Code of Conduct Concerning the **Employment Practices of Canadian** Companies Operating in South Africa Code d'éthique touchant les conditions d'emploi des sociétés canadiennes opérant en Afrique du Sud

31 May 1988

The Right Honourable Joe Clark, P.C., M.P. Secretary of State for External Affairs Lester B. Pearson Building 125 Sussex Drive Ottawa, Ontario, KlA OG2

Dear Mr. Clark,

I am pleased to present to you the third annual report on the Administration and Observance of the Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa.

In accord with my terms of reference, I have updated the list of companies with operations in South Africa, drawn their attention to the Code and Standard Reporting Form, collated their reports and consulted, in addition to the relevant companies, a broad range of non-governmental organizations and individuals. The attached report, based on these consultations and company reports, is submitted for your consideration. Copies of the company submissions are enclosed for your further information.

It is a pleasure to report that all Canadian companies received passing grades for 1987. Three, on the basis of improved performance, received higher ratings this year. These include the Canadian Government/Embassy which achieved the highest grade (I); JKS Boyles International which moved from grade III to grade II; and Sternson Limited which moved up from grade IV (failure) to grade III.

1987 brought a record number of disinvestments by Canadian companies. Ten, including the Canadian Government/Embassy, retain their South African interests. I therefore recommend the extension of the Code of Conduct as long as the situation in South Africa remains unchanged and Canadian companies continue to operate there. Attains Yours stringer of External exterioures

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