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Division of World Outreach  
85 St. Clair Ave. East, Toronto, Ontario M4T 1M8  
Telephone (416) 925-5931

Cable Address: Wesleyana, Toronto

May 21st, 1981

MEMORANDUM TO: Renate Pratt - TCCR  
Earl Roberts - Presbyterian Church  
Tony Clarke - C.C.C.B.  
Bill Davis - U.C.C.  
Don Ray - U.C.C.  
✓ Joe Salooje - A.N.C.  
Hugh McCullum - U.C.C.

FROM: Jim Kirkwood

RE: Letter from Dept. of External Affairs - Canada

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The attached is the reply I received to my letter of January 8th to Mark MacGuigan of which you received a copy.

JAK:jb



Department of External Affairs



Canada

Ministère des Affaires extérieures

MAR 18 1981

OTTAWA, K1A 0G2

February 26, 1981

Dear Reverend Kirkwood,

The Secretary of State for External Affairs, the Honourable Mark MacGuigan, has asked me to thank you for your letter of January 8 reporting on the positions concerning Canadian policy on South Africa and Namibia taken by the Division of World Outreach of the United Church of Canada at its annual meeting last autumn.

You may be assured that these views are being given due consideration, and that we share your concern for the systematic violation of fundamental human rights which the practice of apartheid entails.

The Minister has also asked me to convey to you his thanks for your support for the views he expressed in his address to the United Nations last September. It is important that Canadians continue to speak out against apartheid and make clear to the Government of South Africa that its policies are unacceptable to the Canadian people. Please find attached ... a copy of a briefing paper that we have prepared which outlines the steps the Canadian government has taken to manifest its opposition to apartheid in a concrete manner.

The government does not consider, however, that severing all economic ties with South Africa would be an effective means of promoting fundamental reform in that country. There is the additional risk that sanctions imposed against South Africa would at the same time inflict serious damage on the fragile economies of the surrounding countries, at a time when these countries are facing grave economic problems.

Reverend James A. Kirkwood  
Associate Secretary, Africa Division  
World Outreach of the United Church of Canada  
85 St. Clair Avenue East  
Toronto, Ontario  
M4T 1M8

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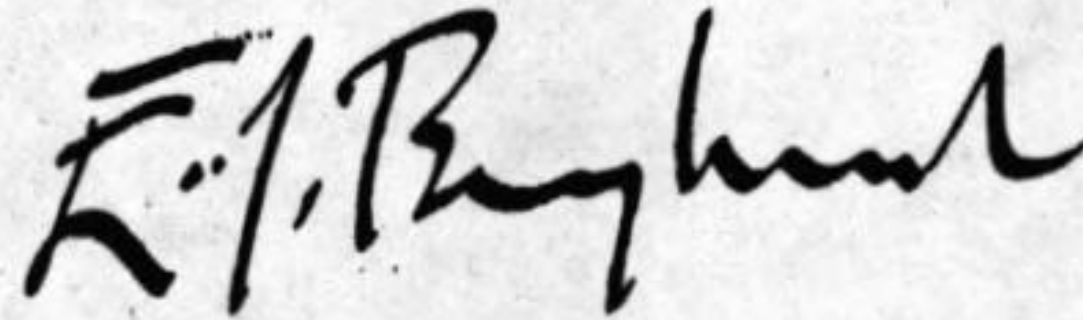


Canada instituted a voluntary arms embargo on South Africa in 1963 and voted in favour of the mandatory arms embargo instituted in 1977 by the Security Council of the United Nations. As a result, the government does not issue defence equipment export licences for South Africa. With respect to Space Research, you will no doubt be aware that the responsible officials of that company were brought before United States courts and have been fined and imprisoned for breaches of USA law regarding the export of military equipment to South Africa.

As to the question of Namibia, I can assure you that Canada, as a member of the Western Contact Group, strongly supports the United Nations efforts to achieve a negotiated settlement in the territory. As the Minister has said recently, we are deeply concerned that the recent UN meeting on Namibia in Geneva failed to promote a settlement and we hold South Africa responsible for the impasse it has created by its refusal to agree to date for the implementation of the UN plan.

