

Other encouraging signs have become evident recently. Among these are the UDF/Inkatha peace accord (not yet functioning to satisfaction, but a start); the Consultative Business Movement, a consolidated group of White business leaders committed to a process of consultation with Black leaders, which recognizes the desirability and inevitability of transformation to a non-racial, democratic South Africa; the recognition by some Government leaders that viable, flourishing neighbours (Mozambique, Angola, Namibia) are preferable to political and economic slums; the withdrawal from Angola and Namibia; the decision by Black leaders in Soweto to negotiate the longstanding rental and other problems with the newly elected local authorities; the growing public discussion on an 'open' group of people, i.e. non-racial, as opposed to existing collectivities of Blacks, Whites, Coloured and Asians. This has opened up debate on a new concept for South Africans which, although fraught with constitutional complexities, reflects the pressures currently working on the Government and suggests the direction in which events are moving.

While these are hopeful straws in the wind, there remain for the moment the hard facts of an apartheid society: racial segregation and conflict; inequality of opportunity; high and mounting unemployment; rising inflation and interest rates; media censorship and control; severe shortage of investment capital; a capital hemorrhage from disinvestment, aggravated by the innovative techniques employed to maximize repatriation of funds and movement abroad of domestic funds for investment and/or insurance against the day when emigration seems desirable or necessary.

III CANADIAN COMPANIES IN SOUTH AFRICA

The withdrawal of Canadian companies from operations in South Africa continued in 1988 but at a slower pace. While eleven companies disinvested in 1987, only two did so in 1988. Another, QIT-Fer et Titane and its South African affiliate Richards Bay Minerals, were purchased early in 1989 by RTZ Corporation PLC headquartered in London England. A fourth company, Bauer and Crosby Inc., has been dropped from the list because its namesake in South Africa, Bauer and Crosby (Pty) Ltd, is majority South African owned. These changes are reflected in Table I.

TABLE I		
DISINVESTMENT OF SOUTH AFRICAN INTERESTS BY CANADIAN COMPANIES		
1986	1987	1988
1. Alcan Aluminium Ltd.	1. AMCA International Ltd.	1. JKS Boyles
2. Bata Ltd.	2. Champion Road Machinery Ltd.	International Inc
3. Dominion Textile Inc.	3. Chempharm Ltd.	2. National Business
4. Jarvis Clark Co. (CIL)	4. Cobra Metals & Minerals Inc.	Systems Inc.
	5. Cominco Ltd. (Cdn. Pacific)	
	6. DeLCan Ltd.	
	7. Falconbridge Ltd.	
	8. International Thomson Organisation Ltd.	
	9. Joseph E. Seagram & Sons Ltd.	
	10. Moore Corporation	
	11. Ford Motor Company of Canada Ltd. (Completed in 1988)	
N.B. - 1989		
1. <u>QIT-Fer et Titane</u> and its South African affiliate, Richards Bay Minerals, were purchased by RTZ Corporation PLC, London, England as of January 1, 1989, although the transaction is not expected to be completed until June 1989.		
2. <u>Bauer & Crosby Inc.</u> has been removed from the list of Canadian companies operating in South Africa because the Canadian firm does not own shares in its South African namesake, Bauer & Crosby (Pty) Ltd. The directors of Bauer & Crosby Inc., on a personal basis, hold minority shares in the South African firm but a majority of the shares are held by South African citizens. Bauer & Crosby Inc. has a consultant relationship with the South African firm.		

Although the economic climate improved in South Africa in 1988, the extent of the improvement and, still more, doubts about its duration tempered optimism in the business community. For foreign firms, economic and political uncertainties combined again with anti-apartheid pressures in their home countries to encourage disinvestment. For