



Banking Can Be This Destructive

TD BANK FINANCIAL GROUP:
LOANS AND INVESTMENTS IN CLEARCUT LOGGING, ENVIRONMENTAL
DESTRUCTION, GENETIC ENGINEERING, LABOUR ABUSE AND INJUSTICE

A REPORT BY THE FOREST ACTION NETWORK

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EXECUTIVE SUMMARY

- TD Bank invests almost **\$200-million** and loans almost **\$2-billion** to the global **clearcut logging industry**.
- **Forests threatened** by the companies which TD invests in include the boreal forests of Canada, BC's Great Bear Rainforest, Russian and Scandinavian boreal forests, ancient redwoods in California, the Amazon rainforest, and others.
- TD has **no ethical investment policy**.
- Examples cited of **other destructive activities** funded by TD Bank's **investments** include mining, climate change, biotechnology, genocide in Africa, pharmaceuticals, military and tobacco. Case studies cited include Placer Dome, Shell, Novartis, Talisman Energy and Pfizer.
- TD **loans** billions of dollars to logging, mining, chemical, automotive, and the oil and gas industries and assists many other companies that profit from the decimation of human health, peace and the environment, including arms manufacturers and tobacco companies. It shares directors with West Fraser Timber and Inco.
- TD's **crimes in the business world** include a \$225,000 USD fine by the New York Stock Exchange, at least two cases of illegal stock manipulation in 2000, and violation of Japanese trade rules.
- TD ignores **indigenous peoples' rights**. Examples cited include its investment in mining on native land in the Philippines and Australia, Inco's proposed mining in Voisey's Bay, and clearcut logging in British Columbia.
- TD is deeply rooted in **globalisation**, not only through self-expansion in 14 countries, but also through strong ties to Wal-Mart, Citigroup, the World Bank, NAFTA and the Free Trade of the Americas Area.
- **Labour abuses** include 1,954 known cumulative job cuts, an additional 4,900 projected job cuts, well documented anti-union behaviour, and huge discrepancies in salary levels.
- Documented **protests** against TD Bank include a union-organised protest in Winnipeg, a banner hung by mill workers in Thorold, Ontario, a blockade of a TD Bank branch by mill workers in Terrace, BC, customers placing stickers on bank machines, and legal complaints laid by angry customers.

INTRODUCTION

Toronto Dominion (TD) Bank is one of the largest corporations in Canada, one of the top online financial service providers and second largest discount brokerage firm in the world.¹ It reaps over \$1-billion per year in profits, and peaked at almost \$3-billion in 1999 - the highest ever for a bank in Canadian history. Unfortunately, much of TD's profits are derived from their investments in companies actively engaged in the destruction of our planet. Ethics, it seems, play a minimal role in deciding which companies TD gives money to.

This report reveals how the companies TD invests in are guilty of the abuse of people around the world and the on-going destruction of our planet, its forests and its animals. While TD's money helps to keep these companies in business, TD refuses to take action or responsibility for their actions. It is the Toronto-Dominion Financial Group as a global financial institution which provides the capital- the very foundation- to corporations which ignore local communities, workers, farmers, indigenous people, the environment and poorer countries needs and rights.

In 2000, TD loaned² \$1.7-billion to the logging industry, \$1.6-billion to the chemical industry, \$1.5-billion to the mining industry, \$1.8-billion to the automotive industry, \$4.1-billion to the oil and gas industry and assisted many other companies that profit from the decimation of human health, peace and the environment, including arms manufacturers³ and tobacco companies. In fact, TD's combined loans to the above "dirty industries" account for about 1/4 of its total loans to industry and government.

In regards to their mutual fund investments, the situation is equally dire.

Investments in oil, gas and related industries was over \$1.4-billion at the end of 2000; investments in logging was almost \$200-million; arms manufacturers was over \$10-million, and tobacco was almost \$30-million.⁴

The activities of some of the companies which TD invests in is explored in the following pages of this report, with an emphasis on the effect of their investments on the destruction of ancient forests.

