Code of Conduct
Concerning the Practices
of Canadian Companies Operating
in South Africa

Code d'éthique touchant les conditions d'emploi des sociétés canadiennes opérant en Afrique du Sud

1. BACKGROUND

POLITICAL AND ECONOMIC DEVELOPMENTS - 1990-1991

The election of Mr. F.W. de Klerk to the State Presidency in late 1989 ushered in a period in which dramatic political changes have taken place. In the recent words of the Canadian Secretary of State for External Affairs: "the past two years have indeed taken us a long way down the path toward democratization in South Africa, but we are not there yet -- apartheid is still allve and well."

These changes, which began with the unbanning in early 1990 of 36 organizations including the ANC -- the most powerful of the Black liberation movements -- PAC, AZAPO, and the South African Communist Party, saw the release from prison of Nelson Mandela followed by that of more than a thousand other political prisoners. The process of consultation and dialogue on a <u>new South Africa</u> was now made possible by these acts and the ending of the State of Emergency. The ANC and the Government reached an accord in September of that year in which the former agreed to suspend the armed struggle.

In 1991, the Government abolished the legal and legislative pillars of apartheid -- the Separate Amenities Act, the Group Areas Act, the Development of Black Communities Act, and the Population Registration Act -- and articulated a Manifesto for the new South Africa in which it committed itself to a free and democratic political system. Some 3,000 of the estimated 40,000 exiles were repatriated with a subsequent agreement on modalities for the remainder negotiated between the UNHCR and the Government. Although there has been important progress on the release of political prisoners, further elements of this issue need to be addressed, including that of those held in the "Homelands."

Violence based, in part at least, on socio-economic factors has erupted in the wake of these political changes and is a serious threat to the negotiating process, as is the right-wing terrorism aimed at derailing the reform process and the recent revelations of lack of Government even-handedness in support of Black groups. A national peace initiative taken by church and business leaders, bringing together representatives of Government, the unbanned organizations noted above, the Inkatha Freedom Movement, and others, resulted in the signature of a National Peace Accord on September 14 of this year. Many astute observers see this accord as a persuasive model for a multi-party conference to develop first-stage and transitional arrangements toward constitutional negotiations.