

The employment impact of this disinvestment is dramatic and the following statement in the Administrator's Report for 1988 both bears repeating and is germane to the present situation:

"While it could be said as recently as 1985 that the numbers employed by Canadian affiliates and their contributions to the South African economy were significant, with a few exceptions, this is no longer so. Where once their collective voice was heard on economic, political, and social questions; today, their combined influence is inconsequential. The loss is particularly regrettable with respect to social responsibility programs specifically designed to benefit non-White employees, their families and, in some cases, whole communities. While the remaining Canadian affiliates, for the most part, are continuing their exemplary efforts, their impact is limited by their slender number."

This does not, of course, apply to the Canadian Embassy whose programs are exemplary; one positive element that can be drawn from the situation described above is that the base established by the Canadian program has been built on, at least in some cases, by the successor entities.

III. OBSERVANCE OF THE CODE

The few remaining Canadian companies and their South African partners generally comply with the basic requirements of the Code of Conduct. The two larger firms with their six subsidiaries and the Embassy, by virtue of size and substantial resources, are able and do devote some resources to programs and practices which exceed this and support the Code's further objectives. The smaller firms, without comparable resources, are, nonetheless working within their means to ensure fair practices and advances in the desired directions. Given the facts that the South African economy has been in recession for three years and the combination of factors contributing to this -- a shrinking world economy, the effects in particular of international financial sanctions, shortages of external investment capital and technology, high inflation and interest rates, and stiff competition -- commercial and industrial enterprises claim to have little leeway for more rapid progress. Within these constraints, however, improvements are clearly there, if at a rate that is slower than desirable.

1. General Working Conditions

All South African affiliates of Canadian companies provide safe, and otherwise acceptable, working conditions for all of their employees.

2. Collective Bargaining

By far the most significant event in industrial relations during this reporting period was the agreement reached in early 1990 between the two trade union federations and the Employees Consultative Committee on Labour Affairs. It establishes a basis for labour legislation and will encourage future industrial relations in South Africa to follow an international standard. Recent developments have allowed the trade union movement to concentrate more on their primary objective, the advancement and well-being of their members. At the time of writing, labour is restive about some elements in the 1991-92 budget and, in particular, over the imposition of the Value Added Tax (VAT).

Trade unionism and collective bargaining are accepted features of the South African scene and undoubtedly will be an area of intense activity; the extent to which this activity will have a positive outcome is only somewhat constrained by the current recessionary period when job generation is lagging significantly behind population growth.