of the Gdansk Shipyard refused to grant him the necessary leave.

The CLC as well as the International Confederation of Free Trade Unions and the World Confederation of Labour protested in the strongest terms against this discriminatory measure which was taken at the behest of the Polish authorities and is aimed at preventing Lech Walesa from travelling abroad in response to a trade union invitation.

5 Canadian Labour May 1957

ICFTU May Day Manifesto: building for the future now

On the occasion of May Day 1987, the International Confederation of Free Trade Unions (ICFTU) called upon its 85 million members from 144 national centres in 96 countries to continue their struggle to build the future. It called, at the same time, all unorganized workers to join in this exciting venture: building a better future based on social justice, freedom, peace and democracy. These same values have been the foundation of the international free trade union movement since its creation and are summed up in its motto: bread - peace - freedom.

"The world today is being shaken by rapid change, with the pace of transformation growing ever faster," the ICFTU said. "Yet at the same time thousands of human beings die at hunger every day. A quarter of humanity is without adequate housing. Millions of young people, the generations of the future, have not had the benefit of a proper education. Entire nations, the symbols of technical progress, are wiped out by accidents that kill workers and threaten both the public and the environment. Unemployment and underemployment continue to spread misery throughout the world. Human and trade union rights are still trampled under foot in many countries by right- and left-wing dictatorships. The black majority population in South Africa continues its courageous struggle to put an end to the apartheid system. Child labour persists. So does discrimination against women workers. Developing countries crumble under the weight of their foreign debt. The ICFTU demands a different future," the Manifesto continued.

The ICFTU calls for bold, long-term economic and social policies that can profoundly change the present social and economic order, creating the conditions not only for progress and growth but for social justice.

"The ICFTU opposes the attempts of certain governments to call into question the rights of trade union organizations and to limit their field of activity. It recalls that, where it is able to express itself freely, the free trade union movement is an indispensable social partner and its contribution to economic and social progress is essential to millions of workers. The ICFTU says that it is vital to pursue and intensify trade union action for peace, security and disarmament in the world. The international trade union movement believes we must commit ourselves to general and balanced disarmament under effective international control, aimed at both conventional and nuclear arms. It is convinced of the importance of promoting measures to develop a climate of mutual trust. The reciprocal acceptance of on-site verification measures is an essential factor in any agreement and must be encouraged

"The ICFTU expresses its firm and unconditional support for all workers as well as all free and democratic trade union organizations engaged in the struggle to defend trade union rights and freedoms, whatever the nature and ideology of the dictatorship imposed on them.

"The world is changing." the Manifesto noted. "Women's increasing presence on the labour market, the promotion of equality of opportunity for women workers and their full integration into trade union organizations. the problems posed by the increase in part-time work. the vast number of young people seeking their first
Torture in Afghanistan

In a special report published in December 1986, Amnesty International revealed that political prisoners in Afghanistan are systematically tortured by agents of the Khedamat-e-Etela'at Dawlati (KHAD), State Information Services.

The report deals specifically with torture and other human rights abuses since the government of President Babrak Karmal came to power in December 1979. The report also details the widespread arrests of government officials, teachers, shopkeepers and students. While some of those arrested may have been involved in the armed opposition, others were arrested on grounds of suspicion or for trying to cross the border into Pakistan. Prisoners are tortured in KHAD interrogation, the introduction of new technology, are all challenges to be faced by the workers' organizations.

The international free trade union movement is determined to help shape this evolving society and to promote new forms of solidarity.

"At the next ICFTU world congress. to be held March 14-18, 1988 in Melbourne, Australia, the representatives at the ICFTU-affiliated organizations will decide how best to face the recent and impending changes in the world of work.

"The international free trade union movement and its members. the ICFTU. the International Trade Secretaries (ITS) and the affiliated trade union centres. are today. on May Day, united and ready to tackle today's challenges together and build the future.

"Long live international trade union solidarity - long live May Day!"
gation centres in Kabul. in prisons and military establishments Former prisoners have stated the torture includes beatings. electric shocks to sensitive parts of the body, cigarette burns and hair being pulled from the scalp. Women prisoners are reportedly being forced to witness the torture of males.

CLC President Shirley Carr has written to the Afghan Central Council of Trade Unions. the Central Council of Peasants' Co-operatives and the Office of the National Fatherland Front asking that these popular organizations in Afghanistan use their "direct influence with the govern-

El Salvador: persecution continues
The CLC has sent an urgent message
to El Salvador's President Napoleon
Duane, expressing "deep concern" about
continuing reports about the persecution
of trade unions in that country by its gov-
South Africa - OK

The strike by 10.000 South African commercial workers against the country's largest retail chain. OK Bazaars (see Canadian Labour March issue) is over, with the signing of a new agreement Feb. 25. But. despite the settlement, 66 employees still remained in detention in April under the state of emergency and. of the 74 workers previously released. 35 were immediately charged and remanded in custody. The workers' union, CCAWUSA. has taken 189 cases of dismissed workers to arbitration

"No one can deny that a certain degree of space now exists in El Salvador for trade union organization but we continuously receive reports that to engage in legitimate trade union activity continues to be to risk one's liberty and even life," Carr said.

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Canadian Labour, May 1987 9

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You can help persecuted

trade unionists

Trade unionists around the world are harassed, repressed and persecuted by their countries' governments for exercising their rights to freedom of association and freedom of speech,

Amnesty International publishes Labour Action, a bulletin listing particular cases of such persecution. Canadian trade unionists are being asked to write on behalf of the victims - they cannot help themselves.

To get on the mailing list of Labour Action, write Amnesty International Canadian Section (English speaking), 130 Slater St., Ste. 800, Ottawa K1P 6E2; or phone Eunice Harker at (613) 563-1891.

Following are excerpts from recent issues of Labour Action and the addresses where appeals should be sent.

El Salvador

Trade unionists there continue to be subjected to arrest without charge, forced to sign confessions that they were members of armed opposition groups, or have "disappear

Amnesty International is making renewed appeals on behalf of live trade unionists who were killed and two who remain 'disappeared'. Miguel Lopez, general secretary at the Peasants' Union was last seen in detention in July 1985; and Pedro Amanda Oporto Martinez, a union member, who was last seen in the custody of the National Police in June 1985, have joined the ranks of the "disappeared". Al has not received any further information on investigations into the deaths of several trade unionists, among them a bus driver shot dead when his bus was stopped by a "death squad", and the passengers told to lie on the floor.

Please join those who are writing to:

President Jose Napoleon Duarte

Casa Presidencial,

San Salvador.

El Salvador:

urging him to fulfill his responsibilities and find out who is to blame for what happened to these trade unionists.

Czechoslovakia

Jiri Well, a driver and human rights activist, who is serving a six-year prison sentence for sending articles abroad, is in poor health. He is confined in the harshest category of prison where conditions are known to be very difficult. The diet is poor and medical treatment and sanitary facilities are inadequate. Jiri is reported to be in poor health, suffering chest pains and deteriorating vision. He has served three years of his six-year sentence. When he is released he must also serve three years under "protective surveillance".

Please write to:

JUDr Gustav Husak

President of the CSSR

H 980 Praha - Hrad

CSSR.

urging him to release Jiri Woll immediately and unconditionally. Ask for assurances that he will receive adequate medical treatment.

Turkey

After a five-year-long trial, a military court has sentenced 264 union leaders to sentences ranging from five-and-a-half to ten years in prison. The president of the trade union central (DISK) was sentenced to 10 years. In addition he will have to serve some time in internal exile and he is banned for life from public service or trade union activity. DISK and 28 of its 30 affiliated unions were dissolved. Many of the defendants had claimed that they were tortured during their interrogations and as far as AI is aware there have never been any investigation into these allegations.

Please write to:

Mr. Mahmut Oltan Sungurlu

Minister of Justice

Ministry of Justice

Ankara, Turkey.

insisting that investigations into allegations of torture of DISK defendants be carried out and the findings made public.

Tunisia

Habib Achour, secretary-general of the General Federation of Tunisian Workers, has been in prison since late 1985. The 73-year-old suffers from diabetes, a heart condition and arthritis. Between December 1985 and 1986 he was tried a total of three times and sentenced to one year, then a further two years and finally a further four years, bringing the total to seven years.

If you want to help this veteran trade unionist please write to:

President Habib Bourguiba

Residence Presidentielle

Tunis-Carthage, Tunisia.

Ask for details of the charges brought against Habib Achour which have led to the increase in his sentence from three to seven years. Seek assurances also that he will receive the medical treatment he requires.

ICAE deadline

for J. Roby Kidd

award

The International Council for Adult Education, with headquarters in Toronto, has announced that applications for the 1987 J Roby Kidd award must arrive by Aug. 15.

The award, worth \$1,500 (Canadian) was established in 1962, the year that he died, to "recognize and encourage the contribution of women and men who could be considered as recent workers in adult education, and thus carry out Roby Kidd's interest in attracting new people to the field."

Eligible candidates are "individuals, who, in the opinion of their peers, have made a significant new contribution to

adult education."

Applications may be submitted in English. French or two other languages. The forms are available from: the International Council for Adult Education. 20 Paine Ave. Toronto. Ont M5R 1A2.

Give to CLC international fund!

CLC President Shirley Carr has asked all affiliates and their local unions to contribute regularly to the CLC International Activities Fund. established 30 years ago to respond to urgent appeals for solidarity assistance

"I am proud to say that through the IAF and through separate appeals to affiliates. the Canadian labour movement has been able to respond generously to the plight of trade unionists and their families who suffer from a lack of fundamental freedom and justice from the devastation caused by war. famine. earthquake or other catastrophic events" in Poland. Nicaragua, South Africa. South-East Asia. Chile, Ethiopia. Guatemala and elsewhere. Carr said in a letter mailed to all CLC affiliates and their localst y, The recommended contribution is one cent per member per month which. is achieved. "would represent a significant increase in our ability to respond to the many requests we receive." Carr indicated "I do hope will consider this fund as a top priority and that our tradition as a generous and compassionate movement must take a special place." Carr concluded.

Cheques should be made out to the CLC International Activities Fund and mailed to the: Accounting Department, Canadian Labour Congress, 2841 Riverside Drive, Ottawa, Ont, K1V 8X7.

10 Cudlilln Labour, Mly 1957

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OCTIVLTIES FUND

Assistance to trade unionists
abroad is the purpose of the inter-
national Activities Fund (IAF).
Education in third world countries.
and aiding those who do not enjoy
freedom of association. are the
iAPs priorities.

Disbursements from the IAF are
authorized by the President of the
CLC. The International Affairs
Department advises him on requests
for assistance.

Disbursement is done in two
ways. In the first instance. some
assistance is given directly. often
through fraternal organizations
abroad. where pressing needs
require urgent action. econdly. we
utilize the International Confederation
of Free Trade Unions (ICFTU) in
Brussels. Belgium which acts as an
umbrella body to over 82 million
free trade unionists around the
world. The CLC contributions are
added to those at trade union
centres from other countries and
placed in the ICFTU's International
Solidarity Fund (ISF). The ISF was
set up for purposes identical to the
IAF and is disbursed twice annually
by the Executive Board of the
ICFTU of which the CLC President
is a titular member. Through offices
and staff located around the world.
projects assisted by the ISF
are formulated. monitored and
evaluated. In existence since 1949.
the ICFTU has amassed substantial
experience in all aspects of
servicing trade unions overseas.

UDITED STEELLUORKERS OF RHIERICH

DISTRICT6

600 THE EAST MALL, SUITE 401, TORONTQ ONTARIO M93 431

416/626-6332

LEO W. GERARD,

District Director

50th Ann iversary

1936-1986

April 3, 1987.

To: All Local Union Recording Secretaries

Dear Sisters & Brothers:

Please find attached a sample letter that I suggest
each unit or local send to its employer.

As you know, the Steelworkers have been one of
the unions in the forefront of the battle against Apartheid
in South Africa. We have contributed money and people
to help the South African labour movement. We are staunch
supporters of sanctions against the oppressive, authoritarian,
racist South African regime.

Please send Michael Lewis at this office a copy
of the letter you send your employer. Of course, have
no hesitation in using the enclosed suggested letter as
is.

Yours fraternally,
LWG/jm Leo W. Gerard,
opeiu-343 Director.

Att.

File #5

cc. - J. Harker, C.L.C.

- J. Veecock, O.F.L.

- G. Docquier

- D. Mackenzie

- H. Mackenzie

- Regional & Staff Representatives

dle

Date

Dear ____

The question of apartheid in South Africa has finally been recognized in the mid 1980's as the moral issue of our times.

The self-serving strategy of constructive engagement, which called for business as usual with South Africa mixed with repeated expressions of disapproval for that racist regime, has gradually been replaced by a policy of active support for the forces of change in the country.

Canada has taken the lead among western nations in the drive to bring about this about face in approach. South Africa is officially considered by Canada, and a growing number of other nations, to be an evil regime and an outlaw among nations. And the doctrine that has seen an aggressive stance against apartheid as detrimental to the interests of its victims has been exposed as the paternalistic nonsense that it is.

Major international corporations have recognized the need, now, to put as much pressure as possible on South Africa by ceasing operations there.

On behalf of Local of the United Steelworkers, I am asking that you adopt a policy on business relations with South Africa that reflects the spirit of the sanctions movement:

- 1) cessation of all direct operations in South Africa or the illegally occupied country of Namibia.
- 2) divestiture of all pension fund investments in corporations that do business in or with South Africa.
- 3) divestiture of all corporation portfolio and direct investments in corporations that do business in South Africa.

cont'd.....

- 4) cessation of all commercial relationships with South African governments and enterprises.
- 5) support for efforts in the Canadian business community and elsewhere to strengthen sanctions against South Africa.
- 6) support for economic development initiatives, through trade and aid, in the front line states of Africa which bear the brunt of South Africa's hostile response to world condemnation.

The present position of Canada with respect to South Africa is the cumulative result of thousands of individual actions, none of them overwhelmingly significant by themselves. Our company can play a role in building the international pressure for change that offers the only hope for peaceful change in South Africa.

I would welcome the opportunity to discuss this with you further.

Yours truly

ONTARIO PUBLIC SECTOR INVESTMENT IN APARTHEID
(Ontario Cabinet Document)

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options include taking action that parallels the current :odoral governnant procutanont initiative which bana all qovarnnont procuronont of products that originate in South Attica: going beyond tha :odoral procuronant iniciativaa by banning the procuraaant o: oupliao and aquipaant with any South Atrioan content; or banning the contractual doalinql with coaponioo that do buainoaa in South Africa.

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5.!" MAG, MIA, MITT and TEE Sept. 18/86 7
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III. IASSQBQEED

LW

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In August 1986, the Print Ministorl of sovon
Connonvoalth Countrion (U.x., Canaan,
Australia, India, Zambia, zinbabvc and uh.
Bananas) not in London to discuss sanctions
against South Attica in viov o! the lack o:
progrul ln dismantling apartheid by tho
govornmont ln Pratoria.

with the exception of thc British Prino
Hiniltor, who argued that ocononic Ianctiona
would b. inattactivo and unviuc, .11 the
0th.: hand. 0: govcznlont agrnod to adopt I
ptckuqc o: olovon sanctions. urn. Thatcher,
houcvor, agrood to tho (allowing punitiv.
loaouron:

1) a voluntary ban on now invuuunt ln .
South Atrtcti

11) a voluntary ban on tho pronotion o:
touzial to South Arrlcn: and

111) to accept und ilplolcnt nny docision by
tho zuxopoan Collunitica (2C) to ban the
1.90:: o: coal, tron, Itocl lnd gold
coins from leueh Attica.

LW

On: the looting of 2c foreign ninistcru
hold Brusscll, Soptolbcr 15-16, the :c
Iolbora docided to 1:90.. a ban on now
invontaone in South Attica, as v.11 a: on tho
inpatt 02 South Atriatn iron, Itnol and gold
coins.

A ban on South African coal, which had boon
agrocd upon II I possible Ianction in tho
EC'I Juno culltc at Thu Hagan was not
approval :- a ruult 0! strong opposition .
tron wast Gorllny and Portugal.

hf.
Omano
3.
Cabinet Submission
Ex

Vumuvv 0." by H
' ma, MIA, nm' and m: Sept, 13/35 8
Thu oxclulion o: ccal from tho ban
connidltably diminishes the impact of EC
sanctions, and angered IGI. at th- zc tcroign
niniltors who dnucribod tho EC packago :-
"woak and ln.t!octlv..'
EC mambo: state. havo already adoptod limited
diplomatic and connorcial sanctions against
South Africa on tn individual basil: tor '
oxalplo, Icvorinq diplonttic relation-
(Dannark, Grooco, Izoland), cancellinq
govornmont oxport credit guarantees (Belgium,
Donnark, "cot Gnrllyn, Irolnnd ind Tho
Nothorlandu), banning now investmct (Franco
and Dcnmark).
Hhitld.3\$l&nl

W
In August, the 3.8. Sanato voted in ttvour o:
a plcquo o: oconomic Ianctionn ugainut South
Attica. The proposed loanurcl would:
1) ban :ll now lnVOItIIBCI in south Africa
and bunk loans to tho prlvnto Icctor;
ll) ban l-portn o! uraniul, coal, Itcol,
iron, textile: and agricultural
products:
lll) prohibit tn. South Atrictn govornlont
and-ttl agonciol tro- hnvinq 0.3. bank
account.)
iv) and landing tight. tar South African
Airways:
v) ban inportl tron companicl owned or
controlled by the South Atricnn
gcvornmont: and
vl) withdraw consular facilitation to: South
Atticans. .

Cabinet Submission

tummy tixXHoW

1

o ma, MIA, um and m: Sept. 18/85 .

Houao o! Roprooontativo loader: arc edging toward aocapting the Sonato'o bill without modification. Tho noaaura could be sont to Pronidont Reagan a. oarly 11 tho wook o: Soptolbor 15.

Tho u.s. has had only liaited sanctions in torca against South Africa. Thou. worn inpoood by oxooutiva ordor and conaiat o: a ban on inpozto of South atrioan gold coins, a ban on 0.8. bank loonl to tho South African govornnant and a ban on tho expott o: 0.5. computer tachnology to tho govornnont and to agoncioa that ontoreo tho aparthoid ayuton. 5&5:1.hs&19nl

About 20 stats. and lo citiol have passed laws requiting divoatituzo o! atock ln companiu doing buoinou in South Attica or . prohibiting Itato and local govornnontl from giving contracts to Inch 0.8. coapanios, according to tho Invootor Roaponoibillty Raooarch cantor.

Solo atatoa have roqulrod that no public funds bo invented in colpanioo that do business in South Attica unions thou. colpantoo couply with tho title tvo Sullivan Principloa (equal wagon and opan promotion policies to: .11 tacos).

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! MW: 1- I voluntary concat- , coda that ratoo tho conduct of 0.8. coapanios I opoxating in South Attica. Tho last report rolaauad la priaarily concerned vlth a ' celpany'o conduct toward. its caployooa, but I a now category has boon added, that o: . prooatnq the South atrican governaont to and g tho apartheid Iyoton. The rating toaturo o: l tho Sullivan report aakoo lt vory uuotul ln asoosling u coapany'a pcttorlanco. About I halt at tho total nunbor o! u.s. oonpanioo i oporating in South Attica aro signatorioa to o the Code.

/ nourysg-uywm

2!!! Cabinet Submission

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t f

ma, MIA, 14m and ma Sept. 18/861 1:

Omaha

- A California bill

roquiras divaatnant o: aharaa in companiaa

doing businaaa in south Attica by tho Public

Employaaa' Rotirauont Syntan, tho stat.

Taacharl' Ratiranont syatan and tho

Univaraity o: Caiitornia'l invaltnant fund

(but not tha Univaraity'a ponlion fund).

Than. fund. hold approximately \$11 billion

dollar: of invoatnants in companiaa doing

businaaa in South Attica. Baginnihq January

1, 1988 until January 1, 1991, state trust

fund. nuat divaut annually or ona-third at

each at their invaatnanta in cc-apniaa doing

buninall in South Africa. The bill

indolnitial trultaaa tron ciaina and

judgment. that nay ariaaa in divesting.

Moat atata laqiaiation haa daalt only with

tha invaatnant of public tunda rathar than .

with privato or charitahla trusts (although

none hava axtandad thair lawn to

univarsitiaa).

The largest public fund. are tha public

' aarvica panlion :unda. Hoot ouch panlion

tunda consist a9;%gggz_gx_nlalnxgr

contributiona. a raault, tho lagialaturaa

ava not had to ba concatnad with tho

opiniona ot alployaaa about tho invaatnont of

tha uployau' own contributions. Moat

legislation hu attactad corporation: that do

buainau in South Africa. loaning than which

hava a aubaidiai-y in that country or which

land Iona! to tho govamant. 'rha ban: have

hot axtahdad to buainauaa that trada with

South Attica or that aanutactura ox- 1011

products lad. up in part 02 South Atrican

Iatariall.

B. SAIADIAI_IZDIB&L_29LISX

1- aasksznnnd

Tho tadaral governnant in playing a Iajor

intarnational rein in aaaking sanctions

against South Africa, by taking a loading

talc within the Connonwaalth.

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am Cabinet Submission ' ' ".

MMIIIVV Dun hon Va

o H- MAG, MIA, MITT and ma Sept. 13/35 1;

Onuno

Canadian diplomatic ottortl have boon

dlroctod not onzy to tho Connonwonlth mambo:

ltatoo, but also to other 1130: player. such

as tho 0.8., Wont Gornnny and Japnn.

Intornally, tho todotnl governnont hopes that

Canada Vlll adopt a "national policy" towards

South Attica and 1. looking provincial

support o! todoral nonsuroo, as wall as

sugqootiono and lnltlativoo txol tho

provincou.

1- a key

component of tho todoral strategy towards tho

privaco loctor. It applloo to 17 Canadian

corporation. with 111021: or

linority-Ihnrcholding act vitios or

substantial ln South Africa. .

llovon o: thou. colpanioo have that:

hoadqunttoru in Ontario:

AHCA Incarnatioml Ltd.

312! Ltd.

Chupion Road Hachimry Ltd.

001cm Ltd.

ralconbridge Ltd.

rota note: Conny 0! Canal: Ltd.

Intomtioml Thonpson Organization

Jami. Clark Calmy

muuy-nmuon Ltd. (Vuity

Corporution)

Hoot. Corporation

seomon Ltd.

The tirut roport to tho Canadian govornlont

by Alboxt Hart ln Juno 1986 rovioovn the

conduct of the 17 Canndian colpanion with

oporacionl in South Africa. Although the

roport identition practices which do not

contort to tho Code of conduct, it does not o

nan. tho companioo lnvolvod bOCIUIO tho

objective o! tho Coda 1- to prosluxo

colpaniol to contorl rather than to rat.

thoir portorlanco. Tho nodia has provided

Ion. additional intorlation, but it 13 not

conprohonsivo.

1"! Cabinet Submission . i . -

. H" i ma, MIA, MITT and m: Sept. 18/86 :2
Omana

LIIRWWMXH

In implonnting the Connonwoalth measutos,
the todoral governnont clearly wilhal to
avoid a- Iuch II poulibln the us. of
legislation, and protorl to adopt voluntary
moanures in coopcration with the private
uactor.

Thu governnont in in the proco-u o:
data:lining how to implcnont ton of thu
clovon ncauro- agrcod to at the Commonwcalth
nini-nunnit in London at the bcginning at
August, 1936. A nonuuro rcqarding the
torlination of double taxation ugrconnttl
does not apply nine. Canad- hns no such
agrcclont with South Africa.

Fodorll officials haw. indicntnd to the
province. thlt thou. loanurcu 1:0 to bo
implolntcd by October 1, 1986. Thorn will
b. a 90 day period at qrnco tor companic- who
havo placcd ordors importing banned products
prior to August 5, 1986.

No turthor nonsuros by th. Canadian
governlont arc oxpectod botoro the
Connonwonlth looting in Vancouver in October
1937 uni... thorn in substantial change in
the South Attican situation or in
intornationai position: towards South Attica
with an ilpact on Canada.

At a todcrll-provincill locting o! otticiall
c.1104 by the Dopartnct o: txtornal Attaira
on Bcpto-bor 4. 1906, the ilplolontntion at
the Callonwoulth nonuuto- was dolcribod as
followi.

1 W

) againssgl Thin will include product:
dorinod .- agricultural in nccordanco
with the Brussels Noncnclaturo, Chlptors
1-34. rodoral legislation in r-quirud
to implcnct thin nonsura: an
ordor-in-council will dcny pornits to
South African agricultural import. undc:
the Export/Inport PorIitl Act.

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Omaha
Cabinet Submission
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Mg- a:
MAG, MIA, MITT and T&E i Sept. 18/86 :3
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111)
Imports of agricultural products into
Canada wort \$73 million in 1985 (\$35
million won importod to Ontario, \$22
million at which Vll raw sugar).
WM)...
Eldorado Nuclonr will be non: attoctod
by tho bun on uraniml imports becauu it
procouu uraniul on on contract for
foreign utilitlu. Existing contracts
will b. honourod but no now onu,
including thou which involvc Namibian
oro, will bu accoptod.
lldorado procounon approxinatally \$50
lillion worth o: anibian uzaniun a
your, on. quartnr o! it: practising
constructl with a processing Iorvico
value of \$5 Iillion. In addition to tho
diroct cost 91 lou at business,
Eldorndo uy lultain a low: at
crediblilty in winning n0w contracts.
Canada ilportod \$2: 1111101: or iron and
ltul 220: South African in 1985, or
which Ontaric rocoivod \$6.4 million.
Tho ban on iron and ltul ilportu will
cove: iron ore, ballots, casting. and
ltul what, lulu and win. Tho bun
does not coval- untogic null cr
torrochzou, which tan a tlirly wido
industrial application.
with m ban on agricultural
1.90:" than mum. will utoce
mrly m-lul: o! the total Cmdim
lmm :ru South Attica.
Troum Board In-
approved a directive to tho cttoct that
no tcdornl dopartunt or tqoncy be
allowed to patch". goods or urvicu
originating in South Africa. This
nonsurc don not apply to good- and
sorvicou "with I null South African
content" although todonl otticials have
not dntinod Whit thoy rcgard u "null
contont'.

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CaMnetSubnnsaon
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s Hal
Onlaho
. mmmmy
1 MAG, MIA, MITT and TEE Sept, 18/86 1:,
iv)
Du.
Crown corporations will be urged to
comply, but the ban will not be
mandatory to: transit: agonciu.
South African good. and Iorvicoo
purchaod to: the Canadian Elbaouy'l
ulo in Pretoria, or required tor
dolivory o: aid program. (CIDA), will bo
OXOIpt 120. th. ban.
'l'ho dollar value or curront South
Atrioon purchaool by the todorll
govotnnont 1. not known, but thought to
bo insignificant.
a_hIn.an_g9xsxnlant_sgntxnstn_uith_
II19II:1:glndd_nonth_hxxlsln_ .
gg-ngnigl; Troalury Boozd in studying
the pollibililty o: a dlrootivo in this
regard. Thor. il IOII controvorny with
regard to the dotinition o:
"Iajority-ovnod'.
Fodoral officinll opponr reluctant to
draw up a list of componioo that would
quollty. They 120 also concornod with
the ditticultiol in the ontorconont of
thin Ioaouro, no voll on with the
possibility of legal totaliation.
A_zalnntnxz_hIn_nn_nll_inzsltlnt_oz_
A:xjgg; Canadian firll oporrtting in
South Atrioo have indicated to the
todoral govornlont that vhiho they voro
not planning turthor invootnonto, they
did not plan to dioihvolt.
The Conadion govornnont cannot control
roinvootlont ot South Atricon protits ot
suboidinzlol of Canadian componioo.
This would bo oxttatorritorial
application of Canadian lav.
Thor. have boon no todorol directions
with rogatd to divoatncnt in ponoion
plans of Crown Corporation: such a. Air
31' a:

am Cabinet Submission '
K
M'""' X0." 3.9. W
I w
Canada and Canadian Nitional. Th.
principal fund to: todornl civil
norvantl 1- dopolit-d in tho
Consolidatnd Rovauo Fund, an 1! thn
can. in Ontario.
v1) A_hsn_9n_all_n:!hnnk_lganl_SQ_599:n_
1393931; The cuxront ban on bank loan-
to tho public Iocto would b. extondod
to cover now lotnl or now Ionoy on
existing lino. o! cradle. Th. honouring
at South Attican lottorl o: cradle to:
trad. financing would b. It tho
dilatation at tho banks. Thu bun would
cover both sehodulc A 3nd 3 banks.
According to todoral ottlciall, bank-
havo boon very cooperatlvc and receptive
ta this Iqaluro.
v11) W
W
Th. todcrll
govoxnont ha. already cancellod
progrnn- such an PEN! and ht. cloocd
Canldlln trad. ottlcon in South Attica.
Tho rolnlning analltanco to Canadian
exportcrn nvalllblo through tho
Collorcial Soctlou o: tn. Canadian
llbalsy ln Prototl. will b. earlinntod.
V111)
lansh_axxlg; Tho todorll govoznont
hn- conaultcd vita the travel industry
und alkod Innaqolcnt to llplonont I
volunen ban on ch. pronotlon o:
touzlll n South Attica.
As a result at a provocative
advortisonnnt in tho Glob. and nail on
Soptonbor 3, placed by tho South African
Tourist Board (SATOUR), locntcd ln 1
Toronto, tho Socrotrnry a! seat. for _
Extnrnal Affairs has publicly announcod
that ho V111 take nonsuron to "and the
privileges" at SATOUR.

h

4 MAG, MIA, MIT? and T52

h Sept. 18/86 L

ONu-o K . _ J

Federal officials, in conjunction with Ontario officials, have looked at SATOUR'I status and have Ion. concerns about the 109.1 implications of the government's action against the otrico. The federal GOVOZHIOnt, however, believes that the South African representative will bow to pressure and will have the attic. closed within the federal deadline of November 1.

lmm

Thor. at. no scheduled flight. between Canada and South Africa. Canadian travellers usually fly via New York or London. Thor. arc, however, Wardair Charter flight. organized through a Toronto travel agency. The Canadian Transport Commission will now deny licences for such flights.

The Secretary of State. the external Affairs has announced that the federal government is taking action against South African Airways effective in Montreal, Toronto and Vancouver with a view to having the: closed by November 1, 1986.

I

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E

m The federal government is making a distinction between 'illegal immigration' and 'communal violence'. the term: will). not be. dictated by the (olnuzo) no to: the latter, the federal government is considering ways of: withdrawing force, such as issuing of: visas, without penalizing South Africans who would be welcome in Canada. Thor. 1: I possibility that the Canadian Embassy in Harare, Zimbabwe will be given the responsibility for issuing visas to South Africans, making the

a Cabinet Submission '

Y Mmmuy 0-10 3". sn'

U'" ma, KIA, HITT and T53 Sept. 18/86 .

Onlanc

operation difficult for avornqn citizonl,
while the Embasly ln Protarin would provide
spacial V1!!! to: quanta at the Canadian
governlont. The Socrotlry 02 State to:
Extornal Atalts 1. oxpcctod to Ilkl n
statonont on the ilplonontntion 0! than.
sanction. shortly altar th- ch30 at Commons
rcsunol in Octobor 1.

3- Wm

All provincou hIV. balicnllly supported
todoral Itltnlcntl against apartheid and have
agroad that cumin: pnuuro 1. nudod to
pound. the Prototh 2091-. to diluntlo its
nets: Iyltu.

with the oxcoption at British Columbia, 111 '
provincos hIV. bannod the patch... at South
Attica: vino and liquorn, following Hunitoba
and Ontario's lnd in the tuner o: 1985.
Quoboc ha: ttkon 0th.: concnto nmluru,
such an prohibiting the purchnu 0: South
African product. by :11 linintriu and
governunt agenda. ma unbushinq
schonnhipl to: black South Atrium. 'rho
Quoboc govomunt 1- currontly connidoring
turther manna to light 02 tho 2.4.2.1
inittnttvu. Accord to cum: atticiala
tho Quebec savanna: I rclucunt to take
my 1091-131" unaru with roqard to
divuunnt tron emu, puticularly tn.
cat". 6. depot which has bcon undu- attack
by proun group. .

D- W

since the 1970':, ch. Ontario caveman: has
publicly supported todonl policies with
roand to the condemnation of lplrthoid, and
has takon Ionsuzol to convoy this massagc to
tha South Atricnn govormont.

1) Th. Onurio govcmnt do.- not untu-
lnto any coopontiv. progrnn with the
ovornlont at South Africa, In they

G

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Cabinet Submission

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! Duo 9.

ma, MIA, um and m: Sept. 18/861 u,
111) Thu Worknon'l Compnsation Board
recently requestud that WC! otticials
develop guidolinau to ensuro that
Incution o: titan, dirnctly or
indiroctly involvod with the South
Attican cconony, arc not purchased tor
tho HCB'I Invoutnont Fund.

iv) Tho Ministry o: Tourist and Reccroation
ha. adhered to tho 'Glonagloo
Agrocnont', Adopted in 197! and
ranttiruod in 1985, which provide: to:
the Connonvonlth nntionl to avoid lpoxtl
contnct at :11 lovoll with South
Africans. HTc ha. advisad .11
provincial sport: qovarning bodioa and
agoncion that violation of this policy
will rcuult ln withdrIVII o: Ministry
financial and progral support.

v) The Kiniltry o: citizonnhp and culturo h
1- dilcourgng lt: cultuzal agonciou
against nny rolationl with tho South
Attican r091... As a ronult, TVOntarlo
ha. torllnttod it. 0110. o: oducgtional
tclovilion prograll to South Africa
Itnc0 August 1906.

n. W.

1-W

Ontario'o trade with South Africa has boon in
lo -to:l decline, although cxportn to south
At: ca rel. 11.3 per cent in the first 21v.
t loath. o! 1906 over the corosponding 1985
' period, rotlocting incrcasod IIIOI of other
note: vohthQI and papcr. Ontario inportn
incronlod 1 par cont in tho III. poriod,
rotloctlng incrounod ilportl o! Inchinory and
, stool. Tho significant devaluation at tho
I rand has ltd. South Africa products not.
I conpotitivo ln rucont nonthl.

Botvuon 19.0 and 1903, Ihlplcntl of Ontario
products to South Africa tall by nor. thnn
half, from \$84 lillion to \$34 nillion. Major
Ontario expcrtl include lining equipnont

am Cabinet Submission "

WW

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3-;- 1 ma, MIA, MIT? and n2 (Sept. 18/86 20
nullo L __ 1

(56.6 million), toxtilos (\$3.2 million) and
ottico nachinou (\$2.7 million).

Tatal Canadian oxportu also doclinod ovor
this period, tron \$206 million to \$153
million.

Ontario import. cra- South Attica havo also
dcclinod from \$191 lillion in 1900 to \$117
million in 1935. Major Ontario import-
includ. natal oral (\$t9.3 lillion), sugar
(s22.t million) and torro-nlloyl (\$5.8
million).

Canadian import. 2011 tron \$354 lillion to
\$220 nillion in the Ian. ported.

Trad. with Canada 1- tolativoly insignitican
for South Africa. South Africa's Iain
narkntl arc the 0.8. (vs 91.5 billion), Japan
(us \$1.3 blillion), Svitzorland (US 31.2
billion) and tho 0.x. (us 3742 lillion).

South Africa's IAjOt suppliorl arc the 0.8.
(US 32.4 billion), Garlany (US \$2.: billion),
Japan (US 31.9 billion) nnd ch. 0.x. (US \$1.7
billion).

WW

Canadian dirnct invostnnnt in South Attica
wan valucd at \$115 lillion Ln 19:1, tho
latolt ran: to: which statistics gr.
avallabl. Thl: eclpaxos with \$169 million
in 1903 and a high of \$239 lillion in 1981.

N

o

This declining trend in tho valuo ct
invultnont rntloct: tn. aovoro ocononic
1 rucoolion oustnlncd by South Attica a- v.11
1 as individual company policies to divest 0:
South African allots.

at ch. 17 Cunndlln colpuniol oporatlng in
South Attica, 11 arc buaod in Ontario. o:
the... fivo celpanion hold 50 par cont o:
morn .quity in their South Attican
subsidiary:

Cabinet Submission

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V'M'VV Dal. hr n:

ma, MIA, MITT and NE Sept. 18/86

AHCA International, BATA Ltd.,

Intornntional Thonplon Organization

Ltd., Jarvis Clnrk Co. and Moor. Cc.

The rcnaining nix Ontario-banod couptnics

hold 1... than 50 per cent equity in chair

South African subsidiary:

Champion Road utchinoty Ltd., Dolcan

Ltd., ralconbridgo Ltd., ?ord Motor Co.

of Canada, Hanuoy-Fcrguson Ltd. (Varity

Co.), and stornlon Ltd.

The Iublidinriol at Canadian compunion art

active in a number o! 1130: industrial

tialdl: Iining oporntiona and exploration and

tho uupply of lining equipnnnt, agricultural

equip-one, hoavy road InchinCty and

construction equipnnnt, toxtilon, loathe:

goods, business total, autonobilo

nnnutncturtng, publishing and consulting

anginuzing utvtcu. .

LWW-

statitich on direct invcntlont in Canada arc

availablo only for Attica an a uholc,

although this would consist pri-nrily at

South At:ican invcltlcnt. NOV Attican direct

involtlont in Canada :00. tron \$13! lillion

in 19.0 to \$253 lillion in 19.4.

m ujo: ontotptisu (Anglo mum Corp.

02 South Africa, and kahuna: Group Ltd.)

have antral ova: n mum: of captain in

Canada. Anglo mriun's holding- anludo:

Longynnr Canada Inc. (Northern Diamond

Raidinq!, Horlnsotto Dianond Drilling

Led.)t and

Hinorco Canad- Ltd. (including Anbay,

Hudson Icy nining and Slalting ,

Churchill Riva: Power, ate.)

Kinority and non-controlling intorosto

include the Ontario-bauod companics:

Battinland Iron Mina: Ltd., Tonbill

Hing. Leda, and Turn Exploration and

Development Company.

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Cabinet Submission

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; Out

Rembrandt Group Ltd. has a 40.99t holding in Rothmans International PLC, which is considered a controlling interest (Rembrandt also holds bond convertible into voting equity yield).

Rothman, the Canadian Ltd. has a majority shareholding in Rothmans Inc. which includes: Carling O'Xanto (Carling O'XCIF.

Bravoziol, Jordan and StI-Hichollo Collars

Ltd., 8119 Bavaruqol Ltd., etc.),

Rothman Ltd.: Pall Hall Ltd., Alzod

Dunhill of Canada Ltd. etc., a brewery,

wine, sport and tobacco conglomerate.

Minority and non-controlling interest-

includes: Wtrophouing Co. Ltd.

29t:19119.1n!11S11n&

The Province of Ontario does not hold any financial instrument in the island by the government of South Africa or its agencies.

As a result of the restructuring at the attainment of the Province (through the Ontario Development Corporation) does hold a 11% equity position in Vnzity Corporation, which has operations in South Africa.

The Province involves in liquidation in short-term paper issued by a number of: Central bank and financial institutions. Although the five 1130: Canadian chartered bank do not have any new loan in South Africa, 1010 of the financial institutions do have some connection with South Africa. For example, General Motors has a financial company subsidiary in Canada, and a vehicle assembly plant in South Africa.

The Ontario Municipal Employees Retirement System, the Hospital of Ontario Pension Plan, and the Ontario Hydro Pension Plan do not hold obligations insured or guaranteed by the government of South Africa or its agencies, but will have substantial equity portfolios

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3-31 No

, MAG, MIA, HITT and TEE Sept. 18/86 22

lIlIlIl"u!"llo invootlnnt. llilo trust... Ily
mtht IoMbythomhtho
m' undointhaqtutotthoir
huhwmntum."
Sept. 18/86i

am Cabinet Submission ' '. " " J
tummy 1H-
t a../" ' MAG, MIA, MITT and Tea Sept. 18/86 24
Onuno
xvaatnant an aconoaic grounda 1: now lagal.
I: truataaa aold sharaa of coapaniaa whoa.
:ortunaa dapandad on tha stability 0: tha
aconony 0: South Africa, thay would not In
opan to attack. Bovavaz', vhan tha invaatxnant
la otharviaa aata, poulbly bacauaa tha South
African alanant la vary nan. tha truataaa
may not Ian it in :avour o: a la:-
productiva invaatlant, ainply on tha grounds
that it la a South African invaatnant. In
othar vorda, divaataant on othar than
aconoaic grounda is not now lagal.
a law on tha right to divaat la tha Inna aa
a a law on tha choica o: naw invaataanta to:
1% a trust. Truataaa lay not now ratuaa to
?buy a nav invaataant axcapt on aconolic
tyrounda.

-
Tha dabata about vhathar a "South Africa
traa' portfolio auat nacaaaarily hava a Iowa:
ratern than a ganaral porttouo la not
raaolvad. than an parauaaiva, though not
. conclualva, "quanta that it tho fund 1:
largo, a South Africa zraa fund Vlll not Inc
an productiva aa a m vithout such
rutrictiona on its invutaanta.
Giving truatau authority to divaat vhara
that divaataant don aconoaic han to tho
trust anm tmtaaa to an mm hold to:
otha: poopla to attupt ta innuanca tha
policies at a touiqn govamant, at tho
financial. coat 0: than otha: paopla.

LWMW

W

W

Divaatnant la aupportad on tho ground that it
will intluanca the racial. pouch. of South
Attica, and on tha ground that it is morally
corract to avoid dariving incou tron
bualnauu that obtain-part c! that: profits
in South Africa. Whathar divaatnant can
innuanca tha bahavior o: coapanlaa that
carry on buainaaa in South Africa in
. dabatabla.

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CabmetSumnSSmn
t Mm-uly
MAG, MIA, MIT? and TEE
Dlvaatnant Vlll ralay a aynhollic naaaaga to
tho companiaa, which they may in tuxn ralay
to tho South African govarnnant.
A- an altarnativa to divaltuant, truata that
hold aharas ln colpanioa doing buainaaa in
South Africa nay attalpt aa aharaholdara to
innuanca tho bahaviou: at tho coapaniaa,
ratha: than aalnng tha aharaa to do IO.
Whathar than aathoda ara attactlva or worth
tha tin. thay taka la opan to dahata.
A turthar quantion la whathar or not the
social goal at aaking what lay ha a largaly
ayabollic gaatura concernng aparthaid
outvaigha tho banatlt o! aaxialllng panaion
tunda which at. to provida ratiraaant incona
to Canadlana. In addition, is lt tho
huainaaa o: truataaa to Iaka aoral or
social
daciaiona uaing otha: paopla'a annoy? '
Governaant polley ahculd arguably ha
raatrictad to tha uaa or public aonay. Th.
nuabar and variat
y o! privata trusts nay naka
lt dangaroua to allow thal: truataaa to hava
raqard to anything but tha aconoalc intarasta
ot thair bahaticlariaa. It l: aaaiar to
axtand tho pataiaalon to divest later than lt
l: to cut lt back onto ona goaa too tar.
tilt ot.halng an - -y bana lclarlaa l: th-
roturn on tho trust fund attar dlvaatnant la
laaa than what lt would hava baan without
dlvaatlant.
-:.-.-g.-.-.... -. - ,3, .,
alalilaaaiah
lc tune. in oa-ponlaa that
not curtain Itandarda o: co ;
condu oath Manta (auch an the
II or l:: any comics that do
m a l: South Attica. In tha Unitad
stataa, not public ponuon plans do not
raqnira anployaa contributiona, no the
quaatlon o: alployaa conaant la not raised.
Sept. 18/86h "

am Cabinet Submission

Mwmv ;:T_____:::r

. U. MAG, MIA, MITT and TEE Sept. 1s/aeo 25

Onuno

gpplgn_1 - No legislativo action should be
tnkon.

m o

. Pension funds that at. 2:00 of South
African invutuntl can bu utablshcd
and the contributions 0! those who wish
to got that: ponliono tron such a fund
can be diroctod to thou, without
changing tho prooont lav.

. Boththommmmandmm

urn now undo: roviiov, and

1: would bo inoppropriato to narrow tho
policy options.

. Tho tool 0120:: o! divaltnont lo

Iylbolic. Trustees Ihould not ilk.

sylbolic Itoto-onto with oonoono also'l
nonoy.

. Tho ooonolic purpoooo ot trusts, such as
onourinq odoqunto rotirouont incono, arc
nor. inpoxtan: to Ontario than Ibeolic
utotonontl about tho intornal policy of
I torolqn govern-ont.

. Trust... nova grout ditticulty Iimply ln
Iohioving good economic roturnl on that:
invootaontc, vithoue having to spend
Choir til. looking tor and voighinq
possiblo South African connoctiono among
tho conplnioo in which thoy nay invont.

. anilllting on tho divootnont 0! South
Attican inventions. IIY not a procodont
tor donandn that trust... b. allovod or
:oqulrod to divas: to: other politicnl
or Iocial purpooou.

. I: no action 1: taken 1: this :1... tho
governlont hn- ito option. open to ace
in tho future 1! circulatInCOI warrant.

. Ontario should tux. .11 tho stops it can
to show it. dilliko of apartheid.

Savoral Itotos 3nd ovon cl210. in tho

Unltod States have onactod policiou

concerning SouthAA1xlnAn.lng..2...g.____.---#

,._#____y_._#_._.,,
a Cabinet Submission A
iMummy Cl" 9.9- x;
. uf' 1 MAG, MIA, MITT and n: Sept. 13/351.
Onuno
, Trustooo will not daro to divost undo:
tho proton: law, ovon it tho calt to tho
bonoticilrion in only Ipoculativo.
mm - 1 1
nko divutmc'mtogfm 5' mm to
2m
. Mandatory divootnont onsuros tho
impact to: tho govirnnont'o polic\$fximun
. Mandatory invootnont ovoid: tho problem
o2 allowing trultooo to IIR. I
political docioiono, oinoo thoonl o:
ganglia? would bo uking tho docioions
. Handatoty divootunt provonto trust.
of IOII tzultn tron buyin at borqalz.
pricoo tho South Azricon nvootnontu
sold by nor. oonociontiouo truotooo o:
othor trusts. o
. Savorll statoo in tho United statol have
requirod Inndntory divoIt-ont, at loan:
to: public funds.
thdntory dlrontlont Inkol the trust...
and bonoticintiol pntticipoto ln
Iylbolic action: at tho oxponlo of tho
bonoticiarioa, with no onouxnnco that
thou. notion. vlll havo nay ottoct on
louth Atrtco.
. The purposes and holdingl of private
tzustn or. vary divozno, and nandntory
divootnont light cans. nova:-
ditticulciou to: Ian. 0: thou.
. Handatory divo-tlont cloooo othor
option. to: ronponlo to South Africa,
such on sharoholdor zonolutlonn ind
invosto: ontorcaont o: corporato coda:
of conduct. "
Kandatory divoltnont would probably
lover tho IIRXQt value at tho
invoatnontl to bo sold, to tho addod
economic horn of tho bonoticiarioo.
It would bo inconsistent to: tho
govern-ont to requiro trust: to divas:
tholoolvoo o: sharoo o: coangnion_xnz.__.--#

am Cabinet Submission

memv Ono a.g- x:

. ._.i- ? MAG, MIA, HITT and TEE Sept. 16/86 23
0mm .

which it, at the sun. time, provided
subsidion and 0th.: assistance to carry
on bulincol in Ontario.

. Mandatory divoltacnt nay b0 bayond the
constitutional pawn: of the provinco,
0lth.: as torcign policy or as toraigh
tradn.

99;19n_1_ - logislation should be passed to
lake divcstncnt optional.

2:9

. Perlitting divostncnt allow: a
significant Iector of the Ontlrrio
oconony to ilk. a positive Itnttnont on
a Inttor of public concern.

. Divcutlont IIY h1VI IOIO intluoncc on
corporato bchaviou: and thus on South
African policy.

. Public tund- Ishould not profit tron
corporato links with South Atrial, and
the trust... should b. thin to nova:
such links vhc appzoprilto.