May I say in closing that we share your concern and we shall continue our policy of opposing all forms of racial discrimination in South Africa.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'E. J. Bergbusch', written in a cursive style.

E. J. Bergbusch  
Director  
African Affairs  
(Anglophone) Division



## Notes on the Republic of South Africa

### General

The Republic of South Africa is located at the southern tip of the African continent. Its population is approximately 28.5 million, of which 20 million are black, 5 million are white, 2.5 million are "coloured" (descendants of mixed marriages) and 1 million are Asian. The surface area of South Africa is 1,221,037 square km, approximately the same as the Province of Quebec.

South Africa consists of four regions - Cape Province, the Orange Free State, Natal and the Transvaal. The four principal cities are Johannesburg, Cape Town, Durban and Pretoria. The South African Government has granted "independence" to three of the black regions of the country, the Transkei, Bophuthatswana and Venda, but no country other than South Africa has recognized their independence. There are seven other black homelands in South Africa. Taken together, the homelands cover 13 per cent of the total area of the Republic and contain 45 per cent of the black population.

South Africa has a bi-cameral Westminster system of government. The titular Head of State is State President Marais Viljoen but executive power is vested in the Prime Minister. P.W. Botha has been Prime Minister since 1978 when he succeeded John Vorster. The governing party is the National Party, which holds 134 of the 164 seats in the House of Assembly, whose function is similar to that of Canada's House of Commons. The parties in opposition are the Progressive Federal (Reform) Party (17 seats), the New Republican Party (10 seats) and the South Africa Party (3 seats). The voting age is 18 for whites. Non-whites are not permitted to vote in parliamentary elections.

South Africa has a relatively well-developed economy with a Gross Domestic Product of approximately \$70 billion (1979). Manufacturing accounts for 22% of GDP, mining 15% and agriculture 8%. Although its per capita income of approximately \$2,500 per annum places South Africa in the middle-income category, its income distribution is heavily skewed in favour of the whites.



After zero real growth in 1977, the real growth rate of the economy rose to 2.5% in 1978 and to approximately 5% in 1979. Inflation in 1978 and 1979 averaged over 10 per cent per year. Unemployment is a serious problem, particularly among the black population; unemployment estimates vary from 1 to 2 million. South Africa produces roughly 60% of the world's gold output and the recent rapid rise in the price of gold has had, and will continue to have, substantial positive impact on the economy.

The South African economy is heavily dependent on foreign trade. Export earnings reached \$24 billion in 1979 and imports amounted to approximately \$16 billion.

Over the past 30 years South Africa has faced increasingly vehement criticism from the world community because of its policy of apartheid, or separate development, under which the non-white majority of the South African population is denied basic human rights. Through the years, a complex set of race laws has created a system of institutionalized racial discrimination, which, among other things, denies non-whites the franchise, dictates where they may live and work, reserves most of the highly paid jobs for whites, and entrenches white supremacy in virtually all areas of South African society.

In answer to its critics at home and abroad, South Africa has recently introduced some minor reforms and Prime Minister Botha has warned that South Africa must "adapt or die". Some progress has been made in integrating sporting and cultural activities; more funds have been devoted to black housing, education and amenities; and the income gap between blacks and whites, although still very large, has closed marginally in recent years. Nevertheless, the basic structures of apartheid remain, and South African dissidents and critics of the regime have been systematically repressed by the Government and police. Repressive measures include detention without trial, the application of an array of security laws which restrict legal representation and the right of appeal, and "banning" orders, which curtail an individual's freedom of movement and association. At the same time, South Africa is pressing ahead with its plans to create more "independent" homelands, a device which will deny South African citizenship to the vast majority of blacks and force them to live in underdeveloped areas of the country often with little or no economic potential.



### Canadian-South African Relations

Canada has diplomatic relations with South Africa and maintains an Embassy in the Republic. South Africa has an Embassy in Ottawa and Consulates in Montreal and Toronto.

