

SIGNPOSTS

OTTAWA — Immigration levels should be frozen at current levels for the next two years so as to give Canada time to determine whether its services are adequate and to remedy the situation if they aren't. In proposing this, a House of Commons committee says that although it's generally held that current levels are "not placing an undue strain on the country," several witnesses at committee hearings have warned of "potential social pressures, especially if the economy were to slow." Noting that the 1990 immigration target is 200,000, the committee says "a degree of stability at this time would give our settlement services an opportunity to try to catch up with demand, our schools a chance to upgrade their teaching of English or French to the many immigrant children who know neither, and our large cities a chance to ensure successful integration of their many arrivals."

WASHINGTON — American rules limiting the minimum size of Canadian lobsters do not constitute a restriction on imports as defined by the Free Trade Agreement, according to a dispute settlement panel set up by the two federal governments. The U.S. edict, which applies domestically too, is designed to reduce the number of younger lobsters being taken, but it was challenged by the Canadian industry as discriminatory. International Trade Minister John Crosbie and U.S. Trade Representative Carla Hills have until late August to consider the panel's ruling. During this time, they also will try to strike a compromise after further consultation with the provincial and state governments involved as well as the lobster industry.

OTTAWA — The federal government wants to involve provincial authorities in implementing recommendations of the Financial Action Tax Force established by the Economic Summit countries as part of the campaign against "laundering" of criminal proceeds. The decision has been confirmed by Minister of State (Finance) Gilles Loiselle, who said that while Canada already complies with the main Task Force recommendations, "there is still work to be done in several areas." Canada has signed Mutual Legal Assistance Treaties with Australia, the

Bahamas, Britain, France, Mexico and the United States and has negotiated agreed texts of treaties with West Germany, the Netherlands and Switzerland. It also is pursuing negotiations with Italy, Japan and South Korea.

WASHINGTON — House of Representatives approval of a new clean air bill, on the heels of one passed by the United States Senate, is welcome news for Canada. "The bills... seek to reduce emissions of sulphur dioxide in the U.S. by 10 million tonnes," Prime Minister Mulroney said. "This move, advocated since 1984 by the Canadian government, would reduce the transboundary flow into Canada by about one half." He lauded the development as "a further encouraging step forward in the U.S. legislative process" and a "concrete demonstration that administrative and congressional leadership is being shown on this North American environmental issue." The next step is for both federal governments to negotiate "an air quality accord" that would formalize each other's obligations. The two houses of Congress will sort out differences between their bills before sending a final piece of legislation to President George Bush, whose signature is required to make the measure law.

OTTAWA — The federal government is being asked to "take all steps" to prevent further expansion of Detroit City Airport just across the United States border from Windsor. Opposition Leader Herb Gray, whose constituency is in the Ontario city, tabled a House of Commons petition to that effect with nearly 8,000 signatures. The airport was expanded last year and because it uses Canadian airspace, local residents are concerned about further expansion. They want Ottawa "to ensure that no such expansion takes place that creates noise or other pollution" and that there are no risks to Canadians' health or safety.

ASUNCION — Participating for the first as a full member at a meeting of the Organization of American States, Canada volunteered an additional \$1.8 million in funds and recommended institutional changes in the 33-member body. Half of the new funding is for development projects in areas such as education,

science and culture while the other half is for human resource development, including the status of women, and environmental protection. The institutional changes proposed include a stronger political role and creation of a permanent presidential council. Canada joined the OAS as a full member in January after preferring to maintain only observer status for decades.

OTTAWA — The federal government is determined to show that it means business with the Fisheries Act. A package of draft amendments provides for an increase to \$100,000 from \$5,000 in fines for general statutory violations while the penalty for pollution or other offences that injure fish habitat would range up to \$1 million. Second and subsequent convictions would fetch jail terms up to two years for general violations and imprisonment for up to three years on habitat violations. The amendments also would facilitate collection and verification of catch data, an essential component of developing programmes to rebuild stocks. "Conservation and sustainable development of Canada's fish stock demands tough action against those who would jeopardize the future of this resource", Fisheries and Oceans Minister Bernard Valcourt said. "The punishment must fit the crime and not simply be a cost of doing business as it has been in the past."

SANTIAGO — In the first such venture between an export credit agency and the Washington-based Multilateral Investment Guarantee Agency (MIGA), an arm of the World Bank, Canada's Export Development Corp. has issued a \$158 million (U.S.) foreign investment insurance policy in connection with an investment by Placer Dome Inc. in 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 800 kilometres north of the capital, the mine has a 12-year production life estimated at 2.2 million ounces of gold and 114 million ounces of silver. The EDC agreement with the MIGA means the latter will reinsure 35% of EDC's coverage of a variety of political risks.

POLICY

Canadian Foreign Policy and the Challenge of Change

The counter-revolution of the past year took many western observers by surprise and has altered fundamentally some of the main building blocks that have underpinned Canadian foreign policy since World War II. Amid the euphoria in Europe, last summer's Tiananmen Square massacre in Beijing was a dramatic reminder of the fragility of change.