. Optional divoltlont allow! the trust...
of each trust to considor the purpose at
tho tzuut and tho intoxoltl 0! th-
bcnctlciarion in deciding whatnot or not
to dtvcat.

. It would b. dittlcult for 2h: govcznnont
to monitor tho ottoctl of optional
divontnnne to lo. 1: trust: var.
divouting, in 0:60: to judgo tho
ottctivonosu at tho divultncnt policy.

. Tho llv should not allow trust... to
1:90.. tintncial costs on th.
bcnoticinrloa tor Iynbolic purponol. It
1- not tho trultoo' nonoy.

. Tho aconolic purponcs at tho tru-t arc
nor. ilpoztnt than Inxing a Iylbolic
stttonont thou: a torolqn gov02nnent.

. It 1: vary difficult for trustool to
monitor tho South African connections at
conpanicl in which thoy lay wish to

invoot, IO trultocl should not be
allowed to consido

15! Cabinet Submission

WM!" ID." 'm u

. 315,... ms, MIA, um and m Sept. 13/95 :.

Undo: proton: lav ch. trustncs arc 1 1

111b1. to banotlcilrlol tor Iny 10-5.:9. 1y

incurrod by tho bannticiarics bccaunc tho

trustoo: have not carriod out thair dutlnl to

tho trust. Tho principal duty to the trult

is to nnxinlzo tn. ocononic return o: the

trust invntnnts, IO long an thou

invutunu tn prudent.

I: the trust..- Iro required 0: alloved to

divut on the grounds at a south urictn

connction, nun: thin Iinply on occno-Lc

grounds, than may Vlll want to b. unwed

o: thoir 111h111ty to tho bonotlcclnziol. I:

the valuo at tho trust tund 1- roduced by .

divuucnt on the ground- ot South Atricnn n

connction, in 0260: to Intlly governnont

policy, tho bonoticiariou lay vilh to hnvo

tho lou- rootorod by tho qovo:nnone.

- Divuhont legislation should

provido that trust..- m not 11-51. to

bonnticilzioo to: loosen caused by divoatlnt

of south Atrialn anuutlnnta.

2:3

. inking durum: undatory without

011:lnnelng tho 1113111ty o: tn.

txuntooo Ittling ttul divo-tlnnt nakcs

tho trust... outta: the oneizc cos: tn-

gavoxnnone'a policy on south Attica.

311 trust... vould ronlqn rather than

nboa: this con:, cronting havoc along

trultl.

. lnking dLvootlnnt optional without

ptotoctlng trust... 220: 1%.

connoquoncc1 vlll hnvc no ottoct, sine.

trust... Vlll not risk bcinq Inca by

bonoticiariou 1: the trust... nay still

b0 liable to: any losses.

Trust... lay undo: the proton: lav .011

South Atricnn invultlontl ln tnvouz o:

othorl, IO long .- thozo 1- no cost to

tho trust ln doing 30. Th. only nocd

tor 1091:latl0n to porllt divontnct 1:

in can.- what. tn. cruutacu would b.

//
am Cabinet Submission
On.
Sept. 13/863
fruit... rotlln I duty to act prudently
in the bolt intotoltl o: the trust, and
they should not b. tblo to alcnpo this
duty utnply bcclusc they can constant
tho South Atricnn connection at their
invctnont.
. Elininating linbilty put. the whole
tinnncial burdcn o: divutnont onto the
bonoticinrico.
- Divoatlnt loginlution should
indonnity trust... against any liability to
tho bonoticinrion becauln o: divoltlnt.
2:9
. without protectionl Inch ll indonnity,
tho trultool Vl1l rotuno to larva or '
rotuuo to divost.
. Indulnitying the trust... ottoctivoly
. uku tho gavomont boar tho ion to
tho trult caused by tn. govornnnt
policy.
. Indolnit will reply trust... the coat
of llvuu ts brought to too: tho ll-1:-
ot tn. olininntion o! llahlllty.
. Indunity can b. lmm :6 nanny
tor divoutlnt thnt l. othcervico
prudcut.
. ?nxpayoru should not but tn. costs of
tho govornunt'u policy towards South
Attica. ospocially what. tho costs at
dtvcltnont at. very hard to calculata
procilcly.
. Indonnity 1- not ncodod, bOCIUIO
legislation providing 0lth.: Inndatory
or optional divostannt 13911.: that the
trust... would not b. liable for
. conplying with tn. laqillttion.
gnsign_1_- Dlvootnont legislation should
indonnity trust fund. against nay liability
to th- bcnoticilricl because of divoutlant.

// V
g!!! ; Cabinet Submission a x
: !Mm-Iuy -Ion.:__7.;-.:
I f
' ma, KIA, MITT and ran Sept. 18/86h
Omano
Tho banaticiariala of tha provinca'a
truata should not baa: tha coat of tha
govarnnant'a aynholic atatauanta about
South Atrica.
Indanhitying tho trult fund diractly
pravanta naadlaaa lavanita againat tha
truataaa tor coaplying with tho
govarhnant policy.
Tha amount o: loaaal that divaatnant nay
cauaa to trust funds 1- Ipaculativa and
a policy at lndaanlty would load to
frivoloua o: unprovabla claLil against
public annoy.
. Coapliahca with govatnlht policy ottan
works to tha financial disadvantaga o:
aaabara of tha public, vithout giving .
than the right to innalhity tron tho
public puzaa.
LWW
MW
Eragonga touhd tn thpabg'ibuc :actor, aainly
a tuna or 6 cap cu. m
an 2m in a 'quaat-pubuc' saga, aa ay
charituu, 0: which dam on public
mm and Uh ch in my want bandit :roa
gmt tax concaniona. Univaraitiaa and
! churchaa in particular hava bun focal paints
h to: tha mm m:- divutlant. charitiaa
that It. corporation. :atha: than trusts
Ihould ha trantad tho aana way an thoaa that
art txuata. Finally, anny trust: Ira found
in tho ptivata aactor, tor Inn? purpoaas,
including tha adliniatrltion o: aatataa o:
dacaunad paracna, uncaring loana, providing
to: childran o: tha croutot at tho truata,
privata panaion plana, and othara.
Laqialatton in tha United stataa daaling with
divaatnant hll addralaad Ltaalt antlrally toy
tha uaa at public tundu by public trusts.
stat. universitioa hava aouatiaau baan
includad in than. policiaa. Thara appaar to
ba no Alarlcan divaatnant atatutaa that daal
with tha invaatnanta o: charitiaa qahatally

m Cabinet Submission

Mm, 3T__n..77

. hf' ms, MIA, um and NE Sept. 18/86. 32

It 1- pouiblo to vu'y Ontario'o policy as it
appliu co dittoront actors. Divutunt
could b. lnd. undatory to: tho public actor
but option). to: tho private actor, to:
cxuplc. Hovcvu', thl following options
dilcuu tho uppliction at tho nu policy to
dithnnt uctou.

mm - Ontario's divumnt policy should
apply only to public uetor trusts.

m

Tho govcmnt'l principal intorut 1:
in how public nonoy in spout.

Th0 Iain political damn balm; lad. on
tn. govumunt tocum on tha public
uctor pmion funds.

. Many it not all public actor pmion
tund- m Mind bandit plum, in
which tho bonotitl Vl1l b0 ndo up by
tux dollars it u. invutunta It. not
cutticione. n I ruult, tho
govcmunt'n toucy in this um um:-

I

tutu. oxpond urn of public nonoy,
which 1: a Initiate function of
qcmmt.

Nolan: chlritlu not print. trust: can
to have that: 10".! tron

amt

divumt ado up by m nonoy and
thonton Md not b. coverod by
divutunc logislatton.

no intense: urvod by charities and by
private trut- au too divers. and too
uportant to have choir invutnont funds
zoduced by dlvuunt to: political
IOIIIOI'II.

It divuuont vl.11 luv. an input on
South Attica, 1: should b0 ponittod to
th. vidut pouiblo ring. of trusts.
Optional divutnnt IIIIOVI the trust."
to docide tor uch particular trust
whatnot divutnnt 1- appropriacn, lo
the danaqc to chutes... nnd privuzc
trusts Hill In Iinhiud.

Cabinet Submission

Duo

anrlt'v

MAG, MIA, MITT and TEE

- Ontnrio'o divootlont policy should apply only to public ootor trusts and charitioo, ouch ll univorlritioo and church...

. Univoroitioo and churohoo wish to bo ablo to divas: and they Ihould ho pornittod to do so, as wall as public lootor trultl.

. Thor. m bun no down! tron trust." or bancnciuuu o! print. uetor trust: to divut.

. m divmlty of print. actor trust:

mm 1: v. d mus t

mmo- tortylivm. o m" mi:

in

. man an my print. trusts holding considonblo uonnts 0: mm. including print. pomion ml. Ontario's policy on South Atria Vl1l hum Ion 11pm: 1: lt covorl print. trust: as wall.

. Charituu arc vory divoru Ind nay urvo tho poor and tho lick who nud tho but roturn on tho anutunt funds that it avulublo. Tho invutunt roturn 0: than chain" should not be put at risk booms. o: tho Ionl Ioruplu o! IOII univoroituu no church" who will not how to uk- up tho dittonnoo to tho otho: charieioo.

gaging 1 - Ontario'o divootnnonc policy should a ll to public ootor trusts, charitioo, ond p: Vito txusto.

2:9 1 act on

. I! divootlont Vl1l havo an Ip South Attic. 1: should bo pornittod to tho video: poooiblo tango o: trusts. Il divootnont allow. tho ttuotooo gggtzgh trust to docldo vhothor divestment 1- approprinto for tho: trust, IO tho rink o: hurl to tho bonotioiorioo in nintILzod.

abinet Submission

y ou- 3w- x:

MurVIUV

t 3__f-' ' MAG, MIA, MITT and TEE Sept. 18/351 34

rlllllo t

. No jurisdiction in Canada or tho 0.8.

ha: roquixod or pornittod divostnont by
privato trusts.

The nuboz and vnrioty o: privato trust:

to lo grout that it in practically

a. inpooihlo to prodict tho impact of

allowing truatou to ilk. invutnont

decisions on political grounds. Tho

rink should not In token.

. Noithor truatou nor bonoticiariu of

print. trultl hovo shown any public

intoroat in being nhlo to divoat

thouolvu at South Atrioon invutnonto.

Couponiol that on tho lubjoot o! invutnont

by trust. an hovo nunoxouo kinds of

connection w th South Africa. 'rhoy ny bo

' owned or controllod by South Atticano or hlv.

opotiono in South Attica. 'l'th ny hove

auboidilrtol in South Atria. 'rhoy nay do

buoinou with tho South African Governnont.

may lay inpott pzoduoto tron South Africa or

expott product. to South Atrial. 'rhoy nay

haw. paront too or attuiatu that do

any at thou th I.

The uportanoo of tho South Atrioan

oonnoctiou to tho profit o: tho couponiu ny

ho largo or null. Tho conponiu nay bohavo

not. or Ion wall. to thoir Attican oaployou

at an tacos.

I! tho govomont nko- divoatnont undatory,

than it has no choico but to dotino oloarly

tho south African invutnonto which trust-

aro :oquired to an and avoid. 'rho

following options apply only what. divootnont

1- optional. '

- 'nao divootlont loglolotion should

proocribo tho South African invootnont to

. . which it Ippliu.

2:9

. ?urstou un ho oblo to avoid diaputu

Mumlllv On. h.- -c

W Cabinet Submission :

ma, MIA, arm- and 11:3 Sept. 18/361 35

Onm-o

. Truce... will have grout ditticulty in
discovcting tho dgrcc and kinds a:

south Azziccn connction o: it: prcnent
invectnctc cud c! potential invectnonts
in en. tutuxc. Thai: task would ho much
caller 1: ch. qcvernhent linted tho
invectnctc tron which divcltnent wn-
pcrnitted c: ohcourcegd.

. since the govcmnt wichu to In):- a
Itatucnt thou: the duinhniccy or
south Attica: investments, 1: should
but tho 0::me o: deciding which South
African invutncttu arc ccvczod by lth
ctatucnt.

m

. man my haw. dittcrct purposes lnd .
dittcrctne invention: portfolio. ind '
thorctorc my wish tc b0 noun. ln
deciding which cumin arc prcpc: to:
thol: invumntl.

. Divumnt involvu nonl mu political
dcciliohc on which um uy propcx-ly
vary, And the tmtcu should be nllowed
to tombs. that: own vicwc on thou.

. mtu- ny tool. m: they cut by
action u muons" Ittoc: the
bchavim o: corpotionl in which may
invest bum than by calling the churn
ctthou corporations.

m1 - 11:. 4lmm Iquhuon should
cucw tho m to docu- which loath
m mvutlcnu lhculd ho cold or
mind.

an

. u emu have dittctent munch:
portfcucc and dittcrct puxpcuc, their h
trust... an wish to apply divutnct to
companicl w th dittcrcht door... or
South Atrican ccnocticn, and they
should b0 allcwcd to haw. thin
tlcxibuity.

x . to: con. corporation, trust... ny wish
to innucncc than u nhercholdcrl

// :. --).3.-- -.1;
abinet Submission
Mm-uvy Out 9...
MAG, MIA, MITT and T&E
. That. at. public nourcol o: information
on the south African connection. at
vazioun ccrporntion and on corperate
bohuviour in South Attica to annint the
truutocl ln Inklnq divcstucnt docilions.
. Monitoring the South African connccctions
Ind bohuviour o! :ll the corporations in
which lt 1- possible for then to divest
donand too Inch work and judgnont tron
traitoon, Inny at who: nozvo with littlo
or no rcnunorltion. Tho qcvornnont
Ihould providc a ll-: to: chair
Isliltnncc.
. A tloxiblo policy In? potlit Inny
truntcol to avoid dlvo-tnone cvon ln
purporting to divout.
Tho trust fund. arc hold by the trust... to:
financial bonnet: o! the bonaticiurios.
Divontnont on the grounds at South Africa
connection nay ant: thou. tinancinl
intcrostn.
Host honnticiurioo o! ponoion tuna: and o:
prtvnto ttu-ts 1:. known to the tru-tool, nnd
callunicatlon with than 1- poasiblo.
Alnrican legislation taxing divostnont
Iandaeory to: public Iactor pcnlion tund-
dooo not rcquiro consant o: bonoticiaricn.
lovuvor, the bonoticiarion do not contributo
to then. tundn, II t rule. In Canada, public
sctor ponsion tuna. arc gonorllly Ind. up of
contribution: by the onployo: and the
onployoos.
Tho torn o! the question lay influcnco the
answer of the bonctlcilricl. rorlulating the
quostion lay b. 10!: to the trust... or may
be I Ilttnz to b. proscribed by rcgulation.
I: divcltlont in nude Iandntory, than the
consont o: the boncticiarios 1- not
rolavunt. Thu rolloving option. arc rclovanc
only 1: divestncnt is ladn narcna-I

W

On: 9.9. se

f am ; Cabinet Submission

t J 5 MAG, MIA, um and TH: Sept, 18/86 t .

Online w

- actor. divaltlmg, tho trust..-

Ihould b. required to obtain tho connant 0!

th- bonotycinriol, to tho extnnt that this 1-
pouniblo.

2x9

. Tho decision whatnot to divolt should be
and. by then. bolting tho financial cost
0! that docilion, nancly tho
bcnotlciarioa.

. Tho trultool o: pcnnion plan. Ind nany
0th.: trust. communicato occasionally
with tho bonotycinriou, or thou. that
are known It that til. 0: coI-unlcttion,
and thou. communicttiono provide an
opportunity to: asking tho viovu at tho
bcnoticiartcn on divontnont.

can

. Tho trust... are appointed to nko .
invaltnont docilionn about tho trust,
and they should be allowed to ilk. than
without going to tho bonoticyilrico.

. Ca-Iunicntion with tn. bonoticyilrics is
cxponlivo and tho probability 0: gutting
a reply Iran I lubltantial nuabo: o:
banoticiurion 10 law.

. It is strictly inponuible to dotornino
tn. tdontlty o: the honoticyilrioo o:
chatttioa.

92:1:n_1 - Izasto-I should no allowed to Ink.

4 vlstlnnt docinionn without consulting tho
honoticyinxioa.

2:!

. The trust... are appointed to lax.
invoataant dociniona without consulting
tn. banoticiarion, and divoutnont

. docilionl arc no_dtt:orant ln principlc
1 1:0- oconalic decisions.

. Consulting tho bonotycinrios may be nor. '
costly for largo trusts than the
potential 101... to the fund caused by
divcntlont.

. Tho rcpltol tron any polling at tho
beneficiario Vl1l probably roprosont
tho viovu or a IIIII IF?.VLJL_-L:A-Lhu____----

Cabinet Submission

h valnv

MAG, MIA, HITT and T&E

con

. Tho decision to divolt is I moral
docilion quit. dittoront tron tho
ocononic dooilionl which the truutool
arc nppointad to Inkn. Ind tho
bonctlcclnriol are an able as tho
trust... to nake that kind 0: docision.

. Diveltnont 1- very likoly to cost the
bonoticiariou noncy, and lt 1- not up to
tho trultocn to Ink. that kind of
decision in tho place at thou. who lust
bear the cont at tho decision.

. Thu cost of coulunlcntion 1' Illlll tnd
productlblo, whilo tho cost or
divactncnt nor be largo.

. Bonoticiarioa who do not oxproll that:
viowl on divootlont whon Inked will have
to accept the connoquancoo o: the
opinion. at those who do roupond. Tho
III. 1- truo in an oloction and cunnot
b. laid to b. unit 2.

Win

Any Ontario governnont coll to: divultnont o:
tuna: tron corporations with opczationn in
South Attica, whether through legislation or
CGIPG

nornl lunnion. could highlight the equity
pootttton-ot tho Provinco ln Varity
:ttion, which bl. Iinority Ihnrohodings
in two South African companioo.

rurtho: to a financial rostructuring o:
unnuoy-torqulon npproved by Cabinot ln Hutch
19.6, tho Province cxchangod its 375 zillion
ln prototrcd sharuo tor:
Supt. 18/86 Z 33

Cabinet Submission

1 Mmmuv Ont N. V:

1 MAG, MIA, um and TH: Sept. 13/85 .

Common Sharon 2.7 Ii1110n share:

(1.61 o! tot11

cannon)

Prutorrod Sharon 750,000 sharou (41

(Class II) of total protorrcd)

Warrants

4.0 111110n

warrants (14. a:

total vurrant.)

Protcrrod Shara 2.25 1111101: than:

(370 0! total

pxctorrcdo)

m Haney cmiml Corporltion 1- :-

privuto cupuw, 40. mod by

Vnuty. Tho Corporation has no .

direct or induce: involvuont in

South Attica.

Varity Corpontion, in which the Ontario

govomcnt hu Intoxmtuy \$36.25 11111011

0: share. Ind warrants, hu Iinority

interact: in thc South Mum consume-

rcdloch 30141.net Ltd. (10.951) and Atlantis

010-01 angina (.0011).

Vurity corporation hn- no 0120c: magnum:

ruponoulnuu to: th. eve compuniu me!

do.- not onmuah thou hunn :uourco

9011010.. lhwrtthohu Vuity am" that

the captain me or mud tho guidelin-

cnuhltahod by tho umdian Cod. 0! Conduct

(although ngu had unon balm: eh. lininun

11mm 10v01 at on. point in 1905). Th.

corporation argue- that 1: ha. bun

Lnntmonul in working with and training

buck South African tan." in tho opontion

and car. 0: agricultural uehinory o: :11

IIXII .

Tho Talktorco on tho churchu 0nd Corporate '

Responsibility alkod tho Provlnc to connidar

subnitting, in conjunction with tho Juuits

o! Uppor Canada, a Ihnrcholdor proposal a:

Hauny-hrqulon'a annual looting in June,

1906, asking n21. to b.9111 & procuu o:

withdraval 0: 1t: invariant in south

Atria.

Cabinet Submission J" ,. :7

3!

x

iMm-uw Du. 31'uc

. H- w MAG, MIA, M11"! and Tu: Sept. 18/86 4:,
Onuno

The Province did not provide it: proxy to:
tho Jesuit. but instead the Prunior wrctc co
eh. Prolidcnt 0: MIL auxin; thnt tho company
"give urgent connidcraticn to its policy with
rcqlrd cc 1: invctnchI in South Attica".
Tho tcdral governmnt, which allc has Iharc
in urn, has rclictcd proclurcc tron tho
Tasktorcc to gut involvcd in this illuc.

1..me

WW

gngign_1 - Divan: provincial hcldingl in
varity Corporlticn.

ansksxnun:

Ontario and 0th.: Varity chatcholdors have '
cigned a Socuxiticu 8:1.- Agrccncne which
governn tho cal. c: chart. ilnucd in the
latent rcctzucturing. Tho agrccnnt
cotablilhcc a tctulc that attccts the
tiling, nulbcr o! IhIIOI that can b. cold and
tho acqucncc in which thus. churns can be
cold.

Thl. agrcc-cnt van nccoc-ary to prc-orvc an
crdczly Iarkct by prcvncing the banks,
cvctnlmntc Ind creditorl who rcccvcd Ihrltl
n tho toattuctuting tron lllcdiatcly duning
than on tho Iarkct And thereby dcptccling the
utck price untcaconnbly.

undo: the sccuriticc Salon Agrccnont tho
tailoring ccqucncc c: 026.: ct disposition of
Vuxity Iha:cc ha- bocn cntablthcd:

1. clan. I chtcrrod

2. Councn Shara.

3. Class II Prctcxrcdc

0. cl... 1 Prctcrrcdn

5. Colucn Shctcc

6. Varity Corporntc Icon.

Ontario lay participatc, on a pro rat: basis,
in Icqunccn 2, 3, and 5 abcv. It in
currntly cceinntcd that the tiling bctween
public ottringc would b. on. year! on this
balic Ontario will not b. in a pocltion to
fully dispel. o: it. cannon and prctcrrcd
shares for at least 2lv. your. and possibly
lcngcr, dcpcnding upon larkct conditions.

am Cabinet Submission " i i i

Mann" '7

I H- mc, KIA, MITT and TH: Sept. 18/36

Onune

Ontario's connen and protarrod Ihnrou :2.

uubject to the Securities Salon Agrconcnt

doucribod above. Tho warrants, on the other

hand, arc not subjct to thin tqrccuont and

can b. troaly truded ltto: HAY 9, 1907, in

Canada, although that. in nine a vicv thuc

tho undorlying cannon Ihlzol lay first hav-

to b. rcgistorod undo: 0.3. Soeuritiol law.

I! Ontario could arrange I privnto placononc

o: it! chart. through a brokctnqo tit: and

tho purchalor agrocd to b. bound by tho

Securities Salas Agrocnont, than the Provinco

could cxtricato itself tron tho Varity

rclationlhip. navovor, finding a buyor tor

Vlrity Ihtrou, oupccinlly than. with tonal.

rout: ctionl, lay prov. to b. u torlidablc

tank. In addition, tho Provinco would

ptobably b. roquired to accept a 11:90 prico

discount in order to ottoct the transaction.

2:9

. This action would b. consistonc with a

policy that require. pontion fund: to

divest a: South African a:locl.

. Tho ditticulty in disponing o: Vlrity

chart. Iakno this option

unsatisfactory.

. Divoutnone at tho Provinco'u shares, or

a lentcnont o! intont to divolt, could

load to I roduetion in tho prico o:

leity otock.

letnn_1- supportm tutuxo tank tore.

Wand vat. Ontario's Ihntun in Iupport

o: propood divontnnne o: Varity

Corporation's South Attican holdings.

2:3

. This action allow. ch. Provinco to

rotain it. share. in Varity and us.

those to Ittonpt to intluanco tho

Corporation to divcst o! it: South

African assots.

/

Onuno

C.

Cabinet Submission

ummwv On: 5.. ac

MAG, MIA, MITT and T&E Sept. 18/86r 42

Can

. Ontnrio holds tow voting oharao.

I: I roaolutlon to divest var. dotaatod,

praocoura could aount to: Ontatlo to

dlvaot its own vatltty oharaa.

. Varity arguaa that it in obeying tho
Canadian Coda o! Conduct and could arguo
that diolnvootnant o: it. South African
anata nay :oduca uploylont banatito
attordad black vorkora.

m1 - Continuo to urge Varity to

couldor its policy with zogard to South
Attica, but tako no m: action.

m

. mu option would avoid tho disruption
ot attuptlng to tall tho Varity nharu.

. It would anablo tho Governnont to vota
Ontario's than. in favour o:

dialnvootnant at IOI. tuturo data.

. Tho Provlncs would not ho using all its
apparant lovoz1 to ontorca lto position.

Wm

Ontatlora polley tor procuroaont Ihould ba
omistont vlth lta othor activitiaa
condoning South Africa.

Loglcally, a Provincial policy that raquiru
tmtua to dlvaot o! neuritic. in n colpany
boeauu it has operations in South Attica,
should also raqulza that tho colpany'o
products and other minus daallnql bo
troatad alllllatly. nu- would involva
additional adjuotnant and oxpanu on tho part
at tho Provinca.

Ontario's procuruont polley ha: a dlract
input on tho purchauo of tho Ontario ,
Govomant Saotor. Ontario alnlotrlu And
related aqanclao Iult coaply vlth tho
Provincial procuranant policy. On tha othor

tw
Onlano
Cabinet Submission
ww.m M- 1
MAG, MIA, MITT and T&E Sept. 18/86 ,
hand, tn. Ontlrio Eneorpriso Sector (Schoduln
II aqcncicl) hll no roquircnont to abide by
th. procurOIont policy. That 1-, Ontaria's
crown Corporation. And Connilnionn are only
rcqualtod to abido by tho policy.

WW

WW-

\$9.2IQEHIIISBS1

gnlgln_1 - Partllol tho current todotnl
govcxnnnnt procurlnnt initiativo- with:
1) a bin on all Ontario governlnnt
procuxilunt in South Attica) and
11) a ban on .11 Ontario governnnnt
contracts with Injority-ovnnd South
Attican culpanloa.

W

A todotnl ban on qcvornnone procuronont in
South Attica VII nnnouncod on Jun. 12. In
his ltatcnnt, tho Socrottry o: at&to to:
External Attlirn urged tho province: to
conuidor parallel nation vita rolpoct to
that: own pzocuxonnt practicoo. Tho Iacond
initiativc, a ban on gavoznlont contracts
vlth_nnjority-cunnd South Atricnn companics,
VII agreed to by tho todoral ggvern-nnt at
tho Collonvlalch lini-Iullie August.
Ontario announced (Soptnnbcr 19.5) tn.
prohtbltton o! qcvornlont purchases or food
product.

It npoazu that eh. Ontario Govoznnont
ptocurod little to no non-aqticultnrxal goods
or Iorvicou originnting in South Attica.
Tho oocond Ionnuxc npponrn intondod to
provenc Canadian governlnnt oxpondicuros tron
bonotiting South Atricnn ovnozl of equity.
Kownvor. the good. which Ity b. lttoctnd arc
mud. in Canada.

It 1: not yet clan: whatnot tho
"najority-ovnod' wording a: thin initintivo
return to Olth.: the South Atricnn holding of
over \$0 of outstanding stock in 1 company,
or whothor lt rotors to tho holdina o! u

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17'! uaumco. ouwmoaaun

l XMJM" ;E:T__'_"d__l:;t:"

d 0:.

l MAG, MIA, MITT and TEE Sept. 18/86 4,
'controllingd internut in n colpany'l
outstanding stock. Ottawa 1- prountly
looking at how this agruod nouluro can bo
inplonontod.

Using tho norrowot dotlnltlon o: over 50% o:
outstanding company stock, a bun on all
govornnonc contract: with such companion
would involvo I vary low dollu: voluo o!
govomont purchuu. In 111 lnltlul lint
conpllod by sut-un, tho Anglo notion
Corporation, a wining conglounto, is
identitiod as tho prim. uxorlty-owned South
African colpany in canada. 8m 0: lt-
interat- lncludo nonqyou Canada Ltd.,
Minorcu Could: Ltd" Hudson Bay lining and
Snolelnq ond Doboozo. '

Dopondlnq on how 'najority-owned' ln dotlnod,
it uy uluo include couponlu tn tho Romans
Group (curling O'Rooto, Jordon i s:- chhollo
Callus, Roman! 0: Pull lull, etc.). Tho
top nlno purchasing 1lnlltriu ot tho Ontario
govomont purchaud approxmtoly \$00,000
worth of goods ond unico- 1201 such
companlu ln LY. 1900/05. It Ihould ho
notod that tho pmlnclal mac distributes
boo: products. Hawovoz, II I Schodulo II
agency, tho mac would not bo roquirod to
follow a provincial procurmnf. bun on
product. tron Culing o'noto. should this
y b. dotlnod a "South Mucus
coupon
uj otltrownod. '

m

. nil Ontario action can be supported on
tho ground- nut oven thwqh it would
luv. little potontial input on the
South Atzlcu oconouy, 1: still
trmlotu into Ontario govomont
din roval o: apartheid. ond adds to
tho ntarnutioml thrust against South
Attica.

. A ban on procuulone in South Africa
could be costly 'ontorcod through tho
nilplo insertion of I pangnph in all
Ontario Govormnt tendon 0nd contact:
which would intern potonthl suppllors
that Ontario 1: not intozut in
purchulnq Iuppllu, oqulplont and
urvlcol originating in South Attlca.

_____._____.--7.

:95 Cabinet Submission 1

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a l__f'd MAG, MIA, MITT and TiE Sept. 18/86

OMIDO

Concerns about Option 1 revolve around
the implementation of the second
initiative and its potential impact on
Ontario products.

. The introduction of a ban on purchases
from majority-owned South African
companies would likely require the
completion of a list of such
companies. This process is difficult
in keeping the list current, and it may
be legally challenging.

. While Ontario could choose to parallel
the federal list or completely determine all
"majority-owned", the federal government
appears reluctant to compile such a
list. The federal government has thus
(a: not quoted that the province
parallel this second initiative. .

gnsign_z_- Go beyond the federal procurement
initiative against South Africa by banning
the procurement of supplies and equipment
with any South company.

A 'company' ban would attract government-own-
ers of imported goods: with any South
African raw materials or components. The
impact on South Africa would be significantly
greater than under Option 1.

Some time ago a wide number of products that
would be vulnerable (South African critical
materials such as platinum, tozzochrolo and
anon. have wide and important industrial
applications). Ontario government
priorities in IGI. Jobs: industries (agric.
aquaplant, transportation aquaplant) involves
significant purchases of: imported goods.
The new comprehensive approach at banning
the procurement of goods with South African
content could come. Very attractive a
substantial number of products purchased by
the Ontario government.

2x3

. Option 2 would generate a greater
negative impact on the South African
consumers_ggag_ggg_naxzoua:.h/n.an...4.._____-

am Cabinet Submission

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. l H" ma, MIA, MIT! and mu: Sept. 13/351 45

Ont mo

. Thorn would be significant cost and difficulty in applying and enforcing a "content" ban (requiring the tracing of origin of all components and raw materials of products purchased).

. Thor. in the probability of a serious disruption in the type of purchases made by the Ontario government given the importance of South African strategic materials in many industrial products.

. The domestic implications of a "content" ban could translate into significant costs to both the Ontario government and the Provincial economy.

. This - I would like to add indirectly against South African exports through third party intermediaries in Canada and abroad. It would be a redundant loss of South African exports, which would be directly through an extension of international trade relations.

- I am contacting procurement

mm

don'ting with companies that do business in South Africa.

The loss of such an Ontario initiative roots in attempting to influence South Africa: in a way through direct economic action against a third party.

This initiative would go well beyond the initiatives implemented or considered by the federal government in the area of procurement.

A preliminary analysis of the role of the Injor companies that would be affected (Ivan, Xerox, Dow Chemical, Hewlett Packard) reveals that a large value of government purchases and contracts would be involved.

Approximately \$19 billion worth of goods would be purchased by the top nine procuring Ontario companies in 1981/82 from a short list of multinationals.

Sept. 1a/aet

am Cabinet Submission '1 1

. o-F' MAG, MIA, um and ma %

Onlano

governnont purchauoa tron thou. companion is significant rnlatlvo to total Ontario govornnant purchases, the dollar value involved roall-tlcally roproatn a anall that. or total activity to: those companio-IlncO, by dotlnltlon, they would tend to bo largo aultinntlonall with world-wido narkotl. -

Tho nlna Ontario alnlatriou ldontltiod purchaad ova: \$2 allllon worth at gooda from Canadian coapanloa with opatatlonl in south Atrlca (Bata Shoo Ltd., Ford Motor Co. of Canada Ltd., Dolcan).

2x2

. Thla option appoara to be tho corollary of tha Invoutaont Option that roqulroa divoataont of public aactot tunda connectad in any way to South Attica.

. nl. aouuro would ho oalor to . laploant than a oontont ban, llthou u would :oqulro aalntalnng an exhaust vo llat o: coapanlou having oporatlons in, or doing buslnoaa with, South Attica.

. This initiative would have a aignlticant nogdtlvo lapact on tho purchalo by Ontazlo ot aolo Iajor product groups (ottlca oqulpaont) and would gonozato Ilqnlilcant corporato lll-wlll against Data: 0.

. Tho ottoctlvonoal of tho lnitiatlvo would dopond on tho tinanclal and oconoalo dlncoatort that could ho brought to boat by Ontario on tho third party involved in an attoapt to induco tho coapanlol to coda. doing buaanII with South Africa and thoroby hopotully influenco South African pollclol.

. Any oconoalc dlucoatort involved would be directly tolt in tho North Aacrican d production of thou. coapanlos.

. Thin option also raluoa tho aaao concerna al thoao auaoclatod with tho invoutaont o ptlon, naaoly, whatho: lt 1: a coapany'a bonavlor in South Africa that 1- of concern (nae fulfillG-n .t-

A

a Cabinet Submission

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o .f- 1 MAG, MIA, HITT and 111-:

Sept. 18/86; 49

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various Codon of Conduct) or whether any
buninolo in or with that country
support. uporthoid and should be
totninntod.

v. M

EIQSHKIIIDI

Tho Govoznnonc purchanoo little to no South
Atticun products, booaualo tho puzchnno of
South Atricon food pxoductl hn- alrondy boon
prohibited. Thorotoro, tho ocononic tupuot
on Ontario ot a ban on .11 govern-ont
purchanoo or goods and uorvicoo originating
in South Attica would bo Iinilnl.

Tho Governmont purchases of cnnodlan good-
tron Iujority-ounod South African
corporation. oro, at toot. \$100,000 pot
your. Purolloling tho todoral notion V111
havo a dizoct noqaeivo impact on this amount
of tho attootod cotporutiono' cunudiun
production.

Hovovor, dolootio substitution. tro-
non-south Attican owned corpotationo nro
available to: .11 product: involvod (boot,
vino, ciguzottoo) dad tho ban would,
thorotoro. involvo u oubotitution tron ono
dolootio product: to another with no
Inorooooonolio inpace.

W

Truntoos nay not divooe their trust funds at
South African invootnoneo unlooo thou.
involtnonto oto not auto or 12 thoy con
achiovo tho III. or better oconolic xoturno
tron otho: invootaontl. Enacting legislation
to porlie divootnont would allow (or toquiro)
trust... to divas: ovon vhozo an equal roturn
was not available tron tho "South Attic:
1:00" invootlonEI.

How such would tho trust. looo? Exports
dilaqroo vhothor I South African trod
invostaonc porttolio can ourn no good u

Onuno
Cabinet Submission
Mmany Out
Sept. 18/56!
HAG, MIA, MITT and Ti!
return as a general porttolio. For "unall"
amounts (dorinod no funds up to 50 million
dollars), Iona Anorlcan sources ouggost equal
retorno aro availablo. othoro disagroo.
on tho: other hand, tho invootmont rosults at
many trust funds over the pant docado have
dono woroo than tho Iarkot avorago.
Incompotont or unlucky Ianagonont of tho fund
may har- tho return not. than looking wmmoral"
invootnonto.
To sunnarlzo:
- divestment could ilpooo Iarkot 103-0:
and oxtra transaction costs on trust
funds.
- divootnont could roduco tho amount
availahlo tor ponolonl.
- tho public octor nny nood noro nonoy to
fund ponolono it tho retorno or. down on
public Iocto plnno.
- divootnont could roduco tho amount
avallablo tor charitablo octivitloo.
W
Ilplonontotion o! tho rooo-nondod procuronont
option would requiro a nulbor o:
co-Iunlcotlon Initiotlvoo. Tho lnnago-ont
Board of Coblnot would loouo directivoo to
:ll Kinlotrioo and appropriato agoncloo
roqurlng odhoranco to tho Govotnnont'o
policy with :oopoct to South Attica (Appondix
d).
Hlniutrioos would coluunlcnto, by lotto, to
all govornlont :undod organization-
concerning tho naturo and extont o! tho
policy initiatives roqordng South Africa.
All org.nlzotiono would bo strongly urgod to
comply with thoos policlcl (noto Appondix 5).
a
pwo

x

ah I 1- : ' 3.-u:- :

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' MIIHIUV MR-

t a MAG, MIA, HITT and TE! Sept. 18/86

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The Prowler would iuuuo a statoncnt
supporting the federal initiativcu and
indicating the action. taken by the Ontario
governlont and th. rational. to: the
approtch. Th0 Itnenon: could alto urgo the
privnto lactor to conpiy, volunCirily, with
the inicittivol taken by the govvrnnont.

VII. W

Th. rocmndationl on divutnont will

require chanqu to the W md to the

(it em

roco-nndltion on chutitlblo corporations in
aqrcod to) . statuto- duling with individual
public pcmion plan. will also mod
nundnont. mo roconcndationl dul with '
ueuu about which the Ontario an Rotor-
COuiuion Rupert on the Law 0: men did
not count. The roconcndatiom are,
however, continua: with that Report. The
duty 0: prudence in imam: policy in
conliltont with the Report.

VIII - mm

Thou tumultuous apply equally to Inn

and waqn.

Wm .

(S millions)

Estimated

Total Corporate 5. African

Plan Assets Investment: Content

Public Service Superannuation Fund 4,030 0 0

Superannuation Adjusumnt Fund 1,300 0 0

Legislative mly/Juiqu 63 - 0 0

Teachers' Superannuation mnd 8,259 0 0

Ontario Municipal anployua

mtimnt System 6,274 2,478 . g

enumo Hydro amen pun 2,336 1.151 '

Hospitals of maria Pension Plan 2,807 1,364 %

ibrkon' Canpenutim Bald

Pemion Plan 220 103 tQ

Source: Treasury am Mics.

m be "South Atria fm", that funds will have to divest nearly \$1 billion of sham, any of mid: Hon iuuod by Inger Camdian am U.S. corporations.

To minmiu loans. 1 6lmm: on this sale should no atriodyr. in as

discreet and orderly a mm: as possible cm: a prior: 0: tin.

Ministry of Treasury and Economics

APPENDIX 2

South

Attican Total

Assets Assets 1

(m_nnonns) (5m) 0

Mobil Oil Corp ' 400 41.851 1.0

Ford Motor Co. 230 27,449 0.8

Burroughs 150 4.504 3.3

General Motors Corp. 140 52.001 0.2

Neumant Mining Corp. 86 2,133 4.0

Xerox Corp. 42 15,406 _ 0.3

Sperry Corp. 33 5,741 0.6

Phelps. Dodge Corp. 37 1,728 2.1

. Norton Co. 26 1,060 2.5

Minnesota Mining and Manufacturing 26 6,094 0.4

Ton 1/Average 1 . 170 157 , 967 0 . 7

.- uaum xx:

Source: Finnncl Analyst: .mel/July-Au; 1986

This ml.- m me, in may am. the proportion of aunts invested in South Africa 1: malleable. Thu. figures can b. um to support an argument that trust... should mt dim: ot shim with so um. South African content, or any an b. used to awn. thn: sine. the plant has :0 little invested then, me uning tho imam: would have little input on the plant. am 1: Md b. don- mmmuy. Ministry of. Treasury and Economic:

APPENDIX 'J

Mabel: of Value at ! of the

Glenn: 31/3/85 55? 500

(Sbillion)

Total included in Indox 500 1,311 100

Corporation: that have operations in 166 684 52

South Atria

Corporation: that need to nuke "more 135

progress" in adhering to the

Sullivan Principles, or who have

not signed than.

424 32

Corporations that haw not signed the 64

170 13

Sullivan Principles

thrived tron Financial Analysts ernal/July-Aw 1986. .

This table indicates the restriction of invosuunt opportunitu available to a

trustee in equities of 0.5. Corporation 1! a limitation on investments is

applied. Equities of corpontiona that hav. cpantiona in South Atria account

for Just over.- half tho equities available, and corporation that need to "make

note progress" or have not signad th- Sullllvan Principles account to: about a

third. Although this nay not b. a seven nstriction for a mu penazon tum,

it is significant to: a Lang. om. Honour. lino. Illny of tha corporations

with operations in South Atria tam to b. tho larger and mu successful

U.S.-basad nultinatiomla, a 'SOuth Atria tna' policy Hula deny funds sane

of the non attractive opportunitioa.

Ministry of Treasury and Economics

APPENDIX 4

TO BE INCLUDED IN THE DIRECTIVE on

X

SUPPLIES. EQUIPMENT AND SERVICES

X

SUPPLIES. EQUIPMENT

AND SERVICES ORIGINATING IN SOUTH AFRICA

EQUIPMENT AND

SERVICES ORIGINATING IN SOUTH AFRICA

APPENDIX 4

TO BE INCLUDED IN THE USER'S GUIDE TO THE DIRECTIVE ON
SUPPLIES. EQUIPMENT AND SERVICES ORIGINATING IN SOUTH AFRICA

THE DIRECTIVE STATES THAT SUPPLIES. EQUIPMENT AND SERVICES
WHICH ORIGINATE "I 5001'" AFRICA ARE NOT TO BE ACQUIRED FOR
GOVERNMENT USE. THEREFORE. IT WILL BE NECESSARY TO INFORM
ALL POTENTIAL SUPPLIERS OF THIS RESTRICTION.

'BIDS AND PROPOSALS MUST NOT INCLUDE SUPPLIES. EQUIPMENT
AND SERVICES ORIGINATED IN SOUTH AFRICA'.
IN SOME INSTANCES. SUCH AS WHEN THE REQUEST INCLUDES ITEMS
WHICH MIGHT BE AVAILABLE FROM SOUTH AFRICA. IT MIGHT BE
PRACTICAL TO REQUIRE POTENTIAL SUPPLIERS TO CERTIFY THAT THIS
CONDITION HAS BEEN MET-

'I/we certify THAT NO SUPPLIES. EQUIPMENT AND SERVICES
ARE INCLUDED IN OUR PROPOSAL AND NOT
ORIGINATE IN SOUTH AFRICA'.

THIS RESTRICTION SHOULD ALSO BE CONVEYED TO THE POTENTIAL
SUPPLIERS OF ORDERS PLACED BY TELEPHONE AND PICK UP ORDERS
AGAINST LOCAL PURCHASE ORDERS. PETTY CASH OR SOME OTHER
CREDIT DEVICE. IT IS HIGHLY DONE VERBALLY WHEN PLACING THE
ORDER OR BY SIGNING THE CONFIRMATION PURCHASE ORDER OR PICK
UP SLIP WITH THE FOREGOING STATEMENT. THE NEED FOR
CERTIFICATION BY SUPPLIERS MIGHT BE SATISFIED BY WAY OF A
STATEMENT ON THE COVERING PACKING SLIP OR THE INVOICE.

THE FACT THAT THE Government of ONTARIO does not wish to
purchase SUPPLIES. EQUIPMENT AND SERVICES ORIGINATING IN
SOUTH AFRICA SHOULD ALSO BE MADE CLEAR TO ALL FOREIGN
SUPPLIERS SEEKING TO DO BUSINESS WITH THE GOVERNMENT. .

THE INDIVIDUAL BUSINESSES AND OTHER PRIVATE POLICIES AND
PROCEDURES WHICH INVOLVE ALSO SHOULD BE MADE
CLEAR AGAINST ACQUIRING SUPPLIES. EQUIPMENT AND
SERVICES ORIGINATED IN SOUTH AFRICA.

APPENDIX 5

Draft Letter: from Ministers to Transstar Payment
Agencies, Municipalities, crown entities, Boards and
Commissions

September , 1986

Dear:

I am writing to you to inform you of the Government's
new initiative regarding South Africa.

As you know, Canada's official condemnation of the
policy and practice of apartheid as a violation of
human rights in Africa supported by the Province of
Ontario, and H. are continuing consultation with the
Government of Canada on how best we can contribute to
the elimination of apartheid in South Africa.

The Minister has extended the procurement
policy as follows: .

All mini-trial and Schedule I agencies are
prohibited from purchasing any supplies, equipment
or services from South Africa.

In order to ensure compliance with this mandatory
requirement all requests for written bids and
proposals should contain a condition which states
that:

"Bids and proposals must not include supplies,
equipment and services which originate in South
Africa".

In IOI instances, such as when the request include-
items which it has available from South Africa, it
may be practical to require potential suppliers to
certify that this condition has been met:

'I/We certify that the supplies, equipment and
services which are included in this bid or
proposal did not originate in South Africa".

not required by
Ontario'- Manual of Administration to follow the
Governmont'l land with ralpoct to all of it-
rclationn and dnalingl with South Attica.
The Government will continue
situation in South Africa.
supporting Canadian
sincoroly,

DIVESTMENT POLICY OPTIONS

%__

ISSUE '

I lToke No Legislative Action! lRequire Divestmeritl lAllow Divestment
EEiminGte Liability lndemnify Trustees :lndemnify The Trust
Of Trustees Against Liabilities Fund Against Losses

Apply Policy To

Apply POHCY To Apply Policy To

. Public Sector And Public Sector; Charities

PUBIIC Sector Only

Charities And Private Trus.

II

III

Prescribe The

Leave Investment Choice

To Trustees

i

EHOW Trustees To I

lDecide on Their Own!

IV

Affected investments

Require Consent of

Beneficiaries Where Possible

RECOMMENDED POLICY OPTIONS OUTLINID IN BOLD

A. BAN ON SOUTH AFRICAN PRODUCTS

Q. (a):

Africa. Thus, it is difficult to measure the economic impact which would result from banning South African products: from the purchasing activities of the Ontario government.

P. by comparing the types of products which are bought by the Ontario government, and the type of products imported into

TABLE 1

South African exports to Ontario and
Ontario's Share of Total South African exports
Ontario's Share

Ontario Imports of Total South
Year from South Africa African Exports

(E million)

1980 191 0.644

1981 207 0.844

1982 103 0.488

1983 110 0.498

1984 96 0.438

1985 117 0.521

The numbers above illustrate the Ontario economy is, at best, a nine: one for South African exports. Ontario imports 220. South Africa can be categorized into the following list.

TABLE 2

Canada and Ontario Imports from South Africa, 1985

Canadian Ontario Ont. 1

Imports in 1985: 02 Can.

(\$000!) (7030-)

Food, Beverages 6 Tobacco 73,093 35,070 48

Crude Petroleum 66,267 51,170 77.2

Fabricated Materials 53,783 11,074 20.6

End Products 15,869 8,774 55.3

Special and unallocated

Transaction: 18,988 11,207 59.0

1153...:

I

as well as halting all purchases by the LCBO of South African wine and liquor, it is expected that the Ontario government purchases little of South African origin from this Food and Beverage commodity category. As well, the recent federal ban on imports of South African agricultural products makes this procurement ban largely redundant.

In terms of the remaining three categories, 1. is important to note that governments are largely purchasers of fully manufactured, or end products. That is, governments are not involved in the further processing of crude or semi-fabricated products. Therefore, if the Ontario government directly purchases South African products, those purchases would tend to be listed, for 1905, the top 10 South African commodities imported into Ontario from this end product group:

TABLE 3

Imports from Ontario to South Africa 1905

3 Pt ucu

S.A. Share of .

