

I PREFACE

Since 1978 there has been a Canadian Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa. Implementation of the Code was, and remains, voluntary. Before 1985 those companies that complied with it were the exception rather than the rule. In 1985, the Canadian Government strengthened the observance and administration of the Code by appointing an independent and impartial Administrator; by introducing a Standard Reporting Format; and by making the Code applicable to all Canadian companies, including those with minority interests in South Africa.

In September 1985, Mr. Albert F. Hart, a former Canadian Ambassador, assumed the Administrator's responsibilities and set to work under the Terms of Reference found in Annex A of this report. His first annual Administrator's report was submitted to the Secretary of State for External Affairs, the Right Honourable Joe Clark, on 29 May, 1986. Mr. Clark tabled the report the following month in the House of Commons. I succeeded Mr. Hart in December 1986.

Since then the list of Canadian companies with operations in South Africa has been updated. In the process, all the relevant Canadian firms and a selection of private-sector commercial, non-governmental, trade union, Church and academic organizations in Canada with an interest in South Africa have been contacted. In addition, I travelled to South Africa to consult the affiliates of Canadian companies and to seek a cross-section of opinion represented by Churches, trade unions, academic and other non-governmental individuals and institutions, as well as the South African Ministry of Foreign Affairs. Others personally contacted included the Reverend Leon Sullivan who originated the set of principles that bear his name and guide United States companies conducting business in South Africa; representatives in United States and in South Africa of Arthur D. Little, Inc. which evaluates compliance with the Sullivan principles; the Commonwealth Secretary-General and his senior colleagues; the United States State Department and British counterparts of the Canadian Code Administrator; officers of the UN Centre for Transnational Corporations and the UN Centre Against Apartheid; and a variety of individuals, both private and diplomatic, with a knowledge of South Africa and of commercial or industrial enterprise in that country.

In the interests of continuity and comparability with the Administrator's first annual report, the report which follows, closely resembles its