

These principles and rights apply to all races but have special relevance to Black, Coloured, and Asian employees<sup>1</sup> and to the quality of life which they and their dependents enjoy.

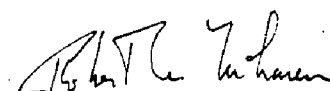
The methodology employed in preparing this report and its organizational pattern remain unchanged from that of 1989 with the exception of the approach to rating company performance. Its basic data have been drawn from the Standard Reporting Questionnaire completed by Canadian companies in collaboration with their South African affiliates and from reports by affiliates of Canadian Companies under EC requirements. Additional information has been provided by a wide range of individuals and organizations with an interest in and knowledge of South Africa. Visits to South Africa and Britain yielded valuable background information. The American, Australian, and U.K. Code authorities have again been consulted, as well as the Commonwealth Secretariat in London and the Investor Responsibility Research Centre in Washington, D.C. Significant information was supplied by the Commonwealth-financed L.S.E. Centre for the Study of the South African Economy. Views were exchanged with South African officials in Ottawa and Pretoria and with other government representatives in South Africa having Code requirements. In South Africa, discussions also involved representatives of management, business and industry associations, research institutes, liberation groups, and many other groups and individuals.

The Background section of this report is offered as a framework against which continuing changes can be assessed as the situation there is in flux. An attempt, therefore, has been made to present the highlights of the economic and political situation which had, and continue to have, a bearing on the environment in which industrial and commercial enterprises are obliged to operate in South Africa.

My predecessor as Administrator noted in his 1989 report that, for the first time since undertaking this task, "South Africans of all races and occupations expressed their belief that reform is under way and that apartheid, while still in place, is on the way out. At the same time, all South Africans are not pleased with this prospect and threats to the process exist both from the extreme left and extreme right of the political spectrum." By mid-1991, the legal pillars of apartheid had been dismantled, but the legacy continues. The hopes and expectations of the disadvantaged will take exemplary commitment and dedication on the part of any future government to meet. The capacity to meet these challenges and solve these problems will be related not only to the progress achieved in the substantive negotiations between the Government of South Africa and non-White leaders, but also will have a high correlation with economic growth and diversification. I am indebted to all those consulted who, despite their preoccupation with the rapidly changing political environment and the accompanying economic and social ferment, gave

generously of their time and information; to the Canadian companies and their South African affiliates for their friendly cooperation despite reservations by some as to the value of this exercise; and to the Department of External Affairs in Ottawa and the Canadian Embassy in South Africa for their helpful logistical support.

The responsibility for the content of this report is mine alone, despite the substantial help from those mentioned above.



Robert W. McLaren  
Code Administrator

<sup>1</sup> Racial classifications used in this report are based on categories set forth under earlier South African law and do not constitute endorsement of these classifications by the Government of Canada.