Total Ontario

(\$000.) Imports

1. Rock Drill Patel, NBS 2,004.0 12.4

2. Parts- 5 Accessories for Motor 934.0 .007

Vehicles, N25

3. Fluorescent Lamps, Bulbs 5 Tube: 064.0 5.4

4. Earth Drilling & Related Machinery 645.0 5.2

6 Parts, N28

5. Underground Loaders and Parts. 305.0 1.9

6. Crushing & Milling Machinery 4 377.0 5.9

Part: '

7. Furniture. wooden, Household, 331.0 0.5

No: Upholstered

8. Other Equipment Hone Garden Park 323.0 2.1

Three-quarters (76.9%) of total end products imported from South Africa into Ontario. A closer look at Table 3 indicates that half of the end product categories are lining related equipment, which account for roughly half (48.90) of total end product imports from South Africa into Ontario.

The Ontario government does not directly purchase such equipment. In fact, the Ontario government would only be in the market to: purchasing products falling under two of these eight commodity types. (1... parts and accessories to: motor vehicles, and fluorescent lamps, bulbs and tubes) which are valued at less than \$2 million. However, the South African share of total imports into Ontario in those categories is quite small (100: than 60).

Thus, one could conclude that the Ontario government directly purchases little to no South African finished products. This conclusion is validated by HXTT contacts with Ontario government purchasing and procurement officials, who indicate that very few to no South African agencies.

Thorntoro, an Ontario government initiative of extending last fall's ban on South African food and food products over all finished products imported from South Africa would have little to no impact on the type of purchases made by the Ontario government.

ggtion II:

A more comprehensive initiative, which would ban the purchase of products with any South African content, would be more difficult to assess in terms of its economic impact. Under such an initiative, all South African exports to Canada, including crude and semi-finished materials, would be affected. Indeed, South African exports to anywhere in the world which eventually find their way into a product imported into Canada, would be affected.

Because of the lack of information and detail on the source(s) and composition of purchases by the Ontario government, an impact assessment of this more comprehensive approach to banning South African content presents even greater difficulties. Nevertheless, we can use South African exports to Ontario as illustrative of how South African raw materials and components are found in and products. Below is a list of the seven commodity categories imported into Ontario from South Africa with a value greater than \$500,000, which tallies the Crude and Fabricated Materials groups: '

M34

Crude and Fabricated Materials

Ontario Imports (to South Africa) 1905

t of total

\$500,000s) Ont. Imports

1. Metal Ores Concentrates 5 Scrap 40.837 50.5

NBS -

2. Ferrochrome 4,557 36.1

3. Wool, Scoured or Washed 1,580 34.3

4. Manganese 1,00t 74.9

5. Silicomanganese, including 875 27.4

Silicon 591.901

6. Basic Hardware 55 79 1.4

7. Hattie Extract 622 40.5

Table 4 indicates that the majority, by value, involves minerals and mineral products. However, 95 per cent of metal ores, concentrates, etc. is accounted for by uranium which is imported under contracts with Eldorado Nuclear for further processing and re-export. (These imports will be affected by the recent federal ban on uranium exports from Namibia.)

Nonetheless, the other metals identified (i.e. titanium and manganese) largely serve as direct inputs into the primary metal industries, the metal fabricating industries and the chemicals and chemical products industries in Ontario. Subsequently, these products would then serve as inputs into further industry groups, namely machinery industries and transportation equipment industries.

a) m:

Chromium (in its various forms), is used in metal alloys (stainless steel), chemicals (such as paint additives), and high-temperature refractory applications, such as bricks that line industrial furnaces. Thus it has a fairly wide industrial application, and thus it serves as an input to a number of fabricated machinery and chemical industries. In 1985, South Africa supplied over a third (i.e., 36.11) of total Ferrochromium imports into Ontario.

b) Manganese and Silicomanganese:

An essential ingredient in modern steel making, manganese is used to remove the sulphur from unrefined iron. The chemical industry also uses manganese ore, especially as an electrolyte in dry-cell batteries. Thus, South African manganese content can be expected to be present, either directly or indirectly, in both steel and chemical industry products. This is especially true since South Africa supplies over 25% of Ontario's imports of Siliconmanganese and nearly 75% of the Province's manganese imports.

c) Platinum-Group Metals (PGMs)

Finally, it is important to note that South Africa is a major world supplier of mineral materials that are considered to be both critical and strategic. Critical, because they are imported from countries with potentially unstable political regimes, and strategic, because of their unique importance in the manufacture of defense munitions and industrial products. .

Both chromium and manganese are two such materials of which Ontario, as noted above, imports from South Africa both in ore or semi-processed form. A third such material, and one which South Africa is also a prime supplier, is the platinum-group of metals, which includes platinum, palladium and iridium. These metals are essential in catalytic uses, petroleum refining, chemical processing and treating automotive exhaust. PGMs are also used in telecommunications switching systems (as contacts and electrodes in ceramic capacitors), as well as in jewelry and medical and dental equipment. Ontario is the third largest supplier of platinum ore, and semi-processed material after the Soviet Union and South Africa, in that order. However, East-West trade in this metal has historically been minimal, making South Africa and Ontario the main suppliers in the non-communist world. Overall, Canada is a net exporter of platinum. However, the majority of the fully-processed platinum consumed domestically has been processed into finished platinum in the U.S. and O.C. Since South Africa is a larger supplier of the ore to refineries in the U.S. and U.K., it is conceivable that some of the finished product imported into Canada originates in South Africa.

Table 5 presents 1984 estimates of purchases by both the provincial government sector (i.e., ministries and related agencies), and the provincial government enterprise sector (i.e., provincial Crown Corporations and Commissions) in the five major industrial sectors in which the above metals are used:

TABLE 5

1984 Estimates of Public Sector Expenditures in Ontario
(Selected Industries)

Gov't Sector Enterprise Sector

_____ \$ _____ \$

(000) (\$000)

Primary Metal Industries 43,610 175,535

Metal Fabricating Industries 117,306 217,190

Machinery Industries 52,160 290,479

Transportation Equipment 33,186 127,906

Industries

Food and Chemical Products

Industries 63,676 101,696

.

1

The reader should be reminded that Ontario's procurement policy impacts directly on the purchases of the Ontario Government Sector in that these ministries and related agencies must comply to and abide by the provincial procurement policy. On the other hand, the Ontario Enterprise Sector has no requirement to abide by the policy. That is, Ontario's Crown Corporations and Commissions are only requested to abide by the policy. This independence in their purchasing policies means that these government bodies would not be required to enforce a ban on purchases of South African products or products with South African content.

16' 0

1: is conceivable that there is some South African content (1.0., minerals and mineral products) in the manufactured goods purchased by Ontario ministries from the major industry groups listed. Both direct and indirect imports into these industries are very high. An earlier study by the federal

M
Foreign Content Estimates in Canadian Public Sector Purchases (Selected Industries)

Estimated Estimated Total Estimated
direct indirect foreign content

(6) . (6)

(6)

Primary Hocal 25.7 21.2 46.9

Industries

Metal Fabricating 25.7 18.0 43.7

Industries .

Machinery Industries 62.2 11.1 73.3

Transportation 56.3 16.3 72.6

Equipment Industries

Chemicals and Chemical

Products Industries 29.0 16.6 45.6

B. BAH ON PROCUREMENT FROM COMPANIES ASSOCIATED WITH
SOUTH AFRICA

As in the case of product oriented bans. the impact of a company oriented ban would depend on its comprehensiveness. that is. on the number and type of companies that would be affected by having the government refuse to purchase their product: or services.

For this part of the analysis. the purchases made in FY 1984/85 by Ontario's top nine purchasing ministries are examined.

x

2

These nine ministries are: Transportation and Communications, Natural Resources, Government Services, Health, Solicitor General, Environment. Community and Social Services. Correctional Services, and Agriculture . and Food. Those nine ministries account for approximately 70% to 80% of total ministry purchases.

Qgtlon 1b):

1%

HajotItf-Ovnod and Controlled South African Conganies

So in to Ontario Govern-ont n I! 4

Com an Valuo S's Product/Services

__JL_1 ____; __. ____

Longyuar Canada Inc.' ' 40. Contract Drillin:

Rothmans of Pall Hall" 26,279 Tobacco

Rothmans of Pall Mall Canada Ltd." 60,940 Tobacco

Jordan 5 Ste. Michell. Collars Ltd." 928 Nines

TOTAL \$88,147

h

' Hajority South African-owned

governmont purchaaol. However. it is possible that there are
other companies with nhjority connection to South Africa that an
yet to be identified by Ottawa.

m:

Another alternative for a company oriented ban would be to
prohibit Ontario government purchases from Canadian companies viv
operation: in South Africa. Using the list of Canadian companxe'
identified in the :m: annual Cod. of Conduct review by Mr. 1
Albert 9. Hart for tho todcral government (The Hurt Report), Tab,
8 prosonts the dollar valuo ot FY84/85 purchases from these '
companies by the Ontario governmont.

TABLE I '1,
 Comping 5': Notes3
 Alcan Aluminum Ltd. 459,636 (2), (7)
 Eat: Limited 61,334 (1), (6)
 Bayer Canada Inc. 21,052 (8)
 Delcan Limited 1,393;455 (2), (4)
 Dominion Textile Co. Ltd. 187,691 (1), (4)
 Falconbridge Nickel 2,939 (2), (5)
 Ford Motor Company of Canada 234,433 (2), (4)
 International Thomson Organization
 Limited 117 (1), (4)
 Massny-rorguson Ltd. 9,381 (2), (5)
 Moore Corporation 198,838 (1), (5)
 Josoph E. Selgran & Sons Ltd. ' 53 (3)
 Stotnson Ltd. 26,598 (2), (4), (a)
 TITAL 2,595,541

— 0
 Even after subtracting the purchases from Alcan Aluminum Ltd.,
 due to the sale of its equity in South Africa earlier this
 year, the value of Ontario government purchases from these
 companies is 3:111 over the \$2 million mark. This value is
 significantly larger than that potentially affected by a ban on
 purchasos from majority-ovnod companies under Option ID), and
 one which would attic: a wider range of products 1.0.,from
 tobacco products.

3
 NotOII
 (1) Company holds 50. or nor. of equity of South African
 subsidiary.
 (2) Company holds 10: than 503 of equity of South African
 subsidiary.
 Company has ropznsontativo office only; no investment
 Company has one subsidiary in South Africa
 Company has two subsidiaries in South Attica
 Company has three subsidiaries in South Africa
 Company announced sale of its equity in South African
 subsidiary on March 20, 1986. .
 Company has not yct submitted report for the year 1985.

AAAAA
 QOUIDU
 v'vvv
 A
 O
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(4)

ONTARIO PENSION PLANS AND APARTHEID

Km! Me of H.O.O.P.P. Pennon Hen

r'l.

Vlth le are: To ioulh African Link.

The total Ierket value of I.O.O.P.P. holding. vlth ltnkl to South Africa as of March. 1956 1- .509.650.056. Thl! ll lode up of the following holdings:

Canadian I uitlee

Companieo Hlth Direct Inveltnent

in South Afrxcn -- Total Harket Value \$204lb33l815

1. Canadian Pacific -- tvo cubltdterlel Coulnco end AHCA have holdings in SA

2. Coainco -- ownership in a diamond line and exploration office

3. Internationnl Thomson -- publthel trade Iegltlnee In SA

6. Moore -- produce: bustnett forms for the SA Ierket

5. Seegrem -- he: a thuor dietrtbutlon (Sr: in SA and Ironfnnn uoney eesteted tn the development and export of uilitary technology to SA in the late 1970's.

Canadian Companies "hone Controlling

Shareholders Have SA Links - - Total Hltket Value \$163,655,713

1. Fnconbridge Copper -- Fulconbridge hat I 251 ltake ln Heetern Pllttnum in SA

2. Inelco -- lrttlh parent l.A.T. hll hoIdtngl in SA

3. Imperial 011 -- US patent Exxon has extensive oil operations in SA

6. lndll -- Britith parent Rio Tinto line 1- ncttve in the lining Industry in SA end Namibia including Uranium lining

Nebteco -- US parent 1: controlled by I.J. leynolds which 1- active in SA

Pan Canadian Petroleum -- parent Canadian Pacifc has unbuxdtertes with

Inveetnents in SA

Texaco Canada -- parent Celtex 1: active in oil industry in SA

Thomson Newspaper: -- parent Intetnettone) Thomson Organization hit SA holdtngs

Toto) Petroleum -- parent Tote) Petroleum 1: active in SA

011!

OOQ

Non-Cenedian E uities Hith SA Links -' Total Market Value \$123.391I261

1. American Cyanind -- produces chemicals and wood product: in SA

2. American Express -- traveller: cheques operation in SA

3. luuech 6 Lamb -- optical products

b. lorden -- food products

5. Dart 6 Kt-ft -. cells and batteries

6. Eaton Corp. e- truck parts

7. Fuqu- Xndustrie -- Slnpltctty pattern subsidiary produces dress patterns

8. General Motors -- care. trucks. loconottvee

9. International Minerals & Chemicals -- chrone ore

10. IBM -- computers

11. IT? -- teleconnunlcettonl

12. Occidental Petroleum -- fertilizers and uechtnery

13. OvenI-IIISnotI -- glues. plesttc & ftbre packaging

1L. Pfizer -- pher-eceuticell

15. l.J. leynoldt -- food product-

16. United Technologies -- elevators 6 air condxtlontn;

17. US Steel '- lining

18. Warner Communications -- films 6 records

Bonds -- Market Value \$37,085,893

.Direct Investment; 1) Cenedun Pacific 2) Hudson's Bay 3) Seegrm

Inditect Investment: 1) lnaeco 2) Imperial 011 3) Shell

Sources; SACTU SOLIDARITY COMMITTEE, Labour leeeerch Associates 6

Unified List of US Companies In SA and Namibia

Analysis of loop Pension Pln Links To South Africa -- Sept/86 Report

1.
... 'CCIII...QIIIO.QI...IiOi.D...Il..0.....IOQI.I.OI.Q.I..IIQ'OO'COIQ
The total Iarket value of HOOP? inve-t-ent holdings I. of Sept/BG with link. to
South Africa vaa 3437.7b9.228 Ilde up of the following holdings:
2.
II
il
0.
Cnnndinn Equitie-
Cunadian Companies with Direct Investment! in SA
(Totll Harte: Value \$128,595,638)
1. Coninco -- own. diamond line
2. Seagrll -- liquot I812. office
3. Moore -- printing huntnc-n torn. & carbon paper production
4. International Ihonlon -- publishel trad: IagnztneI
Canadian Companies Vhone Subsidiariel l-ve Invettlentl in SA
(Total Harte: Value \$63,787,505)
1. Done Hlnel -- control. lulconbrldge which has lining interests in SA
2. rack -- rucently bought control of Calinco
3. Canadian Paciflc -- AHCA sublidlnty hll invelt-ent in SA
Cunidian Companies "hone Controlling Shareholder nl- Inveut-entl in SA '
(Total Market Value \$139,015,326)
1. lubilco -- US patent lJl labilco hold. SA invention:-
2. IHASCO -- British parent 3.A.r. invest. in SA
3. Indul -- Brittlh parent I10 Tinto Zinc l- hclvxly involved in SA
b. Thomson -- parent Int. Iho-aon :- active In SA publilhing
5. Ilperinl 011 -- US patent Sxxon has 011 intcteltl in SA
6. Texaco Cunud- -- US patent rcxuco rcfinel and Iupllllcl 011 ln SA
7. Pan Canadian Petroleum -- putnt 6? Ltd. hut inveltlent links to SA
8. Canadian Occident-l Petroleum -- as parent ha. SA inveltlentl
lon-Cnnadttn lqultlol With South Atriccnn Invcltlclntl
(total lathe: Value \$78,802,730)
1. Pftzcr -- phurlnccutlcall
2. Schering-Plough -- pharlaccuticall & collecte-
3. IJR Inbllco -- food product.
A. lotdcn -- (ood'ptoductl
5. Heltinghoule lloctric -- Electrical & Mechanical lngineetin; 5 Equip.
6. Caterpillar Tractor -- Tractor part. i lervice
7. Chevron -- 011 lnduatry
8. Texaco -- 011 industry
9. Occlidental Petroleum -- Pertllizerl 6 Machinery
10. Owen: Illinois -- glaua,fibre & plnltic packaging
11. Dow Chemical Co. -- chenicl- & pharmlnceutlcnl
12. Honlanto -- chemical 5 pesticide ytoduction
13. Air Products -- industrial 5 Iedical gas production
14. Puqua Industries -- paper dtela pattern:
15. III Corp. -- telecommunications
.../2

A. Bond. of Companies with Investments in South Africa

(Totll Market Value \$33,532,796)

1. CP Securities

. Inporiul 011 (2)

. Standard Brand-

. Seagranl

DUN

Notes: In the lit month. 3-: - Sept 1986 the HOOP? Plan: sold 8 US Itockn and 1 Canadian Itock which had investment! in SA; had 5 of the US companies it invests in divest their South Africa investments; purchased 7 new US ltocka with SA links, and; added two new Cnnndinn stock. with SA link. bec-ule of a change in controlling interest.

' South African Congress of Trade Unions

Congrfs des Syndicats Sud-Afn'cains

SAC TU Solidarity Committee

Comma dc Solidariu': avec le SACTU .

(Canada)

(Canada)

Aninjurytoonc... ..isaninjurytoall

APPEHDIX I

Analxsis of the South African Connections of the Investments Held b2 the Ontario
Municipal Retirement Scheme(OMERs) on December 31, 1985.

EQUITY INVESTIENTS

Canada Core Fund

Direct Indirect

1. Cominco \$ 19,365,582 1. Canadian Occidental \$ 28,520,686

2. Rio Algom 15,283,330 2. shell Canada 35,200,037

3. Seagram 5,033,002 3. Texaco Canada 20,312,133

0. Moore - 33,082,308 0. Texaco LR. 22,085,801

5. Canadian Pacific 02,617,607 5. lmasco 9,333,079

6. Hudson's Bay 10,991,513 6. Xerox Canada 26,593,009

7. International Thomson 39,097,791 TOTAL \$102,089,505

TOTAL \$170,671,617 --

Canada Growth Fund

1. National Business systems \$2, 985,085 .

USA Individual stocks

1. American Standard \$ 7,611,238 12. Eli Lilly 6,070,676

2. Harsco Corp. 3,323,722 13. Merck 5 Co. 5,397,002

3. US Steel 7,399,930 10. Black and Decker 6,681,680

0. Burroughs 6,928,015 15. General Motors 7,037,629

5. IBM 0,002,719 16. Cheseborough Ponds 0,333,729

6. Chevron 7,300,190 17. Colgate-Palmolive 0,205,317

7. Mobil Corp. 7,011,609 18. Dart 6 Kraft 0,551,582

8. Texaco Inc. 7,880,000 19. Eastman Kodak 6,692,260

9. Schlumberger 7,013,268 20. Minnesota Mining(3M) 5,728,271

10. Abbott Laboratories 0,838,057 21. RJ Reynolds 1,201,089

11. American Home Products 0,301,581 TOTAL \$353,870,0gl

BONDS

Direct Indirect

1. Seagram \$ 9,655,328 1. Texaco \$6,978,913

2. Citibank 5,007,165 --

TOTAL \$10,662 093

__1__

TERI LOANS

1. National Business Systems \$1,318, 901

TOTAL SOUTH MQICAU LINKED INVESTIENTS \$059, 981,002 , .

SOURCES: SSC Research 8 Unified List of US Companies with Investments in SA

90 um. um Dnmlcminnt annnVn nnmen vuanaI-ummuus nu

2 BLOOR SYREET WESY (27TH FLOOR) TORONTO, ONTARIO Maw 3E2, (416) 92672400

Rs : ONTARIO MUNICIPAL EMPLOYEES RETIREMENT BOARD

\$. _

WHEREAS the Ontario Municipal Employees Retirement Board supports the concept of respect for basic human rights,

AND WHEREAS the Board condemns the racist apartheid policies of the Republic of South Africa, i

AND HHEREAS the Board wishes to demonstrate in the clearest manner possible an unwillingness to be associated with those supportive of the racist regime of the Republic of South Africa,

AND HHEREAS the Board also has a clear fiduciary obligation to act in the best financial interest of the members of OHERS;

now THEREFORE be it resolved:

That the Board strongly opposes the apartheid policies of the Government of South Africa and will not hold an investment in any organization that provides support for such policies so long as this is not inconsistent with the Board's fiduciary responsibility.

I hereby certify this to be a true copy of a motion of the Ontario Municipal Employees Retirement Board passed at a meeting of the Board held on Hay 30, 1986.

(w

A. H. Reeve

, Executive Director

May 15th, 1987
Karen Stotsky
CUPE National Office
21 Florence Street
Ottawa, Ontario
K2P 0H6

Dear Ms. Stotsky:

RE: OMERS

Enclosed is a copy of the letter we received in response to our query of OMERS as to the actual companies and dollar amounts of investments which were divested under the South African policy.

In solidarity

(Shirley McVittie
Benefits Counsellor

encl.

SMCV:dsa

HEAD OFFICE: 1901 YONGE STREET TORONTO. ONTARIO M4E 2G5 PHONE: (416) 482-7423

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ONTARIO MUNICIPAL EMPLOYEES RETIREMENT BOARD

a R S'RE" w; NH :Loon 'onomrc owuo mm 352 (416)926-2400

.K LLCQ 9 : . 9

February 9, 1987

Mr. Harley Smith

Benefits Policy Officer

Staff Relations/Benefits Section

Ministry of Colleges and Universities

10th Floor, Mowat Block

Queen's Park

Toronto, Ontario

M7A 1L2

Dear Harley:

As Al has gone on a vacation I shall reply to your
January 14, 1987 letter to him

0

To answer your specific questions:

1. OMERS was required to divest itself of 2
companies under its revised South African
Policy;

2. The dollar value of the
se divestments was

\$14.35 N. (Cda), and

3. No companies remain to be divested.

If you have any further questions please write again.

Yours truly,

/ x

/'"5?:';4 dim?

Michael Beswick

Associate Director

Policy & Communications

MB/nd

cc: J. Crompton

A. W. Reeve

y.

(5)

TRAFFICKING IN APARTHEID

Please refer to "Trafficking in Apartheid"
and "Trafficking in Apartheid -
Update 87"

(6)

CODE OF CONDUCT: CANADIAN COMPANIES IN SOUTH
AFRICA

CODE OF CONDUCT

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5%?

Jr 4:

THE
ADMINISTRATION AND OBSERVANCE
OF THE
CODE OF CONDUCT
CONCERNING THE EMPLOYMENT PRACTICES
OF
CANADIAN COMPANIES OPERATING IN SOUTH AFRICA
SECOND ANNUAL REPORT
FOR THE YEAR 1986

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I PREFACE

Since 1978 there has been a Canadian Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa. Implementation of the Code was, and remains, voluntary. Before 1985 those companies that complied with it were the exception rather than the rule. In 1985, the Canadian Government strengthened the observance and administration of the Code by appointing an independent and impartial Administrator; by introducing a Standard Reporting Format; and by making the Code applicable to all Canadian companies, including those with minority interests in South Africa.

In September 1985, Mr. Albert P. Hart, a former Canadian Ambassador, assumed the Administrator's responsibilities and set to work under the Terms of Reference found in Annex A of this report. His first annual Administrator's report was submitted to the Secretary of State for External Affairs, the Right Honourable Joe Clark, on 29 May, 1986. Mr. Clark tabled the report the following month in the House of Commons. I succeeded Mr. Hart in December 1986.

Since then the list of Canadian companies with operations in South Africa has been updated. In the process, all the relevant Canadian firms and a selection of private-sector commercial, non-governmental, trade union, Church and academic organizations in Canada with an interest in South Africa have been contacted. In addition, I travelled to South Africa to consult the affiliates of Canadian companies . and to seek a cross-section of opinion represented by Churches, trade unions, academic and other non-governmental individuals and institutions, as well as the South African Ministry of Foreign Affairs. Others personally contacted included the Reverend Leon Sullivan who originated the set of principles that bear his name and guide United States companies conducting business in South Africa; representatives in United States and in South Africa of Arthur D. Little, Inc. which evaluates compliance with the Sullivan principles; the Commonwealth Secretary-General and his senior colleagues; the United States State Department and British counterparts of the Canadian Code Administrator; officers of the UN Centre for Transnational Corporations and the UN Centre Against Apartheid; and a variety of individuals, both private and diplomatic, with a knowledge of South Africa and of commercial or industrial enterprise in that country. In the interests of continuity and comparability with the Administrator's first annual report, the report which follows, closely resembles its

predecessor in form and content. Where it differs, the changes have been made to reflect the 1986 revision of the Code of Conduct and to include an assessment of the performance of Canadian companies and their South African affiliates. Another departure is the use of the term "affiliate" in place of "subsidiary" for the South African partner of Canadian companies. In many cases, "subsidiary" suggests a subordinate relationship which does not exist. Most Canadian companies with South African interests are simply minority shareholders without, in some instances, representation on the Board of the South African firm. This is a fact to bear in mind when considering the degree of influence the Canadian partner can bring to bear on its South African associate.

I am deeply indebted to my predecessor, Mr. Hart, who pioneered the Administrator's job and set the course which I have followed. His experience went into the 1986 revision of the Code of Conduct and the Standard Reporting Format, both of which clarified and broadened the scope of the Canadian Government's objectives and increased the value of the end product.

I am grateful, also, to the many company executives in Canada and South Africa who were the object of my badgering and cajoling and who, in the end, provided the bulk of the information on which this report is based. Many others, too numerous to mention, contributed to my understanding of South Africa and the environment which both attracts and repels business relationships between that country and Canada. To these, I am equally grateful.

John Small

Ottawa

29 May, 1987

II BACKGROUND

This report covers the calendar year 1986 and, like its predecessor, is based upon information provided by Canadian companies with commercial or industrial interests in the Republic of South Africa. The primary sources of information have again been the annual submissions of the relevant Canadian firms, supplemented by details derived from personal contact with senior management, both in Canada and in South Africa. Additional background information has come from academic, commercial and other non-governmental organizations.

Following publication of the Administrator's 1985 report, both the Code of Conduct and the Standard Reporting Format were revised substantially to reflect his first year of experience and to take account of the practice of the European Community countries and the Sullivan System with their Codes. Both the revised Canadian Code and the Standard Reporting Format have been broadened in the light of developments in South Africa, the need to improve the Code's administration and to provide clearer, detailed guidance to Canadian companies. The Code itself now includes expanded articles on Collective Bargaining, Wage and Pay Structures, Training and Promotion, Fringe Benefits, Race Relations and Desegregation, together with new articles on Migrant Labour, Encouragement of Black Businesses and Social Justice. A new preamble, an Appendix on Administrative Procedures and Guidance and a more substantial conclusion round out the changes. The new Standard Reporting Format, with its extended requirements, reflects the above changes in the Code. It also takes account of suggestions submitted by involved Canadian firms and other interested organizations. To facilitate comparison between 1985 and 1986, this report for the most part follows the organizational pattern of its predecessor.

The principles, conditions and objectives which the Canadian Government believes should characterize the policies and employment practices of Canadian companies operating in South Africa remain unchanged. These include the basic human rights and the elimination of all forms of discrimination. They are expected to be reflected in equality of opportunity with respect to employment and training; equality in terms of working conditions and, in particular, equal pay for equal or comparable work; in the freedom of association and the rights to organize and bargain collectively. While these are expected to apply to all employees, regardless of race, they have particular relevance to the employment conditions of Black African workers, to a considerable extent to other non-White employees, and to the quality of life they and their dependents enjoy. The factors affecting decisions by Canadian companies concerning their involvement in South Africa continued through 1986 to point toward disinvestment. On the positive side, the South African economy registered a modest upturn with GDP growth in real terms of over 1%, following two years of recession and negative growth. Led by strong export performance, both the trade and current account balances were in substantial surplus. The price of gold rose and the value of the Rand appreciated. Timely rains in the second half of the year put new life into agriculture after four

years of adverse growing conditions. As a consequence of these gains business confidence improved.

Against these favourable trends there were others operating in the opposite direction. Inflation remained in the IBZ-ZOZ range, contributing to the persistent erosion of incomes and low consumer spending. Growing Black and White unemployment was paralleled by emigration of an increasing number of professionals. Capital continued to leave the country, though at a slower pace, while fixed investment declined in favour of investment in stocks. A slowdown in political reform was accompanied by a rising tide of disinvestment by foreign firms. All these factors, along with unremitting social unrest and the spectre of international sections combined to discount any incipient short term optimism and to encourage uncertainty and pessimism concerning economic and political prospects over the long haul.

At the same time, pressure by anti-apartheid forces continued to grow in North America, the primary source of income for most of the Canadian firms with South African affiliates. Senior management found themselves devoting a growing portion of their time to dealing with such forces, to a degree unwarranted in terms of the return obtainable from their South African interests. Consequently, the combination of the "hassle" factor, the growing threat to income from major North American interests, two years of low returns from South Africa and uncertain future prospects convinced a growing number of Canadian companies to disinvest in 1986 and early in 1987.

III CANADIAN COMPANIES IN SOUTH AFRICA

The profile of Canadian companies with affiliates in South Africa has changed radically in the past year. In 1986 four firms sold their South African interests and a fifth suspended operations. In the first four months of 1987 six Canadian firms disinvested and several more are considering doing so in the near future. Table I reflects this situation.

TABLE I

DISINVESTMENT OF SOUTH AFRICAN INTERESTS BY CANADIAN COMPANIES

1986 1987

1. Alcan Aluminium Ltd. (Mar.) 1. Cominco Limited (Apr.)
2. Bata Ltd. (Nov.) 2. DeLCan Ltd. (Apr.)
3. Dominion Textile Inc. (Oct.) 3. Falconbridge Ltd. (Mar.)
4. Jarvis Clark Co. (CIL)(Aug.) 4. International Thomson Organization
5. Menora Resources Inc. Ltd. (Mar.)
- Suspended operations (Nov.) 5. Joseph E. Seagram & Sons Ltd.(Mar.)
6. Moore Corporation (Mar.)

N.B. The dates of disinvestment noted above are approximate but generally refer to the public announcement of intention to disinvest. Conclusion of legal formalities and final transfer of ownership usually has been a month or two later.

The reasons generally stated by Canadian companies for disposal of their interests in South Africa are fourfold:

(1) The "hassle" factor: Senior management has had to spend too much time dealing with anti-apartheid forces in Canada and with the public relations exercises needed to counter them. Annual shareholder meetings have frequently attracted opposition to company policy on South Africa.

(2) Income from South African affiliates is a small proportion, generally 1% or 22, of total company income and is not worth salvaging when the main sources of income in Canada and/or the United States are threatened by the retention of South African assets. Especially in the United States, but increasingly in Canada, institutional, municipal, state/provincial and other local or governmental authorities are governed by resolutions forbidding the award of contracts to firms involved in South Africa.

(3) Several years of economic recession and socio-political turmoil in South Africa have made that country unattractive for investment purposes. Some Canadian affiliates have been unprofitable in recent years. Others, while moderately profitable, have not been sufficiently attractive to warrant their retention in the light of larger corporate strategic interests.

(A) Most Canadian universities, with endowment and pension funds to invest, have been forced, under pressure of student and general public opinion, to divest their shares in companies with South African interests. Alternatively, some are only required to do so if the relevant company submits reports under the Code of Conduct and generally meets its standards. As substantial sums are involved, companies affected by such policies receive unfavourable publicity and, in some cases, see the effects in lower share prices. In short, for most companies, the South African game is no longer worth the candle. At the same time, most of those that have withdrawn from South Africa have done so with reluctance. Apart from the recent recession, South Africa is generally regarded as a rewarding field for investment. Past associations there have been fruitful and the future, once the political situation becomes stable, looks promising. The South Africans need and welcome foreign capital and the technology that normally accompanies it. Further, the Canadian and other foreign affiliates, on the whole have been and continue to be a beneficial influence with respect to their employment and social responsibility practices. Amongst them there is a consensus that disinvestment, instead of contributing to economic and social change has the opposite effect. There is considerable evidence to support this contention, particularly when disinvestment results in South African ownership. The new managers tend to have different objectives which seek to maximize profits for the new shareholders. In the process of achieving these aims, some of the gains promoted by the various Codes of Conduct tend to erode or disappear. Similarly, the loss of external capital and technology in the long run can only affect the disinvested companies adversely and, in the process, the welfare of its employees of whatever race. Although ten of the eighteen Canadian companies listed (and one not previously listed) in the Code Administrator's first annual report have ceased operating in South Africa, there remain thirteen, of which the Canadian Embassy and four others were not listed last year. Table II reflects this situation.

TABLE II

CANADIAN COMPANIES/INSTITUTIONS WITH SOUTH AFRICAN AFFILIATES

. AMCA International Ltd., Toronto, Ontario
 Bauer & Crosby Inc., Kingston, Ontario
 Bayer Foreign Investments Ltd., Toronto, Ontario
 Dept. of External Affairs - Canadian Embassy, Pretoria
 . Champion Road Machinery Ltd., Goderich, Ontario
 Cobra Metals & Minerals Inc., Toronto, Ontario
 Ford Motor Company of Canada Ltd., Oakville, Ontario
 JKS Boyles International Inc., Toronto, Ontario
 Massey-Ferguson Ltd. (Varity Corp), Toronto, Ontario
 Menora Resources Inc., Toronto, Ontario (Resumed Ops. early in 1987)
 National Business Systems Inc., Mississauga, Ontario
 12. QIT-Fer et Titane Inc., Montreal, Quebec
 13. Sternson Ltd., Brantford, Ontario
 % Cobra Metals & Minerals Inc. was formerly known as
 Cobra Emerald Mines Ltd.

Of the above firms, AMCA International Ltd. has publicly declared its intention to dispose of its South African subsidiary, Bomag (South Africa), and Cobra Metals & Minerals Inc. is currently taking steps toward divestment of its equity in its two affiliates, Springs Dagga Gold Mines Ltd. and Gravelotte Emeralds (Pty) Ltd. Bauer & Crosby Inc. has a consultant relationship with its South african namesake, Bauer & Crosby (Pty) Ltd. The majority equity in the South African firm is held by the management of the Canadian company on an individual basis rather than as a corporate entity. There are no Black employees in the South African company which comprises a total of five staff members. Bayer Foreign Investments Ltd., with five South African affiliates, for the second year running, declined to report under the Canadian Code of Conduct on the grounds that:

(a) While its five South African affiliates are legally subsidiaries of the Toronto firm, operational and financial control rest with the parent firm, Bayer A.G. of Leverkusen, West Germany; and

(b) Bayer A.G. of West Germany reports on all Bayer subsidiaries in South Africa under the European Community Code of Conduct.

National Business System's status in South Africa became known too late to obtain a report on its 1986 operations. Menora Resources Inc. suspended operations in 1986 but resumed small scale activity early in 1987.

Table III reflects the status of Canadian firms with respect to reporting under the Code of Conduct over the past two years. Those that failed to submit reports on their affiliates' employment practices in 1986 did so on the ground that, having disinvested, they were unable to obtain the necessary information from their erstwhile partners. The desire to avoid further publicity and to obtain maximum credit from their action to disinvest seem to have been additional contributing factors.' Nevertheless, half of the companies that disposed of their South African assets in 1987 were able to submit reports on the 1986 operations of their affiliates.

TABLE III

-____h_____

STATUS or CANADIAN COMPANIES WITH RESPECT TO:

(A) REPORT SUBMISSION (B) DISINVESTMENT

(Figures in brackets indicate no. of affiliates)

(A) Reported (B) Disinvested

Disinvested in 1986 1985 1986 1986 1987

1.

2.

3.

4.

5.

Alcan Aluminium Ltd. Yes

Data Limited Yes

Dominion Textile Inc. Yes

Jarvis Clark Co. (CIL) Yes

Menora Resources Inc.% No

Disinvested in 1987

Cominco Limited

DeLCan Limited

Falconbridge Limited

International Thomson Organization Ltd.

Joseph E. Seagram & Sons Ltd.

Moore Corporation

Intend

Retain Affiliates in South Africa at 31(5/87 to Disinxest

AMCA International Ltd (1) x

Bauer & Crosby Inc. (1)

Bayer Foreign Investment: Ltd.

Dept. of External Affairs -

Canadian Embassy, Pretoria (1)

Champion Road Machinery Ltd.

Cobra Metals & Minerals Inc.

Ford Motor Company of Canada Ltd. (1)

JKS Boyles International Inc. (1)

Massey-Ferguson Ltd. (Verity Corp.)

Menora Resources Inc.#

National Business Systems Inc.

QIT-Fer et Titane Inc.

Sternson Ltd.

Minora Resources Inc. ceased operations late in 1986 but resumed small scale activity early in 1987.

The Canadian Code of Conduct applies to all Canadian companies with operations in South Africa, regardless of the size of investment or number of personnel involved. Thus, a company with only five employees, one of whom was Black, reported on both its 1985 and 1986 operations. That company has now withdrawn from South Africa but another firm of the same size, with no Black employees, Bauer & Crosby Inc., has reported this year. The percent equity in South African firms held by Canadian companies is shown in Table IV. There it can be seen that, apart from the Canadian Embassy, only five Canadian companies hold more than 50% equity in their South African affiliates. The holdings of the remaining seven range from 49% down to 0.001%.

Given the minority shareholder status of more than half the remaining Canadian companies with affiliates in South Africa, along with their remoteness from the scene of operations, their ability to influence their South African partners is limited. This problem relates both to employment practices and to provision of the information required to complete the Standard Reporting questionnaire. Another inhibiting factor has been the South African legal requirement to clear with the Ministry of Trade and Industry all commercial information which is to be transmitted abroad. Notwithstanding these obstacles, the Canadian companies, with one or two exceptions, have readily cooperated in providing the information requested under the Code of Conduct. An exception has been Bayer Foreign Investments which, in the light of the circumstances described earlier, has chosen to report by way of its parent, Bayer AG of Leverkusen, to the West German authorities under the European Community Code of Conduct. The same considerations, however, have not prevented reporting under the Canadian Code by other Canadian companies, such as the Ford Motor Company of Canada and QIT-Fer et Titane which also report under the U.S. Sullivan System and, previously, Falconbridge under the European Code via its former partner, Lonrho.

The contribution to the South African economy, particularly to employment, made by Canadian affiliates has diminished more than the number of 1986 Canadian withdrawals would suggest. If the 1987 disinvestors are included, the figures become even more significant. Thus, in 1986 the affiliates of the five Canadian firms that ended their South African ventures employed approximately 7,250 people, of whom 5,500 were Black. The affiliates of the six Canadian companies that disinvested early in 1987 employed over 5,600, of whom nearly 4,800 were Black. Taken together, these figures demonstrate that some 50% of the affiliates' total employment of about 26,000 and 552 of their Black, Asian or Coloured employment of 20,000 have been lost to the Canadian connection. Table V reflects this situation.

The number of employees of Canadian affiliates remaining in South Africa on 31 March 1987, totalled about 11,000 (of which approximately 7,600 were Black, Asian or Coloured). In one or two cases affiliates did not differentiate between employees designated under South African rules as Asian, Black or Coloured. Also, if totals provided above and

aHwa

PERCENT EQUITY HELD BY CANADIAN COMPANIES IN THEIR SOUTH AFRICAN AFFILIATES
Affiliates

AMCA International Ltd. Bomag South Africa (Pty) Ltd.

Bauer & Crosby Inc. Bauer & Crosby (Pty) Ltd.

Bayer Foreign Investments (1) Bayer South Africa (Pty) Ltd.

(2) Bayer-Miles (Pty) Ltd.

(3) Vergenoeg Mining Co. (Pty)

(4) Chrome Chemicals (South Africa) (Pty) Ltd

(5) Haarman & Reimer (South Africa) (Pty) Ltd.

Dept. of External Affairs Canadian Embassy, Pretoria

Champion Road Machinery Ltd. Champion Road Machinery (SA) (Pty) Ltd.

Cobra Metals & Minerals Inc (1) Gravelotte Emeralds (Pty) Ltd.

(2) Springs Dagga Gold Mines Ltd.

Ford Notor Co. of Canada Ltd. SAHCOR (Pty) Ltd.

JKS Boyes International Inc. JKS Boyles (Pty) Ltd.

Massey-Ferguson Ltd. (Varity Corp) (1) Fedmech Holdings Ltd.

(2) Atlantis Diesel Engines (Pty) Ltd.

Henora Resources Inc. Ocean Diamond Mining Ltd.

National Business Systems Inc. ABS Computers (Pty) Ltd.

QIT-Fer et Titane Inc. Richards Bay Minerals

Sternson Ltd. Sternson (South Africa) (Pty) Ltd.

TABLE V

. TOTAL AND BLACK EMPLOYMENT IN AFFILIATES
OF CANADIAN FIRMS THAT HAVE DISINVESTED

1986 Disinvestors Total Emglozment Black Emglozment

. Alcan Aluminium Ltd. 3,606 2,848

Bata Limited (3 plants) 3,253 2,496

Dominion Textile Inc. 270 129

Jarvis Clark Co. (CIL) 89 23

Menora Resources Inc. 30(est) 20(est)

Total 7,248 5,516

1987 Disinvestors

Cominco Ltd. (2605) 130 111

Delcan Ltd. 110 10

Falconbridge Ltd. (2Cos) 4,757 4,426

International Thomson org. Ltd. 128 23

J05. E. Seagram & Sons Ltd. 5 1

Moore Corporation (2 C05) 529 270

Total 5,659 4,841

Total 1986 & 1987 Disinvestors 12,907 10,357

N.B. These figures have been taken from the 1986 reports and, therefore,

. reflect the situation in 1985. 1986 figures would not differ significantly.

in Tables V and VI are compared there are some apparent discrepancies. This can be accounted for largely because one affiliate still in South Africa reduced its complement of workers substantially between 1985 and 1986 and one company in its 1986 report refused to differentiate between workers of different ethnic origins on the ground that doing so would be discriminatory. The numbers quoted, therefore, should not be taken as exact but, instead, as approximatnns of the existing situation. Where percentages have been celculated, rounded numbers have been used. With these provisos, the following Table represents the employment situation at the end of March 1987.

The decline in direct Canadian investment in South Africa noted in the Administrator's first annual report has continued and seems likely to persist, given the trend among Canadian companies toward disinvestment, the recent South African recession and the continuing socio-political unrest. Over the past five years direct Canadian investment in South Africa has fallen by over 50% as Table VII shows.

TABLE VI

TOTAL AND BLACK/ASIAN/COLOURED EMPLOYMENT
AT CANADIAN AFFILIATES ON 31/3/87

Total Black/Asian
coloured

AMCA International Ltd. 35

Bauer & Crosby Inc. 5 0

Bayer Foreign Investments Ltd. (5 affiliates) 500(Est) 400(Est)i

Canadian Embassy 46 13

Champion Road Machinery Limited 53 14

Cobra Metals & Minerals Inc. (2 affiliates) 521 424

Ford Motor Company of Canada Ltd. 4,853

JKS Boyles International Inc. 10

Menora Resources Inc. 9

Massey-Ferguson Ltd. (Varity Corp) (2 affiliates) 3,163

National Business Systems Inc. 94

QIT-Fer et Titane Inc. 1,594

Sternson Limited 47

Total 10,940

1 The figure for Bayer represents a nominal estimate since Bayer chose not to report under the Canadian Code of Conduct but instead under the European Community Code.

This figure includes 469 Black/Asian/Coloured employees of Fedmech and an estimated 1,431 Asian and Coloured employees of ADE. As ADE :5 in a designated coloured development area most of its employees are Coloured. ADE did not differentiate its employees on the ground that doing so would counter its policy of non-discrimination.

1? This figure is not known because the company was not able to report this year

TABLE VII

DIRECT CANADIAN INVESTMENT IN SOUTH AFRICA 1981-85

Canadian Dollars
(millions)

239

221

213

145

116

Wm ____A " ____.

As the number of Canadian affiliates in South Africa has declined, so has the variety of commercial/industrial activity they represent. At present four are engaged in the mining industry, two in construction and one . each in chemicals, road and industrial equipment, employment and diplomacy (Canadian Embassy). All anegood at what they do. They are particularly valued in South Africa as purveyors of modern technology. Discussions with the managers of the South African affiliates revealed in all cases the desire for a continuing relationship with their Canadian partners. This wish was invariably reciprocated on the Canadian side. With a single exception, due almost entirley to the recent recession in South Africa, affiliates of Canadian firms are prospering despite difficult times and stiff competition.

IV OBSERVANCE OF THE CODE

1. General Working Conditions

Within the limits dictated by the various environments and types of enterprise involved, the affiliates of Canadian companies in South Africa generally provide safe and otherwise acceptable physical working conditions for their employees. While there remains a long way to go in terms of upward mobility for Black and other non-White employees, the working standards and conditions adopted by most companies apply equally to all workers, regardless of race or colour, in the same job categories.

Generally, the companies place no obstacles in the way of trade union membership and, without exception, the larger enterprises are unionized.

. The smaller ones have accepted the principle of trade unionization of their workforce and areprepared for it if it is sought by their employees.

However, the smaller the enterprise the more likely it is to have a system which involves a worker spokesperson, an employee committee or simply a direct approach to management when grievances or complaints are involved. Where grievance procedures are in force these are invariably outlined in writing and publicized within the workplace.

2. Collective Bargaining

As indicated above, the reports of all the Canadian affiliates indicate a readiness to accept trade unions and to bargain with them on wages and working conditions. Trade unions, whether Black, White, Asian, Coloured, or non-racial, are now accepted as part of the labour relations scene in South Africa. Where they do not exist in Canadian affiliates, it is a reflection of the small number of employees involved and not a matter of principle. Employees are free to organize collective bargaining units and trade union officials are free to carry out their union duties on company premises with reasonable time off to do so.

The rapid growth of Black trade unions noted in the Administrator's first report has continued and membership is now close to the one million mark. The constraints of the Industrial Council system remain and mean that trade unions and employers are required to negotiate agreements which apply to their defined area of jurisdiction. The sole remaining legislative . constraint to Black upward mobility is in the mining industry where the

job of blaster is reserved for Whites. This effectively limits the ability of Blacks and other non-Whites to move upward beyond that level. The Government of South Africa has left it to the industry to deal with this obstacle. Its removal is opposed strenuously by the White miners' union and it may be some time before this roadblock can be overcome.

3. Migrant labour

The primary Canadian affiliates employing migrant or contract labour were disposed of during the past year and are no longer the concern of this report. Only four: still engage contract labour and two of those are expected to be disinvested shortly. Their Canadian parent neither reported last year nor this, and operates through a South African management firm. This means its ability to control employment practices is limited. The management firm, however, revealed that it followed generally acceptable employment practices and provided a range of fringe and social responsibility benefits of the type promoted by the Code. Its wages exceeded MLL but were below SLL (discussed below). Beyond these two units, only two other affiliates employ contract workers and their combined total is eight. Five of these had their families with them while the other three were housed in single hostels, away from their families.

4. Wages

All Canadian affiliates support and implement the principle of equal pay for equal or comparable work. The outstanding problem remains that Black and other non-White employees, with rare exceptions, continue to occupy the lower end of the employment scale; and the pay gap between the upper and lower ends of the scale is substantial. Nevertheless, nearly all the reporting firms have recently provided higher percentage pay increases to Black employees than to White, with other non-Whites somewhere in between. This reflects, first, the policy adopted by most affiliates of reducing the pay gap, second, the outcome of trade union negotiations and, third, the influence of the Codes of Conduct. The percentage pay increases accorded by the twelve Canadian reporting affiliates are given in Table VIII.

AVERAGE PERCENTAGE PAY INCREASES IN 1986

Black Coloured/Asian White

Employees Employees Employees

1. 12 Affiliates 14.24 14.88 12.56

2. 11 Affiliates 14.27 12.11 11.24

N.B. Line 2 above provides a more accurate reflection of the true situation because a single firm among the 12 affiliates in line 1 awarded very substantial one-time pay increases to its skilled Coloured/Asian and White employees who moved from one location to another. This was to compensate for the difference in geographical remuneration levels and for property losses sustained in moving from a depressed to an economically healthy area. The 13th affiliate was omitted for lack of pay information.

All Canadian affiliates provide annual or semi-annual pay increases.