TD CORPORATE PROFILE

TD Bank
Toronto-Dominion Centre
King St. West and Bay St.
Toronto, Ontario
M5K 1A2 Canada
Phone: (416) 982-8222
Fax: (416) 982-5671
www.td.com
www.tdcanadatrust.com

Profits: \$1-billion (2000)
Assets: \$260-billion (2000)
Toll-free customer support:
1-888-572-8924
Toll-free TD Infoline:
1-866-567-8888
1-866-222-3456
customer.service@td.com

Trading symbols: TSE: TD; CDNX: TD; NYSE: TD; TSE: TWE; NYSE: TWE

Number of customers: 13 million

Chief Executive Officer (CEO): Charles Baillie

SELECTED TD LOANS IN 2000

Logging Industry	\$1.7-billion
Oil and Gas Industry	\$4.1-billion
Mining Industry	\$1.5-billion
Chemical Industry	\$1.6-billion
Automotive Industry	\$1.8-billion
Plus additional loans to Arms Manufacturers	

SELECTED TD INVESTMENTS IN 2000

Logging Industry	\$179-million
Oil and Gas Industry	over \$1.4-billion
Tobacco	\$28
Arms manufacturers	\$11



Some TD Canada Trust customers have protested the policies of the bank by placing stickers over the ATM screens.

Ethics Don't Count

Ethics don't count for TD. In fact, TD Asset Management stated in 2000 that their investment decisions are "based on business objectives, and may preclude the rejection of investments on moral or ethical grounds."⁵ CEO Charles Baillie adds that, "As long as the industry is legal and credit worthy, it's incumbent upon us to fund them. It's not our role to say what's right and what's wrong"⁶

Take for example it's \$10-million investment in Nestlé, the biggest food producing company in the world and the company with the largest share of the baby milk market. Every 30

TD's investment decisions "may preclude the rejection of investments on moral or ethical grounds."

seconds, a baby dies from unsafe bottle feeding. Without breast feeding babies don't get the benefit of passive immunity

normally passed on in the mothers' milk. The risk of contracting serious diseases from bottle feeding is therefore high, but it is further compounded by the fact that, in the Third World, many people don't have access to a clean water supply with which to make up the formula, and poverty can lead to mothers over-diluting the formula to make it go further.

Nestlé knows these horrors and yet continues its aggressive promotional activities in order to sell breast milk substitutes. Evidence of direct advertising to mothers has been found in over twenty countries such as South Africa and Thailand. Instructions and health warnings on packaging are often either absent, not prominently displayed or in an inappropriate language. Moreover, the company encourages bottle feeding by giving away free samples of baby milk to hospitals, or neglecting to collect payments. It has been criticized for misinforming mothers and health workers in promotional literature. Nestlé implies that malnourished mothers, and mothers of twins and premature babies are unable to breastfeed, despite health organization claims that there is no evidence to support this.⁷

TD'S CRIMES IN THE BUSINESS WORLD

- Fined \$225,000 USD by the New York Stock Exchange in 2001.¹⁵
- At least two cases of illegal stock manipulation in 2000.¹⁶
- Violation of Japanese trade rules in 2000.¹⁷
- Many other legal cases including noncompliance with the Personal Information Protection and Electronic Documents Act in 2001,¹⁸ damages totalling \$1.6 million in 1999,¹⁹ discrimination in 1998,²⁰ line of credit,²¹ abuse of credit card exchange rates,²² and disputes over trademarks.

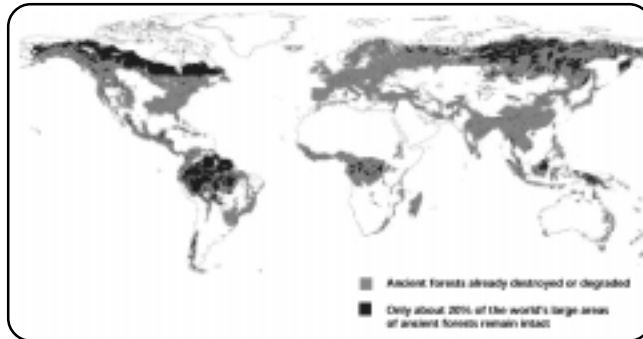
Not only is TD knee-deep in unethical investments, it is also guilty of many crimes in the business world. From fines by the New York Stock Exchange to violations of Japanese trade rules, TD's business knows no boundaries.

Even TD Canada Trust customers are getting fed up. Numerous independent investigations^{8,9} and even an Industry Canada report found that "for TD customers, the price of most individual transactions will increase."¹⁰ In addition to higher fees, about 275 branches will close.¹¹ The irony is that TD is moving forward with its plan to maximize profits regardless of customer sentiment. As one person lamented to the media, "I don't really think the complaints are going to go anywhere."¹² The Saving and Credit Unions of British Columbia have been quick to point out TD's lack of commitment to the consumer, launching an ad campaign encouraging customers to cancel their TD bank accounts.¹³

TD's questionable ethics are also manifested by the actions of the board. In 2000, the Association for the Protection of Quebec Savers and Investors Inc. (APEIQ) and other individual shareholders made a total of 5 shareholder proposals. All of them were rejected, including a proposal to limit stock option plans that allow TD executives to receive huge sums of money at the public's expense.¹⁴ No matter how you look at it, ethics don't count for TD Bank.

