

applied a new and welcome tolerance to peaceful political protest, and spoke in more concrete terms about the requirement for fundamental reform.

In this more hopeful situation, the Commonwealth agreed to give President de Klerk "running room" of approximately six months to demonstrate, in substantive ways, his stated goal of dismantling apartheid.

In its statement entitled "South Africa: The Way Ahead", the Commonwealth agreed that where there had been movement in South Africa, more was required. It determined that existing sanctions would be maintained and (with the exception of the United Kingdom), pressure increased by way of: urging banks and financial institutions to reduce export credit terms to 90 days; calling on governments to take South Africa "off cover" for official trade credit and insurance purposes; and encouraging the UN to strengthen the arms embargo. Commonwealth heads of government also endorsed the establishment of an independent agency to review and report on South Africa's international financial links.

Canadian Response:

Canada instituted the sanctions agreed to at Kuala Lumpur prior to September 1989. In addition, we extended the ban on high technology items and tightened our policy on sports contacts and on contracts with majority South African-owned companies. Canada also pledged to provide funding to the Independent Agency.