

Proponents of anti-boycott legislation in Canada may assert that Arab governments are bluffing, but I must report the position those governments have taken. I could not conscientiously say that boycott legislation by the Canadian Parliament would not involve substantial economic risks for Canada in terms of reduced exports to important markets and perhaps also reduced oil supplies. This is so whether we can call it Arab blackmail or Arab reaction to a Canadian political measure that Arabs consider to be hostile to them.

If, however, boycott compliance by Canadian firms violates fundamental Canadian principles we should be prepared to prohibit such violations and suffer the consequences. There are two levels of concern about the boycott. Some boycott requirements are contrary to Canadian concepts of desirable business conduct because they involve Canadian firms accepting restrictions on dealing with other firms. Such restrictions are considered commercially undesirable and contrary to sound commercial practice.

In addition, however, the charge is made that boycott requirements involve racial or religious discrimination. Such a charge raises a question of fundamental human rights: a concern therefore of a much higher and different order than a restriction on trade. I do not suggest that measures to prevent trade restrictions are unimportant, but they are utilitarian rather than moral in nature. The degree of their application in any given circumstances involves a question of judgement as to what produces the best results for the Canadian economy. If the boycotts raise only a question of commercial policy and no higher moral considerations the government would seem entitled to pursue policies considered to be in the best economic interest of Canada.

It has been suggested, however, that the current guideline policy is inherently discriminatory because it favours Canadian companies that are able to forego government assistance and accept prohibited boycott clauses to obtain contracts. To suggest that the policy is inherently discriminatory even if strictly implemented seems to me, however, to ignore the very real costs involved in foregoing the government's services in that region of the world. A withdrawal of government services usually creates great difficulty and always creates a considerable risk even for the most substantial of firms.

The fact that trading restrictions which would be imposed on Canadian firms by the acceptance of boycott clauses, are the result of demands made by foreign countries does not appear to elevate the principle involved insofar as commercial policy is concerned. Foreign countries are not telling Canadian firms they cannot do certain kinds of business, as the United States has sometimes done in the case of Canadian subsidiaries of American firms. Rather, Arab countries are telling Canadian firms that they cannot do certain kinds of business (or must undertake not to) if they wish to do business with them.