

PREFACE

This is the sixth Administrator's Report under the Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa and covers the 18-month period to 30th June 1991. The Code 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 is now, and always has been, voluntary. Initially, the Code 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, heretofore, on an annual basis. The number of companies involved continued to decline and, including one contingent investment, has now reached six, with five on which there are reports.

It is not Canadian policy to either encourage or discourage disposal of Canadian investments in South Africa. Disinvestment has been and remains a decision for companies alone. The disposal of assets in South Africa by Canadian and other foreign firms reflects, primarily, economic and commercial considerations including 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 is 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 fundamental reforms and enter into negotiations with non-White leaders toward the establishment of non-racial democratic, representative government. The Code aims to combat racial discrimination through the encouragement of company policies and employment practices which respect human rights and advance equality. Such policies and practices should encompass:

- equality of working conditions
- equality of pay for equal or comparable work
- equality of opportunity with respect to employment and training
- freedom of association and the right to organize and bargain collectively
- promotion of social justice and peaceful achievement of economic, political, and social reforms by positive, constructive, and legal means
- support to projects which enhance the quality of life of the non-White communities from which their work force is drawn