Those are the premises in *Canada Among Nations*, sixth in a series of annual reports tracing the development of this country's foreign policy. It is co-edited by Maureen Appel Molot, a professor in The Norman Patterson School of International Affairs and in the Department of Political Science at Carleton University in Ottawa, and Fen Osler Hampson, an associate professor in the Patterson school.

"Last year was probably the most important year of the decade and a significant turning point in postwar relations," Molot says. "The dramatic changes... challenged Canadian politicians and senior bureaucrats to re-examine this country's foreign policy. Unfortunately, their response was often slow, inconsistent and, in some cases, inadequate." She attributes the problems with Canada's increasingly complex foreign policy agenda to the sheer number of issues, divided bureaucratic responsibilities, the concentration of decision-making power in the Prime Minister's Office and cuts in the External Affairs budget. Even so, she acknowledges the promotion of multilateral agreements pertaining to the Arctic and the support for the Open Skies negotiations.

In their introductory chapter, *The Challenge of Canada*, Molot and Hampson contend that the experience of the late 1980s underscores the need for development of "appropriate policies" which would position for the 1990s. "Not only must we understand the implications of change in Eastern Europe for the future economic and political shape of Europe as a whole, but we have also to appreciate what they will mean for Canada. In short, the challenges that will continue to face the Mulroney government in the future are formidable...."

"In the political security arena, the government faces the need for accom-

modations to an undivided Europe and the possibility of one Germany, with the consequent requirements for new definitions. Developments in the international security system have clear ramifications for the global economy, insofar as NATO members will have to respond to requests for economic assistance from Eastern European states concerned with economic restructuring. With respect to the global economy, the challenge is that of continuing adjustment to growing globalization in the context of uncertain economic prospects, at least in North America....

"Given Canada's export dependence on the United States (some 75% of total Canadian exports go to the U.S.), any economic downturn in that country has the potential for negative consequences for Canadian exports and carries with it the possibility of increased resort by American producers to contingency protection.

"In terms of the Third World, the challenge for Canada to bear its share of the responsibilities for ameliorating the economic situation of most of the South. Here, concern for improvement in the conditions in the less developed countries clashes with the realities of domestic budgetary constraints and the need to protect Canadian industries against import competition. There are fears that 1990 will see a further slide downward in the monies Canada spends on official development assistance; moreover, Canada continues to impose restrictions on imports from a number of Third World countries.

"As the government seeks to shape Canada's foreign policy for the 1990s, it will have to develop a clearer set of priorities than it has done so far.... If 1989 was a year marked by the challenge of change, the 1990s must surely represent a decade of new directions for Canada and Canadians."

Hampson also contributes a chapter on Canada's environmental agenda. The other writers in the project, each addressing one or more of the challenges facing the Mulroney administration, are Lenard Cohen, associate professor of political science at Simon Fraser University in Burnaby, B.C., on *The Soviet Union and Eastern Europe in Transition:*

Trends and Implications for Canada; Jeremy Paltiel, assistant professor of political science at the University of Alberta in Edmonton, on *Rude Awakening Canada and China Following Tiananmen Square;* Carl McMillan, professor of economics at Carleton, on *Canada's Response to the "New Detente" in East-West Economic Relations;* Tariq Rauf, senior research associate at the Canadian Centre for Arms Control and Disarmament in Ottawa, on *Strategic Arms Control;* Roger Hill, research director at the Canadian Institute for International Peace and Security (CIIPS) in Ottawa, on *Conventional Arms Control;* Ron Purver, a CIIPS research associate, on *The North in Canada's International Relations* is by Dan Middlemiss, associate professor of political science at Dalhousie University in Halifax, on *Canadian Defence Policy: An Uncertain Transition;* Lorraine Eden, associate professor at the Patterson school, on *Two Steps Forward, One Step Back: Into the 1990s;* John Curtis, adjunct professor at the Patterson school, on *The Trade Policy Response: Negotiating with the United States and the World;* Robert Clarke, adjunct research professor in the Department of Sociology and Anthropology at Carleton, on *Overseas Development Assistance: The Neo-Conservative Challenge;* Chris Brown, assistant professor of political science at Carleton, on *Canada and Southern Africa: Autonomy, Image and Capacity in Foreign Policy;* and Tim Draimin, director of development policy at the Canadian Council for International Cooperation in Ottawa, and Liisa North, associate professor of political science at York University in Toronto, on *Canada and Central America.*

Canada Among Nations is published by the Carleton University Press and is \$19.95 in paperback and \$29.95 in hardback. It is distributed by Oxford University Press Canada, 70 Wynford Drive, Don Mills, Ont. M3C 1J9. It also is available from the University Bookstore, Carleton University, Ottawa, Ont. K1S 5B6.