

II. CANADIAN COMPANIES WITH INTERESTS IN SOUTH AFRICA

The trend towards disinvestment of South African interests by Canadian firms, noted in previous years, stabilized in the period 1988-89 and the experience of those years was mirrored in this reporting period when one company, **Varity**, disinvested. On the other hand, one company, **Northern Telecom Ltd.**, had by virtue of its 1987 acquisition of an interest in S.T.C. of the U.K., acquired a small participation in a cable company and a group of computer-related companies. With the acquisition in early 1991 of the remaining outstanding shares in S.T.C., Northern Telecom now has a greater -- if minority -- interest in these South African entities and is being listed in this report for the first time. It is understood Northern Telecom is expecting to divest itself of some of these interests shortly. One Canadian company, **Menora Resources**, reported a decrease in their interest in Ocean Diamond Mines; the latter company is now dormant and it is understood that when it again becomes an operating entity, it will be based in Namibia. **Sternson Ltd.** is discussing a full disinvestment of its South African interests at the time of writing.

Table I below lists the disinvestments occurring from 1986 and Table II (next page) shows the current enterprises with holdings in South Africa.

Table I

DISINVESTMENT OF SOUTH AFRICAN INTERESTS BY CANADIAN COMPANIES

<u>1986</u>	<u>1988</u>
1. Alcan Aluminium Ltd.	1. JKS Boyles International Inc.
2. Beta Ltd.	2. National Business Systems Inc./Jarvic Clark Co.
3. Dominion Textile Inc.	
4. Jarvic Clark Co. (CIL)	
<u>1987</u>	<u>1989</u>
1. AMCA International Ltd.	1. Qit-Fer et Titane Inc.
2. Champion Road Machinery Ltd.	
3. Chempharm Ltd.	
4. Cobra Metals & Minerals Inc.	
5. Cominco Ltd.	
6. DelCan Ltd.	
7. Falconbridge Ltd.	
8. International Thomson Org. Ltd.	
9. Joseph E. Seagram & Sons Ltd.	
10. Moore Corporation	
11. Ford Motor Co. of Canada Ltd. (completed in 1988)	
	<u>1990</u>
	<u>1991</u>
	1. Varity Corporation

Table II

CANADIAN ENTERPRISES WITH SOUTH AFRICAN AFFILIATES (at 30 June 1991)

1. Bayer Foreign Investments Ltd. (Toronto, Ontario)
2. Bocknek Ltd. (Rexdale, Ontario)
3. Government of Canada, Dept. of External Affairs (Ottawa, Ontario)
4. Northern Telecom Ltd. (Mississauga, Ontario)
5. Sternson Ltd. (Brantford, Ontario)
6. Unican Security Systems Ltd. (Montreal, Quebec)
7. Menora Resources Inc. (Toronto, Ontario) - **DORMANT INTERESTS**

The number of active Canadian firms appears to have stabilized at five or six from 1988. The decrease in holdings by interests of other Western nations on which we have information has not been comparable, with the U.K. firms declining from 111 to 107 in the past year; those of the U.S. from 84 to 78, and Australia from 7 to 6. The low water mark of disinvestment by enterprises of these three representative countries was reached in the period 1987-89 and the momentum has now decreased with the likelihood that future disinvestments will be fewer in number. In Canada's case, however, further disinvestment is now under discussion which, if completed, will see no reporting affiliate left with more than 12 non-White employees.

The decline in the number of Canadian companies involved in South Africa has reduced the value of direct Canadian investment there to a nominal figure estimated at less than \$10 million. The exact current figure is not available because Statistics Canada will not publish it in view of the small number of enterprises now involved.

The significant fall in Canadian commercial investment in South Africa, particularly since 1987, is given in Figure 1 (next page).