For the most part, these take into account the current rate of inflation which fluctuated between 18 and 20% during 1986. For one company, a one-time recession-induced negotiated wage freeze in 1985 ended in 1986 and the normal pattern of negotiated annual pay increases resumed, though there remains some catching-up to do.

Canadian and most other foreign affiliates have made a conscious effort to raise the pay levels of Black and other non-White employees in line with the guidelines set by the various Codes of Conduct. The 1986 revision of the Canadian Code with its annexed Administrative Procedures and Guidance "strongly urges companies to strive for a minimum rate of pay at least 50% in excess of the MLL within the shortest possible time frame." Six of the reporting twelve affiliates achieved or exceeded this target in 1986. Those that failed to do so cited a combination of the recent recession and severe competitive conditions in their sectors of industry as the reasons for their inability to meet the proposed standard. The living standards, against which the pay performance of the companies is gauged, are calculated by the University of South Africa (UNISA) and University of Port Elizabeth (UPE). UNISA's standards are based on semi-annual surveys carried out in 26 urban areas throughout South Africa and take account of the household size, age structure and sex composition in the population groups and areas under study. They include data concerning single and multiple households. For the Minimum Living Level (MLL), UNISA includes in its calculations eleven items: food, clothing, fuel and light, other services, washing and cleaning materials, transport, medical and dental services, education, household equipment replacement, taxes and support of relatives. MLL, as defined by UNISA, reflects: "The minimum financial requirements of members of a household if they are to maintain their health and have acceptable standards of hygiene and sufficient clothing for their needs. The MLL is the lowest possible sum on which a specific size of household can live in our existing social set up". The UPE equivalent is known as the Household Subsistence Level (HSL) and is calculated in much the same manner as UNISA's MLL.

The Supplemented Living Level (SLL) of UNISA and the Household Effective Level (HEL) of UPE make provision for the inclusion of more items (recreation and entertainment; personal care; extra washing and cleaning materials; extra clothing; extra food; additional household equipment; extra transport; additional support, taxes and rent; and contributions to pension, unemployment, medical and burial funds). In UNISA's words: "By present standards some of these items may be regarded as necessities and others as desirable amenities of life. The SLL is not a subsistence budget, nor is it a luxury budget. Perhaps it can best be described as an attempt at determining a modest low level standard of living". Depending on the area involved, SLL and HEL are approximately 25% to 30% higher than MLL and ESL. Given that the latter represent bare subsistence standards of living, foreign firms are encouraged to take as their guideline the SLL or HEL.

The Canadian Government's Code suggests the SLL/HEL as an absolute minimum and urges companies to exceed it and strive for a minimum rate of pay at least 50% in excess of MLL (or some 20% above SLL). As indicated above, most of the Canadian affiliates are currently meeting or exceeding this standard. It should be noted that this refers only to the few employees at the minimum wage level. Generally, the average wage of all

non-White employees substantially exceeds SLL and the suggested guideline of 50% above MLL. The highest paid range from 332 to over 600% above MLL while the averages range between 39% and 109% above MLL/HSL. Table IX indicates the degree to which Canadian affiliates met the Code of Conduct guidelines in 1986.

TABLE IX

WAGE OF LOWEST PAID EMPLOYEE RELATED
TO MINIMUM LIVING LEVEL (MLL)

Z Bx Which Wage Number of Reporting
Exceeds MLL or HSL Affiliates

0
1
10
20
30
40
50 and over

5. Training and Promotion

Only two of the affiliates reported no provisions for employee training and one of these, as a small engineering consultant firm, had no scope for such programs given that it had only one Black employee (the remainder being trained professionals) who was filling a clerical job and was already clerically trained. The other firm had no training program and did not believe it was needed for its type of operation (construction).

As a general rule the larger affiliates with highly mechanized operations tend to be the best organized for training and to offer the best opportunities for promotion. One such company operates a training centre for its own apprentices and for those of other companies which do not have in-house training facilities. Exceptionally, this centre caters to female as well as male apprentices. Another company with extensive training facilities had to cut back in 1986 for economic reasons and because retrenchment had left it with an abundance of skilled employees. A third has an extensive training program for all races in a variety of trades and occupations. This includes training for secretaries, an area not covered by other companies. A number of the larger firms have bursaries or scholarships for training in universities, both at home and abroad. One medium-sized company provides a Canadian trainer annually for special employee training programs which are open to all races. Needless to say, the larger firms have much greater scope for promotion and their training programs are generally directed toward that end.

1&

The smaller companies tend to rely on in-house, on-the-job training designed to upgrade those with limited skills. Besides aiming at the production of technicians they seek to improve productivity and quality control. A number of firms provide training bursaries, seminars or industry-specific courses. With only a few employees, however, the scope for training with a view to advancement within the company is limited. Hence, the smaller firms tend to spend less money and time on training. While the training programs offered by nearly all the Canadian affiliates are open to all races, there is clearly a greater need for non-White training, given that the less skilled jobs tend to be occupied by Black employees and, to a lesser extent, by other non-Whites. Nevertheless, where training schemes exist, both the larger and smaller companies operate integrated programs for all races. At the more senior executive levels the number of Black employees remains small. The major corporations are addressing this problem by a combination of in-house training and promotion and by sending candidates to higher education institutions both in South Africa and abroad. In only one company was it suggested that there was no scope for further advancement by Black employees.

6. Fringe Benefits

As part of their social responsibilities, companies are encouraged by the Code of Conduct to concern themselves with the living conditions of their Black employees and their families. When doing so, they are expected to provide benefits beyond those required by South African legislation, notably with respect to social protection schemes (health, accident, unemployment insurance, pensions), education for family members, housing, transportation, legal and recreational needs.

Social Benefits: With a single exception, the affiliates of Canadian companies, in a variety of forms, have medical, accident, unemployment and pension schemes for all their employees, regardless of race. Some provide additional disability benefits. Most of these programs are contributory and some subsidize the costs for Black employees. With respect to the only exception, the company concerned provides accident insurance for all races, 3 medical insurance option for White employees and pays the medical costs of Black employees. The larger firms provide additional health benefits in the form of company clinics, including, in one case, a mobile clinic for the families of employees and, in another, free medical consultation on a weekly basis.

Vacations: Without exception, there is no discrimination on a racial basis with respect to annual vacations.

Housing: Seven of the twelve affiliates reported assistance for housing in one form or another. This ranged from help in finding accommodation within commuting distance, through loans for home improvement, ownership and land acquisition, to subsidized company housing. One company lobbied the government in a successful effort to gain permission for the construction of additional employee housing in a closed township (i.e. where new buildings were prohibited). One company (a non-repotting firm) informed that it had exceeded the legal limit of 3% for Black employee subsidized housing on its company property. Those companies that have no housing assistance schemes are small and generally located in areas where housing is readily available within easy commuting distance.

While the above company programs are laudable, another aspect of the picture was provided by trade union representatives who complained they were never consulted on the type of housing required by workers. The end result was that frequently the housing provided, even though it was subsidized, was beyond their means. Consequently, workers either had to reject what was offered or accept it and be saddled with a financial burden they could not afford.

Transportation: Eight of the companies reported no need for transportation assistance because employees lived within easy commuting distance and public transport was readily available. Beyond this, they all stated that they covered transportation costs when overtime work was required. The other four firms subsidized the transport required by their non-White employees.

Education, Recreation, Health: Eight affiliates said they provided some form of educational assistance to children of their employees, especially non-Whites, in 1986. This assumed a variety of forms, including bursaries to primary, secondary or tertiary educational institutions; the adoption of schools requiring various types of help; school transportation; a successful initiative to support Black students in hitherto White universities. Two companies provided legal aid and others expressed a willingness to do so when needed. One company lent financial support to re-open a Legal Resource Centre and worked with a nearby university to broaden the areas of assistance offered by its Legal Aid Clinic to include labour and trade union matters. It also retained legal assistance to promote the proclamation of an open residential area in its neighbourhood. A number of companies supported sports and other recreational facilities and activities. Two provided special health care programs and pure water supplies where these were needed for schools and families.

Community Development: All but two affiliates offered some form of support for community projects designed to improve the quality of life in non-White communities. In a few cases this was limited to financial support for a variety of community funds or projects. As might be expected, the larger firms demonstrated their ability to provide support for a broad range of community needs. These included the establishment of an Agricultural Engineering Chair at a nearby university; the funding and administration of an Advanced Education and Research Foundation for all races; the establishment and support for a Community Benefit Fund; the donation of community fire and ambulance vehicles; the establishment of a training institute for the community (as well as for company employees); the establishment of a Community Centre; financial support for a local Black university and a wide range of community social and cultural services.

7. Race Relations

Race relations are no longer a contentious issue. All affiliates have removed racial segregation signs and, with a single exception, all workplaces and social and recreational facilities are desegregated. The exception relates to a remote mining community where there are no artificial barriers to segregate non-White from White employees. However, the food, recreational and sports facilities tend to be used by the non-White employees because they are adjacent to the workers' hostel.

8. Encouragement of Black Businesses

The 1986 revision of the Code of Conduct introduced this element for the first time. Eight of the twelve affiliates reported support for Black businesses to some extent. At the lower end of the scale, support was indirect in the form of backing for the Canadian Export Association's project for Black entrepreneurs or for the Small Business Development Corporation which promotes the establishment of Black businesses. Four of the larger corporations, however, undertook wide ranging programs and contributed substantial funds aimed at helping Black businesses. Some of this help was through the Development Bank of South Africa and the Small Business Development Corporation for the specific purpose of encouraging Black businesses in a depressed industrial area. Some of it was contributed in the form of instructors to train and help Black businessmen to set up agricultural maintenance and repair facilities. In 1986 the Transkei Agricultural Service facility was created to run as a business to support Black agriculture. One company provided a Black business consultant three days a week and extended loans to set up Black businesses and a Black Trading Centre that led to the establishment of 34 Black businesses. Several of the major companies reported a policy of purchasing supplies and equipment from black businesses wherever possible.

9. Social Justice

Like the previous heading, Social Justice was included in the Code of Conduct for the first time in 1986. Canadian companies and their affiliates are enjoined by positive, constructive and legal means to use their influence to promote the cause of social justice and the peaceful achievement of social and political reforms. All but two of the affiliates reported modest to major efforts designed to achieve these ends. The smaller companies limited their efforts to contributing financial support to organizations seeking social justice, such as the South African Institute of Race Relations, the Small Business Development Corporation, Protec, the Federated Chamber of Industry etc.

The main thrust in this area, however, has again come from the major corporations with their superior resources and their substantial economic clout. Besides supporting such organizations as those listed above these companies have written to Government Ministers and local authorities demanding social justice in a number of areas, e.g. the use of available White educational and hospital facilities by all races; backing for the Kwa-Natal Indaba movement designed to promote power sharing and eliminate racial discrimination; an end to forced removals; the abolishment of statutory racial discrimination; the desegregation of toilet and other facilities; the release of political prisoners, and so on. One company established a multi-racial theatre, actively canvassed for desegregation and publicly demanded the opening of schools to all races. Another made representations to the South African Government to end apartheid. Still another sought and gained special dispensation for non-racial education at the Technical Institute it had created. Only two of the companies failed to report any efforts to promote social justice, one a medium sized firm in an urban area, the other a mining firm in a remote area which is populated almost exclusively by Coloured people.

V COMPANY PERFORMANCE

This report for the first time attempts to rate the performance of Canadian companies and their affiliates operating in South Africa. The time and resources available have not permitted as thorough an investigation as might have been desirable. Nevertheless, the ready cooperation of most of the Canadian firms involved has made the task possible. Their compliance with the requirements of the Code of Conduct has not been easy, given their distance from the scene of operations and the fact that most of them have only minority holdings in their South African affiliates. They are, therefore, dependant upon the goodwill of their partners to produce the desired information. To the credit of both in most cases this has been forthcoming.

As will be seen in Table XI, ten companies (including the Canadian Embassy) and their twelve affiliates have been rated. Of necessity, the rating scale established has been to a degree both arbitrary and subjective. Eight of the items listed under Part IV of this report (General Working Conditions, Collective Bargaining, Migrant Labour, Training and Promotion, Fringe Benefits, Race Relations, Encouragement of Black Businesses and Social Responsibility) were accorded a maximum of ten points and the companies rated on a scale of one to ten. The ninth category, Wages, was allotted 20 points for rating purposes on the ground that wages are generally considered to be the most important single indicator of employee status. On this basis the companies were placed in one of the following four categories:

TABLE X

RATING CATEGORIES

- over 80 points Fulfills or exceeds all basic requirements.

Improvement still possible.

66-80 points Fulfills or exceeds most basic requirements.

Considerable scope for improvement.

- 50-65 points Fulfills or exceeds some basic requirements.

Substantial improvement required.

under 50 points Fails to meet many basic requirements.

Major effort required to comply with the Code

In assessing the performance of companies and their affiliates, account has been taken of the fact that there is considerably less scope for small firms to undertake the whole range of programs necessary to comply with all the requirements of the Code. Beyond this factor, how to assess the Canadian Embassy and compare it with private businesses presented a problem. In the end it was rated in much the same manner'

as the companies, with due allowance for the substantially different nature of its operations. Finally, a number of firms could not be rated, . either because the Canadian companies had disposed of or were in the process of disinvesting their South African interests and found it difficult to obtain the requested information from their former partners (Cobra, DeLCan, Falconbridge, Moore); because their reports arrived too late or were too uninformative to be meaningful (Bauer & Crosby, Menora Resources, Seagram); or because they came to light too late to obtain a report (National Business Systems Inc.)¹ The ratings awarded may be found in Table XI.

TABLE XI

COMPANY ASSESMENTS

Affiliates in Parenthesis

AMCA International Ltd. (Bomag (South Africa))

Dept. of External Affairs (Canadian Embassy, Pretoria)

. Champion Road Machinery Limited (Champion Road Machinery (SA)(Pty) Ltd.)

Ford Motor Company of Canada Ltd. (SAMCOR (Pty) Ltd.)

JKS Boyles International Inc. (JKS Boyles (Pty) Ltd.)

Massey-Ferguson(Varity Corp): (A) Fedmech Holdings Ltd.)

(B) Atlantis Diesel Engines (Pty) Ltd.)

QIT-Fer et Titane Inc. (Richards Bay Minerals)

. Sternson Limited (Sternson (SA) (Pty) Ltd.) IV

Cominco Limited:# (A) Eland Exploration (Pty) Ltd.) II

(B) Transcom Joint Venture) III

International Thomson Organization Ltd\$(Thomson Publications (SA)(Pty) Ltd.) III

Disinvested early in 1987

It should be noted that the Canadian Embassy would have attained a category I rating or close to it, had it not been the victim of The Public Service Staff Relations Act which accords bargaining rights to Canadian public servants but does not extend these rights to locally engaged employees at Canadian missionsabroad. This is an anomaly that needs to be addressed if Canadian companies are to be asked to conform with standards not permitted to the Canadian Embassy in Pretoria and elsewhere. While the Canadian Embassy's submission made no mention of employees engaged on a personal basis by Canadian Embassy personnel, it is hoped that these individuals accord their locally engaged staff the same considieration demanded of companies and insititutions.

VI CONCLUDING OBSERVATIONS

This report has followed the well marked path of its predecessor in terms of form and, to a considerable degree, content. However, the revised Code of Conduct and its companion questionnaire have broadened the area of enquiry and resulted in a more balanced glimpse of company operations in South Africa.

Nineteen eighty-six was another difficult year, economically, politically and socially in South Africa. Notwithstanding, the affiliates generally sought to maintain and improve their employment practices performance, as sought by the Code of Conduct. To some, the Code's requirements are an embarrassment or, at best, a nuisance, particularly where the Canadian interest in terms of equity is small. Nevertheless, most have reported conscientiously and the results are evident in this report. What remains is to draw some conclusions from the data presented and to suggest where improvements may be possible in the future.

The main weaknesses for most affiliates remain the areas of Fringe Benefits, Community Development, Encouragement of Black Businesses, Social Justice and, to a lesser extent, Training and Promotion. This is particularly so for the smaller firms which are less well endowed with human, physical and financial resources than their larger counterparts. For three of the reporting affiliates, Wages continue to be a problem which needs to be addressed. Beyond this, the principle of collective bargaining has been accepted by all and, in most cases, instituted. General working conditions have improved. The need for non-discriminatory race relations has been acknowledged and generally put into practice, though much can and should be done. Migrant or contract labour, with one major and two minor exceptions, is no longer an issue, in contrast to a year ago when several affiliates employed substantial numbers of Black contract workers. Should this suggest that all is well and that the problems of yesteryear have vanished, it must be emphasized that there remains substantial scope for improvement. Even those firms that attained category I have more to do and must not relax. Their position in the top grade is relative and does not absolve them from further effort.

For example, even in the best affiliates the numbers of non-White senior and executive personnel remain discouragingly small. Educational deficiencies and cultural differences remain obstacles to be overcome. The leading companies are tackling these problems and should be encouraged to continue, as should those that to date have exerted little or no effort in this direction.

A second obvious shortcoming in virtually all affiliates is the paucity of non-White female personnel, except at the lowest levels of employment. With one or two exceptions, the indifference toward correcting this situation is glaring.

While two or three affiliates have lobbied Ministers and other governmental authorities on the need to dismantle apartheid and its manifestations of segregated health, educational, recreational and other facilities.

most of the firms have adopted a passive stance beyond the environs of their own enterprises. Few have extended themselves directly into the areas of Social Justice, Community Development and Encouragement of Black Businesses.

All this suggests that much remains to be done by the affiliates, despite the progress already made. To be fair, White South African businessmen in general seem ready to proceed down the road to the elimination of apartheid at a pace which the South African Government is not yet prepared to contemplate. Their Canadian partners must be prepared to lend them support, in the words of the Code "By positive, constructive and legal means and approaches....to promote the cause of social justice and the peaceful achievement of necessary social and political changes and reforms."

Where the various Codes of Conduct and the disinvestment policies of foreign companies fit into this scene remains a subject of debate, both in Canada and South Africa. Most evidence suggests that the Canadian and other Codes have served a useful purpose in the establishment of equitable employment standards and in ensuring that they are observed on a continuing basis. The South African trade unions are beginning to assume the functions of the Codes but it is generally believed, outside trade union circles, that the unions are not yet in a position to replace them. Enterprises which have been involved with the Codes for the most part grudgingly concede that they have been useful in the past. However, they believe little more can be expected from them because additional company action would be costly and could threaten the competitiveness of the firms and, ultimately, their viability.

It is clear that the Codes still have a valuable role to play in promoting equality and in maintaining and improving the working conditions of South African employees, especially those of the non-Whites in the lower employment levels. One of the trade unions' complaints is that the Codes were established without seeking their input. This objection is valid and should be addressed if the Codes are to continue to fulfill their potential. There may be room for coordination and cooperation between the trade unions and the authorities behind the Codes to ensure that a common approach leads to the achievement of common objectives. Disinvestment is even less popular than the Codes, both in Canada and South Africa, except among the short-sighted few who see the acquisition of foreign assets at firesale prices as a net gain for South Africa. More thoughtful citizens, both Black and White, recognize that the loss of capital and technology customarily provided by foreign companies could threaten the viability of patriated firms. Moreover, the new South African managers and owners of erstwhile foreign enterprises, do not always continue the Code-induced benefits and workers suffer. In extreme cases, job losses ensue and, ultimately, no one benefits. The trade unions which formerly urged disinvestment, have now downgraded it as a policy. They suggest that, if it does occur, it should be carried out in consultation with them to ensure the retention of benefits acquired through implementation of Code standards. This is another aspect which potential Canadian disinvestors might look at usefully, along with other relevant considerations. I

While direct action by affiliates is clearly required in order to continue to improve their employment practices on behalf of their non-White employees and their families, the onus remains on their Canadian partners to exert whatever influence they possess to encourage such action. Examples of what can be done were provided by three reports which outlined joint action by the Canadian and South African partners in financing and administering training programs for Black personnel, even though the Canadian companies were only minority shareholders.

It is clear that in South Africa today Canadian companies with South African interests have the opportunity, indeed the obligation, to combine what is morally right with what is financially feasible and commercially rewarding.

- ii)
- iii)
- iv)
- vi)
- vii)

Code Administrator

Terms of Reference

Under the authority of the Secretary of State for External Affairs:

to maintain and update annually lists of those companies to which the Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa applies or may apply; in this respect, to consult as necessary such private-sector organizations as the Canadian Business and Industry Advisory Council, other private, commercial, non-governmental or academic organizations or individuals likely to be of assistance, and appropriate Departments of the Government of Canada;

to maintain and, as necessary, update the standard format for reports under the Code, in consultation with interested companies, non-governmental organizations, and appropriate departments of the Government of Canada;

to draw the Code annually to the attention of companies to which it does or may apply; to make them aware of the standard reporting format; and to solicit annual public reports from those companies with respect to their compliance with the Code;

to collate the reports received from the companies concerned; to maintain complete and accurate records of official consultations, correspondence and transactions undertaken in the execution of the terms of reference;

to prepare an annual report on the administration and observance of the Code for the Secretary of State for External Affairs;

to make such recommendations to the Secretary of State for External Affairs regarding the content and administration of the Code as the Administrator deems appropriate; and, to act in an impartial and objective manner consistent with the purposes and intent of the Code.

ANNEX A

ANNEX B

Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa (Revised 1986)

This Code of Conduct is addressed to all Canadian companies which have subsidiaries, affiliates or representative establishments in South Africa. Its aim, as one of a number of Canadian Government measures, is to make a contribution towards abolishing apartheid.

There are now numerous Codes of Conduct for businesses operating in South Africa. They have been promulgated by domestic South African organizations, by individual South African and foreign companies, by a number of countries (the European Community) and by individual countries on government initiative (Canada and recently Australia and the United States) or on a non-governmental basis (the Sullivan System in the U.S.A.). The text of the Canadian Code of Conduct which was first issued in April 1978, has been substantially revised in the light of developments in South Africa and of the need to improve the Code's administration and provide more adequate guidance to Canadian Companies. The revised text has, in particular, taken into account the experience of the European Community countries and of the Sullivan System with their Codes and the importance of demonstrating the solidarity of international opposition to the apartheid system.

With the aim of combatting racial discrimination in mind, the Canadian Government strongly hopes that every Canadian company active in South Africa will implement employment practices which are based on the principle of equal treatment for all its employees, are consistent with the general economic welfare of all people in South Africa and will help bring about the conditions necessary for acceptance of the well-established standards of human rights approved by the International Labour Organization and by the International Organization of Employers. While these objectives are applicable to all employees they have particular relevance to the employment conditions of black workers and to the urgency which should be attached to the improvement of their working conditions and quality of life generally.

Accordingly, it is the view of the Canadian Government that employment practices and policies related to the improvement of the quality of life of black employees and their families should be guided by the following conditions, principles and objectives.

General Working Condition

In general companies should regard the constant improvement of the overall work situation of black employees as an objective having a high priority. They should ensure that employment practices applicable to any group of workers are equally applicable to all workers.

Collective Bargaining

- (a)
- (b)
- (c)
- (d)

Companies should ensure that their employees are free to organize collective bargaining units of their own choosing that can effectively represent them, and should undertake to engage in collective bargaining with such units in accordance with internationally-accepted principles.

Companies, recognizing that the South African Labour Relations Act and Labour Law is now free of provisions that discriminate on the basis of race, should pay particular attention to black trade unions and ensure that black employees are free to form or join the trade union of their choice. They should be prepared to sign recognition agreements with representative black trade unions within the company and allow collective bargaining, including the signing of collective agreements. Employers should regularly and unequivocally inform their employees that consultations and collective bargaining with organizations which are freely elected and representative of employees are part of company policy.

Companies should as a matter of course allow trade union officials to explain to employees the aims of trade unions and the advantages of membership, to disseminate trade union information material and display trade union notices on the company's premises, to have reasonable time off to carry out their union duties without loss of pay and to organize meetings.

In companies where works or liaison committees already operate. trade union officials should have representative status on these bodies if employees so wish. The existence of these types

of committee should not prejudice the development or status of trade unions or of their representatives.

(e) Companies should do everything possible to establish a climate of confidence in their relations with their employees. In this connection it is important that each company ensure that its employees be familiar with the Canadian Code of Conduct and that at regular intervals they can see or have the text of the Code read to them in a language they understand. The company should be prepared to inform its employees what it is doing to implement the Code and should review and discuss with them or their representatives its annual report on the implementation of the Code.

3 Migrant Labour

(a) The policy of apartheid leads to the use of migrant labour, which robs the individual of the basic freedom to seek and obtain the job of his choice. It also causes grave social and family problems.

(b) Employers have the social responsibility to contribute towards ensuring freedom of movement for black workers and giving them the opportunity to lead a family life.

(c) Employers should endeavour to alleviate the effects of existing regulations, in particular by facilitating the regular renewal of contracts of employment and making it easier for the families of employees to settle near their workplace.

4. Wage and Pay Structures

(3) Companies should formulate specific guidelines aimed at improving their terms of employment and at implementing the principle of "equal pay for equal work". The staffing of and remuneration for a position should be based on the qualification: of an individual and not on his or her racial origin. The same pay scales should be applied to the same job.

(b) Companies should also provide remuneration sufficient to assist their black employees in particular to achieve a standard of living

(c)

(a)

(b)

significantly above the minimum level required to meet their basic needs. In this context they should refer to the data on living costs regularly collected and analyzed by the University of South Africa (UNISA) and the University of Port Elizabeth (UPE). (See appendix for further details.) Pay based on the "Supplemented Living Level" for an average-sized family must be considered as the absolute minimum necessary and the Canadian Government strongly urges companies, taking into account the value of work performed in particular industries, to introduce minimum wages which substantially exceed this level at an early stage of their programmes for improving the terms of employment of their black employees.

In their continuing review of pay and wage structures companies should take particular note of the impact of inflation. Annual wage increases should offset the impact of this factor but, if the desired improvement in real wages is to be achieved, it cannot be the only factor to be reflected in the determination of wage increases.

Training and Promotion

The principle of equal pay for equal work would not mean much if black employees were kept in inferior jobs. Implementing the principle of equality of opportunity must also be given a high priority. Employers should therefore draw up an appropriate range of training schemes of a suitable standard to provide training for their black employees.

Companies should ensure that supervisory and management jobs and those requiring high technical qualifications are open to their black employees.

The aim should be, as a preliminary objective only towards the ultimate goal of a fair and balanced racial composition of the workforce, to fill fifty percent of all supervisory and management positions with employees other than those designated as white persons within a period of time which companies should clearly specify in their employment plans and development programmes.

(c) Companies should, if possible, organize occupational training programmes for their black employees and help them to take advantage of other educational and occupational training programmes outside their places of work. Where required, companies should set up or use educational facilities to enable their black employees to benefit from more specialized training, and generally should support them and members of their families in their right of access to equal, integrated and universal educational facilities and opportunities.

(d) Companies should make every effort to eliminate in practice any de facto restrictions based on custom on apprenticeships for black employees. They should ensure that employees of different racial groups can take part in training programmes without any form of segregation.

(e) In general whether it is a matter of an imbalance in the racial composition of a company's workforce and staff or of such an imbalance at any of the different levels of management and workforce, companies should, in their forward planning, treat the need to correct this situation as matter of some urgency.

Frin e Benefits

(a) In view of their social responsibilities, companies should concern themselves with the living conditions of their black employees and their families.

(b) For this purpose, company funds could be set aside to provide benefits over and above those currently provided according to South African legislation:

- providing complete social protection schemes for employees and their families (health, accident and unemployment insurance and old age pensions):

- ensuring that their employees and their families have the benefit of adequate medical care:

- assisting in the education of members of their families:

— 6 —

- helping them to buy their own housing or to obtain accommodation which enables all workers to live with their families near their workplace;
- providing transport from home to work and back with particular attention to alleviating the difficulties facing those employees who are obliged to commute some distance to the workplace;
- providing their employees with assistance in problems they encounter with the authorities over their movement from one place to another, their choice of residence and other employment;
- providing leisure facilities.

(c) Companies should support community projects which aim to improve the quality of life of the black communities from which they draw their staff.

Race Relations and Desegregation

(3) Where this has not already been completely achieved, employers should do everything possible to abolish any practice of segregation, notably at the workplace, in canteens, in education and training and in sports activities. They should also ensure equal working conditions for all their staff.

(b) Along with the advancement of their black employees, companies should directly support inter-staff contacts, and help employees from different racial groups to get to know each other better and integrate more fully.

(c) Companies should encourage sporting activities in which employees from different racial groups take part in mixed teams in mixed competitions.

Encouragement of Black Businesses

As far as they are able, companies should, in the framework of their activities, encourage the setting up and expansion of black businesses by contributing their expertise, counselling and advice, by sub-contracting, by providing assistance for their

black employees to set up their own businesses and by preferential, priority treatment in customer-supplier relations.

x

9 Social Justice

By positive, constructive and legal means and approaches and in cooperation with other foreign companies and with their South African partners, Canadian companies should use whatever channels of influence are available to them to promote the cause of social justice and the peaceful achievement of necessary social and political changes and reforms. The revised procedure establishes a reporting system on the adherence of companies to the Code of Conduct which is reviewed on an annual basis by an impartial and independent Administrator. In conformity with a standard reporting format issued to them for this purpose. all Canadian companies should submit to the Administrator annual public reports in sufficient detail to permit assessment of their progress in realizing the objectives of the Code of Conduct. On the basis of his review and collation of the responses of the companies, the Administrator submits to the Secretary of State for External Affairs an annual report which is subsequently tabled in Parliament.

Although the Code of Conduct is addressed primarily to the employment practices of Canadian companies in South Africa, there may be other Canadian establishments. as is the case with the Canadian Embassy in Pretoria. which employ people locally in South Africa and whose employment practices, accordingly. should conform to the guidelines set out in the Code. The Canadian Government invites any Canadian public or private organization, temporarily or permanently located in South Africa and employing local labour there, to comply voluntarily with the Code of Conduct.

The Canadian Government will continue to follow closely developments in South Africa and the efforts of Canadian companies in regard to the Code of Conduct. Where the process of change and reform make them necessary and appropriate, further amendments to the provisions of the Code will be introduced.

APPENDIX

CODE OF CONDUCT

ADMINISTRATIVE PROCEDURES AND GUIDANCE

Reporting System

Companies are asked to provide their annual public reports relating to the Code of Conduct in the standard reporting format which will be issued to them by the Administrator.

The annual report should state the facts as of December 31 each year and in particular should bring out clearly the progress achieved in the implementation of the various sections of the Code. Especially where they are considered to represent a significant contribution to the advancement and well-being of the black employees and their families and to the communities in which they live, companies should feel free to describe their achievements in some detail citing, wherever relevant, the financial provision for them in company budgets.

Companies should submit their annual reports to the Administrator by March 31 each year.

The Administrator will review and collate company reports and submit his annual report to the Secretary of State for External Affairs by May 15 each year. It will shortly thereafter be tabled in Parliament.

Members of the public who may wish to obtain a copy of any company annual report relating to the Code of Conduct will be informed that they should apply directly to the company concerned.

Collective Bargaining

I This section of the Code does not ask companies to promote, set up, or do the job of trade unions. It does, however, ask companies to "ensure that their employees are free to organize collective bargaining units of their own choosing". A feature of the labour relations scene in recent years has been the involvement of black workers in the statutory industrial relations system and the emergence and growing influence of independent trade unions representing black employees. The Code states that companies should pay particular attention to such unions and be prepared to conclude recognition agreements with them. This should not, of course, be at the expense of the employees' freedom of choice.

Section 2(a) of the Code asks companies to allow collective bargaining "in accordance with internationally accepted principles". These are the well-established standards in the field of human rights approved by the International Labour Organization. The Declaration adopted unanimously in 1973 by the Executive Committee of the International Labour Organization of Employers appeals "to all employers in South Africa to take urgent measures to promote the conditions necessary for acceptance" of these standards. The suggestions made in Section 2(b) and (c) of the Code are examples of action which employers can take to ensure that black employees can exercise freedom of choice and of association. Other steps which employers can take include an understanding that employees will not be victimized on account of trade union membership or for participation in trade union affairs.

Minimum Wage

The improvement of the wages of black employees is an important issue, especially in respect of the minimum wage, that is, the wage of the lowest-paid employee in the company. Employees should be guaranteed a standard of living that will allow them some dignity. Thus companies are asked to report their minimum wage in relation to established economic minimum living levels. The standards used based on a family of five or six as an average size of an African family are the monthly Minimum Living Level (MLL) established by the University of South Africa (UNISA), and the monthly Household Subsistence Level (HSL) established by the University of Port Elizabeth (UPE). These standards are calculated from statistical studies, periodically updated, carried out by the two universities at various locations, including separate surveys for rural areas. For example, as specified by UNISA in a 1985 study, "The Minimum Living Level (MLL) denotes the minimum financial requirements of members of a household if they are to maintain their health and have acceptable standards of hygiene and sufficient clothing for their needs."

The MLL or HSL, representing purely a subsistence budget, cannot, however, be regarded as a satisfactory standard and companies should instead use the Supplemented Living Level (SLL) or the Household Effective Level (HEL) recommended respectively by UNISA and UPE as the minimum guideline. The SLL, as described by UNISA is not a subsistence budget, nor is it a luxury level. At best it is an attempt at determining a modest low-level standard of living. It should, as the Code stresses, be regarded as an absolute minimum. and not as a target.

Minimum pay conforming to the SLL would be roughly 30% higher than a rate based on MLL. The Canadian Government nevertheless strongly urges companies to strive for a minimum rate of pay at least 50% in excess of the MLL within the shortest possible time frame. In view of the special circumstances encountered in such areas, companies operating in defined rural areas should pay at least the MLL or ESL and achieve the SLL or HEL within 5 years by regular annual pay increases. The company policy with respect to such a time table should be submitted in writing to the Administrator and reviewed, as to results, in the company's annual report.

(7)

. US BACKGROUND MATERIAL

. Colorado
STATE
PUBLIC INVESTMENT
AND SOUTH AFRICA
August 1987

For more than twenty years: now, state and local governments, colleges and universities, churches, trade unions and community groups have taken actions to impose "people's sanctions" against apartheid. The actions have come in a variety of ways: Boycotting South African and Nalibian goods, refusing to invest in or buy from companies that do business with South Africa or Naaibia, and pressuring those companies to end all ties to the racist regime. Whatever the form, the message is the same: the people of the 0.5, want nothing to do with the exploitation and racism of apartheid, and are willing to take strong action to support the South African and Naaibian people as they struggle to create a new and democratic society.

The past few months have brought a series of new victories that are indicative of the continuing pressure which companies that persist in propping up apartheid are coming under. After a long campaign by activists and legislators, the state of Missouri passed a very strong divestment law this June. This law is quite important because it also calls for divestment of state funds from those companies that have "pulled out" of South Africa or Naaibia, but continue to do business with and take profits from apartheid. In Massachusetts, a state which already had a divestment policy, the House passed a measure this summer which would prohibit the state from purchasing goods or services from companies that do business with apartheid. In this case as well, companies that have sold their holdings in South Africa or Naaibia but continue to do business there are included. To date, 23 states, 14 counties, 75 cities and the Virgin Islands have passed laws for- of binding measures against apartheid. These "people's sanctions" have caused some \$19.6 billion to be redirected away from companies that do business in or with South Africa. 2 states and 33 counties, marked with an asterisk (*), have passed selective purchasing legislation. A summary chart of the binding measures that have been adopted follows:

IATUUI OP ACTION/DATI KIACTID/AIDUIT AIPICTID

California Governor signs legislation mandating one year ban on state investment in companies making new investments in S.A. followed by a three year phased divestment plan. Affects state Teachers Pensions Fund and Public Employees Retirement Fund.

September 1980

\$9.5 billion

State Treasurer bans new state investment in companies that do sector. The portfolio was S.A. free in 1986.

August 1985

\$100 million

The American Committee on Africa - 198 Broadway, New York, NY, 10038 - (212) 962-1210
business in South Africa and banks that make loans to the public

Connecticut
Illinois
Iowa
Kansas
Louisiana
Maine

NATURE OF ACTION/DATE ENACTED/AMOUNT AFFECTED

1) Law requiring divestment of all state funds from companies that sell strategic products or services to the South African govt. or are not in the top two categories of Sullivan code.

June 1982

\$70-100 million

2) Law requiring total divestment of all state funds currently invested in companies doing business in South Africa by July 1 1989. with no new investment in those companies in the interim. Doing business is defined as manufacturing, assembling, warehousing operations. or lending to South Africa.

July 1. 1987

Not determined

Law prohibits loans or investments in banks and companies which after February 1987 invest in. own interest in property of, or make loans to a prohibited entity or property located in South Africa. The bill does not require. prohibit. or accelerate liquidation of any existing investment.

January 23. 1987

Not determined

Requires divestment of pension and educational funds from companies investing in S.A. that are not in top two categories of Sullivan Principles: from those companies: supplying strategic products to the South African military or police: and from banks with loans to S.A. or to companies doing business there.

May 31. 1985

\$50 million

Public Employees' Retirement System adopts a policy of divestment of non-Sullivan signatory companies.

September 1985

\$23 million

Law prohibiting deposit of state funds in banks with loans to S.A. govt. or its agencies.

July 23. 1985

Not determined

1) State Retirement Board divests from. all non-Sullivan signatory companies and State Treasurer divests trust fund monies from companies doing business in S.A.

December 1984

\$11 million

2) Group of trust fund: managing state land: votes to divest all funds from South Africa.

September 1988

\$2 million

STATE

"' Maine

(continued)

Maryland'

Massachusetts

Michizan'

NATURE OF ACTION/DATB ENACTED/AIDUNT AFFECTED

3)Over 5-year period. law divests state funds from banks which directly or through subsidiaries. affiliates or parent companies have outstanding loans to South Africa or Nalibla. Divestment from co-panies. their subsidiaries. affiliates and parent companies which do business in or with South Africa or Nanibia. Until July 1. 1992. the State shall use its stock-shares to vote for disinvestlent.

June 10. 1987

Not deterlined

1)Law prohlbltinz depoeit of state funds in banks nnkling new loans to the S.A. governlent or natl0nal colpanles.

May 25. 1984

Not deterlined

2)Lan placing Ioratorlun on investment of state retirelent and pension funds in culpanlee that do not leet the top two categorice of the Sullivan Principles.

June 1985

Not deterlined

3)Lau prohibiting state purchases of South Africa origin goods unless essential or unavailable elsewhere; fire: In South Africa barred from contracte over 5100.000 unless companies demonstrate nondiscrillmntlon, or provide essential or otherwise unavailable goods and services.

May 27. 1988

Not deterllned

4)State and city police. county connieeioners. the board of trustees. and the lee: transit cystel are prohibited from depoeltng or investing retirelent and pension funds in entitles connected llth S.A.. Including banks which lake loans to S.A.. national corporation: of S.A.. and banks which are subsidiaries or affiliate: of 0.5. companle: operating in S.A.

March 1087

Not deterllned

Law requires divestlent or all state pension funds from (Iris doing buelneaa in or with S.A.

January 4. 1983

890-120 lillllon

1)Prohlbltu depoeit of Itate funds in bank: Iaking loans to S.A. 1980

Not deterlined

2)an requiring public educational inltitutlone to sell all investlente in companles doing buelnees in South Africa.

1982

Not determined

STATE

Michigan

(continued)

Minnesota

Missouri

Nebraska

New Jersey

North Dakota

OklnhOIa

Oregon

NATURE OF ACTION/DATE ENACTED/AHOUNT AFFECTED

3) Selective purchasing executive order prohibits buying from companies which are controlled by South African firms. and from companies which supply Michigan with finished products orlglnatlng or Ianufactured in South Africa, and fro- companies which sell to the South African Illltary, Departlent of Cooperation and Developlent. police or prisons. unless the companles are rated in Sullivan's highest two categories.

October 20. 1986

Not deterllned

The State Board of Investlent votes to divest over a period of 4 years and prohblts all new Investment by pension funds in corporations doing business ln \$.A.

October 1985

\$1.1 bllllon

State Retirelent systel. Highway Elployees systel and public school retlrenent systel to divest fro: banks ln South Africa and Na-lbla. Public funds to divest tron convanies with invest-lent in or with South Africa. Includlng direct Investlent. franchising or licensing arrangelents. or over 5x ownership by a South African company.

June 1987

Not deterllned

Law requirlng state pension funds to divest all stock: in companles not Ieetlng hlghest rating of Sullivan Principles.

1984

\$36 lllllon

Law requirng dlvest-ent of pension funds tron all corporations doing business ln s.A. wlthln three years. Over \$2.8 billion has already been divested.

August 1985

\$4.2 bllllon

State Inveetlent Board prohblts new Inveetnent ln co-panies that have not signed the Sullivan Prlnclples.

July 1985

Not applicable

Law prohibiting the deposit or Inveltlent of certain state fund. and nonlee ln entitles that loan loney to the Republic of South Africa or it: lnatru-entnlitlea.

June 1986

Not determined

Law prohibits trust funds tron new loans or investments in South Africa or Nalihla. having depoelts in banks in South Africa or Nallbla. or in bank: lendlng to the governlents of South Africa or Nallbla. Pro. 1988 to 1992. state lust divest fro. U.S. businesses directly Investlng In South Africa and Nallble. Companles certifying they will not expand existing or establish new buslness operations in South Africa or Nellbia lay be exelpted.

April 17. 1987

Not deterllned

STATE

. Rhode Island

Tennessee

Vernont

West Virginia

Wisconsin

Virgin

Islands

NATURE OF ACTION/DATB ENACTED/AIOUNT AFFECTED

Law preventing further investment of state monies or pension funds in firms doing business in or with S.A.: divestment over a period of 4 years: from firms doing business in S.A. not rated in category one of the Sullivan Principles: and from all firms that supply strategic products to the S.A. military or police.

June 1985

\$141 million

After July 1, 1987, the board of trustees of the pension fund will no longer deposit money in banks with loans outstanding to the government and parastatals of South Africa and Namibia.

The fund will divest within one year of stocks in U.S.

corporations with direct investment in South Africa or Namibia.

if that investment represents more than 10% of company assets.

May 14, 1987

Not determined

1) State Legislature votes to divest state liquid assets and money market account: from financial institution: which have deposits on loan to South Africa. and to divest from companies doing business in or with South Africa.

May 1, 1988

\$22 million

2) State Employee Retirement Fund Board votes for full divestment.

April 1986

\$39 million

Board of Investment vote: to withdraw state investments from companies operating in South Africa or Namibia. Deposit of funds in bank with loans to the government of South Africa or its parastatal is forbidden.

May 18, 1986

\$513 million

State Attorney General rules that investment of state educational funds in firms doing business in S.A. violates state civil rights act.

May 19, 1977

\$11 million

Law requiring divestment of territorial pension fund from S.A. linked holding: within two years. Divestment has been completed.

October 1983

Not determined

CITY/COUNTY

Alameda

County (CA)t

Alexandria

(VA)

Alherst (HA)

Ann Arbor

(MI)

Atlanta (GA)

Atlantic

City (NJ)

Baltimore (MD)

Bergen County

(NJ)

NATURE OF ACTION/DATE BNACTBD/AIOUNT AFFECTED

Ordinance prohibits investment of city funds in any bank or financial institution with loans to the S.A. government or loans to businesses for operations in S.A. or Nalibia; prohibits county purchase of products manufactured in S.A. or Namibia. Provides for selective purchasing with a 5x advantage for companies not in S.A. or Nallbia. except in special circumstances.

June 1985

Not deterlined

Divestlent of clty funds fro. calpanles or banks doing business in S.A. that are not in the top two categories of Sullivan.

Hay 1985

Not determined

Divestlent fro- colpaniee doing business in S.A. or producing nuclear weapons.

October 1984

Not deterllned

Board of Pensions votes to divest fro. all companles doing business in South Afrlca following City Council resolution on the lssue.

Septelber 1986

\$19 Iillion

city Council ordinance prohibits city elployee pension funds from Ieklng new inveetlents in corporations that do business with the S.A. government or coepanies controlled by it: ordinance also prohlblte depoelt of city funds in banks that have not refuted to lake new loane to the S.A. government or governlent-controlled companles.

July 23. 1985

Not deterllned

Divestlent of city funds In flrlll operating in S.A. and banks with loan: to S.A. Portfolio 1: non South Attica tree.

March 31. 1983

Not determined

Pension fund trustees prohibit Inveltlent in corporations that do not Ieet the top two ratings of the Sullivan Prlnclples.

Augult 1985

Not deterllned

Bergen County Freeholder: resolve that no county funds be depoelted in banks that lake loan: to South Africa.

June 1983

Not deterllned

CITY/COUNTY

Berkeley (CA)
Boston (MA)t
Boulder (CO)
Brookline (MA)
Burlington (VT)
Caabrlde (HA)
Calden (NJ)'
Charleston (SC)'
Charlottesville
(VA)

NATURE OF ACTION/DATE ENACTED/AIOUNT AFFECTED

Binding referendul removes lunicipal funds from banks doing
business in or with South Africa.

April 17. 1979

\$12 lillion

1)Prohlblts investment of city deposits. and pension and housing
authority funds. in any bank: with outstanding loans to South
Africa or Nallbia or any fir. doing business in those countries.

January 7. 1985

\$11 lillion

2)Selectlve purchase legislation prohibits procurement of goods
and services fro: South Africa.

August 7. 1986

Not deterllned

Divests city funds fro: corporations operating in South Africa.

July 16, 1985

\$8.1 lillion

Brookllne Retirelent Board has divested bonds in coapanies with
investlenta ln S.A.. well before 1989 deadline for divestlent.

January 15. 1986

\$450,000

Divestaent of all city funds fro- corporations in South Africa.

April 30. 1985

\$1.8 lllllon

Cambridge Retirelent Board llll lake no he! investlents in firms
that do business in S.A.

February 1980

Not applicable

Resolution prohibits future inveatlenta or deposit: of city
funds in banks that make loans to S.A. governlent and bans city
purchase: tron corporations operating in S.A. or Nallbia.

Sapteaber 1985

Not applicable

City Council vote: to cease all business transactions with
companiea affiliated or asaoclated with coapanles investing in
South Africa. and requests tiraa located in Charleston to cease
investing In South Africa.

Augult 20. 1985

Not deta:llned

Dlvestnent of penalon funds fro. flrll that do not have a rating
in the top two categories of the Sullivan Principles.

Decelber 1984 '

\$700.000-31 lilllon

CITY/COUNTY

Chicago (IL)1

Cincinnati (OH)

Cleveland (OH)

College Park

(MD)1

Columbus (OH)

Cuyahoga

County (OH)

Davis (CA)

Denver (CO)

NATURE OF ACTION/DATE BNACTBD/AIOUNT AFFECTED

City Council votes that city funds may not be deposited in institutions which have financial dealings with the governments of South Africa and Namibia or their agencies or parastatals, or which sell Kruzerlands. State Treasurer began voluntarily divesting city funds of South Africa-related stocks in 1979. and the portfolio was largely South Africa free when legislation was passed. Selective purchasing legislation provides an ax bidding preference for goods not from South Africa or Namibia, and for companies which do not sell to the governments of South Africa and Namibia.

March 30. 1986

Not determined

Legislation requiring divestment of city funds from firms doing business in South Africa.

January 1985

326,000

No deposit or investment of public funds in any financial institution doing business in South Africa or Namibia, unless reasonable alternative: for essential financial services are unavailable.

April 1986

Not determined

No deposit of city funds in financial institutions with investments in South Africa. Selective purchasing clause prevents purchase of goods and services originating in South Africa unless essential and unavailable elsewhere.

April 1985

Not determined

City Council legislation prohibits deposit of city funds in banks making new loans to South Africa.

September 24, 1985

Not applicable

County Investment Board prohibited from investing public funds in bank: lending to the South African government.

March 12. 1984

Not determined

No further investment in banks doing business in South Africa.
1980

Not applicable

Retirement board shall divest stocks from companies operating in South Africa.

