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gested, we are far from altruistic on this issue as we profess a desire to restore some equity to agricultural trade. Our hand is weakened by the administration's desire to retain the right to import controls on agricultural products, to protect the domestic marketing board regimes that control the production and prices of such produce as eggs, milk and chickens and to protect a system of effective floor prices for most others.

Pierre Blais, our junior Minister of State (Agriculture), accompanied by Germain Denis, the Assistant Deputy Minister of External Affairs responsible for the MTN, was in Geneva recently for talks with the chief Canadian negotiator, MTN Ambassador Gerald Shannon, and meetings with Messrs. Dunkel and de Zeeuw before the latter made his compromise public. He also met with Mr. Shannon's counterparts from the U.S., Australia, Japan, Switzerland and the EC as well as French agriculture minister Henri Nallet. Mr. Blais told Mr. de Zeeuw that Canada is willing to negotiate an agreement which would not only eliminate the export subsidies but also "clarify" Article XI of the GATT in line with a proposal Canada made March 14. Article XI would permit import controls necessary to Canada's supply management regime.

"Mr. de Zeeuw knows that we are particularly disappointed with the absence of any specific reference to Article XI . . . in his report," Mr. Blais said afterward. "However, Mr. de Zeeuw has assured me that his text — and more particularly Paragraphs 13 and 26 which deal with border safeguards and the strengthening of GATT rules — will permit negotiations to continue on Canada's proposal. . . . Moreover, Mr. de Zeeuw indicated that Canadian negotiators take every opportunity to reiterate to him the importance for Canada of Article XI and the marketing boards."

Cautious Optimism in the Middle

Mr. Blais also said he is convinced that Mr. Shannon's team would "continue to vigorously defend every aspect of the Canadian position." This position is seen as reflecting the basic challenge facing the GATT negotiators: maintenance of a balance between the interests of producers who depend on export markets and the interest of those who depend on their respective domestic markets.

The Houston Summit endorsed the need to cut subsidies (see Page 80) but the kind of resistance Ottawa is getting from the Canadian Federation of Agriculture is typical. The CFA argues that "Canadian farmers could have little or no internal support while other countries could continue to receive significant levels of support" and it urges negotiators "to ensure that the best interests of Canada's farmers are included in the final version of the GATT agreement." Skepticism, obviously, is warranted.

What the Uruguay Round is leading up to after four years of talk is possibly a kind of non-pact: a General Disagreement on Tariffs and Trade (GDTT). If that should come to pass, there is a real danger that a kind of economic Darwinism will prevail, that "survival of the fittest" among the emerging trade blocs will become the law of the trade jungle. That would be a no-win situation for everyone in the long term.

Notwithstanding the essentially lukewarm reception it received when he mooted it earlier this year, International Trade Minister John Crosbie's proposal for a new international trading body perhaps should be resurrected. When Canada and 21 other countries signed the GATT more than four decades ago, it was supposed to be an interim step toward an International Trade Organization. Instead, it has become an apparently permanent stage on which the players from the now 98 signatory countries seem to posture endlessly.

To be fair, however, even though the Uruguay Round is the seventh attempt to redefine the GATT, the 40-odd years that have passed since it was set up to bring order out of the postwar chaos have not been entirely unproductive. Earlier revisions have led to reduced tariffs on a broad range of manufactured goods and the drafting of guidelines as to what constitutes "acceptable" trading practices. Yet, after years of dispute that have reached an unpleasant nadir, the current mechanism has clearly bogged down, possibly irretrievably, on the question of agricultural exports. It may indeed be time to bury it and start anew.

— Kenneth Pole is Associate Editor of *International Perspectives* —

SIGNPOSTS

BRUSSELS - A total of \$60 million over three years in special Canadian assistance for Bulgaria, Czechoslovakia, East Germany and Yugoslavia is designed to support democratic and economic reforms in those countries. It follows \$72 million committed last year for similar efforts in Hungary and Poland. "Canada will help any Central and Eastern European country that has shown by its actions that it is genuinely committed to . . . reform," External Affairs Minister Joe Clark said. Departmental documents indicated that Canada is prepared, to work with Romania "when that country demonstrates consistent respect for human rights and the rule of law." Major components of the Canadian assistance are a political co-operation programme, trade promotion and support for economic restructuring.

