<u>likely they are to have a significant effect on the target state</u>. In many cases, the stigma is more effective than the real economic impact.

Sanctions are more likely to be successful when the objectives are <u>clearly defined</u> and <u>realistic</u>. Incidentally, it is usually unrealistic to expect that sanctions will do more than exert a <u>modest influence on changes</u> in the target country. We should note the danger of imposing sanctions primarily to satisfy domestic interest groups, which may only raise expectations that cannot be realized.

As any signal may be misinterpreted, it is important to keep some manoeuvring room and also to allow the target nation some manoeuvring room, so it can alter its conduct or policies without losing face to too great a degree. Sanctions can be lifted in stages (or, if the country's behaviour worsens, stiffened) depending on progress towards the objectives. This document includes an extensive structured list of possible sanctions (pp. 31-33).

We recommend that appropriate attention be paid to <u>instituting the</u> requisite controls and authority when sanctions are imposed, clearly defining <u>objectives</u>, and assessing the costs to our own economy of imposing sanctions against another country.

In conclusion, Canada has thus far supported the imposition of economic or other sanctions in reaction to international events primarily when there has been a broad international consensus. There are various reasons for this: we do not have the economic power to be effective acting alone; Canadian law, notably the Export and Import Permits Act, does not authorize the imposition of controls except under a multilateral agreement; economic sanctions should not be considered an ordinary instrument of diplomacy; unless there are overriding imperatives, the efforts of Canadian businesses on international markets should not be undermined.