ANCIENT FOREST DESTRUCTION

About 80% of the world's forests have been either destroyed or severely degraded - a mere 20% remains in large, contiguous areas of ancient forests. Most of what remains lies in Russia, the Brazilian Amazon, and in Canada's great northern boreal forest belt, stretching from Newfoundland to Northeastern British Columbia. Canada's forests are home to a remarkable diversity of plants, animals, and microorganisms. There are refuge for woodland caribou, grizzly bear and grey wolves. In total, there are an estimated 140,000 species in Canada, only half of which are classified. As well, 80 percent of one million indigenous people in Canada live in communities located in forest regions.²³



According to the World Resources Institute, industrial logging poses the single greatest threat to the world's remaining forests. In Canada, logging companies cut down one million hectares of forests each year, 80% of which is done through clearcutting. Ironically, there is no endangered species act, and in British Columbia, the Ministry of Environment has stated that one in ten species of plants and animals are threatened with extinction, citing logging as the second greatest threat. Nationwide, it is estimated that about one fifth of the remaining large areas of ancient forests are directly threatened by logging, mining, agricultural clearing and other human activities

In Canada, the top 13 logging corporations control half of the logging tenures, and TD Bank invests in nearly every one of them. In fact, almost half of TD's mutual funds invest in logging, lumber or pulp companies, and one out of every eight of them invest over \$10-million each.

By the end of 2000, TD's mutual funds owned stocks and bonds in the global clearcut logging industry worth almost \$200-million. In addition, it gives loans to the industry totalling almost \$2-billion.²⁵

TD invests almost \$200-million and loans almost \$2-billion in the global logging industry

The Great Bear Rainforest, sovereign First Nations territory and a highly threatened temperate rainforest, hangs in balance in British Columbia. A number of logging companies agreed to partial protection, and a temporary moratorium on logging in some areas, but the long-term future of the Great Bear Rainforest, however, is uncertain. Not surprisingly, the main companies involved in this dispute - West Fraser, Interfor, and Weyerhaeuser - are all partially funded by TD Bank.

PERCENTAGE OF ENDANGERED FORESTS AT RISK FROM:²⁴

Logging	72%
Energy Development, Mining, and New Infrastructure	38%
Land Clearing and Agriculture	20%
Excessive Vegetation Removal	14%
Other Threats	13%

The connections go deeper than just investments: Henry Ketcham, CEO of West Fraser also sits on the board of TD,²⁸ while at the same time TD's Duncan Gibson sits on the board of West Fraser;²⁹ Robert MacLellan, Chair of TD Asset Management, was appointed to the board of Repap Enterprises in June 1999;³⁰ and TD is the key financial institution for Interfor and other logging companies.³¹

It is not just the Great Bear Rainforest that is under threat. Interior and boreal forests in BC and Alberta, including lands of the Lubicon Cree, Secwepemc, and other First Nations, are threatened by West Fraser - TD Bank's largest logging investment. Stora Enso, another TD



Clearcut logging funded by TD Bank

favourite, is logging in Russian and Scandinavian boreal forests. Maxxam is responsible for logging ancient redwoods in California. Canadian Slocan Forest Products is threatening drinking watersheds. Japanese Oji Paper,... the list goes on and on. These are

but some examples of TD's involvement in ancient forest destruction.

In addition to funding logging companies, TD also funds the world's largest non-recycled tissue paper manufacturer, Kimberly Clark, the largest paper towel manufacturer, Procter & Gamble, the world's top manufacturer of wooden doors, Premdor, and one of the largest wood house construction companies in Japan, Sekisui. It also invests in Saint-Gobain, Europe's #1 building materials distributor and parent company of Jewson, Lapeyre and Raab Karcher. Finally, it owns shares in the world's third largest Do-It-Yourself (DIY) chain, Castorama (called Réno-Dépôt in Canada), which has failed to make a commitment to not buy wood from clearcut logging of ancient forests, even though its two biggest global competitors, Home Depot and Lowe's, have both already done so.

Some of TD's other loans and investments indirectly threaten ancient forests. Mining, for example, has been assessed by the World Resources Institute as the second greatest encroachment on endangered forest regions. These and other related threats are discussed in the following pages.

