

Africa) (Pty) Ltd., remains opposed to Codes of Conduct and cooperated in reporting this year under protest. It believes that Codes place modest sized companies at a disadvantage, particularly in a highly competitive sector such as the construction industry where Sternson operates. The view is that Code requirements simply force companies to modernize and replace personnel with machinery to the detriment largely of Black workers. Under the improved conditions of South Africa's economy in 1988, Sternson increased the number of workers it employs.

QIT-Fer et Titane, along with its South African affiliate, Richards Bay Minerals*, changed hands in January 1989 from B.P. International, London, England, to RTZ Corporation PLC, London, England (although legal requirements are not expected to be completed until June 1989). QIT and RBM have always cooperated fully in complying with the Canadian Code of Conduct and it is expected that they will continue to do so in future, despite the change of ownership. This would seem justified by the fact that QIT and RBM marketing policies remain integrated and QIT continues to provide members for RBM's Board, albeit in a personal rather than company capacity. In addition, RBM's technology originated with QIT.

The Canadian Government (Department of External Affairs), with its Embassy in Pretoria/Capetown, continues to report and complies completely with the requirements of the Code.

*Richards Bay Minerals actually comprises two companies: Tisands (EDMS) BPK. and Richards Bay Iron and Titanium (EDMS) BPK.

IV OBSERVANCE OF THE CODE

Canadian companies and their South African partners, by and large, exceed the basic requirements of the Code of Conduct. Where some have done better than others, the reasons generally lie in either the size of operation involved, the competitive environment or both. Larger firms, ipse facto, are endowed with an array of resources and opportunities not available to smaller firms. Nevertheless, all those currently operating in South Africa are striving, within the circumstances of their industrial sector, to comply with the Code and, in so doing, compare favourably with their local competitors.

1. General Working Conditions

Without exception, South African affiliates of Canadian companies are conscious of their responsibility to improve the work situation of all their employees, especially of their non-White personnel. Currently all provide safe and otherwise acceptable working conditions for their employees. Office and production environments are generally good to excellent, as are employee-management relations.

2. Collective Bargaining

The Code of Conduct asks companies to permit employees to organize representative collective bargaining units of their own choosing that can effectively represent them and to engage in collective bargaining with such units in accordance with internationally accepted principles. Because the South African Labour Relations Act no longer discriminates on the basis of race, trade unions of all or mixed races are permitted and exist. Canadian affiliates, therefore, place no obstacles in the way of union membership and the larger ones, without exception, are unionized. The smaller ones are not but this simply reflects the small number of employees involved. The principle of collective bargaining has been accepted and the formation of trade unions would be permitted if desired. Instead, the smaller firms generally work through an employee association, a worker spokesperson or permit direct access to management when employment practices are at issue. Where formal grievance procedures are in force these are outlined in writing and publicized in the workplace. Workers are familiar with their rights and do not hesitate to claim them.

The Canadian Embassy in South Africa is governed by the Canadian Public Service Staff Relations Act which accords bargaining rights to public servants in Canada but does not extend those rights to locally engaged employees at Canadian missions abroad. This accords with international diplomatic practice which exempts foreign embassies from local labour laws. In their place, the Embassy has established guidelines to handle grievances. These apply to all employees regardless of race and have been discussed with them. In addition, there is a representative staff association which has been and remains active in