



The year covered by this report — from April 1, 1987, to March 31, 1988 — was in many ways a positive one in global politics and for the Western economies. For Canada, it was a year of active involvement and real achievement internationally, epitomized by leadership in multilateral diplomacy and the conclusion of a free trade agreement with the United States.

Improved superpower relations had a beneficial effect on a number of international problems. Agreement between the United States and the Soviet Union at the Washington Summit in December 1987 to eliminate all their intermediate nuclear weapons and to establish a verification regime to this end was a significant step in arms control and disarmament. It should also help to advance the possibility of eventual similar breakthroughs in the continuing Strategic Arms Reduction Talks. The decision by the U.S.S.R. to begin withdrawing its occupation forces from Afghanistan was a welcome if belated response to realities in Afghanistan and to international pressure. Positions on some other regional issues with an East-West colouration showed signs of movement as the result of talks among the parties under United Nations auspices and a more constructive approach by the U.S.S.R. Canada welcomed both the INF Agreement and the announced intention of the U.S.S.R. to withdraw from Afghanistan.

Western solidarity in handling East-West relations was a major factor in these positive developments, as was the accelerating process of domestic reform in the U.S.S.R., and the changes U.S.S.R. General Secretary Gorbachev had begun to make in Soviet foreign policy. The new Soviet stress on multilateralism and interdependence was welcome. Time will tell whether Soviet actions internationally live up to the new, more progressive rhetoric. At the Vienna Follow-up Meeting of the Conference on Security and Cooperation in Europe, for example, there was regrettably little movement, in part because of the reluctance of the Eastern European participants to agree to strengthen commitments on human rights.

Despite the progress in East-West related problems, other regional conflicts continued to provide challenges for world security, social and economic stability, and human rights. The destructive war between Iran and Iraq continued, destabilizing the region, posing threats to freedom of navigation in the Gulf and thus to energy supplies, and resulting in heavy loss of life. The use of chemical weapons was particularly regrettable. Unanimous Security Council approval of Resolution 598 calling for a ceasefire between Iran and Iraq, while a positive development, did not bring an end to the war.

Similarly, and despite considerable diplomatic activity, no progress was made toward a settlement of Arab-Israeli differences. The Palestinian uprising in the West Bank and the Gaza Strip which began in late 1987 reminded the international community that the status quo is not sustainable over the longer term. Canada and other Western countries gave strong support to the concept of a properly structured conference to attempt to reach a settlement on the Middle East.

In Africa war and famine continued to wreak a dual hardship on the people of northern Ethiopia. In southern Africa the picture was darkened by political drift among white voters in South Africa toward parties opposed to change and by steadily increasing repression of anti-*apartheid* forces in that country, as well as by South Africa's incursions into neighbouring states and a deteriorating situation in Mozambique. The reluctance of some major Western countries to strengthen sanctions impeded attempts to increase pressure on South Africa. Nevertheless there was support for greater assistance to Front Line States including Mozambique, and for the victims of *apartheid* in South Africa as well as for promoting dialogue among the different communities in South Africa. At the Commonwealth Summit in Vancouver in October 1987 a Commonwealth Foreign Ministers Group was set up to look at ways of making sanctions currently in force more effective, and of countering South African propaganda. Its first meeting, chaired by the Secretary of State for External Affairs, Joe Clark, was held in Lusaka in February.

The acceptance by the five Central American countries of the Arias Peace Plan at the Esquipulas Meeting in August 1987 represented a new hope for peace in Central America. By the end of March 1988, and in spite of delays and unkept deadlines, the fragile peace process was continuing to hold. Canadian support for the process was symbolized by the visit of the Secretary of State for External Affairs and by Canada's willingness to become involved in the design of verification and control measures to buttress the security aspects of the peace plan.

The continuing Vietnamese occupation of Cambodia remained the major source of instability in Southeast Asia. Canada continued to support the position of ASEAN that Vietnamese troops had to be withdrawn from that country and the efforts of Prince Sihanouk to seek a political settlement that would restore independence and sovereignty to Cambodia.

Canada hosted two major summit meetings during fiscal 1987/88: the second summit of Francophone nations which brought together 41 leaders in Quebec in September, and the