

## I PREFACE

This is the third annual Administrator's report under the Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa. It covers the 1987 calendar year. The Code was issued originally in 1978 under the authority of the Secretary of State for External Affairs and was revised most recently in 1986. Before appointment of the first Administrator in 1985, the Code was regarded as a guideline and companies, with a single exception, did not submit annual reports on their South African operations. Although implementation of the Code continues to be voluntary, most of the Canadian companies with South African affiliates have reported regularly to the Administrator for the past three years. During that time the number of such firms has declined at an increasing rate. In 1987 eleven companies disinvested compared with four in 1986. Nine remain but at least two of these are expected to disinvest this year. It is not part of the Administrator's task to either encourage or discourage disposal of existing Canadian investments in South Africa. Disinvestment remains a decision for companies alone. The fact that Canadian and other foreign firms have been liquidating their assets in South Africa reflects mainly economic and commercial considerations together with pressures generated by anti-apartheid forces in Canada and elsewhere.

The principles, conditions and objectives which the Canadian Government believes should characterize the policies and employment practices of Canadian companies with operations in South Africa remain unchanged. They include respect for the basic human rights and the elimination of all forms of discrimination. They are expected to be reflected in:

- equality of opportunity with regard to employment and training
- equality of working conditions
- equality of pay for equal or comparable work
- freedom of association and the right to organize and bargain collectively

While these principles and rights apply to all races, they have special relevance to Black, Coloured and Asian employees and to the quality of life which they and their dependants enjoy.

The report follows the organizational pattern of its predecessors in order to provide comparability and continuity. The methodology employed in gathering the required material has remained unchanged. The basic information has come from a Standard Reporting Questionnaire completed by Canadian companies in collaboration with their affiliates. Additional details have been provided by a wide range of individuals and organizations with an interest in and knowledge of South Africa. All the Canadian companies and most of their South African affiliates have been consulted. Visits to South Africa, London and the United States yielded background information which informs the narrative and comment throughout the report. The American, Australian and British Code authorities were consulted, as well as the UN Centre for Transnational