

# OPTIONS

## The Liberal Party and Foreign Policy: Part 2

EDITOR'S NOTE: On June 23rd in Calgary, the Liberal Party of Canada will elect a new leader and possible Prime Minister. International Perspectives continues its look at the foreign policy positions of the leading contenders alphabetically by surname. Fluently trilingual (English, French and Italian), Sheila Copps was first elected to the House of Commons as MP for the Ontario riding of Hamilton Centre in the 1984 general election after three years in the Ontario legislature, where she ran against David Peterson for the provincial party leadership in 1982.

As the federal leadership race continued to gain momentum through mid-April, Miss Copps had yet to make a scripted foreign policy presentation. But two issues — the Free Trade Agreement (FTA) with the United States and the environment — have been recurring points during her campaign appearances. The latter reflects her role as environment critic in the Liberal shadow cabinet as she has emerged as the "green candidate" for the leadership.

The FTA has been a concern for Miss Copps ever since it first was proposed in a September, 1985, speech in Hamilton, Prince Edward Island, where she mentioned that Canada might be staking too much of its national identity on attaining a comprehensive agreement. "The key question before we develop a continental economy is: 'what makes us different? Is Canada worth saving?'" She pointed out that U.S. protectionism was constraining markets for Canadian goods and services and warned that the price for an open border could include dismantling universal health care and other social programmes. "We're not for sale," she said. "I am not prepared to see the work of 100 years wiped out by Free Trade Agreement."

Some 14 months later, in Halifax, her militancy on the trade issue had hardened. She evinced particular concern during a public forum about what she said was the probability that Canada would not be able to control most corporate takeovers by foreign multinational interests. "We believe that's one of the reasons we have to oppose vigorously the free trade deal," she said. "Canada already has an economy that is, by any standard, dominated by foreign investment control. We have 30 per cent of our economy owned by people outside this country, mostly Americans."

Last spring, Miss Copps ventured into the defence-cum-environment field with a Telex to Prime Minister Mulroney, who was in Washington for talks with President George Bush. Her concern was the

large transportation through the Strait of Juan de Fuca, which separates the southern tip of Vancouver Island from Washington State, of reactors from decommissioned American nuclear submarines. An estimated 100 submarines

grips with our garbage problem, by the time you are having your children, we will have drowned ourselves in our own garbage." A hallmark of her campaign has been to focus on local issues and the one in question this time was pollution in the Chatham area. She suggested a "green tax" to encourage conservation and recycling. "It's going to cost money but I believe Canadians are prepared to pay the price if they feel they're going to get results."

### International Perspectives

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last summer by accusing Prime Minister Mulroney of preaching environmental awareness in Europe while being environmentally stingy at home. "The Prime Minister has been wrapping himself in the green flag at the G-7 summit (in Paris in July)," she said. "Unfortunately, the colour of the flag at home is black." She accused the Mulroney administration of spending too much on potentially polluting energy megaprojects and not enough on research into non-fossil fuel alternatives.

Then, last Dec. 6, with five weeks remaining before she declared her candidacy, she made it clear that the environment was a top priority. "The clock is ticking," she told a college audience in Chatham, Ont. "If we don't come to

promised that any government she formed would negotiate a Clear Air Treaty with the U.S. and a Circumpolar Treaty with other Arctic countries "to reduce the fallout of airborne toxic chemicals" as well as standing up to international pressures that affect Canadian farmers and fishermen. And pitching to her B.C. audience, she also promised legislation to require double bottoms on all oil tankers and barges used in Canadian waters.

Sheila Copps and her organizers are obviously more concerned with the immediate priority of the leadership race than with playing to the world stage, so they have chosen in the name of political pragmatism to concentrate on predominantly domestic questions.