OTTAWA - Canada is moving toward a simpler and more relaxed regime governing uranium exports. In a letter to producers, power utilities which have reactors and to relevant provincial governments. Energy, Mines and Resources Minister Jake Epp says "the commercial aspects of Canada's uranium export policy have evolved over the years with the primary objective of maintaining Canada's role as a reliable and competitive long-term suppliers . . . while seeking to obtain optimum benefits for Canada from the development of its uranium resources." Given that 85% of Canada's production is available for export after domestic demands are met, Ottawa is doubling to 30 years the maximum export contract term as long as domestic customers are supplied. Current policy also requires Canadian uranium to be upgraded to the fullest extent possible before export in a bid to maximize the value-added content while providing domestic jobs. Exemptions have been possible since 1969 and the intervening years have brought a gradual expansion of standard exemption criteria. Domestic upgrading to the maximum possible will still be required, but only "as long as Canada's conversion facilities have the capacity." Uranium destined for a United States utility will not have to be processed and exports also will be permitted when a Canadian processor is unable to bid competitively for the contract.

BEIJING - Canadian aid for China continues apace despite the still cool relations in the aftermath of Tiananmen Square. An Export Development Corp. loan to the Bank of China of US\$9.8 million in support of a contract awarded to Klockner Stadler Hurter Ltd. of Montreal for design and construction of a plant for production of the solvent, carbon disulphide. Also, the Canadian International Development Agency is underwriting a \$4.9 million Association of Canadian Community Colleges program to increase women's participation in China's economic development. Part of the four-year venture covers training for staff from the All China Women's Federation so as to improve its capacity to help women's groups in managing economic development. The other part is being used to establish a fund designed to support small projects that generate income, employment and learning opportunities.

OTTAWA — External Affairs Minister Joe Clark and former Employment and Immigration Minister Flora MacDonald have been absolved by the Supreme Court of Canada of any blame in a controversial immigration case. In the first such instance in Canadian history, they were convicted of contempt of court in 1988 by the Federal Court of Appeal after officials in their departments had failed to turn over a file by a judicially-imposed deadline. The case involved an Ontario woman's five-year fight to bring her husband to Canada from India; federal officials attributed the delay to their attempts to determine whether the couple's marriage was legitimate or was one of "convenience" to circumvent immigration law. The woman's lawyers and immigration officials tried unsuccessfully to get the relevant visa files from the high commission in New Delhi and the affair came to a head when the Federal Court ordered the files produced before a hearing in 1985. However, they arrived late and the woman's lawyers then initiated the contempt proceedings. In striking down the lower court ruling, the Supreme Court of Canada said last week that neither Mr. Clark nor Miss MacDonald, who was not re-elected in 1988, could be held accountable for violating a court order of which they were unaware.

SANTIAGO - An unusual foreign investment insurance policy issued by the Export Development Corp. is supporting a Placer Dome Inc. commitment to Chile's La Coipa gold and silver mine. The project is 50% owned by the Canadian firm with a further 40% held by another Canadian corporation, Consolidated TVX. Situated about 800km north of here, the mine has a 12-year production life estimated at 2.2 million ounces of gold and 114 million ounces of silver. An EDC agreement with the Washington-based multilateral Investment Guarantee Agency, an arm of the World Bank, will reinsure 35% of EDC's US\$158 million policy, which will cover a variety of political risks. This is the first such reinsurance venture between the EDC and the MIGA.

OTTAWA - The Asia-Pacific Foundation is getting \$10 million in federal funds that the government hopes will result in expanded trade with what is called the world's fastest growing market. It will enable the APF to establish Asian language and awareness programmes across the country, including support for curriculum development in secondary schools, subsidies for employees of smaller firms who want to acquire new language skills, seed money for university-level language and regional studies programmes, and recruitment and training of Japanese language teachers. Another part of the initiative is creation of a database that will provide businesses with a listing of Canadians with linguistic and other relevant skills. With offices in Vancouver and Montreal and plans for others in Canada and abroad, the APF was created by an Act of Parliament in 1984. It also receives funds from the provinces and the private sector. Canadian trade with the Asia-Pacific region amounted to \$36 billion last year and is expected to rise by at least 50% in this decade.

TORONTO - Wood Gundy Inc. brokers say five years of sharply rising labour costs have cost Canadian manufacturers the competitive edge they used to enjoy over their competitors in the United States. A study by staff economists suggests that higher wages has aggravated the effect of the appreciation in the value of the Canadian dollar and that together