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CODE OF CONDUCT CONCERNING THE
EMPLOYMENT PRACTICES OF CANADIAN COMPANIES
OPERATING IN SOUTH AFRICA

The Secretary of State for External Affairs, the Honourable Don Jamieson, announced today the issuance by the Canadian Government of a "Code of Conduct on the Employment Practices of Canadian Companies Operating in South Africa". The issuance of such a Code was anticipated in Mr. Jamieson's statement of December 19, 1977, to the House of Commons, concerning Canadian policy initiatives towards South Africa, and followed a period of consultation with the principal Canadian companies concerned, as well as with other interested parties such as the Canadian Labour Congress and the Taskforce on Churches and Corporate Responsibility.

The Code of Conduct provides a number of explicit and detailed recommendations to companies concerning ways in which the working conditions of their South African employees can be improved. While the Code addresses itself in particular to the employment practices affecting Black South African workers (who are acknowledged to be the most severely affected by adverse working conditions in South Africa), it also recognizes that the recommendations are applicable to other non-White employees who may be subject to discriminatory practices. The specific areas of concern on which the Code of Conduct recommends action include: general working conditions; collective bargaining; wages; fringe benefits; training and promotion; and race relations.

Under the Code of Conduct companies are to make annual public reports in sufficient detail to permit assessment of their progress in realizing the objectives of the Code. It has been proposed to companies that such reports (the first of which the Government suggests should be made publicly available prior to March 31, 1979) should include information on such criteria as: the number and proportion

of Blacks employed; the range of training opportunities made available to Black employees, particularly those specifically designed to advance such employees into skilled and semi-skilled positions; the extent to which facilities in the work-place are integrated; the type of fringe benefits and other facilities, services or forms of assistance provided to Black employees; the means by which collective bargaining is conducted and whether Black trade unions participate in this collective bargaining process; and the progress that companies have achieved in providing adequate remuneration for their Black employees, specifically in relation to the generally accepted standard of a minimum wage at least 50% above the minimum level considered necessary to meet basic living costs.

The Government believes that the full implementation of the provisions of the Code of Conduct will clearly demonstrate the concern of the companies and Canadians for the working conditions of all employees of Canadian companies operating in South Africa, and will assist materially in improving those conditions. The Government particularly appreciates the co-operation it has received from all parties consulted on the Code of Conduct.

A copy of the Code of Conduct is attached.

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In South Africa there are policies, legislation and practices based on the principle of racial discrimination which are repugnant to Canadians, and which the Canadian Government has condemned as contrary to internationally-accepted standards of human rights. Many Canadians are concerned about the extent to which companies identified with Canada are involved in South Africa in an economic system based on racial discrimination.

The Canadian Government has noted that a number of Canadian companies have already shown leadership in establishing programs to improve the working conditions of the non-White employees of their affiliates in South Africa. It strongly hopes that every Canadian company active in that country will promote employment practices which are based on the principle of equal treatment for all its employees, and which are consistent with basic human rights and the general economic welfare of all people in South Africa. While these objectives are applicable to all employees, they have particular relevance to the employment conditions of Black African workers. The Government believes that, by promoting the achievement of these objectives, Canadian companies will be able to make an important contribution towards improving the working conditions generally of Black and other non-White workers in South Africa.

The Government commends to Canadian companies the Declaration adopted unanimously in 1973 by the Executive Committee of the International Organization of Employers. Among its other provisions this declaration "appeals to the Republic of South Africa to fulfill its obligations in respect of human rights and to repeal its discriminatory legislation with the aim of giving equal rights and protection of those rights to all workers and in particular by guaranteeing: -

- equality of opportunity in respect of admission to employment and training;
- equality in conditions of work and respect for the principle of equal pay for equal work; and
- freedom of association and the right to organize and collective bargaining".

The Declaration also appeals "to all employers in South Africa to take urgent measures to promote the conditions necessary for acceptance of the well established standards in the field of human rights approved by the International Labour Organization". The Government believes Canadian companies should implement the above-mentioned principles of the Declaration of the International Organization of Employers, which were reaffirmed by the I.O.E. in June, 1977.

Accordingly, it is the view of the Canadian Government that:

(1) General Working Conditions

-- in general companies should improve the overall work situation of Black employees to the fullest extent possible, and ensure that employment practices applicable to any group of workers are equally applicable to all workers.

(2) Collective Bargaining

-- companies should ensure that their employees are free to organize collective bargaining units that can effectively represent them, and undertake to engage in collective bargaining with such units in accordance with internationally-accepted principles. As companies are aware, under South African law Black trade unions are not "registered trade unions" officially empowered to negotiate industrial council agreements, but such organizations are not illegal. Companies should extend customary basic rights to such bargaining units, i.e. to organize for the purpose of negotiation, to solicit support among employees, to disseminate trade union information material, and to engage in other traditional trade union activities on company premises.

(3) Wages

-- companies should ameliorate the effects of the job reservation and job classification system by implementing the principle of "equal pay for equal work" -- i.e. the staffing of and remuneration for a position should be based on the qualifications of an individual and not on his racial origin. They should also strive to provide remuneration sufficient to assist their Black employees in particular to achieve a standard of living significantly above the minimum level required to meet their basic needs. The Canadian Government endorses the widely accepted guideline that the minimum wage should initially exceed this minimum level by at least 50%.

(4) Fringe Benefits

-- companies should provide to Black workers improved fringe benefits such as contributory medical and pension plans, disability insurance schemes, sick leave benefits and annual vacations. Companies should ensure that any benefit available to one group of employees is available to all employees. The Canadian Government encourages companies to assist in providing for their staff adequate medical and health facilities for them and their families, transportation to and from their place of work, adequate housing, education for their children, and other social

services such as legal assistance and unemployment insurance.

(5) Training and Promotion

-- companies should provide training programs and job opportunities to facilitate the movement of Blacks into semi-skilled and skilled positions and introduce Blacks to supervisory positions on an accelerated basis, rather than recruiting expatriate personnel.

(6) Race Relations

-- companies should, to the fullest extent possible, integrate their working, dining, recreational, educational and training facilities. Companies should seek the advice and assistance of such South African organizations as the Institute of Race Relations and the National Development and Management Foundation which have done extensive studies of the problem of worker productivity and efficiency and which can provide invaluable advice on ways to find solutions which benefit both workers and companies.

The Canadian Government intends to follow developments closely. Canadian companies operating in South Africa should make annual public reports in sufficient detail to permit assessment of their progress in realizing the objectives of the Code of Conduct.