**TD MUTUAL FUNDS TOP-20
LOGGING INDUSTRY INVESTMENTS
WORLDWIDE AT THE END OF 2000
(\$MILLION STOCKS AND BONDS)²⁶**

West Fraser Timber	\$39
Abitibi-Consolidated	\$38
TimberWest	\$20
Stora Enso	\$12
Tembec	\$12
Alliance Forest Products	\$10
Domtar	\$7
Slocan Forest Products	\$6
Canfor Corporation	\$6
Cascades	\$6
Nexfor	\$6
International Paper	\$3
Concert Industries	\$3
Interfor	\$2
Maxxam	\$2
Rengo Co.	\$1
Mead Corporation	\$1
Smurfit-Stone	\$1
Norske Skog Canada	\$1
Louisiana Pacific	\$1
Other	\$3
Total	\$179

**SELECTED TD INVESTMENTS IN OTHER COMPANIES
WHICH ARE CONTRIBUTING TO THE DESTRUCTION OF
ANCIENT FORESTS (\$MILLION STOCKS AND BONDS)²⁷**

Kimberly-Clark	\$18	world's largest tissue producer
Sekisui	\$15	one of largest housing companies in Japan
Procter & Gamble	\$11	world's largest paper towel producer (Bounty)
Saint-Gobain	\$8	largest building materials distributor in Europe
Castorama	\$6	world's third largest Do-It-Yourself chain
Premdor	\$5	world's largest wooden door manufacturer
Staples	\$1	largest office superstore chain in the world

OTHER DESTRUCTIVE ACTIVITIES

Mining

TD invests heavily in the mining industry. It also loans the industry one and a half billion dollars per year. This includes the ecologically devastating activities of Canadian corporations such as Placer Dome Inc. (PDI). PDI's Misima gold mine in Papua New Guinea was the first tropical mine to employ untried and hazardous submarine tailings disposal "because it is cheap."³² Within weeks of opening, mine wastes were clogging up rivers, creeks and contaminating vital water resources. The nearby Porgera mine sparked even greater condemnation, when, in August 1994, an explosion killed 11 workers. The chair of a PDI Environment committee recently resigned due to the company's lack of cleanup efforts.³³



In the Philippines, PDI has been mining since the late 1960's. Recent studies by the Department of Health have confirmed that children and adults are suffering from heavy metal contamination directly caused by Placer Dome's mining operations. In Calancan Bay, Philippines, Placer Dome dumped some 200 million tons of mine waste into the bay, while facing fierce local opposition by residents and fishermen. Most alarming is the Boac River disaster which forced the evacuation of 20,000 people and five villages. The Philippine government called it the worst environmental mining incident ever suffered in the country's history.³⁴

Climate Change

At a time when climate change is wreaking havoc, TD invests in Shell, Exxon Mobil and Talisman Energy and in 2000 loaned over \$4 billion to the oil and gas industry. In fact, TD's loans to the oil and gas industry, instead of decreasing at a time of climate crisis, are increasing by \$0.9 billion per year.

TD Bank is also involved with the major car producers of the world, with investments in General Motors, Ford, Volkswagen, Toyota and Nissan.³⁵ The emission of CO₂ is one of the main causes responsible for the heating of the atmosphere resulting in irreversible climate change. The average car belches out four times its weight in CO₂ every year. This is an intended strategy of the car industry. The coalition of Vehicle Choice, a lobby group funded by General Motors, Ford and Chrysler has spent over \$US 10 million to try to stop new fuel efficiency legislation in America. The car industry repeatedly refuses to use gas saving technologies. The unfortunate alliance of the oil and car industry is set up to increase oil consumption. 60% of global oil exploration is going into the automobile sector.³⁶

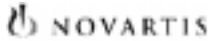
TD's loans to the oil and gas industry, instead of decreasing at a time of climate crisis, are increasing by \$0.9 billion per year

Biotechnology

Not only has TD Bank Group designed a fund specifically to invest in biotechnology, the 'TD Global Biotechnology Fund', but the bank is also supporting biotechnology corporations through many other avenues such as Novartis and Aventis.³⁷

There is growing evidence that genetic engineering poses huge risks to the ecosystems,

with the potential to threaten biodiversity, wildlife and truly sustainable forms of agriculture. Once genetically engineered organisms have been released into the environment they may transfer their characteristics to other organisms and can never be recalled or contained. The risks of biotechnology are not sufficiently assessed and nobody can predict the consequences.³⁸



The multinational Novartis has just developed and patented a method for ‘switching off’ the immune systems of plants, to the outrage of farmers, environmentalists and human rights activists who believe the new technology to be the most dangerous use so far of gene modification. Patents filed by Novartis reveal that its scientists expect to be able to use the radical biotechnology for almost every crop on Earth. Novartis claims that the new use of genetic modification will give farmers greater control over disease and boost production. But critics insist that it will only make Third World farmers dependent on buying the company’s chemicals.

