

Trade Discussions

A conference on business cooperation between Canada and the EEC was held in Toronto November 27, organized by the Commission of the European Communities with federal government support. An earlier 1976 agreement between Canada and the EEC provided the framework for the conference, designed to encourage and facilitate "broader inter-corporate links." The conference was one of a series of activities under the agreement aimed at developing contacts between the industries of Canada and the EEC. Representatives of enterprises operating in both countries met to discuss "management strategies . . . in an increasingly competitive international marketplace." According to an EEC press release (November 1), principal speaker at the conference was Ivor Richard, British Commission member and former UK representative to the UN. Topics covered ranged from investments and joint ventures to technology transfers, financing and distribution. Attending the conference, Canadian Ambassador to the EEC Jacques Gignac stated that while there had tended to be an increase in friction between the EEC and Canada in recent years, such would be the case in any trading relationship experiencing growth (*Globe and Mail*, December 3).

Days later, in another round of trade discussions between Canada and the EEC, delegates met in Ottawa to examine the bilateral relationship. EEC officials at the talks expressed their disappointment that firmer policy decisions had not yet been reached by the new Conservative government. "Preliminary indications" in some areas, said EEC external relations director Raymond Phan Van Phi, had been the extent to which Canadian policy had been outlined. The EEC was interested in Canadian plans for increased sectoral free trade with the US (which could possibly affect the Canada-EEC trade relationship) and freer trade in general, according to a *Globe and Mail* report December 3. Concern had been expressed over a perceived shift by Canada toward a closer relationship with the US, but, said EEC Commission head Dietrich Hammer, the EEC would not consider availing itself of its rights under GATT until such time as a negative effect had been proven the result of closer ties.

NATO

Canadian Contribution

The annual report of the International Institute for Strategic Studies (London), released October 12, commended Canadian efforts to achieve the goal set by NATO of a 3 percent annual increase in defence spending. The report noted that Canada was among those few member nations (along with the US, Britain and France) meeting the target for increases directed toward the strengthening of conventional forces (*The Citizen*, October 12). While the Institute's survey found that Canada had a high level of per capita spending on non-nuclear defence, it also pointed out that the increased spending levels followed a period of "underspending." Institute spokesman Bob Elliott placed part of the blame for previous government underspending

on a public "apathetic" both to Canada's position "in the outside world" and to the "necessity to have a modern high-tech armed forces." However, said Mr. Elliott, expenses for Canada's defence would steadily rise as the country moves toward a position in which it requires such high-tech equipment. The report indicated a need for Canada to review its NATO function to "see what Canada [could] accomplish in the military environment."

Later that month, the Independent European Program Group (an organization of European NATO allies), called upon Canada to assume a more active role as international intermediary. Jan Houwelingen, chairman of the organization and Netherlands defence secretary, stated that the European allies were concerned about growing tensions between themselves and the US (*The Citizen*, October 25). While on a visit to Ottawa in late October, Mr. Houwelingen explained that the group of European allies looked to Canada to strengthen what were seen as weakened transatlantic ties. Meeting with Defence Minister Robert Coates, he urged that the new Canadian government not concentrate entirely on the US as it reviews defence policy. The Program Group considers Canada's position — as a middle power like the European nations, but possessing a "special" relationship with the US — as ideal for restoring the alliance's "cohesion." Said Mr. Houwelingen, "Canada can build a bridge between the United States and Europe." The group hopes, through increased dialogue, to establish a greater degree of "shared decision-making." At the same time, there could foreseeably open up opportunities for European arms industries in their competition with the larger US industry. While Defence department officials explained that the Houwelingen talks had been a "listening exercise" for Canada, the Dutch Minister indicated that the Canadian response to his proposals had been positive with regard to greater cooperation among NATO members and strengthening of the alliance.

UNITED NATIONS

Canadian Improvement Seminar

A seminar held in Ottawa in late October focussed on methods for improving the United Nations from a Canadian viewpoint. Canadian Disarmament Ambassador Douglas Roche said that the discussions were a result of a request by UN Secretary General Perez de Cuellar that member countries create a forum for considering their role in the UN and how its effectiveness might be increased. Mr. Roche noted that the Ottawa seminar was the first of its kind among UN nations, and added that a more effective UN was essential for a world in a "precarious state" (*The Citizen*, October 30). Following the exchange of opinion, suggestions for strengthening the UN were distributed to both Prime Minister Mulroney, Mr. Perez de Cuellar and various UN agencies.

One consensus arising out of the seminar was that Canada could play a significant role in strengthening the UN, and that the UN itself was vitally necessary to peace, security and development. Many seminar participants praised the continued accomplishment of the UN and its agencies, and cited as a prime reason for general ineffec-