# STATISTICS

## International Trade

January got 1990 off to a good start with a merchandise trade surplus after December had yielded Canada's second merchandise trade deficit in nearly 14 years. Statistics Canada indicates that the turnaround was broadly based. Exports of aircraft, engines and parts alone rose by \$128 million while wheat exports rallied by \$118 million to a 17-month peak of \$416 million but the effect of these and other smaller improvements was undermined by a slump in automotive exports. The automotive sector also figured prominently on the import side of the ledger as lower vehicle production in Canada reduced the demand for parts imports. The January surplus was \$607.7 million, seasonally adjusted on a balance of payments basis, after a December deficit of \$91.2 million. The latest surplus resulted from exports of \$11,626.3 million, subject to revision, which were 6.1% from December, and imports that declined 0.8% to \$10,955.6 million. Here is a rounded breakdown in millions of dollars:

	JANUARY			PRELIMINARY 1989 CALENDAR YEAR			Change from '88
	Exports	Imports	Balance	Exports	Imports	Balance	
U.S.	8,653.9	7,457.3	+1,196.7	103,731.7	93,321.8	+10,409.9	-3,225.2
Japan	701.2	615.4	+85.8	8,471.9	8,262.3	+209.6	-96.8
U.K.	239.2	381.7	-142.5	3,538.3	4,604.5	-1,066.2	+107.8
other EEC	583.4	881.5	-298.0	7,927.6	9,880.6	-1,953.0	+1,429.8
other OECD	292.8	375.3	-82.4	3,407.2	4,029.6	-622.3	-109.5
all others	1,155.7	1,244.5	-88.8	11,857.5	14,156.2	-2,298.7	-3,235.4
TOTALS	11,626.3	10,955.6	+670.7	138,934.3	134,255.0	+4,679.4	-5,129.3

## External Affairs Budget

Finance Department figures show that the External Affairs share of the federal purse in January was above the year-earlier levels, bucking the trend earlier in the 1989-90 fiscal year. Total federal spending in January amounted to \$12,083,785,000, of which almost 2.53% was for the Department of External Affairs and related programmes. This compared with almost 2.31% of \$11,214,284,000 of overall spending in January, 1989. However, a comparison of the cumulative figures for the first 10 months of the year, which ended March 31, shows total spending to January 31 was \$111,932,917,000, of which 1.97% was for the External envelope. The comparable 1988-89 share was 2.26% of \$102,807,105,000. Here is a rounded breakdown in thousands of dollars:

\*Abbreviations used refer to the following:  
APF — Asia Pacific Foundation  
CCC — Canadian Commercial Corp.  
CIIPS — Canadian Institute for International Peace & Security  
CIDA — Canadian International Development Agency  
APF — Asia Pacific Foundation  
EDC — Export Development Corp.  
ICOD — International Centre for Ocean Development  
IDRC — International Development Research Centre  
IJC — International Joint Commission

	JANUARY		F. Y. CUMULATIVE	
	1990	1989	1989/90	1988/89
<b>Interests abroad</b>				
Operating costs	45,903	64,979	516,242	481,757
Capital costs	12,264	7,462	64,920	50,262
Grants	82,092	21,077	150,021	138,553
Passport fund	-569	-896	-573	-1,960
APF*	—	—	—	500
World exhibitions	43	129	357	1,813
Sub-total	139,733	92,751	730,967	670,925
CCC*	721	2,128	10,723	11,614
CIIPS*	—	1,000	4,000	4,250
<b>CIDA*</b>				
Operating costs	9,273	7,078	78,262	72,865
Grants	138,825	135,722	1,174,377	1,381,555
Pymts to financial inst.	4,200	4,300	39,626	71,488
APF*	—	—	—	500
Sub-total	152,298	147,100	1,292,265	1,526,408
<b>Canadian Secretariat</b>	34	—	378	—
<b>EDC*</b>	1,763	5,045	65,256	5,045
<b>ICOD*</b>	1,000	900	7,200	5,250
<b>IDRC*</b>	9,050	9,517	90,475	95,167
<b>IJC*</b>	654	309	3,981	3,297
<b>OVERALL TOTALS</b>	305,253	258,750	2,205,245	2,321,956