This new technology could have a disastrous ecological impact if crops with their immune systems suppressed are allowed to cross-pollinate with surrounding plant life. Novartis intends to use the new genetic engineering technology on barley, cucumber, tobacco, rice, chilli, wheat, banana and tomato. The company cites an extensive list of more than 80 crops, including several cereals, dozens of fruits such as apples, pears and strawberries, vegetables like beans and lentils, and cash crops like cotton and tea. This technology also aims to increase Novartis’ profits by threatening the rights of poor farmers.³⁹

Genocide in Africa



TD Bank is supporting companies responsible for massacres and genocide. The following examples give a taste of TD’s deadly connections with Shell and Talisman Energy.⁴⁰

Shell is responsible for human rights abuses and environmental devastation in the Niger Delta. The activist and celebrated author, Ken Saro-Wiwa, and nine others learned a fatal lesson in the true cost of oil in 1995 when they were hanged for their campaigning for clean air, land and water for the Ogoni people of the Niger Delta. Holding Shell Oil to be the main corporate culprit for ecological damage and human rights abuses, protesters had forced it to close the majority of its oil producing operations in Ogoniland in 1993.

While Saro-Wiwa’s family has initiated a lawsuit against the company, Shell has announced that it plans to return to Ogoniland. This region remains one of the most polluted places on the planet, thanks to Shell and other oil giants. Fountains of oil pouring into villagers’ fields has contaminated land and water. Leaking pools of sulfur have been the legacy of Shell’s pipeline operations.

More than 2,000 protesters were killed by the Nigerian military. Shell admitted to bankrolling them and providing support, including helicopters and boats. They even subsidized the military’s brutal commander in Ogoniland, Major Okuntimo, who personally tortured Saro-Wiwa as well as shooting and raping protestors.⁴¹

SHADY CORPORATIONS IN BED WITH TD BANK

Selected Corporations	TD mutual fund investment (\$millions)
West Fraser - guilty of clearcutting ancient forests	\$39
Placer Dome - guilty of mass destruction	\$48
Shell - guilty of murder	\$91
Novartis - guilty of messing with nature	\$37
Citigroup - guilty of monopolising and predatory financing	\$27
Wal-Mart - guilty of labour abuses and wasteful consumption	\$19
Nestlé - guilty of human rights violations	\$10
Talisman - guilty of genocide and causing global warming	\$88
Pfizer - guilty of profiting from disease	\$69

In addition, TD invests in Canada's largest oil and gas company, Talisman Energy, which has violated human rights and is an accomplice to genocide, according to Sudanese opposition groups .

While officials at Talisman claim that their investments are being used for the economic benefit of all of Sudan, Sudanese officials freely state that the money oil companies pour into the country enables the government to continue the fight against the population and the Sudan People's Liberation Army (SPLA), which is fighting for a secular democracy and a fairer distribution of wealth.⁴² Talisman has come under increasing scrutiny. Even the City of Edmonton has debated whether to end its \$5-million investment in Talisman, as it violates their ethical investing policy.⁴³ Never once during this controversy did TD consider ending its investment.



Pharmaceuticals

Through various mutual funds, including its Health and Science Fund, TD Bank invests in pharmaceutical companies such as Pfizer, Merck, Warner Lambert and Lilly Eli & Co.⁴⁴ Ironically, the sicker the world becomes, the the more the profits of these companies grow.

The most striking example occurred when these and other pharmaceutical companies formed a coalition to take legal action against the South African government.

With AIDS sweeping through Africa, the world's most powerful drug companies showed their usual corporate compassion by taking the South African government to court to stop the distribution of cheap drugs used to help people with HIV. In 1997 former President Nelson Mandela passed a law which gave the country the right to buy huge amounts of generic drugs for sale at a low cost to a poor, sick and growing population of HIV carriers. The law also gives South Africa the right to 'compulsorily license' HIV drugs – allowing a drug to be produced more cheaply by someone other than the patent holder, if it's in the public interest. 40 pharmaceutical companies declared the law unconstitutional and bitterly fought the South African government in court.