December 22. 1986

Not determined

CITY/COUNTY

. Des Moines (IA)
Detroit (MI)
Durham (NC)
East Lansing
(MI)
Erie (PA)
Fairfax (VA)
Fort Collins
(CO)

NATURE OF ACTION/DATB ENACTED/AIOUNT AFFECTED

City Council prohibits investment of public funds in businesses in South Africa that are not rated in the highest two categories of Sullivan principles. City shall not invest in banks advertising Kruzerrends. or lending to corporations domiciled in South Africa or to the government of South Africa and its parastatals other than for educational. housing or health facilities available on a nondiscriminatory basis.

June 16, 1986

Not determined

City Council ordinance prohibits city from: using banks that do business with the S.A. government. prohibits investment in any subsidiary or affiliate of a U.S. firm. doing business in S.A.

March 28, 1985

Not determined

Retirement funds will be divested and public funds withdrawn from bank: and companies which provide financial services to the government of South Africa or Nalibia or their agencies. or do business in South Africa or Nalibia. unless there is no reasonable and lawful alternative. Selective purchasing legislation prohibit: buying South African or Nalibian products in excess of \$2,500 unless there is no reasonable alternative and the purchase is necessary.

October 6, 1988

Not determined

City Council votes to use competitive supplier: which do not operate in South Africa when purchasing goods and services.

August 3, 1977

Not determined

City Council bare deposits and investment of municipal funds in bank: and corporations doing business with South Africa.

September 15, 1985

Not determined

Prohibit. purchase or good. originating in South Africa. or from companies dealing with the government of South Africa.

June 1988

Not determined

No deposit of city fund: in bank: lending to the South African government or selling Kruzerrends. Selective purchasing legislation state: that. all else being equal. the city will choose contractors who do not sell to the South African police. Military. police. or Department of Cooperation and Development. Option of awarding a 5% preference to lowest bidder does not comply with Sullivan Principles. No good: will be purchased from South Africa unless manufacturer adhere: to Sullivan Principles.

August 20, 1985

Not determined

CITY/COUNTY

Freeport (NY)
Fresno (CA)
Gainesville
(FL)
Grand Rapids (MI)
Harrisburg (PA)'
Hartford (CT)
Hennepin County
(MN)'
Houston (Tx)'
Howard County
(MD)

NATURE OF ACTION/DATB ENACTED/AHOUNT AFFECTED 10

Village Board prohibits deposit of funds in any bank or .
financial institution with loans to South Africa. Mayor suggests
divestment by 1988 from all Sullivan signatories taking only
limited progress, and from all companies by 1990 if change does
not occur in South Africa.

August 1985

Not determined

City council ordinance requires pension funds to divest from all
companies doing business in S.A. or Namibia and bans investment
in banks which lend to South African government or parastatals.

August 1985

Not determined

Resolution directs pension fund managers. whenever possible. not to
invest in corporations that do business in S.A.

September 30, 1985

Not determined

City Council prohibits deposit of idle funds in banks lending
to S.A. government or to firms doing business in S.A.

October 28, 1982

Not determined

city council resolution bans city government from purchasing
products originating in. and from contracting with firms
involved in. S.A. or Namibia. .

June 10, 1986

\$80,000

Prohibit: investment of city pension funds in firms operating in
S.A. that have not signed the Sullivan Principles.

1980

Not determined

Prohibition of direct purchase of securities of corporations
that do business in South Africa. Selective purchasing
legislation requires purchase of goods from companies not in
South Africa when all other factors are equal.

December 17, 1985

Not determined

City council prohibits investment of money and purchase of goods
from companies which have business with certain government
agencies in South Africa and Namibia, including the military.
police. and prisons.

July 23, 1986

Not determined

Prohibit: deposit of county funds in banks and companies with
loans to or investment in South Africa.

April 9, 1986 .

Not determined

CITY/COUNTY

. Jersey City (NJ)
Kansas City
(KS)5
Kansas City
(MO)
Los Angeles
(CA)'
Madison (HI)'
Miami (FL)
Hiddletoun (CT)
Minneapolis (MN)

NATURE OF ACTION/DATE ENACTED/AMOUNT AFFECTED

Divestment of public funds deposited or invested in banks or corporations with loan: or investments in South Africa.

September 1985

Not determined

City council resolution calls on city to seek alternatives. whenever possible. to purchases, bids, and contracts with companies in South Africa.

October 1985

Not determined

City council legislation requires divestment of funds from South Africa.

August 29, 1985

Not determined

1)city Council unanimously recommends pension fund divestment over 5 years from: all companies operating in S.A. Trustees of 2 of 3 city pension funds have adopted this divestment plan. Mayor's executive order terminates investment or deposit of city funds in banks that do business in S.A. or that sell or promote Krugerrands.

August 16, 1985

\$600 million

2)City Council ordinance introduces selective purchasing legislation on contracts. such as vending and personal services. not under City Charter's competitive bid requirement. Within this category, City will not purchase goods from South Africa. or from companies operating in South Africa, except news agencies and transportation companies.

April 1986

Not applicable

Ordinance urges city to seek contracts with firms not in S.A.. declares investment in S.A. an enforceable reason for ending contracts.

December 1976

Not applicable

Divest city funds from U.S. firms in S.A. or Nalanda. from bank lending to the governments of S.A. and Nalanda. to South African firms. or to 0.8. companies doing business in S. A.

February 14, 1985

Not determined

Divestment of public pension funds.

September 1985

\$7 billion

Prohibit: investment of public funds in companies operating in South Africa and not in Sullivan Principles highest category. Prohibit: investments in firms which advertise Krugerrands. or buy securities of the South African government. except for non-discriminatory educational. housing and health programs.

November 15, 1985

CITY/COUNTY

Monroe

County (NY)h

Montgomery

County (MD)

New Castle

County (DE)

New Haven (CT)

New Orleans

(LA)'

New York City

(NYDh

NATURE OF ACTION/DATB BNACTED/AIOUNT AFFECTED

No bank deposits or investments in banks and companies which support apartheid. or do business with the governments of South Africa and Namibia. or their agencies. gnless for education. housing, or health facilities available to all. Ban on purchase of products originating in South Africa unless necessary and unavailable elsewhere. Ban on contracts with companies supporting apartheid except as required by law.

1985

Not deter-ined

No investlent of county pension funds in South Africa-related holdings not in the top 2 categories of the Sullivan Principles.

March 1985

\$2 Iillion

County Council ordinance requires pension fund to divest within two years.

January 1986

Not deterlined

City Pension Board divest: frof companies that are not in the top two ratings of the Sullivan Principles.

August 1985

Not deterlined

City council orders divestlent of city pension funds fro-co-ppanies doing business in S.A.. bars city banking with institutions doing business in S.A.. and seeks to do business with companies which operate primarily within Louisiana.

June 20. 1985

\$2 lillion

1)NYC Elployee'e Retirelent Syetel adopts 5 year phased diveetlent plan.

Auguet 3. 1984

\$900,000

2)City Council prohibit: deposit of city funds in banks lending to the S.A. governlent or advertising or pronoting Krugerrands.

Hatch 15. 1985

Not applicable

3)Ban on purchases of South African and Nalibian goods. 5x preference for tires not dealing with South African Illitary. police. prisons. or Ministry of Cooperation and Development.

March 1985

Not applicable

4) Firetighter': and Police Retirelent Systels adopt divestment policy coepnrable to NYCERS legislation.

August 1986

\$800 Iillion

CITY/COUNTY

. Newark (NJ)'
Oakland (CA)'
Olahe (NE)'
Palo Alto (CA)
Philadelphia (PA)
Pittsburgh (PA)'
Portsmouth (VA)

NATURE OF ACTION/DATE ENACTED/AMOUNT AFFECTED

1) Ordinance mandates two-year divestment from: banks or firms with loans or investments in South Africa or Namibia; bans purchasing from firms operating in South Africa or Namibia; prohibits entertainers who perform in South Africa from playing in city facilities.

August 1984

Not determined

City ordinance prohibits investment of city funds in corporations doing business in S.A. or Namibia; prohibits investment or deposit in any bank or financial institution that lends to the government of or businesses organized in, S.A. or Namibia; prohibits county from purchasing any commodity made in S.A. or Namibia and provides for selective purchasing with a 5% advantage for companies not in S.A. or Namibia.

July 23, 1985

\$150 million

Divestment of city and retirement investment funds from companies doing business in South Africa or Namibia. Bans purchase of goods originating in South Africa.

October 4, 1985

\$38 million

City Council prohibits deposit of city funds in banks or corporations which have dealings with either the public or private sector in South Africa or Namibia.

June 23, 1986

Not applicable

Divestment of city pension fund: from firms in S.A. and from banks making loans to the government of S.A. or Namibia.

June 1982

\$90 million

1) Pension Board votes to divest from companies doing business in South Africa.

January 17, 1995

Not determined

2) Amendment to Pension Board legislation prohibits city from entering into contracts with the government of South Africa and Namibia. South African and Namibian corporations and American businesses in South Africa and Namibia unless alternative: do not exist or would constitute undue financial burdens.

February 25, 1985

Not determined

Retirement Board vote: to ban investments in S.A. and in businesses which are not consistent with the Sullivan Principles.

December 1985

Not determined

CITY/COUNTY

Prince Georges

County (MD)

Rahway (NJ)

Raleigh (NC)h

Richmond (CA)i

Richmond (VA)h

Rochester (NY)t

NATURE OF ACTION/DATE ENACTED/AMOUNT AFFECTED

County government prohibits contracts with companies investing in S.A. or Namibia except when essential. Legislation also prohibits deposit of county funds in banks with loans to S.A. government or parastatals and directs pension funds to study impact of divestment.

October 15, 1985

Not determined

Ordinance prohibits deposit of city funds in banks with loans to the S.A. government, or investments in firms operating in S.A.

June 1984

Not applicable

City Council prohibits deposit of city funds in banks with loans to companies practicing discrimination in S.A.; bans purchase of products originating in S.A. unless necessary. Restricts purchase of goods from companies which sell to the government of S.A. or refuse to adhere to the Sullivan Principles.

January 21, 1986

Not determined

City Council prohibits deposit of city funds in banks which lend to the South African or Namibian governments. or to corporations organized under the laws of S.A.; bans purchase of goods manufactured or produced in S.A. or Namibia. Provides a 5x preference for companies not operating in S.A. or Namibia.

February 10, 1986

Not determined

1) Ban: new investment of public funds in firms doing business in or with S.A. Mandates divestment of funds now invested unless feasible alternatives are unavailable.

June 1985

Not applicable

2) Selective purchasing agreement bans purchase of goods from companies operating in or trading with South Africa, unless necessary.

December 1985

\$70 million

Withdrawal of public funds from bank with outstanding loans to South Africa or to Namibia and divestment from banks lending to South Africa or to Namibia: divestment of pension funds from firms which support apartheid and from banks or financial institutions with loans to S.A. or Namibia: selective purchasing clause bans purchase of goods originating in South Africa unless necessary. Bans contracts with companies dealing with the governments of S.A. and Namibia. or refusing to adhere to the Sullivan Principles.

July 1985

Not determined

CITY/COUNTY

. Rockland

County (NY)

San Diego (CA)

San Francisco
(CA)h

San Jose (CA)

Santa

Barbara (CA)

Santa Barbara

County (CA)

Santa Cruz (CA)

Seattle (WA)

NATURE OF ACTION/DATE ENACTED/AMOUNT AFFECTED 15

1) Bans deposit of county funds in Barclays Bank for its role
in S.A. and its support for British rule in Northern Ireland.
1984

\$1.6 million

Resolution by the City Council urging the Retirement Board to
divest by the end of 1986. Board agrees to divest.

June 1985

\$35 million

1) Divestment of city pension funds from firms operating in South
Africa within two years.

April 30, 1985

\$335 million

2) Ordinance prohibits purchase of goods and services from
corporations doing business with S.A., unless unavailable
elsewhere, or if alternatives are more costly or contract is
less than \$5000.

January 1986

Not applicable

No further purchase of securities issued by the S.A. government
or 0.5. title with S.A. subsidiaries: no further links to banks
that invest in or do business with S.A. or that lend money to
0.3. firms operating in South Africa.

June 1985

Not applicable

City Council vote: to withdraw fund from bank which sell or
promote Krugerrands or lend to the South African government or
corporations whose principal place of business is South Africa,
September 10, 1985

Not determined

Board of Supervisors prohibits investment in the South African
government, business organized under the laws of S.A., U.S.
Multinational with operation in S.A. and banks with either
branches in S.A. or loan to the government of S.A. or to
private corporations in S.A. wherever legally possible and
consistent with sound investment policy.

August 18, 1986

\$225 million

Prohibit: investment of public funds in banks doing business in
or with South Africa.

November 8, 1983

Not determined

Legislation prohibits investment in banks doing business with
the government of South Africa, or any other nation which has
institutionalized racial. when comparable options are available.

April 22, 1985

Not determined

CITY/COUNTY

Sonoma County (CA)

St. Louis (MO)

Stockton (CA).

Syracuse (NY)

Tompkins County

(NY)

Topeka (KS)'

Tucson (AZ)

washington (DC)'

NATURE OF ACTION/DATE ENACTED/AMOUNT AFFECTED 16

Prohibits investment in companies with operations in S.A. or purchase of goods or services from: corporations that do business . In S.A. whenever possible and when consistent with state laws.

September 1985

Not determined

Board of Aldermen mandates full divestment of city employee pension fund and Tirel's pension fund.

March 1986

Not determined

Divestment of city funds from South Africa-linked holdings.

Selective purchase ban on the purchase of any goods or services supplied by the government of South Africa.

June 1985

\$8 million

Mayor prohibits: investment in banks with outstanding loans to U.S. corporations doing business in South Africa or Namibia. with loan: to South Africa or Namibia. or their national corporations. No public funds may be invested in banks with branches in South Africa or Namibia or in companies which do business in South Africa or Namibia. excepting those with subsidiaries, affiliates, or a parent company which does business in South Africa or Namibia. Divestment will be completed within six months unless the city is caused undue hardship.

June 15, 1987 .

Not determined

No public funds shall remain invested in any bank which has loans outstanding to South Africa or South African banks, unless such banks are American owned with subsidiaries in South Africa.

October 18, 1986

Not determined

City council resolution urges: city to use alternative: to investing in companies involved in South Africa and not to do business with companies in South Africa "whenever possible."

January 30, 1988

Not determined

City council directs total divestment of retirement fund investment: in companies doing business with South Africa.

September 3, 1985

\$11 million

1) Divestment of D.C. pension fund from South Africa related holdings over two years.

October 4, 1983

\$44 million

2) 6 percent bidding penalty against companies with business . interests in South Africa and Namibia.

May 23, 1986

Not determined

CITY/COUNTY

Westchester

County

(NY)

West Hollywood

(CA)'

Wilmington (DE)h

Youngstown (OH)

Ypsilanti (MI)

NATURE OF ACTION/DATE ENACTED/AIOUNT AFFECTED 17

County Board directs county not to deposit funds in banks that do business with the South African govern-ent or any of its instrulentalities.

1985

Not deterlined

city and county ordinance bars deposit of city funds in banks with loans to South Africa: also prohibits purchase of goods and services fro- colpnnles that do business in South Africa.

Amended February 1986 to read unless the product is necessary and not available elsewhere at a comparable price.

April 4. 1985

Not applicable

1)Dlvestlent of pension funds fro- firls doing business in S.A.

July 18. 1985

\$400,000

2)Executlve order and concurring City Council resolution ban business with or exchange of any material or goods to or from South Africa. The port of Hillllnzton shall accept no ships off-loading cargoes tro- South Africa. Selective purchase legislation prohibit: procurelent of goods and services supplied by or originating tron South Africa.

July 3, 1986

Not deterllned

Divestlent of city funds tron banks investing ln S.A. or institutions related to the governlcnta of S.A. or Nallbia.

January 24. 1985

Not deterlined

Fire and Police Pension Board divest: fro- co-panies that are not Sullivan signatories. and decreaues the percentage of the portfolio in Sullllvan signatory coupanles.

October 7, 1985

\$887,500

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Make It In Massachusetts,
Am Not In South Africa:

How We Won Divestment Legislation by MASS DIVEST

By the end of 1984. state and municipal actions across the US. had mandated the withdrawal of over \$1.3 billion in public funds from companies doing business in South Africa. Connecticut. Massachusetts, Michigan. Maryland. Nebraska and many cities including Boston, Newark, Philadelphia, Washington, DC. and Wilmington have enacted divestment legislation. Similar legislation is now pending in more than 25 other states and many cities. The divestment campaign is being felt where it matters_in South Africa. Dr. Ernie van der Merwe, head of South Africa's Reserve Bank, cites political pressure on foreign corporations as one of the causes of a marked shift away from direct investment in South Africa. Because the Massachusetts bill is the strongest state legislation to date, requiring full pension fund divestment, the American Committee on Africa asked Mass Divest to write the story of their campaign. We hope it will serve as a useful guide in the growing number of states and cities around the country that are taking up the issue of their economic links to apartheid.

Victory in Massachusetts

In 1963 the State of Massachusetts was the stte of a dramattc vtctory tor antt-apanhetd torces when the Senate and House at Representatives amassed suttmt votes to overrtde a veto by Governor Edward Ktng and enact the strongest statewnde pension tund dtvestment legislation ever passed tn the Untted itates The new law prohibits the tnvestment 0! teacher and ate employee rettirement funds In banks and corporattons that operate In South Atrtca When the bull became law, It attested apprommately \$91 mtlton of state oensnon tunds tnvestea In 43 such banks and corporattons

Rather than extendng the dtvesttng and retnvesttng process over the three-year perotd ptovrded tor tn the Iegtslatton. the state treasurers offtce moved qutckly after the bull's passage Warm the first ntne months of 1983. more than 75% ot the \$91 mtlton wonh ot Investment-pnmanly attectrng ttxea Income secunttes-attected by the Act were said Current COuDon Government Natronal Mortgage Assocxatton (GNMA) ISSUES were purchased to replace those whtch were divested By the end of 1983. all South Atnca-related secunttes were sold by the Massachusetts State and Employees and Teachers Annutty Funds, wtthout any loss Detng Incurred In fact newly elected Governor Mtchael Dukakts reported In was that the Massachu- setts experience demonstrated that Hltmely and cavemt Pubttshed tn cooperatton wtth the Untted Nattons Centre AgatnSt Apanhetd

divestiture can result in net increases in pension earnings. Under the slogan Make It in Massachusetts. Not In South Africa, the campaign for divestment was successful in an industrial state that is heavily Catholic with a strong Democratic party that is thought of as liberal. However, in 1979 Edward King, a conservative Democrat took office as governor and the state appeared to move to the right.

Building a Coalition

Throughout consistent leadership and hard work by key elected officials backed by a strong citizen support committee, the DIN could never have become law. In late 1980 State Senator Jack Backman, a white liberal Democrat from Brookline and State Representative Mel King, a black Independent from Boston, called a meeting which brought together a number of organizations,

labor and community groups concerned about the effects of the racist regime in South Africa on Men in Massachusetts. They included the Black Ecumenical Committee which represents the major black churches of Boston the Catholic Archdiocese, and the Massachusetts Council of Churches. The organizations active on the DIN were Service Employees International Union Locals 509 and 285, American Federation of State County and Municipal Employees Local 489 and the Massachusetts Teachers Association. Among the community groups were Mobilization for Survival, Boston Peoples Organization, a group organizing with Mayor King for mayor of Boston in 1979 and the American Friends Service Committee. A core group from BCLSA, and the TransAfrica Boston Support Group along with several other active groups were most important in the day to day work.

X

We here in Massachusetts are proud to have been the first state in the nation to vote to sell from our public pension fund portfolio all those investments in firms doing business in South Africa. It has been our experience that divestiture makes not only a strong moral statement against apartheid but divestiture has proven to have had no significant impact on our pension earnings. As the attached

analysis shows, timely and careful divestiture can result in net increases in pension earnings.

MICHAEL S. DUKAKIS, Governor

August 8, 1983

organizations which had worked independently against apartheid. These groups formed the Massachusetts Coalition for Divestment from South Africa, or Mass Dwest, and it was the work of Backman, King and Mass Dwest that made the victory possible. By late 1980 it was obvious to those who had long been at work on the issue of Massachusetts links to South Africa that it was time to build on earlier efforts and consolidate action in a single organization. With a single goal action against South Africa had begun at least as early as 1976. That was the year of the uprising in South Africa that began in Soweto and spread throughout the country, with tens of thousands of people defying testing the apartheid laws. In response, Mel King, a leading member of the Black Caucus, had held hearings at the State House in Boston on the Massachusetts-South Africa connection. Subsequently the Boston Coalition for the liberation of Southern Africa (BCLSA) organized a boycott of the First National Bank of Boston because of its policy of loaning money to the South African government. In 1979 Senator Backman and Representative King titled legislation requiring full divestment in response to a state commission report that a high percentage of public employees pension funds was invested in South Africa than in Massachusetts. Although the comprehensive proposal did not win legislative support, an amendment introduced by Representative King was added to the state budget barring any additional investments of pension funds in South Africa. The victory of the amendment encouraged King and Backman to press for full divestment. In 1980, however, the campaign

patgn stalled desptte loboytng by a few communtty groups a
lengthy senes on alvestment tn the Boston Globe. and an
address to the state senate by Dumtsant Kumalo. protects
dtrector ol the American Commtttee on Atnca. Backman and
ng agreed that a broadet coatltton was necessary for vrctory
Those who responded to the call by Backman ano Ktnng were
Nothing Short of Total Divestment

Once Mass Dtvest was formed a cruoat DOIIItCal deCISIon was
made whtch stood the coalttton tn good stead throughout the
enttre campatgn That was the decxsron to demand tult dtvest-
ment of Massachusetts penswn funds from all banks and
corporattons operatng m South Alnca. The purpose of awest-
ment IS to pressure companies and banks to wutharaw from
South Africa. It IS based on the understanding that the presence
of those banks and companies tn South Atrtca strengthens the
whtte mlnonty govetmentls abtlity to repress the black mapnty
It leaves no room for tacttcs such as the use of stockholders
leverage In proxy votes at tndwtdual company annual meettngs.
or for settng up cnterta for Investment m 80th Afrtca Both
these tacttcs gtve false lmpfeSSlonS. The vottnng of stock orextes
puts no real pressure on the corporattons and suggests.
wrongly, that they can be moved to wuthdraw by such means In
more than a decade of stockholders resolutttons Callng tor cor-
porattons to wnthdraw from South Atnca, not a smgte company
has responded wtth such actton

Many attempts have been made to estaoltsh crttena whrch
would allow some Investment tn South Africa. Most often these
cnterta Involve the use of the Sullivan Pnnrcples. a code ol
conduct for UScorporattons operatng tn South Atnca. The
Sulltvan Pnnncples shtft the dtscusswn away from the funda-
mental questton of how U S. Investment undergtrds apanhetd
Instead worktnng condtttons for the employees of U S corpora-
tttons. who make up less than one percent of the South Athcan
work force. become the focus of dISCUSSION Mass Dtvest and
the Iegrslattve sponsors ol the DIN were very cteat on then
chorce from the stan nothng short of total atvestment was
acceptable The dtvestment Dlll drafted by Mass Dtvest and
lueo In 1981 was desugned to wrn maxtmum pohttcat support

with the coalition and with the legislature One Division
specrheo remvestmg lrl Massachusetts to the extent possible,"
and appealed to UHlODSr Another provrsron allowed three years
to complete divestment to counter arguments that a hurried
sale could hurt the retirees fund. (See box for hnal text of om.)
The Commonwealth of Massachusetts
In the Year One Thousand Nine Hundred
and Eighty-two

An Act ending the investment of public
pension funds in firms doing business in
or with South Africa.

(vr) After January 1, 1983, no public pension
funds under this subsection shall remain Invested In
any bank or financial institution which has or
through its subsidiaries has outstanding loans to the
Republic of South Africa or its instrumentalities, and no
assets shall remain Invested In the stocks, securities or
other obligations of any company doing business in or
with the Republic of South Africa, Any proceeds of
sales required under this paragraph shall be Invested
as much as reasonably possible in institutions or com-
panies which invest or conduct business operations in
Massachusetts so long as such use is consistent with
sound investment policy.

(vn) Notwithstanding the provisions of the pre-
ceding paragraph, if sound investment policy so
requires, the Investment committee may vote to
spread the sale of such investments over more than
three years so that no less than one-third the value of
said investments is sold in any one year. So long as
any funds remain Invested In any bank, financial
institution or firm referred to in paragraph (vr), the
investment committee shall annually, on or before
January thirty-first, file with the clerk of the senate and
the clerk of the house of representatives a report listing
all South Africa-related investments held by the fund
and their book market value as of the preceding
December first,

The Strategy of Mass Omm

With the formation of Mass Divest and agreement on the
fundamental goal of full divestment, organizational work could
begin in earnest. A meeting room at the State House, a mailing
address at Monrlezation for Survival, and a grant for educational
purposes from the Haymarket Peoples Fund at Boston were
secured. Resources were prepared by various members of the
coalition BCLSA produced a brochure and slide/tape show
which demonstrated conditions in South Africa and the Massa-
chusetts and US connections to the apartheid system. Potmcal
polls on representatives and senators were done by CIIIZEHS for
Pantotpatton Ir'l Political Action, Work done by TransAfrica
members and its leader in Boston, Prof. Wallard Johnson was
crucial in the later stages of the campaign. Because of Trans-
Africa many black clergy academics and professionals were
aware of and took an active role in lobbying for the bill.
Initial outreach was done to organizations which had pre-
viously endorsed southern Africa solidarity actions in the Boston
New Bedford, and Springfield areas. The outcome of the out-
reach was to gain endorsement of the bill and to mobilize the
various organizations to lobby on its behalf. Mass Divest
members attended meetings, showed the slide show and
explained the bill and lobbying necessary to pass it. Follow ups
were made to obtain the formal endorsement. In two years or
work, more than 100 groups and organizations gave their formal
support to the bill.

The creation over a two year period of a statewide network
supporting the bill took hard work and required the overcoming
of many problems. Mass Divest itself was a coalition which
included groups with a variety of priorities and political or-
suasions. What held the coalition together was the commitment
to a clear goal, that of full divestment.

The role of key legislators such as Mel King and Jack Backs

man cannot be overemphasized, Their political insight about what works and does not work in the legislature which legislators were key opinion leaders. who could be counted on in a pinch and who could not. were invaluable Their leaders smoothed ruffled feathers among Mass Divest members and kept the locus on the main goal which was passing the legislation.

Without the support of the unions, whose members pension money was at stake, many legislators would never have been persuaded to support the bill.

There were two powerful supporters of the Dill that were crucial for victory. the Catholic Archdiocese of Boston and the public employees and teachers unions, AFSCME Council 93 and the Massachusetts Teachers Association. Intensive work including personal meetings with key leaders and With their lobby stall was necessary to gain their endorsement and active support. The active participation by the leadership of the Archdiocese was very important. Whom the support of the unions. whose members pension money was at stake. many legislators would never have been persuaded to support the bill To draw in more activists. the coalition presented a slide show and provided speakers at several public educational events, and participated in demonstrations. Mass Divest persistently sought media coverage. The national press was already covering the volatile situation in South Africa. A series of educational endorsements in the Boston Globe and the cover story in the mayor weekly the Boston Phoenix. exposing anti-divestment lobbying brought the issue home.

The Legislative Campaign

The issues that were raised to defeat the Dill were. by and large financial issues. The concept of "fiduciary responsibility" was raised by both the Treasurer and the Governor who argued that divestment would be a violation of their responsibility to invest pension funds prudently. with as much attention to maximizing returns as they would give to their own money The State Treasurer's Office insisted over a two year period that selling off bonds would involve a loss of \$16 million or more Opponents also argued that the divestment bill would introduce nonfinancial constraints on the Investment Committee's freedom of action If they stayed away from companies and firms which were in South Africa soon there would be other restrictions and investors would be hamstrung

Mass Divest and the legislative leaders developed persuasive responses to all these objections. A knowledge of South Africa and the role of US Investment there was the first step toward winning the divestment battle. It became necessary as well to be able to respond to the very specific arguments raised by the nature of the state's Investment portfolio.

In 1981 hearings were held before the Public Setwce Committee and over 20 groups and individuals presented what the Committee chair called the most impressive testimony he had ever received on any bill. Although an amendment by the Senate Ways and Means Chairman to exclude coverage of the banks was defeated, the senate passed the bill too late in the session for the house to act, so the entire legislative process had to begin again in 1982.

Based on an analysis of weaknesses in the 1981 campaign, lobbying efforts were directed at key legislative leaders in 1982. Pressure came from delegations of influential leaders from churches, unions, and local constituent groups, public events in their districts, and a flood of letters and phone calls at the time of key votes.

By the fall of 1982 it looked as if victory was possible. The Black Caucus was very strong in its support of the bill with virtually every member speaking on its behalf during the legislative session required last action by Mass Divest are: "the legislators in 3 dramatic meetings the question was whether to accept the weaker amended one that the Governor would sign or to go for full divestment, risking the necessity of a veto-override or of the legislature adjourning for the year before a override vote. It the votes for the veto-override were hot forthcoming the campaign would have had to be begun all over again. In 1983 Mass Divest decided to shoot for full divestment. This decision was communicated forcefully by King and Backman to the leadership of both houses. The bill was returned to Governor Keith Walling amendment, and predictably Governor King vetoed the bill. The legislature acted swiftly to override and victory was achieved on January 4, 1983. It was the only bill in the 1982 session that was passed over the veto of Governor King,

The Importance of Victory

Massachusetts is one of more than forty states and cities that have introduced some form of divestment legislation. The victory in Massachusetts is a major one not only for the state but for the nation. While divestment campaigns already legislated across the country are making contact to see how VICTORY can

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Without consistent leadership and hard work by key elected officials backed by a strong citizen support committee, the bill could never have become law.

e

legislative debate. The economic resistance began to break down when it could be demonstrated that, because of current economic conditions, the divestment of approximately \$91 million remaining in bonds and stocks in South Africa-related companies would result in a net profit.

But lobbyists were active against the bill as well. On December 3, a conservative Republican introduced an amendment to the bill. The amendment came from Althea Cantwell, the regional manager for state-government relations of the Ford Motor Company. Ford's amendment would have exempted any company that adhered to the Sullivan Principles from the divestment action. And Ford was not alone in fighting the bill. South Africa's opposition was presented by Stephen Riley, of the Washington-based lobbying and legal firm Smith, Symington and Herlong. The South African government has retained the right to represent its interests in the United States, and Riley was at the State House working against the bill. The Sullivan Principles amendment failed to get enough votes to even be considered for debate and the divestment bill, intact, was sent to Governor King for his signature. But instead of signing or vetoing the bill, the Governor returned it to the legislature with an amendment that would have limited divestment to stocks and exempted industrial and bank bonds. This

would have cut the amount to be divested from \$91 million to only \$35 million and would have let the companies. Including Ford with actual plants and employees in South Africa on the hook

members have been involved in nationwide organizations active participating in a national conference on divestment and staying in close communication with groups like the American Committee on Africa which monitors the national wide campaign. ACOA has supplied important resources for the campaign including language for a model bill and arguments for debunking the Sullivan Principles

Cooperative efforts will remain essential as the forces against divestment can be expected to intensify their opposition. The resources of Ford Motor Company are formidable, their involvement in South Africa substantial. Ford has \$213 million invested in South Africa and claims it needs the freedom to invest there. South African resources are also formidable. They are paying Smathers, Symington and Herlong \$300,000 a year to lobby on their behalf in the United States,

The Massachusetts Victory has set a powerful precedent. Full divestment from banks and corporations which operate in South Africa is possible. It can be done without human loss and in the face of sophisticated opponents with vast resources at their disposal. The message of the Massachusetts victory is clear: the forces of special privilege, of racism, repression and greed can be overcome by a carefully planned, determined, organized and hard working campaign for justice and freedom. Massachusetts has taken a giant step forward. Confident in the knowledge that other states and cities are joining the march that will continue until the people of South Africa are free be achieved. Massachusetts legislators and Mass Divest.

American Committee on Africa a 198 Broadway 0 New York, NY 10038 (212) 962-1210.
March 1983

Updated December 1984

Q

southern africa

PERSPECTIVES

Questions and Answers on

Divestment

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Participants in a demonstration calling on Citibank (0 disinvest from South Ahim.

There IS a longstanding debate tn the US. about whether economtc tnvotvement in South Afrn ca helps or

htnders efforts to abolish whtte mtnonty rule. Those in favor of US, Investmentctatm that thus Investment prowdes

lob and educational opportunities. helps promote posmve change and gtves the US. economic leverage to

pressure for change. But even such longtime advocates of continued Investment as the Rev. Leon Sutlivan

are 'tzhangtng thetr tune" and abandoning thetr old SOCial change arguments. There IS a g rowung national

consensus In support of the View that US Involvement prowdes no sugntftcant pressure to e nd apartheid

but rather suppltes much of the capital and technology needed by the white mtnonty to mai ntain Its absolute

domtnatton over the Black' majority of that country.

Many cwtl rights organizations. labor unions. churches, universmes, community groups as w ell as state and

muntmpal legislators argue that divestment of funds from corporations that tnvest In Sout h Africa IS the best

way to help end US. Investment. Faced With the nsrng pressure of stepped up popular tesrs tance to apart

held tn South Africa as well as a heightened level of protest against USt/South Africa po licy In the U.S.. Con-

gress voted overwhelmingly tor a package of limited sanctions In October 1986. At a time when South Atncas

white mtnonty regime's Increased repressron has been met by an tntenStficatIon ot the tpe oples struggle." the

pressure betng exerted by antiI-apanhetd acttvvtsts IS Important support for those struggli ng InStde South Atnca

The followan questttons and answers on divestment have been prepared to help deal thh the ISSUES most

often raised tn the current divestment debate

' The use of Black In this resource Includes the South African governments ofttctai racna t lelslOns of Afrtcan

Coloured and Asnan

NO. 1/87

(_ The Africa Fund (associated with the American Committee on Africa) _

198 Broadway 0 New York, NY 10038

1. Why focus on South Africa?

Attention is focused on South Africa because of its institutionalized racist system of apartheid. Under this system freedom, opportunity, enfranchisement and Citizenship are strictly rationed solely on the basis of race. While South Africa does not corner the market on racism, apartheid is legalized racism in its most brutal form. Race is the determining factor in every facet of life and death under apartheid.

- The African population of 25 million comprises approximately 75% of the population. Yet Africans may establish permanent residence only in a few scattered Black townships and the 13% of the land known as bantustans. The remaining 87% of the land which includes the most fertile areas and much of the country's immense mineral wealth, is reserved for the white population,

- Under apartheid Africans have no vote. The 1984 Constitution created a tricameral parliament which enshrined the apartheid isolation of races with separate chambers for whites, Coloureds and Asians. Whites were assured a monopoly of real power and Africans were completely excluded.

- ' For every \$1.00 a white employee earns in the non-agricultural sectors of the apartheid economy an African earns 26 cents.

- For every \$1.00 spent educating a white child, 11 cents is spent educating an African child.

- Of every 1000 white children born, 13 die in infancy while 80 African children die in infancy out of every 1,000 born. In some areas in the bantustans, one-half of the African children die before reaching the age of five.

2. Isn't economic involvement in South Africa a foreign policy issue that should be handled by the Federal government?

In a legal brief on this issue prepared a few years ago, the Lawyers' Committee for Civil Rights Under Law argued that the only relevant Constitutional powers specifically denied to state and local governments are those powers to enter into treaties or agreements with foreign states, to engage in war and to tax imports and exports. State and local divestment actions do not violate these Constitutional limitations.

In the words of Senator Patrick Moynihan of New York, "tilt our cities and states stand up to say that they can no longer abide a racist, repressive regime and are willing to stand behind those sentiments, then the Federal government has no right to interrupt their moral stance."

During the Congressional debate on sanctions in 1986, conservatives in the Senate argued that Federal legislation automatically preempts all state and local divestment legislation and thus nullifies it. The House of Representatives rejected this argument and overwhelmingly passed a concurrent resolution stating the intent of the legislation was not to preempt local action.

3. Why is corporate withdrawal necessary?

"The net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's apartheid regime," (Report of the Senate Subcommittee on Africa, January 1978)

As of 1985, total US economic involvement in South Africa, including direct investment, bank loans and shareholdings, totaled some \$8.5 billion. About 250 US companies have direct investment in South Africa and many others conduct business through licensing and franchising agreements.

US companies including IBM, Microsoft and Intel dominate the computer market. The single largest user of computers in South Africa is the white minority government which accounts for at least 25% of all sales. The white controlled economy, from the gold mines to the banks, relies heavily on US computers. South Africa really needs US companies in certain industries particularly high tech industries and computers," noted an IBM representative in 1984.

South Africa also relies heavily on foreign corporations to refine

and distribute petroleum products. Chevron, Texaco, Mobil and Shell dominate the market-controlling more than half of all filling stations. They also refine crude oil and are legally required to sell to the police and military, Mobil's investment of over \$400 million makes it the single largest US. investor in South Africa. Under the National Key Points Act, all companies - including foreign multinationals-can be forced by the government to provide armed security of their facilities under the supervision of South Africa's defense forces. This legislation effectively makes all corporations extensions of the state.

4. What effect does US. investment and lending have on South Africa's Blacks?

US. corporations argue, often with support from Washington, that foreign investment is a positive force for change in South Africa. If this was true, South Africa should have witnessed steadily improving conditions since the commencement of US. investment. In reality, neither US. presence nor increased involvement has prevented the growth of the repressive apparatus of the apartheid state- rather, it has actually contributed to its growth. Between 1960 and 1981, the level of US. investment in South Africa increased ninefold. Yet during that same period the 800' African government expanded and entrenched its repressive apartheid system. For instance, in that same period, the government forcibly removed more than 3.5 million Blacks from "white areas" to areas designated for Blacks.

The apartheid regime uses funds from corporate taxes and foreign equipment such as computers, cameras and police vehicles to monitor political activists and political detentions, and to keep the repressive machinery of the South African state running smoothly. US. companies help fill the gap between what the South Africans can themselves provide, and what they need,

5. What do Black South Africans say about foreign investment?

The multinational companies, as far as we are concerned, are political criminals in this country. One doesn't dream for one minute that sanctions alone would bring the government down or divestment alone. But it is part of a tool one can use and in fact, tools of this nature which are instruments of liberation would lessen the bloodbath we are heading for. . 1' (Winnie Mandela, Part of My Soul Went With Him)

Under South African law, any person who advocates divestment or divestment is guilty of subversion for which the penalty is up to 20 years in prison. Despite this danger, trade unions, the religious community, political organizations, CIVIC groups and others continue to call for divestment.

In December 1985, the then newly formed Congress of South African Trade Unions (COSATU)-the largest labor federation in South Africa's history with a membership of 650,000 Black trade unionists-declared its full support for divestment. The National Union of Mineworkers, in early 1987 passed a resolution reaffirming "its support for all forms of international solidarity :

including sanctions and divestment'

In an August 1985 policy statement, the United Democratic Front—a multi-racial democratic alliance of South Africans opposing apartheid—said, the Botha government would have been unable to subjugate the majority and defy world opinion without active assistance and connivance of certain governments and local and foreign business in particular. The South African liberation movements have consistently called for divestment. As long ago as 1959, Nobel Peace Laureate Alben Luthuli, then president of the African National Congress (ANC), urged the international community to impose economic sanctions on South Africa. He argued that, "the economic boycott of South Africa will entail undoubted hardships for Africans. We do not doubt that. But if it is a method which shortens the day of bloodshed, the suffering to us will be a price we are willing to pay."

6. What is the most effective way to achieve corporate withdrawal?

Growing international pressure coupled with increased internal rebellion in South Africa, has forced many US corporations to reevaluate their South Africa operations. Laws and policies adopted by at least 22 states, 14 counties, 75 cities, 130 colleges and countless other institutions have resulted in the sale of bul-

7. What would be the effect of divestment by US corporations and banks?

'Each trade agreement, each bank loan each new investment is another brick in the wall of our continued existence' (Fornnet South African Prime Minister John Vorster)

Divestment by US corporations would be more than a major psychological blow to the confidence of the ruling minority government. The effect of the cutoff of advanced US technology would be enormous. Computers and electronics comprise the largest single category of US exports to South Africa, In December 1986 Director General for Finance Chris Stats went so far as to say that if the world banking community should effectively exclude South Africa from international trade and payments systems, "It would put us on the barter system overnight. That is the muscle they have on their side,"

The cutting off of bank lending in 1985 provides the clearest indication of the effectiveness of international economic pressure such as corporate withdrawal. In July 1985 the South African government announced a harsh crackdown on protests and declared a State of Emergency. This action was greeted with much praise in the business community and South African press. The Financial Mail hailed it as a dramatic move to restore order. In August, however, international banks refused any new

x

GLOSSARY

Disinvestment: In the US, this term usually refers to corporations ending all investments, licensing and franchising agreements in South Africa.

Divestment: The sale of stocks, bonds or other financial interests in corporations involved in South Africa as a method of pressuring those companies to withdraw from South Africa.

Sanctions: Comprehensive economic sanctions aim to cut off all trade, investment and business dealings with South Africa in order to increase pressure on the white minority to end apartheid.

Direct Investment: Total or partial ownership of a company

x

Tens of billions of dollars worth of investments in corporations investing in South Africa.

The State of New Jersey alone has already sold more than \$2.5 billion worth of investments since its policy was adopted in 1985 and state and local divestment laws in effect by 1987 are forcing the sale of more than \$20 billion worth of stocks and bonds in corporations involved in South Africa. Religious organizations have removed more than \$100 million in deposits from US banks and corporations, and unions have led a campaign to boycott Shell Oil Corporation because of its involvement with

apartheid.

States and companies have also been refusing to purchase products from corporations involved in South Africa. When cities like Los Angeles, and New York begin turning down multi-million dollar contracts, the companies listen. Already Bell, 8. Howell, Ashland Oil and Eastman Kodak have completely withdrawn from South Africa, influenced by pressures

More than 70 US. companies ended their direct investment in South Africa in 1985 and 1986. But many companies, including IBM, General Motors and Coca-Cola, have simply restructured their South African operations so as to terminate direct investment while maintaining franchises and licensing agreements. GM cars and Coca-Cola products, for instance, will still be available in South Africa,

anti-apartheid organizations and many investors have vowed to continue targeting companies that have not completely severed their ties to South Africa. Massachusetts and New Jersey, for instance, are refusing to invest in IBM, and Los Angeles is still boycotting GM and Coca-Cola.

loans to South Africa. This dealt a serious blow to the South African business community. Which grew increasingly nervous about the wisdom of the state's untransigent attitude to Black majority demands. The South African government was forced to call a moratorium on debt repayments. By September F. M. Botha was calling for the resignation of President P. W. Botha and businessmen were traveling to Lusaka, Zambia for unprecedented public meetings with the African National Congress.

8. Is South Africa the place for prudent investment?

Investment of California trust funds and state monies in business firms and financial institutions with close ties to South Africa is both fiscally imprudent, given the political and economic instability of South Africa, and inconsistent with the moral and political values of the people of California. (Statement of the State of California Legislature, 1986)

Given the general state of the South African economy, the once very glamorous appeal of high profits and rapid growth of investment in South Africa is fast becoming just a memory for foreign business interests investing in apartheid. Black unemployment estimated between four and six million. Increased Black rebellion and the continued intransigence of the government have all contributed to an increasingly unstable environment for foreign investment. US, companies may also become a specific target of this unrest. According to the managing director of Goodyear Tire and Rubber Company's South African sub

Stdtafy. 'Forelgn companres are gomg to De the target Thai 5
where drssrdent Blacks wult focus We are rrght ln the trnoer box1
According to a 1985 pontrcat nsk anatsysrs computed by Frost
and Sullivan's Political Rrsk Servuce - the worlds largest private
sector polmcal and economrc nsk network-South Attrca 18 show-
:ng a detenoratmg risk picture, ln both the short and tong term
9. Are the Sullivan Principles an alter-
native to withdrawal?

The Sullivan Pnnrcples were a voluntary code of conduct for
US. firms operating In South Atnca. They were drafted by the
Rev. Leon Sullivan In 1976. and first accepted by 13 US. corpo-
rations ln 1977 amrd nsrng pressure for US companes to With-
draw from South Africa Under the Pnnrcples companies
rematned un South Africa and pledged to end workplace segre-
gation. adhere to farr employment practices and improve con-
dmons of lute for employees,
From their Inception the Pnnctples had many critics. berng
condemned as a 'toothless package" by labor leaders In South
Africa. But for ten years. the companies used the Pnnmples as
a jUSTlfiCathn for conducting ubusnness as usual" under uncredi-
bly unusual Circumstances. and US. investors used them to
Justify holding stock In these corporations. By 1986. as the divest
ment campatgn mounted, 178 of the 270 US. companies wrth
direct Investment In South Atnca had Signed on to the Sulltvan
Pnnmples.

Now thus tfig leaf" has been stripped away In June, 1987 Sul-
Irvan finally reversed htS positron. telling companies to get out-
Iock. stock, Incense and franchise. Sullivan conceded that despite
US. corporate "dogoodensrn." the mam prltars of apartherd strll
remain, and blacks are still dented basic human rtghts in therr
own country and are dented the nght to vote? Reva Sullivan went
on to state that tsomethng else must be done to brlng an end
to that despicable system that dehumanlzes black people."
Despite Sullivan's change tn tactics. the maJonty of US. cor-
poratuons operating In South Africa mamtatn thetr hnks wtth apart-
herd. Allan Murray. chret executive offncer of Mobil Corporation
and one of three co-charrmen ot the U51 Corporate Council on
South Africa stated, We wull now have to carry out the Sullivan
Pnnrcptes Without Sullivan."

10. What are the financial implications
of divesting in the (1.3.?

lWe here In Massachusetts are proud to have been the first
state In the nation to vote to sell from our public penSion fund
pOfIfOlto all those Investments In firms dorng busrness In
South Atnca. It has been our experience that dwesture makes
not only a strong moral statement against apartheid but divesti-
ture has proven to have no srgnmcant Impact on our penSion
fund earnings Timely and careful divestiture can result tn
net mcrease In pensron earnings." (Governor Michael Dukakls-
Massachusetts)

Thls experience In Massachusetts has been repeated by
states cmes. colleges and other Institutions divesting from com-
oanres nvctuec n Sour Afrca. Wasnmgton DC Cam: was
John Ray. tor :nstance reportec that the cutys stock content: grex.
faster than the Dow Jones averages dunng lts cuvestrrent
The Unrversnty of Wisconsin Trust Fund the Mtchrgan State
Untversrty Investment department. the State Unversrty of Net
York rnvestment fund and many others have found that drveb
ment tsnt necessarily goang to cost money.

One study by the Boston Company, a substdary of Shearson
Lehman/Amerlcan Express. found that a modet South Atnca tree
pontolao performed srgnrtrcantly better than a pontotro of com-
panies mvolved In South Africa.

11. Who is joining the divestment
campaign?

The divestment campaign has grown raptdly, Involvrng by the
er19805, states. crtles, COUHIIGS and colleges and universmes
as well as trade untions, religious IHSIIUUOHS and others.
States like Michigan and Maryland have Jornect cmes such as
Los Angeles. Chicago New York and Houston ln passrng Iegtse
Iatron barnng purchases of products made In South Afrlca and

restricting purchases from companies with investment in South Africa In August 1986 the National Conference of State Legislators adopted a resolution urging increased divestment of state funds in companies doing business in South Africa and any other actions to bring about a rapid end to apartheid in South Africa
12. What kind of alternative responsible investment exists?

Socially screened money market and mutual funds include the Calvert Social Investment Fund Money Market and Managed Growth Portfolios. Working Assets Money Fund Dreyfus Third Century Fund. Parnassus Fund and Pax World Fund. Investment managers such as US Trust Company of Boston Robert Schwartz of Shearson Lehman/American Express and Franklyn Research and Development Corporation have long provided larger individual and institutional clients with individually managed portfolios that are tailored to meet clients' unique social and investment objectives.

In addition to investing in conventional stock and bond portfolios, some investors are using divested funds to finance small business development, low income housing projects, alternative energy companies and cooperatively owned enterprises. Community development loan funds and banks such as the Fund for an Open Society, the Institute for Community Economics and the South Shore Bank of Chicago finance domestic community development projects.