Successive Canadian governments have condemned apartheid in South Africa and the violation of fundamental human rights which the practice of apartheid entails. On December 19, 1977, after a comprehensive review of Canada's relations with South Africa, the Secretary of State for External Affairs announced a series of measures which were designed to give concrete expression to Canada's abhorrence of apartheid. These measures included the withdrawal of the Canadian Trade Commissioners from South Africa, the closure of the Consulate-General in Johannesburg, the withdrawal of the Export Development Corporation's government account facilities for Canadian exports to South Africa, and the withdrawal of the EDC's foreign investment insurance facilities for Canadian investments in South Africa. A visa requirement for South Africans wishing to visit Canada came into effect on April 10, 1978 and the following July, the Government announced that athletes representing South Africa and officials representing South African sports associations would thereafter be denied visas for Canada.

On April 28, 1978, the Government issued the "Code of Conduct Concerning Employment Practices for Canadian Companies Operating in South Africa". Under the Code, Canadian firms are requested to make annual public reports regarding the employment practices of their South African affiliates as a means of assessing whether their treatment of non-white employees conforms to acceptable standards.



Canadian-South African Trade.

Canada instituted a voluntary embargo on the sale of military equipment to South Africa in 1963 and voted in favour of the mandatory arms embargo against South Africa imposed by the Security Council of the United Nations in 1977.

In July 1979, Canada notified South Africa of its intention to terminate the Canada-South Africa Trade Agreement, which accorded South African exports preferential tariff access to the Canadian market. The Agreement was actually terminated the following January and the tariff preferences were withdrawn effective June 3, 1980.

A list of Canadian exports to South Africa and imports from South Africa in 1979 is attached.



# CANADA/SOUTH AFRICA TRADE STATISTICS

(CDN \$'000)

|                           | <u>1974</u> | <u>1975</u> | <u>1976</u> | <u>1977</u> | <u>1978</u> | <u>1979</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Exports to South Africa   | 91,303      | 124,262     | 97,258      | 83,307      | 112,011     | 105,677     |
| Imports from South Africa | 117,163     | 193,818     | 146,220     | 149,993     | 149,294     | 240,364     |

## Major Export Categories

|   | <u>1979</u> |
|---|-------------|
| Sulphur   | 23,018      |
| Motor vehicle parts,<br>except engines            | 13,537      |
| Wood pulp   | 12,321      |
| Machinery   | 12,216      |
| Equipment & tools except<br>transp. & comm. eqpt. | 7,134       |
| Potassium chloride, muriate                       | 3,644       |
| Trucks and chassis                                | 3,450       |
| Food, feed, beverages,<br>tobacco                 | 2,514       |
| Paper, paperboard                                 | 2,233       |
| Plastic film and sheet                            | 2,027       |
| Cobalt  | 1,801       |
| Buses and bus chassis                             | 1,586       |
| Umbler  | 1,427       |
| Stationery & paper office<br>supplies             | 1,089       |
| Carbons & carbon electrodes                       | 1,052       |

## Major Import Categories

|                                    |        |
|------------------------------------|--------|
| Raw sugar                          | 55,324 |
| Fruits and fruit<br>preparations   | 19,371 |
| Gold coin                          | 19,261 |
| Metal ores concentrates<br>& scrap | 15,456 |



SOUTH AFRICA

1979

|  |        |
|--|--------|
| Ferro-alloys                             | 13,187 |
| Textiles & related fibres                | 10,787 |
| Manganese                                | 8,325  |
| Inorganic chemicals                      | 7,902  |
| Bars and rods, steel                     | 7,833  |
| Plates carbon steel                      | 7,276  |
| Ferrochrome                              | 7,121  |
| Wide flange beams carbon steel           | 6,329  |
| Copper & alloys                          | 5,334  |
| Plate, sheet & strip, steel              | 4,445  |
| Nickel                                   | 3,467  |
| Drilling, excavating, mining machinery   | 3,351  |
| Non-metallic minerals                    | 2,833  |
| Footwear                                 | 2,753  |
| Beverages except whisky                  | 2,732  |
| Metal fabricated basic products          | 1,849  |
| Fluorspar                                | 1,821  |
| Vegetables & vegetable preparations      | 1,733  |
| Granite                                  | 1,634  |
| Transportation & communication equipment | 1,533  |
| Non-metal chemical elements              | 1,336  |
| Metal working machinery                  | 1,183  |
| Worsted fab. all wool                    | 1,047  |