25 million people are currently infected by the HIV virus in sub-Saharan Africa, yet only 25,000 Africans (0.1 per cent of those infected) receive the drugs which are available in the West to help prolong lives. The big drug firms are scared that if they turn a blind eye to cheap drugs in South Africa it will set a dangerous precedent and hit their future balance sheets. Yet just 1 per cent of drug revenues comes from the entire African continent.

Pfizer is one of the worst pharmaceutical giants. Pfizer manufactures fluconazole which is used to treat two common infections associated with HIV which are often fatal if left untreated. Fluconazole costs over 10 times more in South Africa than high-quality equivalents available from countries like Thailand and India. The result of Pfizer's profiteering is that many hospitals in the country have insufficient stocks of fluconazole, and many people suffer or die because they cannot afford the inflated prices.⁴⁵

Only due to intense public outrage did these companies finally suspend their lawsuit. There is no guarantee, however, that they will never again launch an attack on South Africa or anywhere else. Given their track record, it is not surprising that TD Bank maintained their investment throughout the entire court case.

Military and Tobacco

TD Bank loans considerable money to the military and tobacco sectors. In addition, its mutual funds invest over \$10-million in arms manufacturers such as Honeywell, British Aerospace and Boeing, and invest another \$30-million in tobacco giants such as Philip Morris, Japan Tobacco, and British American Tobacco.

What is most surprising is that while TD maintains that it loans and invests at arms length, it sheepishly manages to hide behind ethical screens such as Michael Jantzi Research Associates' JSI stock index. The JSI consists of 60 Canadian companies that pass a set of broadly-based social and environmental screens. These screens include, among other criteria, military and tobacco.⁴⁶

The fact that TD is able to earn ethical kudos without even an ethical loan or investment policy is further evidence that TD is essentially getting away with murder. In this case, murder through military-backed war and tobacco-caused cancer.

Indigenous Peoples

TD Bank invests and loans money to hundreds of corporations involved in mining, clearcut logging, oil and gas drilling, in many cases on unceded native lands. Many of the activities that TD Bank invests in have been or are currently being opposed by native peoples. This includes clearcut logging in "British Columbia" opposed by the Nuxalk House of Smayusta, St'at'imc, Lil'wat, Interior Alliance, Heiltsuk Hemas Council and a host of other First Nations and First Nations groups. It also includes logging throughout the boreal forests of "Canada" on the traditional lands of Lubicon Cree, James Bay Cree, and others.

There is cause for grave concern at the impacts of Canadian mining companies upon indigenous peoples in the tropical regions. One estimate made in 1996 was that up to 90% of gold production and 60% of copper would, by the year 2020, probably derive from indigenous territory worldwide.⁴⁷ Some of the fiercest opposition to Canadian mining corporations has come from native people of the Philippines. Not surprisingly, nearly all of Canada's multinational mining companies receive loans and investment from TD Bank. And even back home in Canada, the Innu First Nation are disputing Inco's proposed mining in Voisey's Bay. At the same time, Inco CEO Michael D. Sopko sits on the board of TD.

EXAMPLES OF CONFLICTS WITH INDIGENOUS PEOPLES

- Clearcut logging in BC
- Mining on native land in the Philippines and Australia
- Proposed mining in Voisey's Bay
- Illegal logging in the Amazon
- CMHC housing

The deeper one looks, the more conflicts with indigenous peoples one finds: from investments in HSBC which funds illegal logging in the Amazon, to over \$1 billion of deals with Canada Mortgage and Housing Corporation, notorious for funding shoddy housing on Indian reserves that many families ultimately lose.⁴⁸

TD Bank does not earn any kudos from its 89% ownership of the First Nations Bank of Canada. This is set up to loan money and provide transactions for, among other things, economic development. While this may appear to be positive, the bank does not discriminate between what kinds of development it supports: environmentally destructive activities, or loans for BC Treaty Com-

mission negotiations are both acceptable. In regards to the latter, a growing number of First Nations are opposing the Treaty Process - not only is it placing many bands into massive debt, but the very process itself undermines long-term struggles for sovereignty over traditional territories.⁴⁹ The bottom line is that the First Nations Bank earns money.

GLOBALISATION

TD Bank is probably Canada's most aggressive transnational corporation with operations in 14 countries and growing. In addition, it has strong ties to many of the world's most powerful and exploitative financial institutions. One of them is Citigroup. Not only has Citigroup shares in TD Bank, TD Bank is also investing in Citigroup.⁵⁰ A vicious circle.

