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PREFACE

This is the seventh, and last Administrator's Report under the Code of Conduct and covers the period from July 1, 1991, to September 24, 1993, the date on which Canada and other Commonwealth countries lifted sanctions on South Africa.¹

The Code of Conduct was issued originally in 1978 under the authority of the Secretary of State for External Affairs and was revised and tightened in 1986. Adherence to the Code of Conduct is now, and always has been voluntary. Initially, the Code of Conduct was regarded as a guideline and companies normally did not submit reports on their South African operations. Since the appointment of an Administrator in 1985, most of the Canadian enterprises with South African affiliates have reported on a periodic basis. The number of companies to which the Code would apply remains at six, the same as at the time of the 1991 report, although two of these represent new investment. An equivalent number of former enterprises have divested, or otherwise altered their investment arrangements since that report. At the time of writing, three of the six Canadian entities have reported under the Code and one has made its report under the European Community arrangements.

It was not Canadian policy to either encourage or discourage disposal of Canadian investments in South Africa. Disinvestment had been a decision for companies alone. The disposal of assets in South Africa by Canadian and other foreign firms reflected primarily, economic and commercial considerations including existing double taxation arrangements, frequently reinforced by pressures generated by anti-apartheid and other forces in Canada and elsewhere, including U.S. state and local government purchasing requirements.

The Code of Conduct was one of a variety of measures adopted by the Canadian Government to demonstrate opposition to apartheid and to encourage the South African Government to undertake these fundamental reforms and enter into negotiations with non-White leaders that led in 1994, to the establishment of the new non-racial democratic, representative government. The Code of Conduct aimed to combat racial discrimination through the encouragement of company policies and employment practices which respect human rights and advance equality. Such policies and practices were to encompass:

- equality of working conditions
- equality of pay for equal or comparable work
- equality of opportunity with respect to employment and training

¹As distinct from UN. sanctions which applied to armaments sales.