job of blaster is reserved for Whites. This effectively limits the ability of Blacks and other non-Whites to move upward beyond that level. The Government of South Africa has left it to the industry to deal with this obstacle. Its removal is opposed strenuously by the White miners' union and it may be some time before this roadblock can be overcome.

3. Migrant labour

The primary Canadian affiliates employing migrant or contract labour were disposed of during the past year and are no longer the concern of this report. Only four still engage contract labour and two of those are expected to be disinvested shortly. Their Canadian parent neither reported last year nor this, and operates through a South African management firm. This means its ability to control employment practices is limited. The management firm, however, revealed that it followed generally acceptable employment practices and provided a range of fringe and social responsibility benefits of the type promoted by the Code. Its wages exceeded MLL but were below SLL (discussed below). Beyond these two units, only two other affiliates employ contract workers and their combined total is eight. Five of these had their families with them while the other three were housed in single hostels, away from their families.

4. Wages

All Canadian affiliates support and implement the principle of equal pay for equal or comparable work. The outstanding problem remains that Black and other non-White employees, with rare exceptions, continue to occuppy the lower end of the employment scale; and the pay gap between the upper and lower ends of the scale is substantial. Nevertheless, nearly all the reporting firms have recently provided higher percentage pay increases to Black employees than to White, with other non-Whites somewhere in between. This reflects, first, the policy adopted by most affiliates of reducing the pay gap, second, the outcome of trade union negotiations and, third, the influence of the Codes of Conduct. The percentage pay increases accorded by the twelve Canadian reporting affiliates are given in Table VIII.

TABLE VIII

AVERAGE PERCENTAGE PAY INCREASES IN 1986

	Black Employees	Coloured/Asian Employees	White Employees
1. 12 Affiliates	14.24	14.88	12.56
2. 11 Affiliates	14.27	12.11	11.24

N.B. Line 2 above provides a more accurate reflection of the true situation because a single firm among the 12 affiliates in line 1 awarded very substantial one-time pay increases to its skilled Coloured/Asian and White employees who moved from one location to another. This was to compensate for the difference in geographical remuneration levels and for property losses sustained in moving from a depressed to an economically healthy area. The 13th affiliate was omitted for lack of pay information.

All Canadian affiliates provide annual or semi-annual pay increases. For the most part, these take into account the current rate of inflation which fluctuated between 18 and 20% during 1986. For one company, a one-time recession-induced negotiated wage freeze in 1985 ended in 1986 and the normal pattern of negotiated annual pay increases resumed, though there remains some catching-up to do.

Canadian and most other foreign affiliates have made a conscious effort to raise the pay levels of Black and other non-White employees in line with the guidelines set by the various Codes of Conduct. The 1986 revision of the Canadian Code with its annexed Administrative Procedures and Guidance "strongly urges companies to strive for a minimum rate of pay at least 50% in excess of the MLL within the shortest possible time frame." Six of the reporting twelve affiliates achieved or exceeded this target in 1986. Those that failed to do so cited a combination of the recent recession and severe competitive conditions in their sectors of industry as the reasons for their inability to meet the proposed standard.

The living standards, against which the pay performance of the companies is guaged, are calculated by the University of South Africa (UNISA) and University of Port Elizabeth (UPE). UNISA's standards are based on semi-annual surveys carried out in 26 urban areas throughout South Africa and take account of the household size, age structure and sex composition in the population groups and areas under study. They include data concerning single and multiple households. For the Minimum Living Level (MLL), UNISA includes in its calculations eleven items: food, clothing, fuel and light, other services, washing and cleaning materials, transport, medical and dental services, education, household equipment replacement, taxes and support of relatives. MLL, as defined by UNISA, reflects: "The minimum financial requirements of members of a household if they are to maintain their health and have acceptable standards of hygiene and sufficient clothing for their needs. The MLL is the lowest possible sum on which a specific size of household can live in our existing social set up". The UPE equivalent is known as the Household Subsistance Level (HSL) and is calculated in much the same manner as UNISA's MLL.

The Supplemented Living Level (SLL) of UNISA and the Household Effective Level (HEL) of UPE make provision for the inclusion of more items (recreation and entertainment; personal care; extra washing and cleaning materials; extra clothing; extra food; additional household equipment; extra transport; additional support, taxes and rent; and contributions to pension, unemployment, medica and burial funds). In UNISA's words: "By present standards some of these items may be regarded as necessities and others as desirable amenities of life. The SLL is not a subsistance budget, nor is it a luxury budget. Perhaps it can best be described as an attempt at determining a modest low level standard of living". Depending on the area involved, SLL and HEL are approximately 25% to 30% higher than MLL and HSL. Given that the latter represent bare subsistance standards of living, foreign firms are encouraged to take as their guideline the SLL or HEL.

The Canadian Government's Code suggests the SLL/HEL as an absolute minimum and urges companies to exceed it and strive for a minimum rate of pay at least 50% in excess of MLL (or some 20% above SLL). As indicated above, most of the Canadian affiliates are currently meeting or exceeding this standard. It should be noted that this refers only to the few employees at the minimum wage level. Generally, the average wage of all