The Kansas Public Employees' Retirement system has a program called "Kansas Funds for Kansas Jobs" that buys guaranteed portions of small business development loans. By making capital available for small businesses, the economy is improved and jobs are created.

Note: Questions and Answers on Divestment was prepared by Jim Cason, Lisa Crooms and Jennifer Davers of the Africa Fund, July 1987

THE AFRICA FUND: The Africa Fund was founded in 1966 to provide human and social development aid to Africa.

It is a non-profit organization that has been successful in obtaining funds from a wide variety of sources, including the federal government, private foundations, and individuals.

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The Africa Fund (associated with The American Committee on Africa) 198 Broadway New York NY 10038 212 962-1210

PUBLIC INVESTMENT
AND SOUTH AFRICA
February 1987

Divestment Actions Must Target Franchise and Licensing
Agreements As Well As Direct Investment

The divestment movement has won a string of impressive victories over the last few months. California's record \$12 billion plus divestment law, the passage of limited sanctions over a presidential veto and wave after wave of corporate "pullouts" are all testimony to the power and potential of our movement. At a time when the South African government has made almost all peaceful protests illegal, has detained thousands of people and continues to wreak havoc on its neighbors, the pressure divestment activists are exerting is important support for those struggling inside South Africa

But more needs to be done.

As a response to the various pressures that have been exerted, many companies that do business in South Africa have ended their direct investment in South Africa, but have maintained mutually profitable ties with the apartheid economy. At present these ties are continuing through franchise and licensing agreements that allow the companies to provide the up-to-date technology that is needed for the new South African-owned companies to take over the functions of the U.S. company that has "pulled out!"

In an attempt to deal with this shifting corporate response to both internal and external pressure, ACOA in conjunction with other national anti-apartheid organizations, has formulated a set of guidelines to help determine whether a company is still doing business in or with South Africa. That we have convinced many companies to end their direct investment is a victory, but already this year the apartheid government has shown itself capable of increasing the violence and repression inside the country as it attempts to put down the democratic resistance. In the face of these actions, there must be a clear response from the people of the United States

As part of this response, we must focus attention on the attempts that the corporations are making to represent their limited "pullout" actions as an end to their links to the apartheid economy. The bulk of the recent "pullouts" are nothing but a rearrangement of who owns the actual factories in South Africa and will not contribute to the economic isolation of apartheid. If left to themselves, these ms. companies will continue to provide the apartheid economy with the much needed technological support on which they are dependant.

In cities and states, in union meetings and religious organizations, on college campuses and at foundations we must ensure that our actions will continue to target these companies. Where we are fighting for divestment. companies that have not severed all ties to apartheid must be included in our campaigns. In areas where victories have been won, we must work to be certain that these companies are included in our definitions

The American Committee on Africa - 198 Broadway, New York. NY. 10038 - (212) 962-1210

State on us. Companies and South Africa

The past two years have seen major developments in the struggle for freedom in South Africa and Namibia. As the strength of popular resistance has grown in South Africa, so has government repression. The South African apartheid regime has detained more than twenty-three thousand people, including more than eight thousand children since June. Internationally, an increasing number of countries have imposed at least some limited sanctions.

In the U.S. the anti-apartheid movement has long recognized the key role played by U.S. corporations in bolstering apartheid. As a result, these companies have become an important target in our campaigns. Nineteen states, 70 cities, and 116 universities as well as numerous religious bodies, foundations and unions have adopted binding measures mandating divestment or other economic action against companies doing business in South Africa. This past October, the U.S. Congress overrode a veto by President Reagan and imposed limited sanctions against South Africa.

As a result of both the growing internal resistance to apartheid and the divestment movement in the United States, an increasing number of U.S. companies have moved to end their direct investment in South Africa. However, we feel that it is essential to distinguish between those corporations for which withdrawal means the termination of all economic ties to South Africa, and those for which withdrawal merely indicates a restructuring of economic relations. We particularly applaud companies such as Eastman Kodak that have severed all economic connections. By contrast, companies like General Motors, IBM, and Coca Cola have announced withdrawals but continue to provide vital economic support to South Africa through ongoing licensing, distribution, marketing, and service agreements. Such companies have not ended their links to apartheid. We have formulated the enclosed guidelines to clarify what the national anti-apartheid movement means by economic disengagement from South Africa and Namibia. We urge those who have already committed themselves to divestment to consider these guidelines as the morally and legally correct interpretation of their present policy. We also encourage the numerous institutions and individuals that are considering divestment to use these criteria as the basis for their policies. Through thousands of local actions across the country, the anti-apartheid movement has won many victories in the struggle to isolate South Africa. The implementation of the enclosed criteria will further strengthen our movement and provide strong support to the people of South Africa and Namibia in their struggle to achieve genuine democracy and self-determination. '

Guidelines for Divestment

We support an end to all corporate involvement in or with South Africa and i Namibia. A corporation is doing business in or with the Republic of South Africa or Namibia if it, its parent, or its subsidiaries:

- 1) have direct investments in South Africa or Namibia, or have entered into franchise, licensing or management agreements with or for any entity in those countries; or
- 2) are financial institutions that have not prohibited new investments, loans, credits or related services, or the renewal of existing financial agreements, including those for the purposes of trade, with any entity in those countries; or
- 3) have more than 51 of their common stock beneficially owned or controlled by a South African entity.

A company with operations in South Africa or Namibia for the sole purpose of reporting the news shall not be considered doing business in those countries.

The Statement and guidelines were issued by the following organizations:

American Committee on Africa TransAfrica

American Friends Service Committee Washington Office on Africa

Interfaith Center on Corporate Responsibility

Since the principles were released in January, their importance has been widely recognized and endorsement has already come from:

Amalgamated Clothing and Textile National Education Association
Workers Union

Rabbi Alexander M. Schindler,

American Federation of State, County President,

and Municipal Employees, AFL-CIO Union of American Hebrew
Congregations

Arie R. Brouwer, General Secretary,

National Council of Churches of Christ Assemblywoman Maxine Waters,
in the USA California

Coalition of Black Trade Unionists, William w. Hinpisinger,
Executive Council International President,

International Association of

John G. Guffey, Jr., Machinists and Aerospace

Executive Vice President, Workers

Calvert Investment Fund

SOME COMPANIES THAT HAVE IOT FULLY IITHDRAHI

International business machines (IBM) announced it was withdrawing from South Africa in . October of last year and sold its SA subsidiary to local employees. The former manager of IBM

South Africa, Jack F. Clarke will be managing director of the new independent company. In full

page advertisements in major South African papers, Clarke has gone out of his way to reassure

IBM's South African customers that they will still be able to buy IBM computers and other products. "The new company will hold the sole franchise for IBM in South Africa, and has a

supply and service contract with IBM... There will be no change in the supply of IBM products," he wrote in a personally signed letter. Annual sales are estimated at over \$200

million, the largest by far of any computer company in South Africa. IBM computers will continue to dominate the South African market.

General Motors sold its South African operations to local management at the end of 1986. The South African company will continue to manufacture and sell GM cars under license from the

U.S. company. Under the terms of the sale, not only has GM invested an estimated \$100 million

in the form of a loan to the new South African company to pay off debt, but the agreement also

contains a clause giving the U.S. company the right to buy back the South African company at a

future date. One of the first actions of the new company was to reconsider a previous ban on

sales to the South African security forces.

Coca-Cola sold its SA subsidiaries in late 1986. When Coke first announced its plans to end direct investment in South Africa, it said that its subsidiaries would be sold to local SA

business. Coke also made headlines by reporting that they would sell some of their interests

to Black-owned businesses - although as of January 1987 they still hadn't found any Black buyers. More importantly, Coke will continue to supply syrup concentrate and franchise the use

of the name. Since the vast majority of Coke's profits in South Africa come from the sale of

syrup concentrates, profits from the new arrangement are not expected to be significantly decreased. Coke products will continue to have a 75% market share of the soft drink market in

South Africa.

SHE COMPANIES THAT HAVE EIDED ALL BUSINESS TIES

Ashland Oil Inc. Eastman Kodak

Bell & Howell Educational Inc.

Boeing Corp.

Note: A full listing of companies doing business in South Africa is available from the Africa Fund-

198 Broadway, NY. NY 10038

"Apartheid must go. This is not the time to improve its efficiency, because that's the purpose of reform, to improve. The struggle has reached this level and the struggle can only grow... We know we shall win because you are there. Our continuing plea is let's put more pressure. Let's get more companies to divest. Let us put the squeeze on. Let all the American people come with us."

Oliver Tuba, President

African National Congress

New York City. January. 1987

Copyright The American Committee on Africa, February 1987

southern africa
PERSPECTIVES No. 2/85
VOICES FOR WITHDRAWAL

In South Africa, advocating divestment is a crime. In terms of the Internal Security Act (1982), advocacy of divestment or any other economic action against apartheid is punishable by up to 20 years in prison-whether the crime was committed inside the country or out.

M1 is the South African government so threatened by divestment? The answer lies in the nature of the apartheid economy, which is critically dependent on foreign investment-especially US investment-for its survival. Although South Africa is rich in mineral resources, it has no oil. Further, the United States and other Western countries supply the advanced technology vital to its mining and manufacturing industries and to maintaining and streamlining its all-embracing repressive state machinery. The critical foreign exchange for these imports comes from two sources: exports (gold and agricultural products in particular) and foreign loans and investment. Apartheid, which guarantees a plentiful supply of cheap, heavily regimented

"Citibank

You Finance .

Apartheid!"

Untied

Democlanr

From

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prolesnng a!

Cmbank

headquarter: m

Johannesburg

The Africa Fund (associated with the American Committee on Africa)

198 Broadway 0 New York, NY 10038

black labor. has provided an attractive investment and trading climate for foreign corporations.
Take this away-even part of this away-and the South African economy is in serious trouble .
Over 350 US corporations do business with South Africa and the US is South Africa's biggest trading partner. US direct investment. bank loans and shareholdings total some \$14 billion. This figure includes \$4.6 billion in US bank loans outstanding as of March 1984, The importance of the US presence is not reflected in its size as an employer: US companies employ less than one percent of the black workforce. However. they dominate strategic sectors of the South African economy. Seventy percent of the computer market is controlled by US companies. as is 33 percent of the automotive market and almost 40 percent of the petroleum market.
The growing divestment movement in the United States is giving the South African government cause for alarm. John Chettle. South Africa Foundation director and government apologist. warned in the Johannesburg Financial Mail on February 1, 1985: "in one respect at least. the divestment forces have already won. They have prevented-dissuaded, whatever you call it-billions of dollars of new US investments in South Africa." This reads like a message of congratulation for the divestment campaign and reflects the considerable concern felt by the business community in South Africa.
The US corporations and the South African government have launched an energetic public relations campaign to persuade the world that economic growth is producing reform and that corporations are playing a vital role in this process. Reagan's policy of "constructive engagement" bolsters this view. Yet. over the last two and a half decades. as the number of US corporations operating in South Africa has multiplied and the value of their direct investment has grown from \$286 million to over 52.5 billion. conditions for South Africa's majority have gotten steadily worse.
In response, the resistance movement in South Africa has been growing. Since August 1984. the country has been wracked by non-stop unrest-demonstrations. protests. strikes. boycotts. The people are saying. "Enough!" but they are paying with their lives. As of May 1985, well over 300 demonstrators and bystanders-including many children-had been killed by police and army fire.
The so-called reforms of President P.W. Botha are no more than mechanisms for modernizing apartheid and the apartheid economy. The "Sullivan Principles" adopted by US corporations fall under this banner. Signing on to this voluntary code of conduct (which calls for desegregation in the work place and fair employment practices). allows a company to look as if it has good intentions. while forestalling any actions that seriously challenge the apartheid system.
Black workers at Ford Motor Company (SA.) have denounced the Principles as a "toothless package" allowing "this cruel system of apartheid to survive."
The divestment movement in the United States can contribute toward genuine change in South Africa. It sends a powerful message to the apartheid rulers that the people of the United States will no longer allow their dollars to prop up this vicious system. At the same time. it exerts direct pressure on US corporations to stop collaborating with apartheid. By May 1985. five states and at least 25 cities had passed divestment legislation. The South African government was so concerned about the growing momentum of the campaign that it set up a special department to coordinate

anti-divestment propaganda.

Despite the stringent laws. many people are now willing to take the enormous risk of speaking out for divestment. Readers of The New York Times were greeted in early April with a front-page photograph of protesters in Citibank's Johannesburg office. holding posters accusing the bank of financing apartheid. Courageous voices from inside 50th Africa and around the world have spoken out to condemn continued foreign investment in the horror that is apartheid. Some of these voices follow.

NOBEL PEACE LAUREATES

"The economic boycott of South Africa will entail undoubted hardship for Africans. We do not doubt that. But it is a method which shortens the day of bloodshed. The suffering to us will be a price we are willing to pay" The late Chief Albert Luthuli, President of the African National Congress and 1961 Nobel Peace Laureate. June 12, 1964.

"My view is that disinvestment could initially have far more psychological impact than material impact. It would be a blow to the confidence of those who are perpetrating this vicious system. While we cannot guarantee that it will push them to the negotiating table with authentic leaders of every section of the community, it is our last chance. It is a risk worth taking."

Bishop Desmond Tutu,
Bishop of Johannesburg and 1984
Nobel Peace Laureate. Newsweek.
May: 11, 1985.

"We...ask all men of good will to take action against apartheid in the following manner: ...Don't buy South Africa's products; Don't trade or invest in South Africa."

Dr. Martin Luther King, Jr.,
1964 Nobel Peace Laureate
Statement Issued on Human Rights Day.
December 10, 1962

SOUTH AFRICAN VOICES

"What we say to foreign investors today is that they must pull out of South Africa because their investments inevitably help to strengthen the apartheid regime. We would therefore expect that it is unlikely that corporations have any regard for our voice. There will be no US investment in South Africa on the day of liberation."

Oliver Tambo. President of the African National Congress. South Africa. Africa Report, Sept/Oct. 1981.

"The argument is often made that the loss of foreign investment would hurt Blacks the most. It would undoubtedly hurt Blacks in the short run. Because many of them would stand to lose their jobs. But it should be understood in Europe and North America that foreign investment supports the present economic system of political injustice". If Washington is really interested in contributing to the development of a just society in South Africa, it would discourage investment in South Africa. We Blacks are perfectly willing to suffer the consequences! We are quite accustomed to suffering."

The late Steve Biko, Black Consciousness Movement leader. Canadian Forum December-January, 1977

"We appreciate everything that you do in solidarity with us. (but) there is one thing that we do not appreciate very much: the American companies that are operating in South Africa. They have introduced codes of conduct with which you people here are made to believe are bettering the lot of the South African workers. We want to say that there is no code of conduct that has made anything better to! any worker in South Africa."

Emma Mashele, General Secretary,
Communist and Allied Workers Union
Wine on Water and South Africa. New York
City, May: 2, 1981.

"We believe:

- That foreign investments do not benefit the oppressed and exploited people of South Africa but bolster the apartheid government.
- That the present disinvestment campaign in

the USA shows that the American people are
neither fooled by the sham reforms of the
Botha government nor the policy of construc-
tive engagementmand therefore resolve:
' to demand an immediate end to L'S and
British collaboration with the apartheid regime.
- to demand an end to the explottation ol the
people and the natural wealth 0! our country by
foreign investors.
"b'e'rv e t ' ' t "iiwiiwi' 3 W W V

0 to reject the argument that foreign investments benefit the oppressed and exploited of South Africa,"

Resolution adopted at the
United Democratic Front
Annual Conference, 5-7 April 1985
Winnie Mandela

uThere are various other forms of lighting in our struggle. lbutl disinvestment is one of the greatest weapons. ll, in fact.,the West had listened to our pleas to disinvest. pleas for sanctions against this country. for embargoes against arms to this country. we would be very far in our struggle today. The West and those countries that have trade links with South Africa are those who are protracting our struggle. They are prolonging our suffering."

Winnie Mandela. Africa News. Namnber 29, 1382 Wife 0/ hiprkoned ANC leader Nelson Mandela, shehasbeenbamedandbanbhedfor her poliliall mimics

"FOSATU as a trade union organisation concerned with the jobs and livelihood of its members has to give careful consideration to the question of disinvestment. However, it is FOSATU's considered view that the pressure for disinvestrment has had a positive effect and should therefore not be lessened?

Federation of South African Trade Unions, ImmbulPolinySialmu AM
1981 mmolhekugafedmw'onofm

mmmmMAm

'lol course. many argue that investment is a way of bringing about changes from within the country. However so far. it has not changed the lives of South Africa's 20 million blacks in any fundamental way.... It is foolish to believe that foreign businesses are interested in assisting us to achieve such a situation in South Africa. All they are interested in is the accumulation of profits."

Council of Unions of South Africa
(CL'SA) lzwulethu. Sept-Oct. 1981

"lThe Sullivan code is a piecemeal reform that allows this cruel system of apartheid to survive. ltl circles around apartheid's basic structures. The Code does not demand apartheid to be abolished but merely to modernize and ensure its perpetuation."

The Motor Ammblen' and Component Workm' Union. Dominant presented
10 Ford, January, 1982

"The National Conference of the South African Council of Churches. t .

Believes that the pressure in Western countries for disinvestment and divestment has been most effective in moving white South Africans into a more serious consideration of the cause of the political conflict of this country. , .

Resolves. . .

To express our belief that disinvestment and similar economic pressures are now called for as a peaceful and effective means of putting pressure on the South African government to bring about those fundamental changes this country needs."

Resolution passed at the National Conference of the South African Council of Churches, T
June 28, 1985,

ttll the international community is serious in its

call for a relatively peaceful solution to the liberation struggle in apartheid South Africa. then it must immediately impose comprehensive and mandatory military and economic sanctions against the Pretoria regime" The late John N. Pokela, Chairman. Pan Africans! Congress 0/ Azania. United Nations, March 2/, 1985.

"It was 15 years ago when I first got that explanation that sanctions would hurt blacks. I wish they had hurt me then. so my son wouldnt be hurting so much now."

African father in his midx30 '3. The New York Times. April 2. 1985.

... . ____ -. Wwv-veev'4 --

INTERNATIONAL VOICES

"The General Assembly...calls on all Governments concerned

0 To sever diplomatic. military. nuclear economic and other relations With the ractst regime of South Africa:

I To take measures to prevent transnational corporations banks and other institutions under their jurisdiction from collaborating with the apartheid regime:

0 To prohibit the sale of Krugerrands...ii

United Nations General Assembly

Resolution 34/93 adopted December IE. 1979

"The Committee appeals to those companies investing in South Africa to withdraw investment there, as the promotion and continuity of investment in South Africa supports and sustains the apartheid regime."

Convnittee on Apartheid. International

Labor Organization, Geneva. June I8. 1984,

"Reltendng the indignation of Africa at the support given to the racist South African regime by some Western governments. especially the United States. lsrael, Multinational Corporations and certain international finance institutions.,..

CALLS UPON Governments and the International Community to individually and collectively work for the imposition of comprehensive and mandatory sanctions against the South African regime."

Organludon ofAfrlmn Unity, Co-

ordl'MMg Committee for the Liberation of

A/n'az, molulivn adopted 6-8 February, 1984,

"Everyone who invests in South Africa is voluntarily involving himself in organized theft, Everyone who buys South African apples. or wine. or gold or any other goods. is benefiting from the brutality and exploitation suffered by the non-whites of South Africa under the present system."

Julius Nyeme, President 0/ Tanzania. in an address to the Pmahivi Society of Finland Christianity and Crisis. March 13, 1978.

"In our opinion. sanctions would bring to the fore the problems at apartheid within SA itself. more than anything else. The only other way is violence. That violence will leave hundreds of thousands of people deado"

Kenneth Kaunda, President of Zambia. interview with the Financial Mall.

April 26, m5.

NATIONAL

"We must reject so-called "constructive engages ment" as the basis of our relations with South Africa. We must stop all economic investment until there is an end to apartheid"
Rev. Jme Jackson. Address in Newark.

.N'eu'lersey, May 27, 1984

"What I have advocated is no new investment as a first step toward making it very clear to the apartheid government that we are not going to continue to provide economic support for that system... We cannot continue to say that we abhor apartheid while refusing to take any steps toward removing our support for its continuation."

Congressman William Gray,
Chairperson. House Budge! Camilla.
TransAlrica Forumr

January, 1984,

'US. firms and corporations should withdraw all personnel and investments from South Africa, and as rapidly as they can. In commerce and foreign policy alike. we must treat Ithel South African government as the pariah it long ago chose to become."

Clifton R. Wharton Jr,
Chancellor of the Stale Unuem'ly 0/ New York
Lalm'ng Stale Jourml, Demmber 7, 1984.

CITY AND STATE

"We are pleased...lto proposel a City Council bill to prohibit city deposits in banks that provide services tor the South African government and to restrict city purchases from certain companies that do business in South Atrica,... This bill would make New York City the first city in the country to enact effective restrictions on public purchasing based on a company's activities in South Africa and Namibia... We believe that our action will speed the dawning of justice in South Africa without impairing the fiscal or other interests of the city."

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pumedandet/i 1986

UNITED STATES VOICES

Govt Michael S . Dukaki:

We here in Massachusetts are proud to have been the first state in the nation to vote to sell from our public pension fund portfolio all those investments in firms doing business in South Africa. it has been our experience that divestiture makes not only a strong moral statement against apartheid but divestiture has proven to have had no significant impact on our pension earnings... Timely and careful divestiture can result in net increases in pension earnings."

Michael S. Dukakls, Governor of
Mamdtuserts, "Make it in Massachusetts. " ACOA,
New York, 1980.

ttlt is clear that we (the citizens of the state of California! cannot espouse the equality of all men and women on one hand and support the denial of the basic freedoms of people through our financial resources on the other hand. My disinvestment bill requires people to put their money where their mouth is They are either supporters of democracy or supporters of their own financial gain."

I
lunar: Bur:

"We are here. . . to force the disengagement of our commonly held wealth from this evil apartheid. I think we all realize that this will be a difficult and time-consuming process for we are in effect opposing the whole of American history, a V. Ours then is a subtle request: to ask our neighbors, the people with whom we share the country, to refuse to finance the domination of one set of human beings by another."

Georgia State Senator Julian Bond,
Conlmena an hlblic lnmanem and South
Alvin ACOA Action News. Full, 1981.

TIA!!! UNIONS

thy union will give its total support to legislation in Congress to stop all investments and bank loans to South Africa. We don't believe there is such a thing as "good" American investment and 'bad" American investment in South Africa. We want to stop it all."

JohnBanovlc. Semmy-Tmm United
Mine Waltersoi/imm'm ConlmmmonLabur
WMAMM. NM YorkCily.

MaIDtZISIBS.

"THEREFORE, BE IT RESOLVED:

That the Coalition of Black Trade Unionists at its 12th Convention, go on record as follows:

' Calls upon the US government to break all diplomatic. cultural. sporting. military and economic relations with the South African Government until the policies of apartheid are ended. . . .

0 Calls upon all US corporations to withdraw their investments from South Africa.

' Calls upon the American trade union movement to withdraw their bank accounts and pension funds from banks that make loans to South Africa and from banks and companies that invest in South Africa."

kmmmuulzmwmo/m

lelllonolBlad deel/nbnbm,

L983.

"The NEA encourages its affiliates to lobby their state legislatures for divestment of public monies in the Republic of South Africa. The organization will help its affiliates secure all the relevant information necessary for a successful campaign."

Rmmedbylltelvadonal

WWI. 1984. Joumalolthe

National mam" mint: 19844985.

"This 26th International Convention reaffirms AFSCME's absolute opposition to the racist apartheid policies of the government of South Africa and our long-standing support of campaigns to deny that government the sources of support represented by US. pension fund investments. investment and operations there by us corporations. and loans or grants by the US government and international organizations such as the International Monetary Fundw"

lemnedal UteKl/t Inlematianal

Conlmtion oftheAmerimm Federation of
State, CumlyandMunk-ipal

51"me 1984.

cmcm

"As a violation of basic human dignity. racism is a sin against God's will for all people. The archdiocese has a moral responsibility to handle its investments in a way to promote the greatest good. We cannot benefit from the evil inflicted

in South Africa upon its non-white residents which are the majority of the population....Financial loans to such a country will continue to perpetuate this evil."

Statement by Arrhblehop Remben

kaland, Archdiocese at Milwaukee on the selling Olmm in Citicorp Hauling me notes asapmlesto/Citibanlt's hiltldl'ngo/alloan 10 South Africa. June 29, 1981.

"We urge you to co-sponsor and actively support legislation calling for disinvestment of US corporations from South Africa and an end to US bank loans to that country..."

mmmmmsynedbymm

rdigiomleadmo/alllaillu. mudbyangy

AndtatyCamd

FebumyZS, 1985.

I'll be the governing board of the National Council of Churches of Christ in the United States at America. recognizing the grave injustices in Southern Africa and guided by its commitment to Christian principles and its own affirmations at human rights. declares its support for the following actions...

- Support efforts to end all economic collaboration between South Africa and the United States government and its private institutions involved in banking. commerce and industry until Black majority rule is a reality
- Undertake to withdraw all funds and close all accounts in financial institutions which have investments in South Africa or make loans to the South African government or businesses and urge constituent membership to adopt this policy."

National Council of Churches governing

board Statement adopted November 10. 1977

TI! IUSINI'SS COMMUNITY

"I call on you to terminate immediately all efforts to expand Kwikopy operations into South Africa. Expansion decisions cannot be based solely on commercial or economic criteria. Social, moral and ethical implications must come into consideration. The moral absurdities of apartheid demand that we have nothing to do with any activity that may strengthen or perpetuate that policy."

Open letter from William Van Duker, owner of KwibKopy franchise to Bud Hadfield. President of the Board of KwibKopy, February, 1984

"My family and I have decided that we will no longer hold stock in any company that invests in South Africa. I was in that country. . . and saw the twisted face of apartheid, . . . For my family. and for me, given the suffering I saw. the decision about where we invest involves first (a) basic moral question. As a businessman. I also feel it involves economic good sense"

Jerry Dunfee, management consultant. Dunfee
Hole! drain. The New York Times,
April 2. 1965.

Compiled by

Stephanie Urdan. Research Director

Don Jamison. Research Assistant

Mly. DIS.

THE AFRICA FUND: The Africa Fund was founded in 1966 to provide humanitarian aid to African people struggling for independence and to work toward increased American understanding of African issues through a program of film and literature production. Contributions to The Africa Fund are tax deductible.

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Committee on Africa) I98 Broadway, New Vork. NY
10033 (ZIZ) 961-1210. Published in cooperation mm m:
United Nation Centre A'IIIIII Apartheid.
1: 1985 The Africa Fund

southern africa

PERSPECTIVES No.1/se

Questions and Answers on

South Africa Sanctions

STvnSIA IOVdm nusmg aw,

Workers at the taunchmg ot the Congress of South Attican Trade Unions m South Alnca

Inside South Africa the struggle against apartheid Is escalating dramatically. Black Sout
h Africans

demanding full political and economic rights have made parts of South Africa ungovernable
and are

increasingly challenging white political power, The government talks of reform but has re
sponded with

unprecedented. vicious repression. By mid-1986 more than 2000 had been killed and the dea
th toll

was growing by 40 a week

Faced with this intransigence. Black South African leaders have caHed repeatedly for supp
ort from

the use and other Western countries in the form of sanctions against Pretoria. The Black
majority be-

lieves strong sanctions will provide some of the substantial pressure needed to force Sou
th Africa to

change, but the Western powers have refused to act. Citing concern for these same Blacks
as a prie

mary reason.

Here in the US. the administration has opposed sanctions . but local efforts to enforce "
people's

sanctions" have already had an effect. Across the nation. states, cities, institutions an
d indiwduals are

Withdrawing billions of dollars from corporations still involved in South Africa. At leas
t 40 US com-

panies have completely Withdrawn from South Africa and many US. banks have stopped all le
nding.

These actions still fall far short of the comprehenswe action Black South Africans have d
emanded.

but popular pressure IS torcmg Western governments to debate sanctions more seriously tha
n ever

before.

Some people who oppose apartheid hesitate to support sanctions or are uncertain what type
of

sanctions to support The foliownng questions and answers should help clarify many of the
issues most

often raised

The Africa Fund (assbciated with the American Committee oh Africa)

198 Broadway - New York, NY 10038

1. What are "sanctions"?

Sanctions are actions taken by governments or individuals to express their disapproval of, or to punish or modify the behavior of, another country. The term most often refers to economic measures by governments that impose penalties on other states. When words alone seem too little and war too drastic a response, economic sanctions are one of the few remaining actions governments can take to make their influence felt.

Sanctions can range from weak symbolic penalties to full economic warfare. Proponents of strong sanctions against South Africa usually seek mandatory comprehensive economic sanctions, including trade embargoes that ban imports and exports, and ban financial relationships such as bank loans or direct corporate investment. Formal sanctions against South Africa would, in effect, complete at the federal level what state and local activists have set in motion with the divestment movement over the last ten years.

Internationally, the United Nations Security Council can enforce mandatory sanctions that are considered legally binding on member countries.

2. What are the goals of sanctions against South Africa?

Sanctions against South Africa are intended to help force the South African government to abandon its system of racial domination. They will support those seeking the downfall of the present white minority government and its replacement with a democratic non-racial system that represents all South Africans. These sanctions are also aimed at persuading South Africa to end its illegal occupation of Namibia, and stop its attacks on Angola, Mozambique and other neighboring countries.

Although sanctions alone will not achieve these goals, they will reinforce the efforts of the peoples of South Africa and Namibia to end apartheid. Defensive measures and diplomatic initiatives by neighboring countries against South African attacks are also part of the struggle. All these actions are intended to bring an end to white minority rule. If sanctions are strong enough, they can contribute significantly to weakening the regime and shortening the time of strife before a negotiated settlement.

In the United Nations, the Security Council has sought to impose mandatory sanctions against a country that threatens international peace and security. The majority of UN members agree that South Africa's policy of apartheid, its illegal occupation of Namibia, and its attacks on neighboring countries, constitute such a threat. Except for the mandatory arms embargo voted in 1977, however, mandatory sanctions have been blocked by the three Western members of the Security Council, the US, Britain, and France, who have repeatedly vetoed UN sanctions resolutions. The major Western powers say they agree that apartheid must end but argue that comprehensive economic sanctions are unrealistic. Yet, as Velde of America UN correspondent Richard Walton observed almost twenty years ago, the major reason they may be unrealistic is precisely that the Western powers oppose them. The question is one of political will in the key countries that have both the power in the UN and the economic weight to implement effective sanctions.

Ultimately, while these countries say they oppose apartheid, they still believe in the "reformist" nature of the white minority government and refuse to endorse Black South African calls for "one person, one vote" in a unitary, democratic and non-racial state.

3. Isn't South Africa too strong to be hurt by sanctions?

South Africa has a modern industrial economy and great mineral wealth including gold, diamonds and strategic metals like chromium and cobalt. But this reliance on sales of raw materials overseas also makes it vulnerable. Western nations provide the main markets for South Africa's mineral exports. The US, and other Western countries, as South Africa's leading trading partners, also provide billions of dollars of technology from computers and automobiles to airplanes and pharmaceuticals. In addition, foreign capital in the form of direct investment by Western companies

and credit from International banks and financial institutions is essential to the economy.

In 1960, after the Sharpeville massacre and in 1976, after the Soweto uprising, capital flight seriously threatened economic growth. Each time the South African business community and the government began to talk about the need for reform, and each time the urgency faded as repression re-established 'order' and loans from banks and the International Monetary Fund helped restore confidence.

The country's continuing economic vulnerability was demonstrated again in September 1985, when South Africa was forced to suspend payment on almost 60% of its \$24 billion foreign debt. Veteran South African Journalist Allister Sparks noted then that "the argument that sanctions would be ineffective against South Africa because our economy was so strong we would not feel them, has been blown away by a whiff of bankers' breath. A simple decision by a few American banks not to renew short-term loans triggered a financial crisis that has changed the whole political outlook."

The most effective actions would be mandatory comprehensive sanctions. It is the goal to accelerate the end of apartheid and white minority rule. The strange! the sanctions and the more fully adopted the better

2_____

Sanctions can also have short-term political effects, depending on how strong the sanctions are seen to be. and whether they Signal stronger future action. The effect of President Reagan's administrative sanctions of 1985 was limited. for example. because it was seen as a successful effort to head off stronger .ms.

So sanctions. not even the most comprehensive, are completely leakproof. but that is not the real issue. The key question is how high a price the South African regime is forced to pay to evade them. The better the enforcement the higher the price, and the greater the effectiveness of sanctions. It is not a question of yes or no. but of more or less.

4. Isn't it useless for the US. to adopt sanctions if other countries don't agree?

The US. acting alone has already had a major effect on the South African economy. US. banks for example triggered the debt crisis of August 1985. The US. is South Africa's leading trading partner. and plays a strategic role in the supply of products such as computers. electronic equipment. aircraft and machinery. The US. is second only to Britain in investment. with an estimated \$10 billion in direct and indirect investment in South Africa. US. companies control 50% of the computer market, almost 40% of the petroleum industry and nearly 20% of the automobile industry. Some people argue that if the US. imposed sanctions. its share of trade. investment and loans would just be replaced by European or Japanese firms. But South Africa's other major economic partners are also under domestic pressure to take strong action. If the US. acted. it would increase that pressure on other governments. For example, when the US. tightened restrictions on computer exports to South Africa in 1985 the Japanese announced they were taking similar action.

Who is calling for sanctions against the South Africa regime?

Since the 1950s organizations representing Black South Africans including the African National Congress. have consistently called for comprehensive economic sanctions.

In South Africa, support for sanctions is a criminal offense. Nevertheless. virtually all significant Black South African organizations have called for sanctions. Prominent Black leaders including Winnie Mandela and Nobel Laureate Archbishop Desmond Tutu as well as many organizations such as the United Democratic Front. Congress of South African Trade Unions (COSATU), Azanian Peoples Organization and South African Council of Churches have all formally endorsed sanctions.

"We call on the international community to apply immediate and comprehensive sanctions on South Africa," said a declaration issued by South African and international church leaders meeting in Zimbabwe in December 1985.

These calls have been supported by large majorities in the United Nations General Assembly since 1962. The Organization of African Unity. representing independent African states. has supported sanctions since its formation in 1963.

In the US, anti-apartheid activists have for years pressured for the imposition of comprehensive sanctions by Washington. and across the country. activists have escalated this pressure through the passage of "peoples sanctions" through boycotts and divestment work.

Anti-apartheid sanctions has become a broad-based bipartisan issue, including organizations such as the National Council of Churches and the American Federation of State. County and Municipal Employees as well as activists such as the Rev Jesse Jackson and NAACP Director Benjamin Hooks, and the Republican Governor of New Jersey. Thomas Kean

6. What sanctions have already been imposed on South Africa?

- The UN Security Council imposed a voluntary arms embargo in 1963 and a mandatory embargo in 1977.

OPEC and other Third World oil-producing countries have embargoed oil shipments since 1979, although Western multinationals continue to circumvent the embargo.

- Among Western countries. Denmark has banned all commercial links with South Africa (1986). Other Scandinavian countries, as well as France, have banned new investments in South Africa. Krugerrand sales have been prohibited by the United States, the European Economic Community and the Commonwealth countries including Britain. (1985-1986). Canada had adopted some limited restrictions on trade and investment by July 1986.

- In 1985 the United States reimposed restrictions on computer and other sales to the South African military and police that the Reagan administration had lifted four years earlier. Washington also prohibited most bank loans to the South African government.

7. What effect have these sanctions had so far?

. The arms embargo has forced South Africa to pay markups of up to 100% for arms on the black market. Despite the South African claim that the arms embargo has helped stimulate their domestic arms industry, the bulk of their heavy equipment is still that obtained from the West, some of it more than 20 years ago. The embargo has had this effect even though the major powers have made little effort to establish effective enforcement procedures or to close sanctions loopholes. Significant violations have included shipments of sophisticated artillery equipment and technology as well as military radar systems.

- The oil embargo has had similar results. Although the out companies and Western countries have not supported it, South Africa has had to pay a premium of up to \$2 billion a year to evade the ban by OPEC and other petroleum producing countries.

- The loan suspension in 1985, and the variety of sanctions adopted by Western governments, were major factors in the devaluation and continued low exchange rate of the South African rand and the poor performance of the economy in the first half of 1986.

Fear of stronger sanctions has driven increasing numbers of South African businessmen to call for limited reforms, and has prompted visits by prominent South Africans to the African National Congress in exile in Lusaka, Zambia. The sanctions threat has also spurred the government's own efforts to win international approval by successive reform proposals.

. Anti-apartheid organizations have imposed their own sanctions by organizing boycotts of South African products and through divestment. These actions have had a strong impact.

"In one respect at least, the divestment forces have already won. acknowledged South African business lobbyist John Chettle in a 1985 interview. "They have prevented, discouraged, dissuaded whatever you call roll-backs of dollars of new US. investments in South Africa."

In early 1986, South Africa's leading financier, Harry Oppenheimer, whose Anglo American group or companies controls over 50% of the value of shares on the Johannesburg stock exchange, warned South Africans, we have to recognize that the opposition in principle (by Western governments) to sanctions as a means of effecting change in South African policies has been breached,"

3K

8. Who opposes sanctions against the South African regime?

The white minority government is the foremost opponent of sanctions. The South African business sector, along with most major Western multinationals, also oppose sanctions, contending that while they are against apartheid they believe that economic growth will improve the climate for reform. The best way to get rid of the apartheid system, they say, is by cooperating with or using other means of persuasion on South Africa's white leaders.

Black South Africans who oppose sanctions are generally those who have accepted a place in the apartheid structure, and argue that changes have to come from within the system. The most prominent is tribal Chief Gatsha Buthelezi of the KwaZulu 'homeland,' who has not only opposed sanctions but also taken a hard line against the banned African National Congress and other anti-apartheid organizations.

The Reagan administration has been among the most vocal opponents of punitive sanctions, advocating instead "constructive engagement" with the South African regime. Although forced by political pressure to adopt some limited sanctions, the administration continues to oppose stronger measures and to portray sanctions as "random, indiscriminate damage."

Not surprisingly, most other countries with large economic stakes in South Africa have opposed sanctions. With Britain and the German Federal Republic being particularly vocal.

Opinion poll data on the feelings of Black South Africans is often used to bolster arguments against sanctions but these polls depend very much on the wording of the questions. A US State Department-financed study, for example, introduced questions about divestment to factory workers by implying that divestment would destroy their jobs. Not surprisingly this poll found Black workers generally opposed to divestment. Another poll, taken by Gallup in 1985 asked if "other countries are right or wrong to impose economic sanctions unless South Africa agrees to get rid of the apartheid system." When asked in this way, urban Africans three to one, approved of sanctions.

9. Aren't sanctions a "cop-out," giving up on constructive change?

Foreign business, and the US, government, have argued that they should not "cut and run," but stay and use their influence as a positive force for change. This question assumes that change is possible without first decisively weakening the present system and that constructive change can only take place at the initiative of the present rulers of South Africa.

For more than a century, foreign economic interests have unapologetically profited from and bolstered the South African system of white domination. Yet in the last decade, in response to internal unrest and the international divestment movement, US corporations and officials in Washington have argued that economic involvement can actually accelerate the process of reform. But the improvements they point to in working conditions and housing for a small minority of Black South Africans have done nothing to end apartheid. In fact, between 1960 and 1980, while US investment increased ninefold, Pretoria consolidated its apartheid policies, and forcibly removed over 35 million Blacks to impoverished "homelands."

Those who argue that Western economic ties promote change have had ample time to prove their case. The evidence is all against them.

10. What about the argument that "sanctions don't work"?

Sanctions do work. In fact, "successful" cases of sanctions are not hard to find. Two US sanctions against the progressive Allende government in Chile in the early 1970 were one of the major factors leading to its overthrow. And South Africa itself used sanctions to provoke a coup in Lesotho in 1986.

The two most substantive academic studies of sanctions in recent years by Princeton professor David Baldwin and by Washington-based Institute of International Economics both conclude that sanctions sometimes work and sometimes don't. Baldwin, dissecting the reasoning in previous studies of sanc-

tions. noted that the criterion of t'success" used was often impossibly narrow. A sanctions effort was considered successful only if it worked immediately and directly, neglecting indirect effects and the long-term toll of sanctions. Using such criteria practically any category of political action - war, diplomacy, foreign aid, propaganda strikes. demonstrations. electoral campaigns. or lobbying - "doesn't work" No strategy is 100% effective and few actions by governments achieve their goals immediately.

Many people use a double standard. arguing against sanctions on South Africa while supporting their application against other countries. such as Libya. Poland and Nicaragua

The real issue is not whether sanctions work in general, It is how the potential impact of sanctions compares, in the specific case of apartheid, with other proposed means of influence.

11. Did sanctions work in the case of Rhodesia?

United Nations sanctions against Rhodesia did hasten the downfall of Rhodesia's white minority government and the emergence of an independent Zimbabwe Both Baldwin and the Institute of International Economics studies mentioned above confirm this In fact, sanctions were a constant drain on the Rhodesian economy and imposed long-term costs on the white regime. especially after the rise in oil prices and the escalation of the war, Moreover. sanctions signaled the moral isolation of the regime, giving legitimacy and encouragement to those fighting for an independent Zimbabwe.

But these sanctions were not as effective as they could have been because the Western powers tolerated violations of the sanctions by South Africa. Portugal and even their own multinational corporations. After 1971. the US Congress permitted U.S. sanctions-breaking by importing Rhodesian chrome 6 importantly. Rhodesia was backed by South Africa which could not enforce sanctions at all and provided back door access to many goods on the world market

without sanctions the war would probably have gone on for many more years. With the loss of many more lives on the other hand, strong enforcement of sanctions against Rhodesia could have led to Zimbabwe's Independence even sooner

1. Wouldn't Blacks be hurt most by sanctions?

Opponents of sanctions often argue that Black South Africans would be the first to be hurt by sanctions. The South African government, the Reagan administration and US corporations all express such concerns repeatedly.

The argument ignores the fact that sanctions will deal a serious blow to affluent whites, and white discontent can have a significant political effect. To consider only the short-term suffering and not the long-term gains from an eventual victory over apartheid does not make sense, unless you assume the regime can never be overthrown, or should not be.

In addition, most Blacks say any such suffering is better than the suffering caused by the continuation of apartheid. "It was 15 years ago when I first got that explanation that sanctions would hurt Blacks first and one African last! In an interview with the New York Times in 1985 "I wish they had hurt me then. so my son wouldn't be hurting so much now."

13. Won't sanctions damage South Africa's neighbours?

South Africa's neighbors, the "Frontline states," would be affected by sanctions against the white minority government. But the Frontline states have said time and time again that while they know they will suffer if sanctions are imposed, they consider the problems caused by sanctions an investment in ending the far more serious problem of the continued threat from Pretoria. Pretoria's neighbors estimate they have suffered at least \$10 billion in damages from South African attacks and from South African economic sanctions against them since 1981. If the West imposes sanctions the costs for South Africa's neighbors may be great, but the costs of not imposing sanctions are mounting daily, and indeed threaten the survival of some countries.

Voices for Sanctions

'We arrived at that painful conclusion that the only other method, the only other peaceful method we could use to pressure Pretoria, the racist regime in this country, is disinvestment.'

-William M. Doll, 60 Minutes,

June 1, 1986

"Our land is burning and bleeding and so I call upon the international community to apply immediate and comprehensive sanctions on South Africa."

4% Doornand Tutu, April 2,

1986

HCOSATU is in full support of divestment."

-Elliot Banyl, President of the 500,000-strong Congress of South African Trade Unions. December 1985

"In our opinion, sanctions would bring to the fore the problems of apartheid within SA itself, more than anything else. The only other way is violence. That violence will leave hundreds of thousands of people dead."

Jonathan Kaundl, President of the

Due. Interview in the Financial

Times. April 26, 1985.

Jesse Jansen

"We are gathered here... to enlist the leaders of our government in saying no to apartheid through comprehensive mandatory economic sanctions"

How. Arlo R. Broum,

General Secretary, National Council
of Churches, June 16, 1986

"This 26th International Convention re-
affirms AFSCME's absolute opposition to
the racist apartheid policies of the gov-
ernment of South Africa and our long-
standing support of campaigns to deny
that government the sources of support
represented by US. pension fund in-
vestment and operations there by U S.
corporations, and loans or grants by the
US. government and international or-
ganizations such as the International
Monetary Fund. . .

Resolution passed at the 26th Inter-
national Convention of the American
Federation of Shh. County Ind
Municipal Employe, June. 1984

'We must reject so-called "construc-
tive engagement" as the basis of our re-
lations with South Africa. We must stop
all economic investment until there is an
end to apartheid."

Rev. Jun Jackson. Address in
Newark. New Jersey. May 27, 1984

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14. Won't the Afrikaner regime just retreat into the laager?

This "raIIy-round-the-tlag" effect is made especially compelling by the image of Atrikaner trontiersmen Circling their wagons into a delensnve laager, But it is only part of the picture, The laager hypothesis overstresses one side of the Afrikaner response. Although the immediate reaction to pressure may be negative, Afrikaners are not a unified people - some are moving to a harder-line right-wing stand. while others are arguing the need for more basic changes. The idea of unshakable Atrikaner unity and intranSigence is a myth that has become particularly clear in recent years as the situation of the Atrikaner in South African society has changed. Many have moved into business while the proportion in agriculture and unskilled labor has dropped. The zig-zag policies of the Afrikaner-dominated regime reflect these growing conflicts within Afrikanerdom. The laager hypothesis. moreover. ignores the impact of pressure on other South Africans. Sanctions. in addition to other pressures, are forcing the traditionally English-speaking business community to become more vocal for change. Many young white South Africans are resisting the draft and supporting the call for a non-racial society. Stronger sanctions will aid these trends, Sanctions, moreover. encourage Black Opponents of the regime. Some Afrikaners. and other whites. may well retreat even further into the laager as the pressures for a non-racial \$00ler intensify. But others will step up the search for a way out, and eventually realize that they have to talk to the representatives of the majority of the South African people.

15. How long will sanctions take?

No one can answer this question without a crystal ball, Neither sanctions. not anything else, will end apartheid tomorrow. And ultimately. majority rule will only come to South Africa by the actions of South Africans themselves, Black and white. The role of sanctions depends on what kinds of sanctions are adopted, when they are adopted and how strongly they are enforced, as well as trends in the world economy. and other circumstances in South Africa and in the region. - . . .

Only one thing is certain: Without sanction. the eoMlch will 'bolongerandmonbloody. Andeanundvomnlc

Wmumtymmuuw

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16. Won't sanctions increase the level of violence and forestall the possibility of peaceful change?

To talk of peaceful change when the South African government has unleashed unprecedented state violence on the Black majority is completely unrealistic. More than 2000 people were killed by state violence in the two years ending June 1986 and thousands more have been arrested, detained, beaten and tortured. The question now is how long this violence will continue and how bloody it will become.

Sanctions can help increase the possibility of peaceful change. The time has come for Western nations in general and Americans in particular to side with the Black majority and pressure those in charge to accept majority rule.

The Commonwealth Eminent Persons Group noted in their 1986 report that the imposition of sanctions "may offer the last opportunity to avert what could be the worst bloodbath since the Second World War." By enforcing strong, effective sanctions on South Africa the US, can actually help promote a process of more peaceful change.

