

South Africa. For presentational purposes, the ratings of Bayer's six affiliates have been averaged, as both individually and collectively they rated Grade II.

Varity Corporation/Fedmech Holdings Ltd. and Menora Resources Inc./Ocean Diamond Mining Ltd. have been rated on the basis of discussions with management in Canada and South Africa and previous Questionnaires. This was necessary because their 1988 Questionnaires had not arrived before May 31, the due date for this report. The Administrator, however, is confident that justice has been done toward both sets of enterprises.

While modest progress was achieved by companies in general, none rated a higher assessment than it achieved a year earlier. QIT-Fer et Titane/Richards Bay Minerals and the Canadian Government/Embassy both maintained their high standards to achieve again Grade I. Both expended considerable efforts and resources to improve on their earlier substantial records. Of the five companies that acquired Grade II ratings, two have disinvested (JKS Boyles and National Business Systems Inc.). The two companies that were rated Grade III should not be considered "bad" companies but rather small enterprises doing the best they can in very competitive circumstances.

VI CONCLUDING OBSERVATIONS

The Canadian Code of Conduct is often confused with sanctions or disinvestment. In fact, it is distinct from both and is, as its title suggests, a Code of Conduct concerning employment practices, nothing more, nothing less. It is voluntary and simply one of a number of Canadian Government measures designed to contribute to the end of apartheid. It encourages Canadian companies and their South African affiliates to treat all their employees of whatever race on a basis of equality. Its standards have particular relevance to Black personnel who generally occupy the lower end of the economic scale in South Africa.

Though not universally accepted, Codes of Conduct are less controversial than either sanctions or disinvestment. There remain, however, shades of viewpoint respecting the Codes. The South African Government's attitude is one of benign acquiescence, believing that they have nudged indigenous South African enterprises toward higher employment standards. Indeed, a number of major South African firms, following the foreign example, have instituted their own Codes of Conduct. Where the South African Government takes issue is not with the Codes per se but with the fact that Canada (and others like it) has no equivalent Code for Brazil, Hong Kong, India, Korea or Pakistan. This, in the South African view, is outright discrimination.

The companies involved with Codes are less than enthusiastic about them but put up with them as necessary nuisances. Those that score high marks for fulfilling Code requirements take pride in the fact and consider the credit gained as a bonus.

The Black trade unions tend to be ambivalent, conceding the initial usefulness of the Codes but arguing that they have fulfilled their purpose and can now leave the field to the unions themselves. The individual worker accepts the union as his champion but, pragmatically, is prepared to take help from whatever quarter. He, therefore, regards the Codes as complementing his union's efforts in the struggle for equality.

An objective assessment suggests the Codes have, in fact, been instrumental in lifting employment standards, in advancing the cause of racial equality and in contributing significantly to educational and general social betterment in many industrial communities. While the Black trade unions have indeed become powerful champions of the workers and their families, the individual worker's instinct would seem to be right in seeing a continuing role for Codes of Conduct in tandem with the unions. Cooperation between the two would seem logical until their mutual goals have been achieved.

The steady disinvestment of foreign firms has eroded both their macro influence on South African society and their impact at the