value on the broader impact of the services and products provided and on the transfer of skills and technology involved. They might appropriately be considered as essential elements of programmes of a developmental nature imaginatively conceived, organized and carried out by such companies. This seems especially the case in the complementary and supporting role which the South African subsidiaries play in providing the similar services and sales for projects of infrastructural development carried out by Canadian companies in neighbouring countries of Southern Africa.

An interesting feature of the investment policy of two of the companies I am referring to here is the provision for the progressive reduction of their equity involvement in favour of their South African partners. Thus over the years the companies have made the transition from the original status of 100% ownership to their present small minority status.

The subsidiaries of Canadian companies are active in a number of major industrial fields: mining operations and exploration and the supply of mining equipment, agricultural machinery, heavy road machinery and construction equipment, textiles, leather goods, business forms, automobile manufacturing, publishing, and, as indicated above, consulting engineering services. The companies concerned have all developed strong international connections many of which are attributable to their success within Canada in building up a solid basis of advanced technology, efficient organization and effective business techniques and administration in the various industrial sectors mentioned. Other countries, and this is certainly the case in Southern Africa, facing at the outset of their modernization plans and efforts a similarly challenging environment, have been impressed by the Canadian example of economic expansion in the twentieth century. It is hardly surprising that their wish to emulate it and to benefit from partnership with Canada in their own development should in the private sector have offered investment opportunities to Canadian companies and that the Canadian companies so interested, often encouraged by invitations extended from the host countries, should have found a hospitable reception in the countries concerned, including South Africa.

While the connections of most Canadian companies with their subsidiaries in South Africa have been established within the last twenty years other companies can trace their activities through their subsidiaries back over a much longer period of time, in one case as far back as eighty years and in two others reaching

fifty-five and thirty-seven years respectively into the past. Their subsidiaries have not escaped the impact of the economic recession. Some subsidiaries, notably those in the highly competitive consumer goods sector have been affected, although a substantial retrenchment in their workforces has been resisted. Some subsidiaries have been obliged to reduce their workforces: in one case many White employees were laid off as against a small increase in the number of Black employees. In contrast some subsidiaries were able to avoid any adverse changes in their business activities and consequently could maintain their workforces at usual levels. Three subsidiaries, engaged in mining operations, actually recorded some increases in output and in their workforces in 1985. Inevitably the impact of economic recession must be a matter of concern where it threatens not only an increase in unemployment but also, a subject to be looked at below, the achievement of the wage standards which the Code of Conduct recommends.

PART III. OBSERVANCE OF THE CODE

1. General Working Conditions

Specific aspects of working conditions are considered under other sections below. In the South African context what is particularly important in the general approach of a company or subsidiary to the working conditions it offers its employees are the facilities and procedures, formal or informal, which ensure good communication between employees and management so that the grievances and complaints of the former, especially where matters of racial discrimination or unequal treatment may be raised, can be freely ventilated and fully considered.

Most reports from companies indicate adherence to single grievance procedures which for the most part are set out in writing and in some cases are the outcome of negotiations with trade union representatives. Informality and direct personal contact appear to be preferred where employee numbers are quite small. One company, having a subsidiary with an employment establishment not quite in this category, acknowledged that the subsidiary had no formal procedures but attributed this to a perception that it had not seemed necessary in a workforce characterized by a plant manager, supervisors and other employees who were all Black persons. However the company report indicated that