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w Nob: Questions and Answers about South Africa Sanctions was
a pr wiam Minter. contributing editor for Africa News
Service and author of King Solomon's Mines Revisited: Western
Interests and the Burdened History of Southern Africa (Basic
Books, 1986). Questions and Answers about Sanctions was
edited by James Cason and Jennifer Dave at the Africa Fund
The Africa Fund (associated With The American Committee on Africa) 198 Broadway, New York
. NY 10036 (212) 962-12101

southern africa
PERSPECTIVES
Questions and Answers on
Divestment

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Participants in a demonstration calling on Citibank to disinvest from South Africa. There is a longstanding debate in the US. about whether economic involvement in South Africa helps or hinders efforts to abolish white minority rule. Those in favor of US. investment claim that at this investment provides job and educational opportunities, helps promote positive change and gives the US. economic leverage to pressure for change. But even such longtime advocates of continued investment as the Rev. Leon Sullivan are "changing their tune" and abandoning their old social change arguments. There is a growing national consensus in support of the view that US. involvement provides no significant pressure to end apartheid, but rather supplies much of the capital and technology needed by the white minority to maintain its absolute domination over the Black majority of that country. Many civil rights organizations, labor unions, churches, universities, community groups as well as state and municipal legislators argue that divestment of funds from corporations that invest in South Africa is the best way to help end US. investment. Faced with the rising pressure of stepped up popular resistance to apartheid in South Africa as well as a heightened level of protest against U.S./South Africa policy in the U.S., Congress voted overwhelmingly for a package of limited sanctions in October 1986. At a time when South Africa's white minority regime's increased repression has been met by an intensification of the people's struggle, the pressure being exerted by anti-apartheid activists is important support for those struggling inside South Africa. The following questions and answers on divestment have been prepared to help deal with the issues most often raised in the current divestment debate. 't The use of Black in this resource includes the South African governments official racial divisions of African, Coloured and Asian. The Africa Fund (associated with the American Committee on Africa) 198 Broadway 0 New York, NY 10038

1. Why focus on South Africa?

Attention is focused on South Africa because of its institutionalized racist system of apartheid. Under this system freedom, opportunity, enfranchisement and citizenship are strictly rationed solely on the basis of race. While South Africa does not corner the market on racism, apartheid is legalized racism in its most brutal form. Race is the determining factor in every facet of life and death under apartheid.

- The African population of 25 million comprises approximately 75% of the population. Yet Africans may establish permanent residence only in a few scattered Black townships and the 13% of the land known as bantustans. The remaining 87% of the land, which includes the most fertile areas and much of the country's immense mineral wealth, is reserved for the white population.

- Under apartheid Africans have no vote. The 1984 Constitution created a tricameral parliament which enshrined the apartheid division of races with separate chambers for whites, Coloureds and Asians. Whites were assured a monopoly of real power and Africans were completely excluded.

0 For every \$100 a white employee earns in the non-agricultural sectors of the apartheid economy an African earns 26 cents.

- For every \$1.00 spent educating a white child, 11 cents is spent educating an African child.

- Of every 1,000 white children born, 13 die in infancy while 80 African children die in infancy out of every 1,000 born. In some areas in the bantustans, one-half of the African children die before reaching the age of five.

2. Isn't economic involvement in South Africa a foreign policy issue that should be handled by the Federal government?

In a legal brief on this issue prepared a few years ago, the Lawyers' Committee for Civil Rights Under Law argued that the only relevant Constitutional powers specifically denied to state and local governments are those powers to enter into treaties or agreements with foreign states, to engage in war and to tax imports and exports. State and local divestment actions do not violate these Constitutional limitations.

In the words of Senator Patrick Moynihan of New York, "Tilt our cities and states stand up to say that they can no longer abide a racist, repressive regime and are willing to stand behind those sentiments, then the Federal government has no right to interrupt their moral stance,"

During the Congressional debate on sanctions in 1986, conservatives in the Senate argued that Federal legislation automatically preempts all state and local divestment legislation and thus nullifies it. The House of Representatives rejected this argument and overwhelmingly passed a concurrent resolution stating the intent of the legislation was not to preempt local action.

3. Why is corporate withdrawal necessary?

"The net effect of American investment has been to strengthen the economic and military self-sufficiency of South Africa's apartheid regime" (Report of the Senate Subcommittee on Africa, January, 1978)

As of 1985, total US economic involvement in South Africa, including direct investment, bank loans and shareholdings, totaled some \$8.5 billion. About 250 US companies have direct investment in South Africa and many others conduct business through licensing and franchising agreements, U.S. computer companies, including IBM, Unisys and Control Data dominate the computer market. The single largest user of computers in South Africa is the white minority government, which accounts for at least 25% of all sales. The white controlled economy, from the gold mines to the banks, relies heavily on US computers. 'South Africa really needs US companies in certain industries, particularly high tech industries and computers,' noted an IBM representative in 1984.

South Africa also relies heavily on foreign corporations to refine

and distribute petroleum products, Chevron. Texaco. Mobil and Shell dominate the market-controlling more than half of all filling stations. They also refine crude oil and are legally required to sell to the police and military. Mobil's investment of over \$400 million makes it the single largest US. investor in South Africa, Under the National Key Points Act, all companies including foreign multinationals-can be forced by the government to provide armed security of their facilities under the supervision of South Africa's defense forces. This legislation effectively makes all corporations extensions of the state.

4. What effect does U.S. investment and lending have on South African Blacks?

US. corporations argue. often with support from Washington, that foreign investment is a positive force for change in South Africa. If this was true. South Africa should have witnessed steadily improving conditions since the commencement of US. investment. In reality, neither US, presence nor increased involvement has prevented the growth of the repressive apparatus of the apartheid state- rather. it has actually contributed to its growth. Between 1960 and 1981. the level of US. investment in South Africa increased nine-fold. Yet during that same period the South African government expanded and entrenched its repressive apartheid system. For instance. in that same period, the government forcibly removed more than 9.5 million Blacks from "white areas" to areas designated for Blacks.

The apartheid regime uses funds from corporate taxes and foreign equipment such as computers. cameras and police vehicles to monitor political activists and political detentions. and to keep the repressive machinery of the South African state running smoothly. US. companies help fill the gap between what the South Africans can themselves provide. and what they need.

5. What do Black South Africans say about foreign investment?

"The multinational companies. as far as we are concerned. are political criminals in this country. One doesn't dream for one minute that sanctions alone would bring the government down or disinvestment alone. But it is part of a tool one can use and in fact. tools of this nature which are instruments of liberation would lessen the bloodbath we are heading for. . F (Winnie Mandela. Part of My Soul Went With Him)

Under South African law, any person who advocates divestment or disinvestment is guilty of subversion for which the penalty is up to 20 years in prison, Despite this danger. trade unions. the religious community. political organizations. civic groups and others continue to call for divestment.

In December 1985. the then newly formed Congress of South African Trade Unions (COSATU)-the largest labor federation in South Africa's history with a membership of 650.000 Black trade unionists-declared its full support for divestment. The National Union of Mineworkers, in early 1987. passed a resolution reaffirming "its support for all forms of international pressures,

including sanctions and disinvestment."

In an August 1985 policy statement, the United Democratic Front—a multi-racial democratic alliance of South Africans opposing apartheid—said, "...the Botha government would have been unable to subjugate the majority and defy world opinion without active assistance and connivance of certain governments and local and foreign business in particular. ..."

The South African liberation movements have consistently called for divestment. As long ago as 1959, Nobel Peace Laureate Albert Luthuli, then president of the African National Congress (ANC), urged the international community to impose economic sanctions on South Africa. He argued that, "the economic boycott of South Africa will entail undoubted hardship for Africans. We do not doubt that. But if it is a method which shortens the day of bloodshed, the suffering to us will be a price we are willing to pay."

6. What is the most effective way to achieve corporate withdrawal?

Growing international pressure coupled with increased internal rebellion in South Africa, has forced many US corporations to reevaluate their South Africa operations. Laws and policies adopted by at least 22 states, 14 counties, 75 cities, 130 colleges and countless other institutions have resulted in the sale of bil-

7. What would be the effect of disinvestment by US corporations and banks?

"Each trade agreement, each bank loan, each new investment is another brick in the wall of our continued existence." (Former South African Prime Minister John Vorster)

Disinvestment by US corporations would be more than a major psychological blow to the confidence of the ruling minority government. The effect of the cut-off of advanced U.S. technology would be enormous. Computers and electronics comprise the largest single category of US exports to South Africa. In December 1986 Director General for Finance Chris Stals went so far as to say that if the world banking community should effectively exclude South Africa from international trade and payments systems, "... It would put us on the barter system overnight. That is the muscle they have on their side."

The cutting off of bank lending in 1985 provides the clearest indication of the effectiveness of international economic pressure such as corporate withdrawal. In July 1985 the South African government announced a harsh crackdown on protests and declared a State of Emergency. This action was greeted with much praise in the business community and South Africa's prestigious Financial Mail hailed it as a dramatic move to restore order. In August, however, international banks refused any new

GLOSSARY

Disinvestment: In the US this term usually refers to corporations ending all investments, licensing and franchising agreements in South Africa

Divestment: The sale of stocks, bonds or other financial interests in corporations involved in South Africa as a method of pressuring those companies to withdraw from South Africa,

Sanctions: Comprehensive economic sanctions aim to cut off all trade, investment and business dealings with South Africa in order to increase pressure on the white minority to end apartheid

Direct Investment: Total or partial ownership of a company. Millions of dollars worth of investments in corporations investing in South Africa.

The State of New Jersey alone has already sold more than \$2.8 billion worth of investments since its policy was adopted in 1985 and state and local divestment laws in effect by 1987 are forcing the sale of more than \$20 billion worth of stocks and bonds in corporations involved in South Africa. Religious organizations have removed more than \$100 million in deposits from US banks and corporations, and unions have led a campaign to boycott Shell Oil Corporation because of its involvement with apartheid.

States and cities have also been refusing to purchase products

from corporations involved in South Africa, When cities like Los Angeles, and New York begin turning down multi-million dollar contracts, the companies listen, Already Bell 8. Howell. Ashland Oil and Eastman Kodak have completely withdrawn from South Africa, influenced by pressures.

More than 70 US. companies ended their direct investment in South Africa in 1985 and 1986, But many companies, including IBM. General Motors and Coca-Cola, have simply restructured their South African operations so as to terminate direct investment while maintaining franchising and licensing agreements. GM cars and Coca-Cola products, for instance, will still be available in South Africa,

Anti-apartheid organizations and many investors have vowed to continue targeting companies that have not completely severed their ties to South Africa. Massachusetts and New Jersey, for instance are refusing to invest in IBM, and Los Angeles is still boycotting GM and Coca-Cola.

loans to South Africa This dealt a serious blow to the South African business community. which grew increasingly nervous about the wisdom of the State's intransigent attitude to Black majority demands. The South African government was forced to call a moratorium on debt repayments, By September Financia/ Mail was calling for the resignation of President PW. Botha and businessmen were traveling to Lusaka, Zambia for unprecedented public meetings with the African National Congress.

8. Is South Africa the place for prudent investment?

Investment of California trust funds and state monies in business firms and financial institutions with close ties to South Africa is both fiscally imprudent, given the political and economic instability of South Africa, and inconsistent with the moral and political values of the people of California." (Statement of the State of California Legislature, 1986)

Given the general state of the South African economy. the once very glamorous appeal of high profits and rapid growth of investment in South Africa is fast becoming just a memory for foreign business interests investing in apartheid Black unemployment estimated between four and six million, increased Black rebellion and the continued intransigence of the government have all contributed to an increasingly unstable environment for foreign investment. US, companies may also become a specific target of this unrest. According to the managing director of Goodyear Tire and Rubber Company's South African sub.

subsidiary, tForeign companies are going to be the targets That is where dissident Blacks will focus We are right in the tinder box." According to a 1985 political risk analysis compiled by Frost and Sullivan's Political Risk Service-the world's largest private sector political and economic risk networkJSouth Africa is showing a deteriorating risk picture, in both the short and long term."

9. Are the Sullivan Principles an alternative to withdrawal?

The Sullivan Principles were a voluntary code of conduct for US. firms operating in South Africa. They were drafted by the Rev Leon Sullivan in 1976, and first accepted by 13 US. corporations in 1977 amid rising pressure for US. companies to withdraw from South Africa Under the Principles companies remained in South Africa and pledged to end workplace segregation. adhere to fair employment practices and improve conditions of life for employees

From their inception the Principles had many critics. being condemned as a "toothless package" by labor leaders in South Africa. But for ten years, the companies used the Principles as a justification for conducting business as usual" under incredibly unusual circumstances, and US. investors used them to justify holding stock in these corporations, By 1986. as the divestment campaign mounted, 178 of the 270 US. companies with direct investment in South Africa had signed on to the Sullivan Principles.

Now this "fig leaf" has been stripped away. In June, 1987 Sullivan finally reversed his position, telling companies to get out-look, stock, license and franchise. Sullivan conceded that despite US. corporate udo-gooderism." the main pillars of apartheid still remain, and blacks are still denied basic human rights in their own country and are denied the right to vote." Flev. Sullivan went on to state that l'something else must be done to bring an end to that despicable system that dehumanizes black people." Despite Sullivan's change in tactics, the majority of US. corporations operating in South Africa maintain their links with apartheid, Allan Murray, chief executive officer of Mobil Corporation and one of three co-chairmen of the US, Corporate Council on South Africa stated, "We will now have to carry out the Sullivan Principles without Sullivan."

10. What are the financial implications of divesting in the U.S.?

"We here in Massachusetts are proud to have been the first state in the nation to vote to sell from our public pension fund portfolioall those investments in firms doing business in South Africa. It has been our experience that divestiture makes not only a strong moral statement against apartheid but divestiture has proven to have no significant impact on our pension fund earnings. . ,Timer and careful divestiture can result in net increase in pension earnings." (Governor Michael Dukakis-Massachusetts)

This experience in Massachusetts has been repeated by states. cities, colleges, and other institutions divesting from companies involved in South Africa. Washington, DC. Councilman John Ray, for instance, reported that the city's stock portfolio grew faster than the Dow Jones averages during its divestment.

The University of Wisconsin Trust Fund. the Michigan State University investment department, the State University of New York investment fund and many others have found that divestment isn't necessarily going to cost money.

One study by the Boston Company a subsidiary of Shearson Lehman/American Express, found that a model South Africatree portfolio performed significantly better than a portfolio of companies involved in South Africa,

11. Who is joining the divestment campaign?

The divestment campaign has grown rapidly, involving by the mid-1980s. states, cities, counties and colleges and universities as well as trade unions, religious institutions and others States like Michigan and Maryland have joined cities such as Los Angeles, Chicago, New York and Houston in passing legislation barring purchases of products made in South Africa and

restricting purchases from companies with investment in South Africa. In August 1986 the National Conference of State Legislators adopted a resolution urging tincreased divestment of state funds in companies doing business in South Africa and any other actions to bring about a rapid end to apartheid in South Africa."

12. What kind of alternative responsible investment exists?

Socially screened money market and mutual funds include the Calvert Social Investment Fund Money Market and Managed Growth Portfolios, Working Assets Money Fund, Dreyfus Third Century Fund, Parnassus Fund and Fax World Fund. Investmen, managers such as US. Trust Company of Boston, Flober Schwartz of Shearson Lehman/American Express and Franklin Research and Development Corporation have long provided larger individual and institutional clients with individually managed portfolios that are tailored to meet clients unique social and investment objectives.

In addition to investing in conventional stock and bond portfolios; some investors are using divested funds to finance small business development, low income housing projects, alternative energy companies and cooperatively owned enterprises. Community development loan funds and banks such as the Fund for an OPEN Society, the Institute for Community Economics and the South Shore Bank of Chicago finance domestic community development projects

The Kansas Public Employees Retirement system has a program called "Kansas Funds for Kansas Jobs" that buys guaranteed portions of small business development loans, By making capital available for small businesses, the economy IS improved and jobs are created,

Note: Questions and Answers on Divestment was prepared by Jim Cason, Lisa Grooms and Jennifer Davis of the Africa Fund.

July 1987

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Steckliolders Meetings
Dominated By Protests
DEMAND FOR SPECIAL MEETING GROWS AS
MANAGEMENT REJECTS STOCKHOLDERS' CONCERNS
Protests in connection with Shell's an-
nual stockholders meetings have
added fuel to the campaign to force the
company to stop doing business with
South Africa.
With management officials refusing
to allow a vote on ending Shell's eco-
nomic support for apartheid. major
stockholders renewed their call for a
special shareholders meeting to con-
sider ending that support.
Under the corporate bylaws, owners
of 10 percent of the stock. or about 26.8
million shares. can call a special stock-
holders meeting with a specific
agenda Already. owners of more than
12 million shares have agreed to sup-
ONE MESSAGE. MANY LANGUAGES: A rally featuring a series of spokesmen and
port the call. including major public em-
ployee pension funds, churches, and
banks such as Wells Fargo and Mellon.
Protesters showed up in force at the
simultaneous annual meetings of
Royal Dutch/Shell's co-owners. Royal
Dutch Petroleum (based in the Nether-
lands) and Shell Trading and Transport
(based in London). (Royal Dutch/Shell
is Shell Oil's parent company.)
In London, management officials ac-
tually stalked out of their own meeting
rather than face more criticism on the
company's role in fueling apartheid.
A May 15 article in the London Daily
Telegraph headlined. "Shell Directors
Walk Out Over S. Africa Protest," pro-
vided the following account:
"Shell directors walked out of the 1
oil company's annual meeting in 1
London yesterday after almost two 1
hours of criticism from anti-apartheid
protesters over links with
South Africa. t . ,
"The Rev David Haslam, a lead-
ing member of the anti-apartheid
movement, said: We have the
power and we will sting and we will
sting again until this company 1
1 comes out of South Africa"
in the Netherlands. debate over
Shell's role in South Africa also domi-
nated the press coverage. Dutch
speakers at the shareholders meeting
included representatives of the Dutch
labor federation (FNV). the Dutch par-
liament. churches, and anti-apartheid
coalitions.
Dutch groups pledged to round up
stockholders from their country to sup-
'Mr
boycott materials from several countries (right) and a
demonstration outside the main meeting room were a part of the protest activities conducted
in connection with the Royal Dutch
annual stockholders meeting.

port the petition for a special shareholders meeting.

Speakers from the United States included Andy Smith of the American Baptist Churches and John Banovic, secretary-treasurer of the United Mine Workers.

"Our actions are based on our deep solidarity for the South African workers' struggle for a society free from racism, oppression, and want," Banovic told company officials.

"Mr. Chairman, I was here last year, and I am here again today. and I will be back next year and every year thereafter until this company makes the decision to leave South Africa and settle this boycott.

"We are determined. We are tenacious. We will continue our campaign until justice is done"

Canadians To
Join Boycott

A campaign to boycott Shell has been launched in Canada, bringing to 12 the number of countries with formal boycott efforts

The Canadian Labour Congress announced that it would promote the boycott. along with church and anti-apartheid organizations throughout Canada.

"Black trade unionists in South Africa risk arrest and imprisonment by calling for disinvestment of multinational companies because they understand the dependence of apartheid on these multinationals." said CLC President Shirley Carr.

"Royal Dutch/Shell is a particularly appropriate target because of its complicity with the South African regime," Other countries where active campaigns are being conducted include the US, Great Britain, the Netherlands, Denmark. Sweden, Norway. Australia. Belgium, Italy, Ireland and Portugal.

Sullivan Calls
For Corporate
Withdrawals

Ravi Leon Sullivan, whose "Sullivan Principles" for fair employment have been used by multinational corporations. An alternative annual report has been distributed to Shell shareholders. Wall Street analysts, and the news media.

In releasing the report, UAW President Owen Bieber and Mine Workers President Richard Trumka said that "the shareholders of Royal Dutch/Shell are increasingly voicing their concern about a come shareholders," Bieber and Trumka said.

tions as a justification for continuing operations in South Africa. announced June 3 that he no longer supports those Principles and now urges cutting off all economic ties with that country.

Royal Dutch/Shell has cited its supposed compliance with a similar code of conduct developed by the European Community in defending its refusal to withdraw from South Africa. The Sullivan and European codes of conduct have allowed multinational corporations to continue to do business within the apartheid system, while supposedly improving their treatment of black workers. Rev. Sullivan now agrees with anti-apartheid organizations which have argued that any form of corporate support for the South African economy helps prop up the apartheid system, which essentially denies blacks the right to vote, own land, or live or work where they want. "He has removed the last crutch on which the corporate community has depended for justification for its presence in South Africa." commented Alternative Corporate Report Highlights Mismanagement
The company policy that has incurred a worldwide boycott, damaged the company's image as a responsible actor in the world community, and hurt the company's overall performance. in order to maintain a subsidiary which represents less than one percent of the company's worldwide assets."
The report documents activities affecting Shell's profits and image, including demonstrations at Shell stations and corporate offices around the world; divestiture of Shell stocks and bonds by large municipalities, universities and church groups; cancellation of contracts to purchase Shell oil and gasoline; and the withering of the international market for Shell coal exported from South Africa.
"The sooner that Royal Dutch/Shell withdraws from South Africa, the better-not only for all of those who seek the hastiest and least bloody end to apartheid, but also for the company itself and its shareholders."
Randall Robinson of the Free South Africa Movement following Sullivan's announcement.

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Attempt To Dislodge

S.A. Views Fails

Royal Dutch/Shell management has tailed in an attempt to blunt recent stockholder criticism by claiming that anti-apartheid leaders and organizations in South Africa have changed their mind about economic sanctions and demands for disinvestment. Hearing that Shell was making such claims, the South Africans acted quickly to set the record straight. Allan Boesak, a church leader and sponsor of the United Democratic Front, issued a statement saying that "once again, a big business concern

has seen fit to use my name in its effort
to justify its presence in South Africa.
Shell has total disregard for the Opm-

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Ad By Both Sides Show

' Boycotl's Strength

Shell boycott supporters have placed a number of advertise-
ments in major newspapers in recent weeks. while Shell has
responded to boycott pressure with its own ads aimed at giv-
ing the company a more visible anti-apartheid image.

F Ads by boycott supporters have included one in the New
York Times by TransAlrica (top left), the European edition of
the Wall Street Journal and the London Independent by 25
US. labor unions (bottom Ielt), the Johannesburg Weekly
Mail and the New Nation by Dutch anti-apartheid coalitions
(bottom right), and the Dutch financial newspaper. NRC Han-
de/sb/ad, by Dutch anti-apartheid. labor. and church organi-
zations (top right).

VShell has taken out a series of ads in South African
papers. Those ads were then reproduced together in an ad
in the London Independent, along with a statement
condemning an attack by the South African government
on the offices of COSATU, the country's largest union
federation.

Shell South Africa Chair-
man John R. Wilson said in
the statement that "the
raiding of oftices. killings,
the banning of meetings
and the indiscriminate
beating and arrest of hun-
dreds of workers is not
likely to crush the union.
HFlather, it will strengthen
their resistance and sup-
port. will have adverse ram-
itications for stable indus-
trial relations. the effects of
which will be felt throughout
industry.

"It is likely. too, to fuel the
bitterness and growing po-
larisation between black and white, between capital and
labour."

Such a statement shows how much pressure Shell is under
to end its economic support for the apartheid system and to
change Its own practices toward workers.

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WAT SHELL N IET WEET i

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INVESTEREN IN APARTHEID

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Anti-apartheid groups in South Africa, the US. and other countries have made clear, however. that Shell can most effectively help bring about democratic majority rule not by issuing press releases but by cutting off fuel for the apartheid economy and the South African military and police.

.5 - , -

ions of the authentic black leadership of South Africa and has not consulted with us because it knows that we will question its continuing role of supporting apartheid

"I urge our friends not to relieve the pressure on companies such as Shell."

In a similar statement, Beyers Naude, general secretary of the South African Council of Churches, said.

"The national conference of the SACTC. passed a resolution in June. 1985. calling for disinvestment and selective sanctions. The action of the world community to force Shell to withdraw from South Africa and to sever all economic links is a logical consequence of this resolution. . . .

The action to force Shell to withdraw and cut its economic ties reminds black and white in South Africa of the world's determination to bring an end to apartheid."

In an article in the April 3 Weekly Mail in Johannesburg, the Congress of South African Trade Unions also reaffirmed its position that "we support effective and far-reaching international economic pressure to force the government to abandon apartheid and repression and to move towards a democratic transformation."

COSATU spokesperson Frank

Meintjies said that South Africa's largest union federation demands negotiations with corporations as they disinvest so that withdrawals will be handled in a way that is favorable to workers.

"At a time when consumer boycotts often prove impotent, a union-prodded boycott against Royal Dutch/Shell Group shows surprising vigor, calculation, and ability to nettle the H opposition. -Chicago Tribune. May 17, 1967

"A global campaign to force the Royal Dutch/Shell Group to withdraw from South Africa is beginning to draw blood. . . . The growing pressure on the company open: an ominous now chapter in the disinvestment debuts, with European activists introducing the sum. tactics Ignite Shall that LEN m mo 0' B. k 1' do U _ _m M t AFSC'M w my 11 : Coal n ac ra mom , y Score - hay. pfov w SO ulcc.s'ful In th. U.S. Mum Bill Lucy. used its annual convention as a chance to rearm sup-

-Business International's, Scum Aln'ca Alert, port to: the boycott. RIGHT: Lenti etting at Shell stations like this one in February. 1987 Seam. continued throughout the U.S. in April and May. lumbar luck": 0 I "Stop Apannud. Boycatl Snail" D 4! "Sue US. Jobs, Slop Anunhela. Boycott Shell" 50G fol 1-200. 15: Iar am 200. Name 1_ #_1

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CANADIAN ECONOMIC LINKS TO SOUTH AFRICA:
GENERAL BACKGROUND MATERIAL ON TRADE, INVESTMENT
AND LENDING FLOWS

South African Congress of Trade Unions
h Canadian Office

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x H W Toronto. Ontario M41 422

ASA 926RESS h Tel: (416) 465-7386-9QE26

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Canadian Investment in South Africa and Namibia -- October, 1987.

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The value of Canadian investment in South Africa and Namibia has declined dramatically from its peak in the early 1980s. At that time the Canadian-controlled investments of at least 30 Canadian-based companies could be valued at more than \$1.1 billion, not an inconsequential sum for a branch-plant economy. However, by mid-1987, the number of companies with direct investments in South Africa or Namibia has declined to 13 following the increasing corporate exodus from South Africa in 1985 and 1986 in the face of rising revolution and increasingly effective public pressure on corporations to withdraw. The Tables which follow identify the Canadian companies still holding investments in South Africa and those which have sold their direct investments in South Africa during the last five years.

It is important to note that even though companies may have been forced to cut their direct investment links it does not necessarily mean that those companies have cut all economic links with South Africa. For example Ford is in the process of selling its equity stake in its South Africa affiliate but intends to continue to supply parts and kits to the South Africa company. This means that comprehensive sanctions against all trade and investment with South Africa is a vital comment to an divestment measure . and both these of measure must be sued simultaneousl .

It is sometimes argued that if pension funds are forced to divest South Africa-linked equities the funds will suffer. Recent experience in the United States where large funds such as the New York City Employee Pension Fund have been successfully divested and court rulings have come down in support of divestment, reinforces the pro-divestment position. (See attached articles).

Here in Canada many fund managers have also argued against divestment as a practical policy. If we examine the Toronto Stock Exchange (TSE) 300 list of top Canadian stocks we see that just 30 of the 300 listings have South Africa links and the combined weighting of these shares is just 10.921. (See attached table). A second interesting point is that 79 of the top 500 Canadian companies ranked by sales or operating revenue have investment links to South Africa. Only 4 of these 79 however -- Canadian Pacific, Verity, National Business Systems and Champion Road Machinery -- are Canadian-controlled companies, the rest are subsidiaries of foreign multinationals. A final point is that just one stock -- Canadian Marconi -- of the 25 best-performing Canadian stocks of the past decade (as reported in Report on Business March 1987) presently has investment links to South Africa.

Given the wealth of information available the practicality of pension fund divestment from South Africa is no longer at issue. However, because Canadian workers and their unions often have little decision making power over how their deferred wages are utilized we must fight to ensure that pension fund investment in companies active in .South Africa is ended.

Pension fund divestment activity coupled with strong trade union pressure on companies which have investments in or trade with South Africa is an essential component of the campaign to cut all Canadian economic links to apartheid.

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 CANADIAN CORPORATE INVESTMENT IN 801"" AFRICA AID NAMIBIA
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 Canadian Company South African Affiliate 1 Number 1985 Hourly
 (Major Shareholder) Owned Elployod Hag: Africans
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 1. mmm International Bong SA 100% 55 2.25 (1.57)
 (Canadian Pncinc Ltd.)
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 "' AHCA his announcoed its intention to sell its BOHAG subsidilry, based in Host Germany,
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 3. Buyer Foreign Investments Bayer SA 7'91 NA NA
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 and its Directors
 Ancaster, Ont. (Rubbor Boltlng 1 Construction Equipunt)
 5. Chalplon Roud Machinery Chalpion Rand Machlmry 3A 59% '15 2.51 (1.55)
 Godarlch, Ont. (Service, Puts, & Assembly Construction Machinery)
 6. Ford Canada South rican Motor Corp. 12\$ 7635 1.53 (0.93)
 (Ford USA)
 Oakvillo, Ont. (Car & Truck Manufacturing)
 "' Ford has announcoed its intention to sell its nqnity ln SAHCDR but no find dnl has
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 8. Honor: Resources Ocean 0 uond Mining 221 15 IA
 Montreal (Off-shoru Dinond Mining ln luibh)
 Mississauga, Ont. (Distributes NBS Credit Curd Equiplont)
 10. OIT-Fur Ix Titans Richards Bay Minerals 52.5% 1500 2.71 (1.67)
 (Standard 011 Ohio)
 Hontrnl (Tltanlul Mining & Slolting)

11. Rio Algom Rossing Uranium 101 2600 NA
(Rio Tinto Zinc)

. Toronto (Uranium Mining in Canada)

12. Stornson Sternson SA 100% 2% IA

Brantford (Sealants & Chemicals for Construction Industry)

13. Verity Corp. Food-och Moldings 18\$ #89 1.88 (1.15)

(formerly Massey-Ferguson) Atlantis Diesel Engines .0011 2100 3.25 (1.98)

Toronto (Agricultural Equipment x Diesel Engines)

PORTFOLIO INVESTMENT

1. BER Precious Metals Fund - This closed-end precious metals investment fund holds some stocks in South African gold and precious metal producers in its portfolio.

2. CSA Goldfund - Holds a small number of South African mining shares.

3. Canadian Overseas Packaging Industries - A group of investors based in New Brunswick have this company listed on the Johannesburg stock exchange but the company packaging operations are in Jamaica, Ireland, Kenya and Britain.

5. Goldcorp Investments - Hold: gold-related South African shares.

5. Guardian-Horton Schuller Investment Fund - Holds SA mining shares.

Sources: Reports for 1985 filed with Dept. of External Affairs, Staff Report on Codes of Conduct

Canadian Companies in South Africa, Who Owns How, various newspaper articles, original research and

company documents. The hourly wage data was calculated from the monthly average wages paid to black

workers as reported to the Dept. of External Affairs. The Canadian equivalent wages are at the

prevailing 1985 exchange rates.

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 CANADIAN CORPORATIONS WHICH HAVE ANNOUNCED THE SALE OF SOUTH AFRICAN INTERESTS IN LAST FIVE YEARS
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 1982 - Inco sold its interest in Impala Platinum
 1983 - George Heston's British affiliate sold its Prolier Milling subsidiary to Anglo-African
 Interests.
 1985 - Laurasll Resources sold its South African gold interests to the Australian company Jlnbarlana.
 - ICS Construction clal-s to have closed its South African process control operations.
 - Rolex Gold Mining sold its Cobra Enorald Mine subsidiary to a group of Royex directors, Canadian investors and the South African Ianaging group of tho Gravalotto Mine.
 - Canada Hire & Cable sold its 351 interest In lagnot wire producer Trlnsago.
 - Gootsrrox closed its consulting goophyslclst operations in South Africa.
 - GT Fulford closed its Fulfard Uillills subsidiary In South Afrlcl.
 - 11231 sold its Muletts Alullnul interests to its South African partners.
 1986 - Bat: announced the sale of its South Afrlcln shoa operations to unidentifiud international
 invostors.
 - Dominion Textile sold its 501 interest in a Durban based Interllnings Ianufacturor. .
 - Hudson's Bax announced the sale of its British fur buying affiliate which had operated a
 karlkul pelt buying operation in Illibla.
 - Road Stonhouse sold its South African operations as part of its analgluatlon with Alexander
 & Alexander I US-basod Insurance colpany.
 - 51L announced the sale of its Jarvis Clurk subsidiary to Baker Intornltional.
 1987 - Falconbrldgo announced the sale of its 59\$ interest in Uestorn Platinul Fobruary 9
 th.
 - Moore Core announctd the 5:10 of Its SA subsidiaries on February 6th.
 - International Yhonson Organization announced the sale of 1%: SA Iagazino colpany on March 17th.
 - Soagrtu announced it vl: closing its sales office In South Africl.
 - Colinco announced the sale of its two SA Iffliutos in April.
 - DolCIn International closed its SA consulting engineering offlcl.
 - Cobra Hotals and Minerals announced the sale of its two SA subsidiaries on August 25th.
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CORPORATIONS LISTED ON THE TSE 300 INDEX WHICH HAVE LINKS TO SOUTH AFRICA
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1. AHCA - produces road compaction equipment in SA
2. Central Fund of Canada - fund and directors control a rubber bolting company
and John Deere distributorship in SA

3. Ford - holds 62% of a car-truck manufacturing facility in SA
4. Industrial Business Systems - Distributes NBS credit card equipment in SA
5. Rio Algom - owns 10% of the Rossing Uranium mine in Namibia
6. Virlty - holds 18% of an agricultural implement company and
provides technology for SA only diesel engine factory

(Total ISE 300 weighting for 6 cos. - 1.061)

1. BGR Precious Metals - holds SA precious metal stocks in its portfolio
2. Goldcorp Investments - holds SA gold stocks in its portfolio

(Total ISE 300 weighting for 2 cos. - .161)

1. Canadian Pacific - AHCA

(Total TSE 300 weighting for 1 co. - 6.691)

1. Pan Canadian Petroleum - Canadian Pacific

2. Algonquin - Canadian Pacific

(Total TSE 300 weighting for 2 cos. - 0.39%)

1. BP Canada - British Petroleum (UK)

2. CIL - Imperial Chemical Industries (UK)

3. Canadian Marconi - General Electric Plc (UK)

5. Canadian Occidental Petroleum - Occidental Petroleum (USA)

5. Dupont Canada - Dupont (USA)

General Electric (USA)

Havker-Siddaloy (UK)

Anglo American Corp. (South Africa)

British American tobacco Industries (UK)

5

6. General Electric Canada

7. Havker-Siddaloy

8. Hudson's Bay Mining & Smelting

9. IHSACO

10. Indal - Rio Tinto Zinc (UK)
 11. Nabisco - RJ Reynolds (HSA)
 12. Panour - Jiuborlana (Australia)
 13. Rodpath - Tate & Lyle (UK)
 15. Rothmans - Rothmans Internatinnal/Relbrandt Corp. (UK/SA)
 15. Shell Canada - Sholl/BP ("K & Holland)
 16. Sherrlitt Gordon - Nevnont Mines (BSA)
 17. Texaco Canada - Caltux (USA)
 18. Total Patroloun - Total (France)
 19. Union Carbide - Union Carbide (USA)
- (Total TSE 300 volghting of 19 cos. - 5.62%)

Sources: TSE 300 Review Aug 87, Hurt Report on Canadian Investlont in SA, Who Owns Hhol, Originll

Rosoarch, Who Owns Hhol in SA. Uniflnd List of United Status to- anies with Investments or Loans in SA and lanibia (Africa Funds, Profiting fro: Agartheld (Labour Rosaarch Department; and nulorous recent press reports.

E9151 Tho TSE 300 is a group of 300 of the top stocks sold in Canada fro: each Iajor soglont of the economy. Each of the stocks is voightod according to its importance and a couposita indox based on the performance of each stock is calculated Ionthly. The index is used as a Iaasuro to evaluate the perforlanco of any particular stock and of the stock narkot Itself.

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The Canadian Code of Conduct and the Hart and Small Reports
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In 1985, the Canadian government imposed its first mandatory requirement that Canadian companies with investments in South Africa file annual reports about their South African operations. Retired diplomat, Albert Hart, was appointed to collect and evaluate these submissions and report to the government. John Small was hired to evaluate the following years reports.

The reports submitted to the government administrator, Hr. Hart, and Mr. Hart's end Mr. Small's own comments on these reports are not in and of themselves very helpful in evaluating the conduct of Canadian companies with investments in South Africa. Firstly, there is no corroborating evidence from independent sources and little context which would allow an independent evaluation of the information provided. Secondly, not one of the companies reporting under the revised Canadian Codes of Conduct reported in earlier years of this decade when there was little divestment pressure and little public exposure of corporate activities in South Africa.

The reliance in the report on minimum wages and average black wages is particularly unfortunate. The use of a mean level of black wages or a complete listing of wage scales and number of workers at each scale would have been much more helpful. Nevertheless, in spite of the inadequacy of the data there are still some conclusions we can make.

In the debate about divestment most institutional investors place a great deal of emphasis on Codes of conduct for companies investing in South Africa. Given this fact it is important to evaluate the criteria used by the government and the companies. Essentially these reports provide some information on in-house training, wage levels, grievance procedures, benefits, if any, and comments on the removal of "discrimination" such as the status of non-racial toilets and lunchrooms.

While the government and the private sector may feel these criteria are relevant most of these factors are in no way helpful in evaluating corporate conduct in South Africa. Under conditions of skills shortages such as in South Africa training is often a matter of corporate survival, not altruism. The question of non-racial toilets and desegregated lunchrooms are clearly of no importance in evaluating significant change.

In all of these reports there is a lot of talk about equal pay for equal work. However in the South African context such talk is largely meaningless. In the skilled categories the number of blacks is still small and therefore paying 'the rate for the job' is no threat to profits. In the unskilled and semi-skilled job categories clearly there is no competition between white and black workers. A much more useful comparison for this exercise would have been between wages paid in each Job category to Canadian workers and to South African workers in the same company. This type of information would have given us a much clearer view of what these companies mean by equal pay for equal work. The so-called Minimum Living Levels(HLL) used as a baseline of evaluation were originally developed in South Africa as measures of govertz - the theoretical minimum required for survival. Their use as minimum wage targets tells us much about corporate views in South Africa.

The MLL consists of an estimate of the income needed to buy a basic number of goods to ensure short-term survival of a specific family size. The MLL for example provides: no allowance for toothbrushes or toothpaste; nothing for education costs; allows for the purchase of only two pairs of underwear per year; allocates just R4,50 for medical and dental expenses per month for a family of six and so on. Surveys of actual household expenditure show that most black households consistently overspend above MLL levels on rent, cleaning materials, education and transportation and underpend on food. Clearly the use of such measures for wage determination reflects the callousness of corporate investment and exposes the rhetorical concern for black jobs and black workers for the smokescreen that it is.

Mr. Hart targeted five of the companies reporting - Bate, Moore, Falconbridge, Verity, Dominion Textile - for paying wages below the minimum living level measures established. But it is instructive to look at the overall average monthly wage paid by the Canadian companies reporting.

The lowest average monthly wage paid was R239 by Bate in its factory at Loskop in the Kwezulu bentustan. The highest average wage paid was R778 in the Western Platinum refinery which was at that time owned by Falconbridge although the black miners at the Western Platinum mine earned only R300.80 per month.

Overall the 1985 average monthly wages paid to black workers in the 20 plants covered by the Hart report were just R437.39. The Canadian equivalent at the prevailing exchange rate at that time was \$243.71. Table 4 shows the average equivalent hourly wage. A useful measure of comparison is to look at the basic purchasing power of workers wages. A Canadian worker in 1985 worked on average 4.3 minutes to earn enough to buy a quart of milk and 6.0 minutes to buy a loaf of bread. A South African worker laboured 30 minutes for a quart of milk and 27.5 minutes for a loaf of bread if they were not one of the over 6 million black workers unemployed in South Africa.

Constructive engagement -- politically and economically -- and Codes of Conduct have clearly done little for the black majority in South Africa. The poverty level wages, tremendous and rising unemployment, second rate education, detentions, deaths in the streets and the continued denial of basic democratic rights to the majority all are eloquent testimony to the failure of the policy of constructive engagement with the apartheid regime. Divestment can be an important part of the campaign to isolate the South African regime and speed up the pace of change. Continuing our economic engagement will only drag out the process and increase the death toll.

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Australia extends

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This was announced at the

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South Africa in 1985
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31-7; Star (SA). 81 08 07

Master

plan for

cuts in

air links

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South Africa can circumvent

cuts in international air links

by using alternative routes and

co-operatinx with other air-

lines, the chief director 0! civil

aviation, Mr JJ Smit, said yes-

terday.

Speaking at the annual tram-

portatlon convention in Pre-

toria. Mr Smit said in a paper

on the need for a master plan

for aviation that Australia and

America among other coun-

tries had already refused land-

ing rights to South Atrican air-

craft.

Options that could be consid-

ered included:

0 Pasengers and freight could

be flown to countries mainly in

Europe. where landing rights

were still granted to SA-reli-

tered aircraft and from there

be transported further by other

airlines

0 Passengers and lreight could

be transported to neighbouring

countries such as Botswana

lrom transit to, for example,

African countries further

north.

0 Regional passengers and

freight could be transported by

other airlines.

These views were contained

in a joint paper by Mr Smit, Mr

G P Thom, Dr PJ Strauss and

Mr P Marques.

They said the role played by

civil aviation in South Africa

ie ll far below its potential and

was less developed than ll

comparable countries

An aviation master plan for

South Africa, seli-loverning

states, the TBVC countries and

other states in the region was

needed to ensure the most a!-

!ordable. efficient and safe air

transport system.

it was strongly felt aviation

matters should not be decen-

tralised t0 the TBVC countries.

The paper said there was a

lack o! cn-ordination in the

provlsmn of airport facilities,

Two University of Stellen-

bosh researchers. S M Mills and

BC Floor. said in another

paper that If the country

achieved stability and economa

ic growth, causing real income

among the blacks to increase

on average by (5 percent a

year. the growth in domestic
air travel could rise from
3.4 million passengers in
058: Star (SA), 87 07 29
Congressman takes up cudgels
in bid to stop US tourism to SA 0
By Neil Lnrueo,
The Star Bureau

WASHINGTON - In spite of
the grim image of South Africa
depicted in the United States
media. some 37 000 Americans
visited the country last year -
and a liberal congressman
from New York is led up about
it.

The figure is down from the
58 000 American: who went
there in 1905. but the decline is
not enough for Democratic
Congressman Mr Charles Rangel.
a staunch supporter of
tough sanctions. who has introduced
a resolution in the House
of Representatives calling for
an end to all holiday travel to
South Africa,
"We would be saying to
American tourists: find something
better and more honourable to
do with your precious holiday
time than soak up the sun and
inn in the variety vacation
land of bigotry," he told
the Congress

WASHINGTON - A United States judge
challenging a disinvestment law
against South Africa, striking a
blow for disinvestment activism
in what is being seen as a
landmark case.

He upheld an ordinance
doing business in South Africa
"It's a national test case. definitely." said Mr Russell Frisby.
an attorney for the city council.

"Do you really want to engage
in the financing of apartheid?"

if the Rangel resolution is
approved, it will not make
travel to South Africa illegal
for Americans but it will
express congressional displeasure
with any person or group
planning to go there for holiday
or convention purposes while
apartheid continues.

Some 600 000 Americans
have made the journey in the
past 12 years
"it is not my intention to rebuke
any US Government official or
stop emergency travel. or any
travel there by working media.
despite the restrictions that
now exist." Mr Rangel said.

Quoting figure: from the
South African Tourism Board.
Mr Rangel said South Africa
received about R900 million a
year from international tourism.
with Americans making up
some 1: percent of the non-

African visitor:

passed by the Baltimore City Council last year ordering its R14 billion employees pension fund to sell off its interests in companies
Disappointment

While some Americans were turning back a sanction: and disinvestment, others were replacing the lost dollars by going to the country.

"Should it not bother the conscience of my American traveler that he or she is able to travel to South Africa and enjoy far more privileges and human rights than the vast majority of the natives of that country?"

Mr Rangel took leave with a statement by Mr Danie Hough, chairman of the SA Tourism Board, who said the value of tourism was that visitors would get to see the situation for themselves.

They would "experience the scenic wonders and also the complexities as South Africa seek to build a new country".
Congressman Rangel said

Mr Hough was doing a good job of selling, but that Americans should not be "ambushed by such underhanded efforts to keep apartheid propped up"

He has rejected a legal action
M9: St! (St). 87 07 20

Anti-apartheid groups were elated at the judgment - believed to be the first since the wave of American disinvestment started.

The case was keenly watched by US Treasury, the State Department and many state, county and municipal authorities which have issued their own disinvestment regulations or are considering doing so.

In a 32-page judgment, Baltimore Circuit Judge Martin Greenfield last week turned down arguments from the city employees' pension fund that its members would lose money if its South Africa-linked investments had to be sold and re-invested elsewhere. He also rejected broader constitutional arguments that Baltimore's disinvestment law intruded on the federal government's prerogative to run foreign affairs and violated the foreign and interstate commerce clauses of the American Constitution,

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50: SA Digest (St), 8101 2A

Lawyers for Baltimore's pension fund expressed disappointment at the judgment and said an appeal was likely. It is understood lawyers representing several other local US pension funds will not regard this decision as binding, but may use it as a guide in their deliberations on similar litigation.

Judge Greenfield found that although disinvestment and re-investment may create some initial costs and possibly losses the amounts were so small that they

did not Violate the Baltimore trustees obligation to seek the best investment yields.

uEven ii the impairment were more significant it would be insubstantial when compared to the salutary moral principle which generated the ordinance." he said

On Widespread fears among US municipal pension fund administrators that disinvestment would mean serious financial losses, Mr Frishy said: ul hope that (court) opinion helps put that to rest."

Baltimore's ordinance requires the pension fund to rid itself of shares in companies operating in South Africa Within two years. .

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POSITION OF THE AFRICAN NATIONAL CONGRESS ON DIVESTMENT:

W

'Apartheid must go. This is not the time to improve its efficiency, because that's the purpose of reform, to improve. The struggle has reached this level, and the struggle can only grow... We know we shall win because you are there. Our continuing plea is let's put more pressure, let's get more companies to divest. Let us put the squeeze on. Let all the American people come

t I

mm "5' - Oliver Tam, President
African National Congress (ANC)
New York City, January, 1987.

CONGRESS OF SOUTH AFRICAN TRADE UNIONS (COSATU):

RESOLUTION ON SANCTIONS

This Congress noting that:

H Sanctions and disinvestment have become the major form of international pressure against the South African racist regime;

"t Selective sanctions packages as currently applied will not be effective against capital or the state, that they can cause serious regional unemployment and that they often serve the interests of imperialist states rather than the South African working class,

Therefore resolutions:

'"t COSATU supports comprehensive and mandatory sanctions as the only sanctions which are likely to bring effective pressure which will assist in bringing about a non-violent, truly democratic and non-racial South Africa.

(Extract from resolution on sanctions adopted at COSATU's Second Congress, Johannesburg, 15-19 July, 1987.)

DISINVESTMENT & THE WORKERS .

The South African Congress of Trade Union:
gives an analysis of the recent move: made by
multinational corporation: to withdraw their in-
vestment from South Africa.

SACU, as part of the revolutionary alliance led
by the ANC, has been at the forefront of the cam-
paign for sanctions against the apartheid regime.
In the campaign for compulsory mandatory sanc-
tions. SACTU has called for total withdrawal of
multi-national capital from apartheid South
Africa.

In making the call for total disinvestment,
SACU has never taken lightly the effect such
a withdrawal would have on the South African
workers and the trade union movement. When
SACU called upon our trade unions not to
restrict themselves to bread and butter politics
of the factory floor but to embrace the wider
political issues, the sanctions question was part
and parcel of this.

Multinationals Are Here for Profit

It is important to grasp the fundamental point that
apartheid owes its existence to the many forms
of direct and indirect assistance from its allies
in Western countries. Multi-national corpora-
tions (MNCs) that invest in South Africa extract
huge profits by extreme levels of exploitation of
Black workers and are responsible for prop-
ping up a brutal regime that has murdered
thousands of people, detained thousands more,
a regime that resorts to abduction and assassina-
tion in a desperate bid to stop our people's brave
struggle for liberation. The sole objective of the
MNCs is to reap huge profits - no matter what
the cost.