Citigroup, as the largest financial institution in North America and the third largest in the world, holds an ever-expanding grip on global financial markets, and as a consequence, the global environment and local communities.

Research into the most destructive projects around the world repeatedly reveals Citigroup's direct, financial involvement. From predatory lending in American inner cities to burdensome debt payments from the global South, Citigroup is there. Citigroup is a top funder of devastating projects such as mining in the Amazon basin and oil pipelines through the rainforests of Africa. Whether issuing bonds for the construction of the world's largest hydropower project slated to displace some 5 million people in China, or arranging loans for palm plantations that encroach on critical orangutan habitat in Indonesia, Citigroup's influence on the global environment and communities is tremendous.⁵¹

EXAMPLES OF TIES WITH GLOBAL FINANCIAL INSTITUTIONS

The World Bank
Citigroup
HSBC
Sumitomo

Moreover, TD Securities, part of the TD Bank Financial Group, is one of the corporations buying World Bank Bonds.⁵² World Bank bonds are debt securities issued by the World Bank which are purchased by investment managers, bank trusts, insurance companies and pension funds. These bonds are the source of 80% of the World Bank's resources used for their programs. By raising most of its capital on private capital markets, the World Bank is able to largely avoid the kind of congressional scrutiny that the International Monetary Fund faces when it asks for new resources.⁵³ The World Bank loans money to many countries in the name of "development" at the expense of the environment, indigenous communities, workers, and self-sufficiency.

TD'S GLOBAL EMPIRE

Australia	Ireland
Barbados	Japan
Bermuda	Luxembourg
Canada	Mauritius
England	Netherlands
Hong Kong	Singapore
India	U.S.

TD AND FREE TRADE

Corporate controlled governments have brought about the new wave of free trade agreements and bodies that have been put in place over the past decade. TD and the other large corporations throughout Canada, the USA and Mexico were decisive in negotiating such agreements as NAFTA and the MAI, and such regulatory bodies as the WTO. TD Bank, like most Canadian banks and corporations, is a member of the Business Council on National Issues (BCNI). The BCNI was the major corporate lobby group behind NAFTA and a consistent promoter of free trade. Since NAFTA was put in place, many corporations have been moving overseas, merging with other corporations and "expanding into new markets." TD, for instance, has been aggressively working to expand their international market. A subsidiary, TD Waterhouse, has become one of the top three online financial services and second largest discount brokerage in the world due to mergers and agreements with corporations around the world.

The situation has become more desperate since the inauguration of the Free Trade of the America's Area (FTAA), destined to impose the failed NAFTA model of increased privatization and deregulation hemisphere-wide. The FTAA would intensify NAFTA's race to the bottom: under FTAA, exploited workers in Mexico could be leveraged against even more desperate workers in Haiti, Guatemala or Brazil by companies seeking tariff-free access back into U.S. markets.

TD Bank recently called for the replacement of the Canadian Dollar with the U.S. Dollar, just one more step towards renewed colonial status for Canada. TD is also the largest proponent for bank mergers in Canada, which will only result in more concentrated wealth.⁵⁴

LABOUR ABUSE

In its race towards growth and globalisation, labour is often the first thing to go. For example, in 1995 TD Bank increased their profits by 16% and cut 354 jobs.⁵⁵ An additional 500 were lost in the process of attrition and redeployment in 1996,⁵⁶ 500 employees were cut loose in 1999,⁵⁷ 600 TD Waterhouse employees were fired in 2001,⁵⁸ and up to 4,900 job losses are currently threatened due to the Canada Trust takeover.⁵⁹ In fact, Canada's big banks said they will wipe out at least 17,000 jobs from the industry over the next two or three years.⁶⁰

ANTI-LABOUR RECORD

1995: 354 people fired

1996: 500 jobs

1999: 500 jobs

2001: 600 jobs

the near future: up to 4,900 jobs

industry-wide: at least 17,000 jobs

"We will... reduce our full time employee count through the normal attrition that is part of our business."

-Steve McDonald, CEO, TD Waterhouse ⁶¹

Despite these huge job losses, CEO Charles Baillie received a record \$8.4 million in salary, bonus and stock options in 1999, while an average canadian bank teller with 20 years experience made \$11 an hour.⁶²

It is no surprise that TD Bank is not unionised.⁶³ In their anti-labour politics TD Bank walks hand in hand with its retail partner, the American mega-giant Wal-Mart. TD invests in Wal-Mart and has reached a deal with them to put in-store TD branches in every new Wal-Mart store in Canada.

