

A bank statement released November 27 emphasized the bank's "absolute repugnance of racism in any form. We share this position with concerned church leaders in Canada."

## **SOUTH KOREA**

### ***Candu Reactor Sale***

A radio documentary produced by the CBC and aired October 13 raised the possibility that a Canadian sale of a Candu reactor to South Korea may have provided that nation with the material and information necessary to develop the capacity for nuclear weapon production. The program also stated that the delivery of information was only stopped through the insistence and intervention of the US State Department (*The Citizen*, October 15). According to the CBC, Atomic Energy of Canada Ltd. (producer of the Candu reactor), transferred information and technology on plutonium processing to the South Koreans. The plutonium produced by the reactor now in operation in South Korea could either be re-used for fuel or used to develop a nuclear weapon, the program added.

External Affairs spokesman Sean Brady stated that while there had been an examination with South Korea on the possibility of "a long-term research project in cooperation with the United States," the proposed project had been "consistent with Canada's nuclear non-proliferation commitments" (*Globe and Mail*, *The Citizen*, October 16). US agreement to become involved in the project (which required the approval of all three countries) had not been forthcoming. (Under the proposed project, spent fuel from a US reactor would have been recycled in the Korean Candu reactor to trim costs.) A spokesman for the US Embassy in Ottawa, Addison Richmond, stated that the US had not intervened in order to stop the transfer of material and technology. He added that there existed no indications that South Korea would fail to abide by its treaties with Canada not to use plutonium for non-peaceful purposes. However, because of disagreement over "some aspects of the program" among the three countries, no accord had been reached, he added.

## **UNITED KINGDOM**

### ***Ministerial Visit***

Canada's International Trade Minister, James Kelleher, led a delegation of trade officials to the United Kingdom in mid-November and delivered a speech on bilateral trade relations on November 12 to the Canada-UK Chamber of Commerce. In his speech, Mr. Kelleher examined the opportunities for cooperation in Canada-UK trade, and stressed the necessity of close collaboration. Outlining the economic renewal thrust of the policy developed by the new Conservative government, Mr. Kelleher stated that Canada had a "new team," one which would seize oppor-

tunities presented by a changing economic and technological scene. With recent economic performance below potential, Canada would attempt a renewal through a combination of both internal and external consultation and a readiness to face the challenges — that of establishing fiscal order, that of re-defining government to promote growth, and that of establishing a "stable framework with proper incentives for investment" (International Trade Ministry statement, November 12, *The Gazette*, November 13).

Addressing a foreign business community, Mr. Kelleher proceeded to specify the intentions of the government with regard to trade and investment. Like the United Kingdom, he said, Canada was in favor of a "new round of multilateral trade negotiations under the GATT," a principal means of securing equitable access among international markets. Such negotiations would provide a framework for reducing trade barriers and for "tightening" the "discipline on the use of non-tariff measures." Mr. Kelleher added that the "climate for foreign investment in Canada is also about to become warmer." Acknowledging the importance of British investment to Canadian development (citing the energy, mining and forestry sectors), Mr. Kelleher said that Canada would adopt a "more positive stance" to foreign investment. Both the National Energy Program (NEP) and the Foreign Investment Review Agency (FIRA) would be altered to reflect these aims, the latter being given a new directive — to "seek, encourage and expedite appropriate foreign investment."

With the UK, Canada would, said Mr. Kelleher, promote a greater two-way flow of investment, "more joint ventures and two-way technology transfer arrangements . . . [and] more collaboration on third country projects." Greater collaborative effort in strengthening trade, service and financial ties between the two countries would significantly develop existing potential. Canada and the UK must build further on their "complementary strengths," Mr. Kelleher concluded.

### ***Visit of Treasury Board President***

The message to the UK delivered by Mr. Kelleher, that Canada was an attractive location for foreign investment, was repeated later in the month by Treasury Board President Robert de Cotret. In London for two days in late November, Mr. Cotret met for discussions with government officials (including the Chancellor of the Exchequer, the Trade Minister, the Governor of the Bank of England and the Financial Secretary to the Treasury), members of the business and banking communities, and investment counsellors. Once again, Mr. Cotret explained, Canada was a "preferred place" to do business, according to a Treasury Board communiqué, November 28. The new Conservative government was firmly committed to its announced agenda for economic renewal, he said, echoing Mr. Kelleher's earlier remarks before the Canada-UK Chamber of Commerce. The United Kingdom would notice, in the near future, "easier access to opportunities for commercial and industrial expansion" in Canada, said Mr. de Cotret. To this end, investment would be attracted, fiscal responsibility would be demonstrated (through deficit reduction), and obstacles to economic growth ("unnecessary and redundant regulations") would be removed.