Our demand is based on a clear understanding
of the role that the MNCs play in our country.
SACTU has never believed the insincere claims
by the MNCs that their Continued involvement
in our country is out of a loyalty to Black South
African workers. South African workers have
fought long and hard for the trade union much-
toughest we now have in many of the MNCs. The
MNCs have done nothing to challenge the apart-
heid laws which govern our lives daily - where
we may work; whether we have a right to work;
whether we have homes; where we have a home
and whether we may have our beloved families
live with us. The international capitalist bosses
are intrinsically tied to the apartheid economy.
Apartheid has worked well for them, as they con-
tinue to rake in annually the billions of dollars
of super-profits squeezed out of the blood of our
workers.

Coda of Conduct

MNCs have tried to justify their presence in
South Africa by introducing the so-called 'Codes
of Conduct' as possible agencies of progressive
change. SACU has always said that these codes
are being used as a pretext for the continued in-
vestment in apartheid's cheap labour market.

These MNCs are adopting measures like the
'Codes of Conduct', because they are afraid of
the growing strength and struggle of the work-
ing class of South Africa. They are afraid too of
the growing international campaign mounted by
workers, their trade unions and other progressive
organisations, to force investors to pull out of
South Africa and to isolate the regime complete-

ly. Hiding behind the 'EEC Codes of Conduct' and the 'Sullivan Codes' in the USA. MNCs continue to pay Black workers starvation wages. For example, British Tyre and Rubber ('BTR') has been openly breaching the EEC codes. According to the British Government's own Department of Trade reports. BTR pays workers below the minimum poverty line set by the EEC code. In April 1985, 1 000 workers at the BTR Sarmcol plant in Howick went on strike to get proper union recognition. BTR fired the workers. recruited migrant workers to scab on the strikers. and called in the police. Children of the workers In at present suffering from malnutrition. In the year prior to the commencement of the strike BTR made a profit of R12 million in South Africa. i

MNCs that justify their continued presence in South Africa by claiming that they are improving the lives of Black South Africans are many; the very first recall in the police to break strikes - as a result of management allowing the police to strike workers was shot and four others injured in November 1985. What of the very MNCs that encouraged the motor workers of the Eastern Cape to fight the petty apartheid of 'Whites only' but which refused to offer support in job security re workers. and their families. devalued under Botha's National State of Emergency? How many MNCs - such as Metal Box for instance - have made Black workers redundant. only to employ Whites in their place? In this respect the MNCs see as South African in their management style as any local firm. There can be no 'industrial islands of democracy' in apartheid South Africa.

MNC Loyalty Us with no Country

The MNCs are recognised as strongly anti-union in the developed western countries. How much more so in South Africa where they have the overt backing of the apartheid military machinery in their confrontation with labour. The MNCs circle the globe constantly looking for cheap and consequently unorganised labour. No sooner do workers organise for a decent living than the MNCs start scouring for a new patch of starvation and misery to exploit. In our country this policy has reached a new low in the past couple of years when companies like BTR-Dunlop fled from so-called 'White South Africa', where non-racial trade union organisation had met with success. to apartheid's barren bantustans, where all genuine trade union organisation and-strike activity is outlawed.

If the historical experience of the MNCs in the mother countries they developed from is anything to go by. their loyalty lies with no country. but with maximised profit. Once the cost of labour starts cutting their super-profits in the smallest way the MNCs transfer production elsewhere.

The past decade has witnessed the bitterest of struggles in Western Europe and North America.

Millions of workers have been made unemployed, millions of jobs have been lost and factories closed. There are always some workers

'elsewhere' on the globe who are more 'competitive', such as those forced to do more for less! Since the birth of trade unionism in the industrialised west the struggles have been hit-and-run and the gains of the labour movement modest and far from secure.

Clearly, a large number of MNCs remain locked into apartheid's cheap labour system. It is against this background that SACU's emphasis is clearly that there can be no progressive role for continued MNC involvement in the apartheid state. The question of a future role for the MNCs must be seen in the light of the South African people's demands as outlined in the Freedom Charter. which says:

"The national wealth of our country. the heritage of all South Africans. shall be restored to the people. The mineral wealth beneath the soil, the banks and the monopoly industry shall be transferred to the ownership of the people as a whole. All other industry and trade shall be controlled to assist the well-being of the people."

MNC 'Withdrawal'

As recently experienced, the success of the mass actions of our people's struggle knocked world confidence in the apartheid economy. a large number of MNCs began to apparently withdraw. not out of moral indignation against apartheid. but out of the usual MNC strategy of going where they can securely maximise profit.

Among the many MNCs claiming withdrawal are Coca Cola. IBM. General Motors. Kodak. Honeywell, Revlon and Allied Colloids and the British bank. Barclays. Other MNCs create new companies to deal with the intensifying struggle. The Cookson Group. for instance. have created a new company which will be jointly owned with Anglo American Corporation.

Once a study is undertaken of these 'withdrawals'. however. the question arises: are these MNCs really pulling out? In most instances the answer is a clear negative. There is just suf-

efficient withdrawal to hopefully ease the international pressure from the parent company and a convenient passing of the 'labour relations buck' to the local management. On the whole the objective is to protect MNC profits.

IBM, for instance, have signed a three-year renewable supply contract and extended a low five-year loan to the so-called new company. As IBM announced its 'withdrawal' it also conducted a reassurance campaign by advertising in most major newspapers that its products would 'continue to be available'.

General Motors (GM) as another example have sold their assets to the local management but enclosed in the contract the option to purchase back the operation at a later date. Again, as with IBM, the parent company has provided a low interest loan to the 'new' company, and signed a long-term licensing and franchising agreement. Com Coll. consistent with its slick public relations act, has attempted to portray itself as sincerely anti-apartheid by chiming to be: 'involved in negotiations to sell a large portion of our equity holdings in the bottling and canning business to our retail dealers, most of whom are Black.' This gesture will not affect its major profit earner in South Africa, its syrup sales, which accounted for \$50 million in 1985, and whose production is being moved to a new plant in Swaziland.

The significance these indicators have for the unions is that, firstly, the careful thought needs to go into how best to protect the interests of workers in each case of disinvestment, and secondly, it is necessary to arrive at a general strategy that will cope with the complex and gradually developing sanctions rather than the short, sharp sanctions shock.

The National liberation Movement has always correctly stated that sanctions will not destroy the regime but will weaken it sufficiently to enable the South African people to take the opportunity of destroying a disadvantaged enemy through united mass action. As trade unionists we must in addition deliberately look not only at how to protect the interests of our members but also how to capitalise on the situation and intensify the struggle for People's Power.

Unions Call for Action

In answer to the question of worker support for sanctions, the Congress of South African Trade Unions (COSATU) General Secretary, Jay Naidoo has said: 'It wasn't just a call made by senior leadership or the Central Executive Committee, it was a call made in congress after proper discussion and democratic discussion at all levels of all our structures'

SACTU p.2

The resolution on disinvestment. adopted on December 1st 1985. states that COSATU: '... believes that all forms of international pressure on the South African government - including disinvestment or the threat of disinvestment - is an essential. and effective form of pressure on the South African regime and we support it. " Of the recently merged industrial unions, the South African Domestic Workers Union (SADWU) has passed a resolution at its first conference on November 29th 1986, stating that: 'We fully support sanctions."

The vital task now facing the trade unions is that. having adopted disinvestment/sanctions resolutions. they should undertake comprehensive studies to fully assess the effects sanctions are going to have for workers and what can be done by the unions in the situation. It is important that the recently formed COSATU sanctions sub-committee pursue its task as a matter of urgency and that COSATU translate the collected information into accessible forms for workers. . South African union delegates participating in the International Labour Organisation (ILO) seminar entitled Equality of Opportunity and Treatment in the South African Metal Industry concluded on the issue of disinvestment that "the increasing withdrawal of assets by foreign companies in South Africa makes it imperative that workers are mobilised to ensure that it is the regime that is affected by disinvestment of foreign companies. and that the workers suffer no deterioration in their conditions of employment or reduction in their wages by incoming managements. "

Workers' Rights and Demand:

Accumulated pension contributions must be guaranteed. as well as entitlements of annual leave. bonuses or other benefits and paymen due to them. Workers should be guaranteed that they will not be deprived of severance pay by outgoing management and be further assured that they will receive all other payments to which they are entitled. In order to guarantee their welfare and their rights. workers demand representation on the board of management and directors of their respective companies. In addition. extensive efforts need to be made to create the widest forum to inform workers of their rights and mobilise all those affected. including workers not yet organised into trade unions.

On October 29th 1986. General Motors workers in Port Elizabeth began a sit-in because of GM's intransigence to negotiate the terms of its disinvestment. The strike was not against sanctions or disinvestment by GM. as the capitalist press in the West attempted to portray it. but rather. in the words of Fred Sauls. General Secretary of the National Automobile and Allied Workers Union (NAAWU), "all about the right to determine on what basis companies can withdraw from this country. It is nothing more than that. "

One of the lies put to test in the GM dispute was that trade union support for sanctions is support for the loss of jobs. The workers of GM . showed through their committed action that loss of jobs does not need to be among the terms of disinvestment.

The main demands that arose were that:

I Sufficient notice and information must be

given of the disinvestment programme.

I The new owners must recognise and agree to negotiate with unions on all issues affecting workers, and this' includes the procedures and issues related to the disinvestment program and the sale of the company.

I The company must guarantee that there will be no retrenchment arising from the withdrawal; no benefits should be lost; full earnings should be guaranteed for workers for at least one year.

I Should retrenchments take place. the disinvesting company must guarantee minimum severance pay of one month's pay per year of service.

The demand by NAAWU that two representatives elected by workers sit on the new GM board of directors has added to the debate within COSATU about workers' control. The struggle between the unions and management is all about control: the control workers have over their own lives. control of ensuring secure employment. ' By having representation on the board of directors. unions will have greater access to valuable information. The challenge that arises is for worker representatives to be trained to deal with the information made available; representation in such a situation should not be cosmetic but be of concrete value; Of course every opportunity should be seized to disrupt management strategising.

Pediatric therm' in point made by the GM dispute was outlined in the COSATU statement in support of the GM workers: "Jobs should not suffer - profits should bear the consequences."

As COSATU General Secretary. Jay Naidoo. said: " we would make sure that it is not the workers who suffer but its profits and the apartheid regime that suffer. and obviously there are sacrifices that we would have to make and we are fully prepared to make them, and we have made them over the past 300 years."

An Injury To One Is An Injury To All!

Organise Or Starve!

SACTU p.3

SUMMARY OF ONTARIO'S TRADE WITH APARTHEID

it Ontario's recorded trade with South Africa in the first six months of 1987 was: Imports from SA -- \$16.2 million (34% of Canadian total)

Exports to SA -- \$15.5 million (26.31 of Canadian total)

tt It should be noted however that \$3.1m of dissolving pulp and \$3.4m of Vanadium Oxide recorded as imports to Quebec were destined for the Ontario companies of Courtaulds in Cornwall and Masterloy in Ottawa, respectively.

IMPORTS

tt Ontario's Top Ten imports from South Africa therefore are:

1. Dissolving Pulp \$5.0m (22%)

- Imported by Courtsulds in Cornwall for rayon production

2. Vanadium Oxide \$3.4m (15!)

- Imported by Masterloy in Ottawa for production of fettovanadium

3. Uranium Hexaflouride \$2.7m (121)

- Imported for processing by Eldorsdo Nuclear in Blind River and Port Hope

4. Petrochrone & Charge Chrome \$2.0m (8.8%)

- Imported by brokers for use in the steel industry

5. Rock Drill Parts \$1.6m (71)

- The majority of imported parts 30 to Boart in Mississauga for assembly

6. Metal Ores & Concentrates \$1.0m (4.4%)

- Major item is Baddelyite used by Norton in Niagara Falls to make abrasives

7. Ferromangenese & Silicomanganese \$0.8m (3.51)

- Imported by brokers for use in the steel industry

8. W001 \$0.5m (2.21)

- Host goes to Brand Felt in Mississauga

9. Off-highway Dump Trucks \$0.4m (1.8%)

- Two trucks imported for use in the mining industry

10. Crushing Mechy/Hin & Quarry Type \$0.hm (1.8%)

Top Ten Imports - \$17.8m or 78% of total Ontario Import: from SA

t' As other information included in the kits documents many of the corporations involved in trade with South Africa have been identified and three unions ACIWU, USWA and CAW represent workers at companies among the top ten importers of South African commodities.

it An important point to note is that the dissolving pulp which is Ontario's leading import could be supplied from Canadian mills, Tembec in Quebec and the Hestetn Pulp Partnership mill in 3.0.. The number two import of Vanadium Oxide is now being produced in Alberta at levels equal to present imports from South Africa

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 Rock Drill, HES Purts 2,88'0 2,336 1,610 Bolrt, 11 2 11 Equipment
 Earth 2 Mining Drilling Hachy Ix Ft: 667 132 23
 Crushing HIchy,Hln/Ourry & Pts 377 5'13 377
 Mining Hachy,Equlp. 2 Pts '912 372 166
 Hctalvorklng Hachy 2 Equip. 152 1,916 296
 Cigarette Making Machy Industrial - 280 - .
 Tractors,CrIvlor,Dlosol typo Nov 135 - -
 Trucks.Du-p,Off-ulghuay - - #15
 Motor Voh Pts 8 Access 935 1,009 108 80531.88 Hchy,Applo Autoglass, Van
 FaeransCanlda Autoglass
 Aircraft, 1w Eng or Less - 116,600 - Hardulr
 Aircraft Equip. 8 Parts - 16,101 361 Vardair
 Lalps,B/I,Flouroscont 865 '135 159
 Measuring Equip. 111 131 9
 Housohold Furniture 359 100 26
 Hand Tools 68 103 '08
 Hone,Gardan Ix Plrk Equiplont 81 Pt: 323 52'. 288
 Colputnr Equip. 11 Pts 26 60 6
 clothing I. Apparul 1'18 95 27
 Manicure 1 Pedicure Pup - 130 -
 Recreational Equip. - 16'. 50
 Cooking Utonslls,llu-.SS.Hhold 121 '03 -
 Fireplace Units,uutilltor & Pt: 108 '02 11
 Paintings, executed by hand - - 205
 Panels,I/S,Portablo 1 Prlfab Bldg 252 275 - Tate Architectural Products
 Pucklging,lon-Rnusublo 227 223 23
 Canadian Goods Returned '55 1,163 67
 Oth" End Products(60 cat.) 792 695 239 (ZSCIt.)
 107M. OIIAIIO INFO"! \$123,192 \$256,058 \$16,219

EXPORTS

--.

ee Ontario's top ten exports are:

- 1.
- 8.
- 9.
- 10.

White Pea Beans, Dried \$2.0m (12.9%)

Man-Made Fibres \$1.6m (10.31)

- Exported by Bay Mills in Midland and Shell in Sarnia

Mining Machy & Parts \$0.9m (5.8%)

- Exported by a number of companies, largely parts for products sold to SA in past years

Plastic & Synthetic Rubber \$0.9m (5.8%)

- Firestone in Woodstock exports resins to Firestone SA

Paper & Paper Products \$0.7M (4.5%)

- A number of firms export including Waldec, 3M, Domtar & Gummed Papers

Core and Rock Drills, Bits & Pts \$0.7m (4.5%)

- A number of firms have exported to the SA mining industry

Computers & Account. Equip. & Pts \$0.6m (3.9%)

- A number of firm: export including Control Data and Monroe Business Machines

Woodland Log Handling Equip.&Pts \$0.5m (3.2%)

- Timberjack in Woodstock exports regularly

Nitrogen Function Compounds \$0.5m (3.21)

Pts & Access. for Motor Vehicles \$0.5m (3.21)

Top Ten Exports to SA - \$8.9m or 57.1% of the total exports to SA

'e The attached list: of all exports and Ontario firms known to have exported to South Africa in past years includes more detailed information on the trade.

ONTARIO EXPOIIS 1985/86/07

15'

1985 1986 87 Value

Value Value End June Companies Known To Have

Comditz ln'000\$ ln'000\$ ln'000\$ ExEortod These Products

7000 "00111178

Halt 1,23'1 - - Canada Maltlng

Spices, Spice Herbs 1: Spice Seeds '152 62'1 111

Food Flavoring: 11 Colourings 1'10 - -

Poultry and Fancy Heats 29 02 10

Salmon 1: Other Fish Products - 237 71

Winter Hhoat - 906 - Canadian Wheat Board

White Pea Boans,Orlod - - 2,012

Sausage 11 Other Moat Casings '12 93 329

Apple Juice Concentrates - 195 -

Other Food Products(12 cat.) 38 69 122 (6 cat.) Gibbons Foodthouas J. Lipton

CRUDE MATERIALS

Man-Mado Fibres 3,225 3,166 1,615 Bay Hills, Strudex Fibres

Other Crude Maturalals(5 cut.) 120 105 59 (1 cat.)

FAIIICHED MIEIIALS

' Lunhor, Hood 1 Veneer Products - 629 220 011 Martin Lulbor

Paper and Paper Products 1,077 1,1'16 718 Valdoc,3M,00-tar,6umd Papers

Papomkers Felts, Textile - 115 177 Huyck

Spocm Construction Fabrics 106 220 161 Albarrio Eda.

Coated Impregnated Fabrics 12 125 39

Rapeseed 011 207 -

Aldehyde Function Coupounds 0'1 0'1 101

Iltrogon Function Coupounds 1 1'1 523

Metallic Salts of Inorganic Acids - 176 -

Radioactive Elements 1; Isotopes '192 620 -

Formulated Agricultural Pesticides 29'1 330 35

Polyethylene Resins '102 225 198 Extrufix,0upont

Plastic 1: Syn Rubber lot Shaped 1,010 1,506 851 Firestone

Plustic Fl!- 0 Shoot 66'1 382 71 BCL Canada, Goodyear

Other Chalicul Products 19 67 77

Lubriclting OH: t Ernst: - 116 -

Dyestuffs. Plgnnts, Lakes 2 Your: 595 73 120 Internltloul Paints

Him 0 Vin Rap. 279 33'. 186 Pyrotonax Canada,Central Hire Ind.

Non-forrous Metals - 1'12 -

Magnesium 60 - 79

Valves 219 1'17 19 Keystone Valves

Other Metal Fabricated Products '121 179 130

Abrasives Products 2'13 76 61

Hose and Hose Couplings 7 122 Z

Othur Fabricated Hatorlals(13 Cit.) 282 271 176

Eli "000613

Indust. Furnaces, Kilns, Ovens, & Pts. 111 9

Pumps, Pumping Systems 6 Parts 52
 Packaging Machinery & Pts 138
 Woodland Log Handling Equip.& Pts 366
 Core & Rock Drills & Bits 1 Pts 1.337
 Earth Drilling & Rel Mach L Pts 1,083
 Bulldozing Equip. & Pts. -
 Excavating Dredging Machy & Pts 506
 Mining Mach, Equip L Pts 5.573
 Construction Machinnry -
 Pts For Construction Mach Equip 159
 Metalworking Machy,Equip. 1 Pts 1??
 Pulp & Paper Industry Machy I Pts 181
 Printing & Bookbinding Machy 6 Pts 58
 Food & Beverage Industry Machy a Pts -
 Rubber Industry Machy 1 Pt: -
 Plastics Industry Machy 1 Ft: 199
 Dies & Moulds For Plastics Machy 665
 Special Industry Mlchy & Ft: 206
 Other Industrial Machy L Pts(26 cat.) 608
 Combine Roapor-Ihroshors 389
 Other Agricultural Machy 1 Pts 196
 Motor Vehicles 96
 Parts 1 Accessories for Motor Voh. 1,765
 Truck 1 Bus Tires & Tubes 36
 Other Transportation Equip. 126
 hhMMomnnwsmnplhs W3
 Radio Iransnlitting-Recoiving Units 305
 Collorcial Telecolnu. Equip 177
 Other Electronic Equipuent 100
 Electronic Equip Coupononts 271
 Honting,Rofrigor. 6 Cooking Equip 239
 Elscctrlc Lanps,lulbs & Tubes 9 Pts 80
 Transforlors & Pts 39%
 Hiring Devices 1 Ft: 100
 OthOr Electrical Equip App! 1 Pt: 19)
 Electricity-Hoasurlng Instr 6 Pt: 1,116
 Measuring E Contrl Instr 1 Ft: 882
 Medical 1 Rel. Instr Equip 1 Ft: 299
 Optical Instruments 1 Parts
 Geophyslcll Mineral Prosp Equip 1 Ft 187
 Laboratory Instr Equip 1 Ft: 116
 x-Ray i Related Equip I Pt: -
 Othor Equip. & Ft: 125
 Hand Tools 171
 Card Punch Sort Tab Colputors & Pts 2,365
 Office Machines Equip 6 Pt: -
 Clothing & Apparel 1 Accessories 99
 Hockey 1 Sporting Equiplont 103
 Modicin:1,Phar-.& Votlntry Prod 295
 16
 175
 55
 566
 1.896
 909
 252
 312
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2,687
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#6
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NJ Langon, Innopac, Stackpole Machy
Iinberjlck
JKS Boylos,Konroc,Longyoar
Allis Chalmers
Jarvis Clark,Ponborthy Olv. Brian
Engineering,Hoath & Sherwood

Koohring, Bolag, Champion Road Hachy
Sandon Machine
Husky Injection Moulding Sys.
IYL Industries
(19 cut.)
Varlty Corp.
John Doorn,Klndskllde,Hhlte McKee
Euclid
Alnco,Dayton-Ualthor,Kenabuc,Hard
Autolotivo,lridon Int.,RCP Inc.
Goodyear, United lire 1 Rubber
Utilato Aerobatics
AEA Electronics
AEG Bayly,Hotorola Cda..Racal
AEG Bayly.Hotorola Infor.\$ystols,
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Educ Inc.
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' Business Machines, Electrologics
NEO Industries
Van Rallto Div. Cluot Poabody
Storlvat Lab.,Upjohn 00..

Medchl,Dental & Ophthalmic Supplies 231
Maps, Picturos, Grouting Cards, Music -
Stationary & Paper Office Suppl 165
Photographic Equip & Supplies 17
Containers, Closures & Pts 171
Other End Products(10 cat.) 532
TOIAL OITARIO EXPORTS

17
11k
121
611
1&3
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\$32,660 \$38,656 \$15,159

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Eldon Industries

Ontario Fir-s Known To Have Explrted To SA
 9n!kittitidc'kkiintiddciidnhkiecttiddnkiuhkkiddekictikkici- AEG Bayly Inc. Control Systals,
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 AIHCO - Division of Automotive Parts (Brakes). 9
 III Industries of Can. Blue Giant Equplont ' Hntarlals "angling Equiplont.
 Mississauga Bralpton
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 er, P.I.O. Gang Movers Sod Cutter,
 Calbridgo Controls, Starters, Rollys, glitches. Keswick Turf Rollers, Mltch-hikur Fork Ll
 hs, Rotary
 Movers, Grass Vacuums.
 Allis-Chul-ors Cda. Conn!" syste-s, Crushing Equplont,
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 zation Systems.
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 Burringer Research Ltd. Research & Dovoloplont cl abilities in the p
 Roxdlle earth sciences, Anll tlcl Instrumentation Canofco Ltd. Industrial Heat Iraatng E
 quipment, Alulinun
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 Explorltlon gystals, Environuntll & Organic Gonarators, Refrigeration Equipment.
 Analytical Services. Goocho-lcnl & Assay
 Laboratories Goochollcll Airborne & Ground Centre! Hire Indust. leo--Alullnun, Bronze, Co
 pper, Brass, Alloy,
 Explontion gysto-s Laser Fluorosansor Perth Spring, SS.
 Iuclolr Process Control Instruments, Optical
 Relate Sensors, Proton Magnotouters. Champion Road Machinery Road maintenance Equipment:
 Motor Graders l.
 Godorlch Related Attachments.
 Bat: En lnoerlng Shoo chhlnory 8x Equipment, Shoo Moulds.
 Ba Iva Cloincare Int'l. Div. Hot Hater Extraction Equipment.
 of 6.11. Hood
 Bauar Skates i Skltos, Athletic Footvnr, Sports Bags, Toronto
 Athletic Footmr Luggage. .
 Mississauga Cluett, Peabody Cda. Men's Shlrts, Jogging Shorts & To 5,
 lorton Underwear: Vamn Knit, ll.T.H., rrov
 Bay Mills Midland anchltly Fabrics Glassware for Reinforced Division.
 Midland P astics, Scrils #or Industrial Roofing I .
 Drywall, Vinyl coated Varn. Colloids Canada ' Defoaners for Pulp l Paper Irlde, hint, Iex
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 Duyton-Hllthar Cda.
 Guelph
 DEL Egulpnont Ltd.
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 Dlpix Systons Ltd.
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 Circuit Breakers, Panolboards, Swltchboards,
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 International Shipping and Forwarding Agents.
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 Accessories Erato System Parts, Sus onslon
 Parts, Couplings and Hitches Cast S 901 Spoke
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 Office Furniture.
 EBA Instruments '
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 of Cunada Ltd.
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 Elocrtrulogics Inc.

Hatorloo
 Euclid Canada Ltd.
 St. Iho-Is
 Extruflex Inc.
 Markham
 Faultless Doorner
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 Hatorloo
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 Mississauga
 Firestone Canada Ltd.
 Hanllton
 Woodstock plant
 FMC of Canada '
 Ioronto
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 St. Catharines
 FRC Coupositos Ltd.
 Don Mills
 6.". Hood & Co. Ltd.
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 Desi n and Manufacture of Specialized Instruments
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 Electronic Connectors principallx used in
 tolecoluunication proaucts, co-pu er products,
 Instru-ontation and video products.
 Security 1 Alarm S stuns, Intercom, Monitoring
 and Signalling Equ plant.
 Filing systems, Mono & Pencil Holders Letter
 Trays, Soldering Irons, Computer Stanas.
 Computer Boards.
 Off-highuay dulp Trucks.
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 Electromagnets.
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 Vern, Resin. Fabric.
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 Convo ers
 Scrou Feeders, Vibrating gcreens 1 y '
 Feeders.
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 Boilers. Utllltz Condensers Utillt! Feed
 Hater Heaters as Turbine iccupara ors,
 Special Moat Exchangers, Nuclear Steam
 Generators. Nuclear Colponants.
 zndustrlal Chollcals. Brand lanes: Tapocrote
 for on ral concrete repairs, waterproofing)
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 Deter ont Cleaners, Detergents Deodorlzars,
 Disingectants, Dispensers, Sea ers, Soaps,
 Floor Haxos 1 Finishes.

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 Mississauga
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 Godarich
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 of Eden Mfg. Co.
 Ioronto
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 oronto
 Globe and Hall
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 Goodyulr Canada Inc.
 Islington
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 Division Gould Mfg
 Ioronto
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 Ganlnoquo
 Grab Industries
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 Grinsloy
 Hoar Savor Ltd.
 Grllsay
 Heath And Sharwood
 Kirkland Lake
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 Electric Fuses.
 Recording Instrulont Charts,
 Electrocardiogrlph Electrodes, Printing Presses.
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 Sports Bags, Luggage, Roller Skatos.
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 Gullod Pr nting Papers, Hltorpronf Dylax
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 Inti-fogg Suppllns, lose Clips, Ear Plugs.
 Clounlng Cloth 1 Solutions, Ear Plugs, Goggles
 and Nos. Clips for swimming.
 Charging Machines. Explosives Safety Placalents,
 Hire Rope Testers, Custo- Mining Eauiplent,
 Pumping Equip. Samplers, Solution
 etor Feeders
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 of Canada Ltd.
 Hallacoburg

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 Control Corp. Ltd.
 Ottawa
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 Grinsby
 George Kalk '
 Don Mills
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 Ketchul Mfg. Sales
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 Plastics Industri Equi nont, Systems
 Engineering, Tra nlng rograns, Service &
 Spare Parts.
 Industrial Tiras, Pnoulatic Solid, Special
 Urethane Products.
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 Equipment, Ieleconforoncing Products.
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 Mixers, Knivns.
 Sensor Mounts ("The ultimate in steady images
 from moving platforms"). Apelication Packa as
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 Low Light Infra-rod Caleras. #ldao IR
 Overlay. rickets for attachment to various
 helicopters. Booms, Dollies, Boats. Trucks.
 Fibreglass cloth, Iats
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 Trucks,9ut?n y ha. 9 ' g p
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 Drills, Wheels. Brand Males: Hinkla, JKS.
 Agricultural Blades, Rotnrg Cutters, Fork
 L ftlng Narrows, Headers. urn Loaders, Manure
 Spreaders, Snow Blowers, Gear Wagons.
 AC Lino Voltage Re ulators Voltage Suppliers,
 Static Inverters, ave & Tide Gauges.
 Automotive Parts (Cgutth Diaphragms, Hater
 Pulp Backing Plates
 Tungsten Carbide Drill Bits, Drilling
 Equ pment and Drill Rods.
 Agent & Mail Order Sales for A ric. Equipment,
 Packing Mouse & Livestock Su p 105, Custom
 Inject on Moulds. Poultry & oat Packing

Keystone Valve '
 Burlington
 Kilian Manufacturing
 Toronto
 Klusson Bronze Ltd.
 lei Nalburg
 Klocknar-Hoollor Ltd.
 Mississauga
 Konhring Canada '
 Mississauga
 Kongskilde Lilltod
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 Koolotron Corporutlon '
 Brampton
 H.J. Lan on & Sons
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 Leighton l Kidd Ltd.
 Toronto
 Iholas J. Lipton Inc.
 Toronto
 London Hat Industries
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 long Manufacturing
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 Longioar Canada Ltd.
 orth Bay
 Lyons Fry Horgors '
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 Shoe Metal Fabricating.
 All Types of Valves ln Brass, Bronze. Stool.
 Ungrnund Bull Bolrlngs.
 ggzlztg: gggzz Knives, Doorknobs, Letters,
 Electrictl Motor Controls.
 Compactors. Hunters, Construction Equipment.
 Pnoulutlc Convn ln
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 Equil lant, Field & Row Crop
 and ould Board Flows.
 Pucklgng and Cartonlng MlchlnorI, Bottle &
 Can Packers, Coupon Plclng Mach nary.
 Trading House spoclzlzng ln Dental Equip.,
 Instruments I Supplies, 8 orlllzors, Auto-
 clave: 1 Pts
 Video 1390 Training Progru-s.
 Food Products (Soup: Canned Heat Casserole
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 Flavour Cr stal roducts , gnacks l Beverages,
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 Label I Cntruct acklgln Service available
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 Illus: Puritun, Lunalsl Fraser Vlllly, Fraser
 fifl' Delta Rica, Iu fy 3 Nuts l Bolts,
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 Passen or Counting
 Sistols, Automatic Floor
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 Englnoarlng, Oll, Plate, Trlnsulsslon Coolers.
 Air Condit onlng Evaporators. Indust.lldlators.
 Drilling Equiplont, Dlannd Bits.
 Hardware Electronic
 Equip. Export Consultants.
 Prufab. Metal Buildings
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 Harkhll Electric Ltd.
 Markham
 G.H. Martin Lumber

Harcourt
 "JG McLean '
 Brantford
 Micheal's
 E u! .
 Ottawa q P
 Mllltronics Ltd.
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 otarhorough
 Mitsui & Co. Cd: Ltd.
 Iaronto
 Modern: Canada
 Don Mills
 Honitoq Ltd.
 Concord
 R.J. Moore Hardwoods
 Calbrldgo
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 North York
 Motorola Information
 Systems Ltd.
 Brllpton
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 Niagara Falls
 loo Industries
 Hamilton
 Electrical Equipnant (Outdoor Substations
 Metal Clad Switchgear, High Voltage Suitcaes).
 Services. supervision & installat
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 Hardwood & Softwood Lulbar Veneer and Floor
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 Pulp Rofinor Knivos.
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 International lradln Colpany in Iron a Steel,
 Coal, lon-forrous Me :15, Uraniul Machinery,
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 Products on los, Pulp l Paper. Lumber,
 General iorchandiso.
 Trlding Mouse specializing in Canned Beans,
 Chain ans, Eloc. Motors, Indust. l Inorganic
 Chellcnls, Paints, PharI.Products ln dosage,
 Povor Iransfor-ora, Pulps l Pts, Power Pulps,
 Special Ind. Hachy & Pts, Tallow, Vegetables
 Environmental Monitoring Equipment
 Underwater Monitors, Airborne Plpoilno Leak
 Detectors. Radlauotors.
 Maple Shoo Blocks & Lasts, Bowling Pins, Rough
 Furniture Iurnings.
 Trlnslttars-Rocolvars. 2-way radios.
 Modems
 Co-Iunicatlon, Con
 Processors.
 Data Multiglexors, Processors Data
 act Scanners, Signal
 Plastic Mouldings, Auto Hiring Harnesses.
 Custom Machlna Parts, Photocopier Rollers,
 Steel Mill Rollers.

Ilcholas-Jonson Inc.
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 Mississluga
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 Toronto
 Ortho Din nostlc
 Systuls nc.
 Don Mills
 Payton Scientific '
 Scarborough
 Ponhlrthy Dlv. Brian
 Englntorln Ltd.
 St. Cut Irina:
 Protective Plastics '
 Hiliknn
 Purity Plcklging Div.
 of Innopnc
 Potorhorough
 Pyrotanax of Cd: Ltd.
 lronton
 Pyrotronics Cdl Ltd.
 Markhll
 Racal Canadu '
 Ottawa
 Rldlonics Medical Inc.
 Markham
 REP Inc.
 Dounsvlov
 Rolbrandt Jovolry (Sub.
 of Johnson Matthoy)
 Scarborough
 Polyester Elactrlc Vinding Cylinders,
 Ethicalass Slonvng, High Temperature & PVC
 an o .
 Vulcanized Rubber, Stool Forgings.
 Asnlrutors, Oxygon. Cylinder Curts,
 In alltors. Ana host: Masks, Oxygon Tubing,
 Suction Pulps, Rosuscltators.
 luck lasts 1 Supports, Foot lasts.
 Mediall Testing Equiplont, Serums. Slides etc.
 Hadlell Equiplont.
 Power Inllor, Ejactors. Glugos, Underground
 Mining Loaders, lining Equiplont Explosives,
 Thtrlolill
 Plastics, Fibr. lass Reinforced Pigu/Tublng,
 Insulation for loctrlcul Equiplon , Shoots,
 Moulding, Auto Parts i Accussorils, Plastic
 Reinforced Plywood, Grltlng.
 Ictcrcll Containers, Packuging Hachlnnry for
 Iuttur, Croll, Icacrroul, Food Packaging.
 Cable, Melting Insulated, Power Insulated
 Cable Iherlocouplo, Mineral Insulated.
 Snake Alarms Elocetricll Printed Circuit
 Boards, Elocfrlccll Cord Control S stuns, Sloko
 Detectors, Fire Extinguishing 8): ans,
 Monitoring Systols.
 Radio Bollunlcatlon Equiplont.
 Barolators 1 ultrasound Biolotors.
 Elocrlcll Autolotlvu Accessories.
 iovollry (Man's 1 Holon's). Corporate Jovellry
 for service awards & Incentive prngrals),
 Chelicll Milled Products.
 Richard Bruckner
 Research '
 Ottawa
 Rigby Iradu Ltd.
 "Illlton
 Rio Algou Ltd.

Atlas Specialty Stool
 Unlland
 Rotosco Lilitod
 Scarborough
 Ryka Ilav Holds Ltd. '
 Mississauga
 Slfaty House of Canada
 Ioronto
 Safot Supgly Clnada '
 oron o
 Snftronics Systo-s '
 Markha-
 Snndon Machine Ltd.
 Calbrldgo
 Singalo Canada
 Toronto
 Sanitation Equulplent
 Concord
 Scintrox Limited
 Concord
 Sol-Drul Cor .
 Burlington
 Selex '
 Guelph
 Simon Curves '
 Hlllovdalo
 Mining Equipment, Measuring & Fest Equipment.
 Trading House specializing in Agric. Equip.,
 Connorclll & Ind. Ialaco- E uip., Gaskets
 Construction Equip & Pts H ning a Quarrying
 Equip & Pts, Petroleum Gas & Coal Procsssng
 Mucky & Pts, Plastics fab. Mutorlnls, Power
 Irlnsuisslon E nip 1 Pts Hater & Savage Equip.
 & Pts, Hoodlan Log Handing Equip.
 Stainless Steel and Specialty Alloy Steels
 Magnotester, Splice Alert, AC/DC Iostors.
 Design & Manufacturing of Oualltz Blow Moulds,
 Injection Blow Tooling, Plastic ontainers
 Custo- Moulds, Produc Design L Dovelopnon%.
 Fire Blankets, Safety Cabinets Protective
 Clothing Fire Extinguishers. first Aid Kits,
 Safety iassas. uelnets, Masks.
 Protective Clothing 1 Equipment.
 Electric Motors 1 Controls.
 Heb Collltors, Bookbinding Folders, Printing
 Presses.
 Electricity Motors, Test Equipment, Transformers.
 Boat, Cottage. Portable, Trailer Iollets.
 Instruments: Analytic. Defence, Gaochelical,
 Goo hysical, Iucloarpouor Plant, Radiation
 Mon torlng.
 Trading House s ociallzing in Office Photo-
 coplars Pts, hotograph c Chollicals
 Sonen Export -- Bovine, Porcine and Goat.
 Engineering Firs.

Sinclair Radio
 Aurora
 Slater Stools Corp.
 Mallilton
 Smith l Stone
 Goorgotovn
 500 Mill & Luubur Co.
 Sault Stu. Marlo
 Sovereign Glllcrilit
 Jelollry Hunufacturing
 Vaughan
 Stackpola Machinery
 Scarborough
 Storivot Laboratories
 Mississauga
 Stornson Ltd.
 Brantford
 Stoulrt-Harnor Corp.
 Bolluvlllu
 Streamline Copper
 & Brass Ltd.
 Strathroy
 Strudox Fibres Ltd.
 Hatorloo
 Suburban Metal '
 Agincourt
 Suprelo Industrios '
 Scarborough
 Iho u ohn Co- In
 Og; Hills p y
 Ithermal l Hydraulic
 E ui . Ltd.
 q Igronto
 Ihonson-Gordon Ltd.
 Burlington
 Ielocon. Equplont: Antennas, Hultlcouplors
 Elocetricul Clamps, transmitters, Buploxars
 Polo Anchoring Dovlcus. Alullnul Sand Casts,
 Moulds Stool Forging, Metal l line Harduare,
 Helical Ulro Products
 Porcelain Iathroo- Fixtures, Transformor
 Insulutors, Polo lino Marduuro. Electrical
 Switches.
 Butcher Blocks, Pro-fab Buildings, Kitchen
 Clbinots, Iops, Roof trusses.
 Precious Ind SIII-Pruculous Jovellry.
 Lah-ll n nd Soulin Machines
 nottloch-n. g '
 Ihcrapoutlc Horse Fuod Supplo-onts, Veterinary
 Phlrnacouticlls for porfor-unco horsns.
 Rusolrch l Devoloplont caplbllitios Ivailble.
 Building & Mllntonlnco Hatorials, Concrete
 Products.
 Autonoitlvu & Industrial
 Tool Balnncors, Casters
 torlal Hlndling Pulps.
 Lubrlcltion Equipment,
 Copper Pip. Fittings, Ilptrlll & Metric.
 Nylon Flhrc, Polypropylon. fibres.
 Cargo Rostralnt s stuns Slings Vinyl
 Cur lins, Industr Il Ru5bor Pro ucts.
 Cookvuro, Ladders, Food Service Equip. Giftwaro,
 Stainless Steel Conkliro, Prussuro Cookers.
 Antibiotics, Horlonos, lutritlonals,
 Psychotherapoutlcs. for Munln ln Dosage.
 Trldlna House spaclullzln ln Indust.8urnors,
 Pouor oilor Pt: l Boiler ouso Equlg.
 Povo Pulgs, Sp clll Industry Hachy \$ts,
 Vllvos, ontrn7iogulatng Vllvus.
 Bolrings non-uotnlllc, Air conprossors Air
 Dr ors, Plastic Packaging Plastic Son s

Polyurethane Products, Rubber Products.
Toronto Kitchen
Equiplant Ltd.
Huston
Irlbl
Heston
Tridon International
Burlington
Ultillto Aerobatics
Guelph
United Tire & Rubber
Rexdale
Valonito-Hodco Div.
Valorun Corp. USA
Hindsor
Van Raalta, Division
of Cluott, Peabody
London
Varit; Corporation
rantord
Haldec of Cunlida Ltd.
Roxdalo
Hard Automotive
Electronics of Canada
Toronto
Hatorloo Spring Co.
Hatorloo
Bakery Tables/Sinks/Shelvos Vondin Carts,
Truck Coolers. Dishwashing Equipment, Food
Storage Equipment Moist Cutting Processing,
Sinks, Doors & Gates.
LIV Enforcement Radar-fixing moving.
Motor Vehicle Parts & Accessories, Industrial
Products Automotive Parts & Accessories, Hose
Clamps, signal Flushers, Windshield Wipers.
Aircraft Accessories, Airplane Hinges.
Off Road Truck & Industrial Tires.
Metal Cutting Machine Tools Boring Bars,
Acuating Nos 5, Turning Tools & Cutters, ".6.
tooling Electronic Gauging Special 10013 for
IR & Audio Equiplant & Tungsten Carbide Products.
Lingerie, Slippers.
Furniture Equiplant.
Hallcovulins propasted stripplastic vinyl
coated, Race displays.
Automotive antennas, Automotive Electronic
Sub-Assemblies.
Chain and Bad Springs, Furniture Springs.
Holvorn Div. "0? Ltd. Copper Alloy Tubing, Seamless Tubing.
London

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CANADA - SOUTH AFRICA TRADE SUMMARY

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IMPORTS

ti 1987 Imports from SA in the first six months were \$47.7m down from \$124m in 86.

't The impact of the limited sanctions imposed by the Canadian government is:

Agric. Products - down \$36.3m Wine & Liquor - down \$558,400

Sugar - down \$18.2m Coal - down \$503,000

Other Food Items- down \$109,300 Steel - down \$6.6m

The Canadian government pretends that it has imposed sanctions against uranium imports but the crown corporation Eldorado Nuclear continues to import Namibian uranium for processing.

tt The value of imports which have not been affected by sanctions is up 33% over the same period of 1986 -- \$44.6m versus \$33.5m. This represents a partial recovery of the value of trade lost by SA because of sanctions.

it Canadian imports from SA are concentrated in Eastern Canada with 89% by value in Ontario and Quebec alone. Geographic breakdown in: Quebec 55%, Ontario 34%, Haritimes (all NS) 5% and western Canada (largely BC) 6%.

ht Canada's leading imports are:

1) Raw Material inguts for the Steel industrz worth \$15.7m (33% of total imports from SA) -- Charge Chrome & Ferroehrome, Vanadium Oxide, Manganese, Silicomanganeae, Ferromanganese, Manganese Ore;

2) Eguiment and Parts for the Mining Industtx worth \$5.4m (11.3%) -- Rock Drills, Bits and Parts, Crushing Machy, Dump Trucks, Metallic Carbide Inserts, Drilling Machy, Underground Loaders, and Ore Processing Hechy;

3) Diseolving PulE worth 35m (10.4%) for rayon production at Courtaulda in Cornwall;

4) Wool worth 34m (8.3%) for felt and yarn production;

5) Uranium from Namibia worth \$2.7m (5.8%) for processing at Eldorado Nuclear;

6) Granite \$1.9m for building and tombstones;

7) Clothing worth 51.8! was imported largely to Que but is distributed across Canada.

t' Western Canadian imports of \$2.6m are concentrated in BC where Drill Bite(72%), Bras: (8%) and RR Bolsters (5%) together were 85% of the total for the region by value.

h' 1987 Exports to SA total \$58.9m down from \$99.7m in the same period in 1986. The bulk of the difference is accounted for by declines in exports of sulphur, potash and mining machinery.

EXPORTS

hh Canadian exports to SA are centred in Western Canada \$33.9m (57.4%) followed by Ontario \$15.5m (26.31), Quebec \$8.2m (13.9%) and the Maritimes \$1.1m (1.9%).

'h Canada's leading exports are Sulphur (\$19.2m) from Alta. and BC; Contractor's Equipment and Tools (\$5.3m) from Alta; Woodpulp (\$4.3m) from BC, Que & NB; Dried Peas (\$2m) from Ont; Manufactured Fibres (\$1.6m) from Ont; Anhydrous Ammonia (\$1.5m) from BC; Papermakers Felts (\$1.1m) from Que, Ont, NB; Dried Beans (\$0.9m) from Alta; and Mining Machinery (\$0.9m) from Ont.

h' Resource Exports dominate Western Canadian Exports to SA. The leading products are:

Sulphur \$19.2m Dried Beans 5.9m

Woodpulp \$3.1m Tungsten \$0.5m

Anhydrous Ammonia \$1.5m Potash \$0.4m

Canned Salmon \$1.3m

These seven commodities represent 46% of total value of Canadian exports to SA in 1987. In 1986 western resource exports were 60% of Canadian exports to SA.

" The recent announcement of a 30,600 tonne sale of wheat to SA reinforces the Western dominance of exports to SA.

hh Eastern Canadian exports have a far larger proportion of Fabricated Materials and End Products.

CANADIAN LABOUR CONGRESS

Shirley G. E. Can-

CONGRES DU TRAVAIL DU CANADA

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(613) 521-3400

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CABLE: CANLABCON ' TELEX 053-4750

Exzcutive Vice-Pruidonn

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Nancy Rich:

June 3, 1987

To: Members of the Executive Council,
Ranking Officers of Affiliated Unions,
Federations of Labour, Labour Councils
and Directly Chartered Unions

As many of you know, an important part of the over-
all CLC campaign against Apartheid in South Africa involves the
targetting of multinational companies. At its May, 1987 meeting,
the CLC Executive Council decided to undertake a boycott of Shell
Canada as part of this campaign. The boycott action is part of an
international boycott led by the International Confederation of Free
Trade Unions (ICFTU), against the giant multinational Royal Dutch/
Shell. The international boycott already involves trade union organ-
izations, church groups and anti-Apartheid groups in more than 12
industrialized countries.

Apartheid in South Africa has meant far more than the
denial of voting rights to the majority population. Apartheid also
means striking South African mineworkers are forced to return to work
at gunpoint at a mine co-owned by Royal Dutch/Shell. It means the
exploitation of workers by multinational companies like Royal Dutch/
Shell who pay black workers slave wages in sweat-shop conditions.
And, it means that millions of workers are forced to live separated
from their families in guarded barracks totally controlled by employers
like Royal Dutch/Shell. Apartheid must be stopped and multinational
companies must be persuaded to stop supporting it.
Royal Dutch/Shell, (Shell Canada's parent company), is
a particularly appropriate target because of its complicity with the

South African regime. The regime, for example, is dependent upon this company to supply the military and police with fuel. The South African Apartheid government would be dealt a severe blow by the withdrawal of Royal Dutch/Shell. 9

The objective of the boycott in Canada is to increase the pressure on the parent company to withdraw from South Africa. There are already signs that Royal Dutch/Shell is beginning to feel the pinch. This company, the largest in the world in terms of assets, will require more pressure to convince it that continued support for the South African regime is not in its best corporate interest. We Canadians can help it feel that extra pressure through a boycott of shell products in Canada.

Black trade unionists in South Africa risk arrest and imprisonment by calling for disinvestment of multinational companies because they understand the dependence of Apartheid on these multinationals. In supporting their call through boycott actions the Canadian trade union movement will be playing a key role in beating Apartheid.

I look forward to your full support in this crucial boycott. A good way to begin would be for Canadian trade unionists to return their destroyed Shell credit cards to the company accompanied by a letter of explanation. .

Yours fraternally,

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SGECTjg dgirley G.E. Carr,

President

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c.c. CLC Regional Directors and Representatives,

CLC Headquarters