

efforts to secure an "internationally acceptable" political settlement. Canada once again called for the re-establishment of Afghanistan's "independence, sovereignty and non-alignment" (Canadian Delegation to the UN press release, November 13).

BRAZIL

Canadian Diplomat Charged

On October 2, a Canadian diplomat, William Johnston, was charged by Brazilian authorities in São Paulo with possession of cocaine. Just ending a three-year assignment as consul and senior trade commissioner in São Paulo, Mr. Johnston was released after posting bond. Following the arrest and detention, Canadian officials endeavored to have the charges dropped by the Brazilian Ministry of Justice. While there was some question as to whether diplomatic immunity might be invoked by a foreign representative whose term had expired in a host country, External Affairs spokesman Sean Brady noted that the Vienna Convention afforded protection in the country of posting until departure. Mr. Brady also stated that the Canadian Criminal Code contained provisions covering diplomatic personnel charged with offences while abroad. Upon his return to Canada, Mr. Johnston was suspended by the External Affairs Department pending both an internal investigation and separate action by the RCMP (*Globe and Mail*, October 4, *The Citizen*, October 5, 18).

CHINA

Line of Credit

In early October, Canada's Export Development Corporation extended a line of credit, originally established in 1979, for two billion US dollars to the Bank of China. It was hoped that this would lead to an increase in the sale of Canadian goods and services to China. While only a small portion of the first credit line was ever used, External Affairs Minister Joe Clark stated that recent economic developments within China had spurred a "heightened interest" and created a more favorable atmosphere for increased trade and development between the two countries. In future, Canada would seek to expand its share of the growing Chinese market. On the topic of China's opening of its economy, EDC spokesman Michael Carmichael said that a fairly "high level of commercial activity" had arisen — a significant portion of which Canada would strive to secure. Under the extended agreement, the Bank of China would lend money from the credit line to Chinese importers for the purchase of Canadian capital goods and services (including buildings, machinery and technology) according to news reports (*Globe and Mail*, October 3).

Provincial Trade Mission

In a further instance of Canadian efforts to penetrate the Chinese economy, Manitoba Premier Howard Pawley

led a delegation (including his Energy and Mines Minister) on a five-day mission to China. Acknowledging the "enormous potential" for economic growth in that country, Mr. Pawley stated that both the hydro-electric and potash industries were prime considerations in his trade talks with Chinese officials. With China under Premier Xiaoping encouraging the importation of foreign technology and capital, the Manitoba Premier saw an opportunity to forward his province's interests in the two fields. Mr. Pawley mentioned the establishment of an internship program in Manitoba's hydro industry for Chinese technicians, as well as the possibility that China might consider the purchase of Manitoban potash as chemical fertilizer in its agricultural modernization program. Said Mr. Pawley, "We have an objective in mind [and] our product is one they need, so we approach it on a business basis" (*Globe and Mail*, October 23).

EGYPT

De Havilland Sale

The possibility of a \$12 million repayment on a 1981 Egyptian government purchase of ten Buffalo transport aircraft (worth \$128 million) from Canada's De Havilland Aircraft surfaced when the firm's annual report for 1983 was released. Receiving coverage on the CBC television program "The Fifth Estate" of November 13, the De Havilland report contained a footnote indicating that "a customer may be in a position to justify a claim against the company" for misrepresenting the way business was transacted. It was noted that the Egyptian government had been promised that no agents would be involved in the sale and no commissions would be paid, and this received a clause in the final agreement. However, De Havilland utilized and paid for the services of a Nassau-based consulting firm, Scientific and Aviation Systems (SAS), in concluding the contract with Egypt. Reporter for The Fifth Estate, Eric Malling stated that while the De Havilland board of directors approved the deal, officials remained unsure with whom they were dealing (SAS). "De Havilland doesn't really know. And perhaps it doesn't want to," he added. The amount paid to SAS (over four years and in varying amounts) was the numerical equivalent of a 10 percent commission on the sale to the Egyptian government. This appearance of paying a commission was the reason for the inclusion of the footnote in the De Havilland annual report, since Egypt was in a position to sue for the return of the \$12 million. News reports added that the RCMP was completing an investigation of the sale (*Globe and Mail*, November 14).

ETHIOPIA

Famine Relief

While numerous African nations endured the intense hardships produced by drought and inadequate food supplies, it was Ethiopia's plight which attracted the major part