

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 bent as he fixed primarily on domestic issues. Apart from one particularly notable exception, when he ventured into the political minefield that is the Middle East, his views of the rest of the world tended to echo Liberal doctrine.

At the outset of his campaign, during which he often focused on the government as opposed to his challengers, he said the candidates had to come to grips with two principal questions.

One was the "profound concern that ... all Canadians have" about the ability of Prime Minister Mulroney's administration to deal with global forces of change. "They still operate as if we lived in the 1950s. This is a world where you go to bed one night with the Berlin Wall standing and when you wake up in the morning people are dancing on it. For the Tories, the walls are still there.... It will not be long before the same spirit of reform we have seen in Eastern Europe sweeps through China, South Africa and other parts of the world where the goals of equality and human rights remain 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 Martin said that the "instant nuclear Armageddon so many of us feared as children has been replaced by the fear of an even more insidious and relentless threat to our planet: the degradation of our environment."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

restrictions on the ability of U.S. firms to buy out Canadian companies as well as entrenched protection for Canadian agricultural price support programmes.

Highlights Environment

Another Martin cornerstone has been the environment. "Canadians are more aware than ever before of the environmental plague that threatens to overwhelm us," he told an Alberta audience. He promised a Liberal government would evaluate the environmental impact of all its policies. "Some will ask what will be the impact of policies such as these on our international competitiveness. I believe that by setting the most stringent environmental policies in the world we will be forced to invent new technologies ... which we can then sell to a world market which will be playing catch-up with Canada."

He urged creation of international institutions to address the issue. "The current international judicial system does not have the capacity or expertise to deal with environmental issues. We should set up an international environmental court that will adjudicate disputes." 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

As far as the Middle East is concerned, Mr. Martin involved himself in that debate during an address to a B'nai B'rith audience in Montreal in mid-March. His proposal that Canada should offer "moral and material" support to Soviet Jews emigrating to Israel was, in itself, fairly innocuous. "We as Canadians have a responsibility to help Israel handle the influx," he said.

But he was asked about the emigrés potentially displacing Arabs and Palestinians from the West Bank, the Gaza Strip and East Jerusalem. Mr. Martin replied that when refugee ships were turned back early in World War II, "the Western world became irrevocably committed to the state of Israel." Furthermore, that meant "Israel has got to have the right and has got to be the ultimate destination for those who want to emigrate ... from whatever part of the world."

The ensuing uproar was reminiscent of then prime minister and now External Affairs Minister Joe Clark's abortive 1979 suggestion that the Canadian embassy in Israel be moved from Tel Aviv to 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:

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Income	Change from '89
10.7	-419.7
83.4	-330.1
03.3	+33.9
49.2	-309.2
58.7	+47.6
82.4	-39.0
33.6	-1,016.6

CUMULATIVE	
1990	1988/89
472	527,169
603	56,296
671	168,637
930	-3,268
—	500

This compared with \$334,221,000 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:

	7	100	364	1,913
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
Pymts 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