Wal-Mart is the world's largest retailer. There are about 3,000 Wal-Mart stores that employ 950,000 people, yet not a single one has been unionized. The best the 1.4-million member United Food and Commercial Workers (UFCW) union has been able to achieve is to organize a delicatessen unit of 11 Wal-Mart workers last year in a store in Jacksonville, Texas. Wal-Mart employees earn \$2 to \$3 an hour less than workers in union stores do and their benefits are inferior. Workers have plenty of grievances, but they risk getting fired if they complain. Wal-Mart goes to extraordinary lengths to indoctrinate its employees against unions. In their first year on the job, employees must endure anti-union videos in the presence of their supervisor and co-workers. The UFCW has already filed some 250 charges against Wal-Mart with the National Labour Relations Board, but the company persists in its brazenly anti-union behavior.⁶⁴



Millworkers protest forced shutdown by TD Bank in Thorold, Ontario

FAIR WAGES?

CEO of TD Bank, Charles Baillie:
\$8.4 million (1999)

Average Canadian bank teller with
20 years experience:
\$ 11 an hour

TD Bank itself has been protested by workers more than once. The Winnipeg CAW union chapter protested branch closures in 1995.⁶⁵ In October, 1999, members of the Communications, Energy, and Paperworkers Union of Canada (CEP) occupied former Gallaher Thorold Paper Mill in Ontario, protesting the bank's decision to liquidate the assets and force the employees out of work.⁶⁶ In a similar situation in September, 2001, angry logging contractors blockaded a TD Bank brance in Terrace, BC, demanding that TD allow the Skeena Cellulose mill to reopen.⁶⁷

CONCLUSION

From loans and investments in clearcut logging companies and other destructive industries, to direct involvement in crimes, globalisation, branch closures and labour abuse, it has been shown that ethics don't count for TD Bank. In fact, TD has no ethical investment policy whatsoever. While rolling millions of dollars into the hands of a lucky few sitting at the top of the corporate ladder, at the same time their investments are helping corporations to pilfer life. We can not survive without clean air and water, nor can we sustain ourselves when all that is left are clearcut forests and genetically engineered organisms. For every dollar TD invests in corporations like Pfizer, Novartis, Talisman and Shell, people throughout the world are being denied basic human rights such as medication, the ability to produce a healthy crop, and in some cases, their own life. Similarly, as TD continues to invest in the oil and gas industry, CO₂ emissions and global warming steadily increases, and investments in logging companies like West Fraser means more and more ancient forests and the homes to indigenous peoples are lost to the chainsaw every day.

Unfortunately, banking CAN be this destructive.

In response, unions, workers, customers and members of the general public have begun to protest TD Bank's practices, and predictions indicate that this is only the beginning. On the other hand, many believe that there is little hope that corporations as large as TD can ever change.

Fortunately, there are alternatives to TD Bank. For example, there are over 40,000 credit unions worldwide, including approximately 1,000 credit unions and 1,500 caisses populaires serving more than eight million Canadians. Credit unions are financial cooperatives jointly owned and democratically controlled by their customers. Many credit unions focus on community investment, rather than corporate bankrolling.⁶⁸

For the independent investor, mutual funds with ethical investment policies are available. In Canada, some of these are represented by the Social Investment Organisation.⁶⁹

And for committed groups of individuals, barter systems and community self-sufficiency can help us get further away from the need for banks, corporations and investments altogether. One well-established barter-exchange system is called the Local Exchange Trading System (LETS), which is designed to facilitate trade without the need for currency. There are thousands of LETS established around the world, including in all major cities and many smaller towns in Canada.⁷⁰

It is hoped that this report will sufficiently inform consumers, investors and portfolio managers about the possible consequences of investing in TD mutual funds or holding a TD Canada Trust account. You have a choice. You may either continue to support TD Bank with full knowledge of the social and ecological implications, or you may seek out an alternative that works for you.

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“Banking Can Be This Destructive” overviews the environmental and social impacts of TD Bank Financial Group’s loans, investments and business practices. It is intended as an educational tool to inform the public using well-documented factual sources.

This report has been researched and prepared by the Forest Action Network (FAN). The opinions contained within do not necessarily reflect the views of TD Bank Financial Group, the Forest Action Network or any individuals associated with either TD or FAN. Neither TD Bank nor the Forest Action Network are responsible for any errors or omissions.

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