

I PREFACE

This is the fifth annual Administrator's report under the Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa. It covers the 1989 calendar year. The Code was issued originally in 1978 under the authority of the Secretary of State for External Affairs and was revised in 1986. Adherence to the Code is now and always has been voluntary. Initially, the Code was regarded as a guideline and companies, with one exception, did not submit reports on their South African operations. Since the appointment of an Administrator in 1985, most of the Canadian enterprises with South African affiliates have reported on an annual basis. The number so involved continued to decline until 1989 and appears to have stabilized at six.

It is not part of the Administrator's task to either encourage or discourage disposal of Canadian investments in South Africa. Disinvestment has been and remains a decision for companies alone. The disposal of assets in South Africa by Canadian and other foreign firms reflects primarily economic and commercial considerations, frequently reinforced by pressures generated by anti-apartheid forces in Canada and elsewhere.

The Code of Conduct program is one of a variety of measures adopted by the Canadian Government to demonstrate opposition to apartheid and to encourage the South African Government to undertake fundamental reforms and enter into negotiations with non-White leaders toward the establishment of non-racial, democratic, representative government. The Code aims to combat racial discrimination through the encouragement of company policies and employment practices which respect human rights and advance equality. Such policies and practices should encompass:

- equality of working conditions
- equality of pay for equal or comparable work
- equality of opportunity with respect to employment and training
- freedom of association and the right to organize and bargain collectively
- promotion of social justice and peaceful achievement of economic, political and social reforms by positive, constructive and legal means.

These principles and rights apply to all races but have special relevance to Black, Coloured and Asian employees and to the quality of life which they and their dependents enjoy.

The methodology employed in preparing this report and its organizational pattern remain unchanged. Its basic data have come from the Standard Reporting Questionnaire completed by Canadian companies in collaboration with their South African affiliates. Additional