

OPTIONS

The Liberal Party and Foreign Policy: Part 3

EDITOR'S NOTE: On June 23rd in Calgary, the Liberal Party of Canada will elect a new leader and possible Prime Minister. International Perspectives concludes its look at the foreign policy positions of the leading contenders alphabetically by surname. Paul Martin received an early baptism in politics, thanks to his father of the same name who spent 33 years in the House of Commons, including several years in the mid-1960s as Minister of External Affairs, and who went on to six years in the Senate before a brief appointment as Canada's High Commissioner to Britain. The son, however, carved out a career in business, notably in the shipping sector, before running for a Quebec seat in the Commons in 1968.

As the campaign wound on to its denouement, Mr. Martin displayed a strongly nationalistic posture, primarily on domestic issues, one particularly in the area of energy when he ventured into a minefield that is the views of the rest of the country. He also echoed Liberal doctrine.

At the outset of the campaign, which he often focused on as opposed to the candidates, he said the candidates with two principal

One was the "protectionist" ... all Canadians have a right of Prime Minister Martin to deal with global issues. "They still operate in the 1950s. This is a world that has been bed one night with standing and when morning people are the Tories, the walls are not be long before they reform we have seen sweeps through Canada and other parts of the world. The goals of equality are main elusive."

On another note, Mr. Martin said that the "instant nuclear Armageddon so many of us feared as children has been replaced by the fear of an even more insidious and relentless threat to our planet: the degradation of our environment."

Mr. Martin also said that if he became Prime Minister, he would renegotiate the Free Trade Agreement with the United States. (Peter Murphy, the chief U.S. negotiator on the FTA, suggested that is not such a good idea. "What happens if you go back to the bargaining table and the U.S. says 'we want more'?" Murphy cautioned, citing growing American protectionist sentiments. "One of our problems is that we will have to get that deal through Congress.") Mr. Martin also called for, among other things, for more

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Hand in glove with this would be a United Nations-sponsored Environmental Cleanup Task Force which would "move in immediately to contain any international environmental problem." The necessary resources would come from redirected military budgets.

In Halifax, he switched to economic concerns and the growing globalization which he suggested present "an historic opportunity" for Canada. "The countries of Eastern Europe are rapidly moving toward more open economies with closer ties to the West. The reduction in military tensions will provide an opportunity to shift spending from weapons of destruction to tools of growth. Canada must be there to help these nations develop their economies. We must ensure that the political revolution that has occurred is reinforced by the economic

revolution that will inevitably follow. All of this presents an unprecedented opportunity for Canada to restructure its economy while helping the countries of Eastern Europe reconstruct their own.

Predicament Revisited



Jerusalem. Mr. Martin was accused of "callous disregard" for residents of the occupied West Bank, but part of his defence was that his remarks were taken out of context. In a public letter, he said that his suggestion of assistance for Soviet Jews was entirely in keeping with that proposed by the U.S.

"However," he added, "Soviet Jews emigrating to Israel should not directly affect the ultimate disposition of the West Bank and the Gaza Strip." Furthermore, "the conflict between Israel and the Palestinians should be settled based on the principle of 'land for peace.' To the extent that Soviet Jewish emigration to the territories might foreclose that option by displacing Palestinians, Canadian assistance should only be directed to resettlement on lands that are not under occupation."

STATISTICS

International Trade

After a comparatively healthy start in January, the merchandise trade surplus nosedived by 60.5% in February as a rise in the value of imports more than offset an improvement on the export side of Statistics Canada's ledger. The rise in exports was driven mainly by the automotive sector, while motor vehicle parts figured prominently on the import side. The February surplus was \$264.2 million, seasonally adjusted on a balance of payments basis, after January's slightly revised surplus of \$669.4 million. The latest preliminary surplus resulted from exports of \$11,708.9 million and imports of \$11,444.7 million, which were up 0.7% and 4.5%, respectively, from January. Cumulative exports for the first two months of 1990 amounted to \$23,334.1 million or 2.9% below a year earlier while imports rose 1.5% to \$22,400.5 million, yielding a two-month surplus of \$933.6 million that was down \$1,016.6 million or down 52.1% from the first two months of 1989. Here is a rounded breakdown in millions of dollars:

	FEBRUARY			CUMULATIVE			Change from '89
	Exports	Imports	Balance	Exports	Imports	Balance	
U.S.	8,629.1	7,805.8	+823.3	17,296.8	15,259.0	+2,010.7	-419.7
Japan	687.2	840.8	-153.6	1,387.3	1,470.7	-83.4	-330.1
U.K.	317.3	410.6	-93.2	564.3	767.7	-203.3	+33.9
other EEC	558.9	915.5	-356.6	1,156.3	1,805.5	-649.2	-309.2
other OECD	375.9	376.6	-0.7	664.0	722.7	-58.7	+47.6
all others	1,140.5	1,095.4	+45.1	2,292.5	2,374.9	-82.4	-39.0
TOTALS	11,708.9	11,444.7	+264.2	23,334.1	22,400.5	+933.6	-1,016.6

External Affairs Budget

Finance Department figures show the External Affairs share of the federal budget in February, trailed year-earlier levels. Total federal spending in the latest month was \$11,947,707,000, of which \$318,006,000 or 2.66% was for External Affairs and related programmes. This compared with \$354,221,000 or some 3.06% of \$11,570,972,000 of overall spending in February, 1989. A comparison of the cumulative figures for the first 11 months of the year, which ended March 31, shows total spending to February 28 was \$123,880,624,000, of which \$2,523,251,000 or 2.03% was for the External envelope. The comparable 1988-89 share was \$2,676,177,000 or 2.33% of \$114,378,077,000. Here is a rounded breakdown in thousands of dollars:

	FEBRUARY		F. Y. CUMULATIVE	
	1990	1989	1989/90	1988/89
Interests abroad				
Operating costs	64,230	45,412	580,472	527,169
Capital costs	9,683	6,034	74,603	56,296
Grants	36,650	30,084	186,671	168,637
Passport fund	-1,357	-1,308	-1,930	-3,268
APF*	—	—	—	500
World exhibitions	7	100	364	1,913
Sub-total	109,213	80,322	840,180	751,247
CCC*	2,136	498	12,859	12,112
CIIPS*	—	—	4,000	4,250
CIDA*				
Operating costs	7,622	9,273	85,884	82,138
Grants	146,068	153,989	1,320,445	1,535,544
Pytmts to financial inst.	39,126	34,569	78,752	106,057
APF*	—	—	—	500
Sub-total	192,816	197,831	1,485,081	1,724,239
Canadian Secretariat	447	—	825	—
EDC*	4,554	64,678	69,810	69,723
ICOD*	—	900	7,200	6,150
IDRC*	9,050	9,516	99,525	104,683
IJC*	210	476	3,771	3,773
OVERALL TOTALS	318,006	354,221	2,523,251	2,676,177

*Abbreviations used refer to the following:

- APF — Asia Pacific Foundation
- CCC — Canadian Commercial Corp.
- CIIPS — Canadian Institute for International Peace & Security
- CIDA — Canadian International Development Agency
- APF — Asia Pacific Foundation
- EDC — Export Development Corp.
- ICOD — International Centre for Ocean Development
- IDRC — International Development Research Centre
- IJC — International Joint Commission