

For Canada's part, the Government already applies to South Africa the same loan loss provisioning requirements which we apply to the most heavily indebted countries, although South Africa would not normally fall into this category. We no longer provide export credit insurance to South Africa and will be encouraging countries who still do to stop the practice.

The cooperation of the Canadian banking community has been essential to our efforts within the Commonwealth to have effective financial sanctions against South Africa. Their voluntary compliance with the ban on new lending imposed in 1986 has contributed greatly to South Africa's difficulty in obtaining new sources of foreign exchange. I believe that voluntary compliance sends a much stronger message than would a mandatory ban.

With this in mind, I met recently with representatives of Canadian banks to discuss their response to the decisions taken in Toronto. I can advise that there will be no increase in trade credits to South Africa by Canadian banks. Indeed, their trade credits with South Africa have already been decreasing and, in some cases, there are none.

Ministers also agreed to ask banks in their countries to press for rescheduling not exceeding one year at a time to maximize the pressure for early repayment. Canadian banks have less than 1% of total foreign bank exposure in South Africa and have pointed out that, because their exposure is so small, they are not directly involved in the rescheduling process including setting out the terms and conditions. They agreed, however, to raise with other foreign bankers directly involved the Canadian preference for rescheduling terms as short as possible.

As part of the Commonwealth efforts, we have also been conducting our own review of Canadian sanctions to ensure that they are being effectively implemented in accordance with the intent of the measure. That is an intensive process, precisely because we have introduced so many new measures to fight apartheid. There are almost thirty measures in place and we are systematically closing any loopholes that we discover. Where necessary, new directives are being issued so that all government officials are fully informed of our objectives. Our review, in fact, has demonstrated the real effectiveness of our procedures.