

make progress as quickly as possible," he added (External Affairs transcript, November 23).

Following the November 26 meeting between the External Affairs Minister and the Contadora Ambassadors (from Mexico, Venezuela and Colombia), Mr. Clark stated that discussions had centred on "ways and means of achieving a peaceful solution" to the crisis in the region. Reaffirming Canada's "political and moral support for the Contadora initiative, Mr. Clark called for continued multi-lateral discussions. Utilizing past experience in peace-keeping, Canada would provide the group, at their request, with "comments and advice on control and verification measures" (External Affairs communiqué, November 27).

However, according to External Affairs spokesman Sean Brady, speaking on Global television November 26, Canada again expressed to the Contadora group its continued reservations about "control and verification procedures" and pointed to several areas in which changes might be made in the draft agreement in order to achieve a "more meaningful" plan. The Contadora group's proposed peace commission will receive Canadian improvement suggestions rather than an immediate acceptance of any active role, said Mr. Brady later on CBC radio. To be effective, a peace commission needs sufficient authority to carry out its monitoring role. Canada would like to see "an acceptable body" with the authority among participants to "induce" them to "adhere to the kinds of decisions the Commission would take on the basis of its monitoring" said Mr. Brady. Should such a body, with the strength to enforce compliance, be created, Canada "would certainly strongly consider participating in such a commission," he added. Canada is to present the Contadora Group with a written and detailed summary of the government's reservations on enforcement, along with an examination of additional concerns such as commission financing. As the External Affairs Minister stated in a scrum November 28, "I think that there may well be a role that Canada can play . . . It may be a small and a limited role, but we are looking to see if there is something useful we can do to bring some peace and stability to that region" (External Affairs transcripts, November 28, *The Citizen*, November 27).

EEC

Canadian Newsprint

Friction between Canada and the European Economic Community (EEC) over exports of Canadian newsprint continued through October, with a report being submitted late in the month by a special panel of the General Agreement on Tariffs and Trade (GATT) designated to mediate the dispute (see "International Canada" for August and September 1984). Canada had lodged a complaint with GATT over an EEC unilateral decision to reduce the limit imposed on duty-free newsprint imports, after negotiations for a new quota had proved futile (*Globe and Mail*, November 5). The panel report, going before the full GATT council for endorsement, called for resumed negotiations between Canada and the EEC. It also stated that both countries should take into consideration the facts

that the EEC had the right to reduce the quota since the Scandinavian countries no longer shared a portion of the Canadian limits (now being members of the Community); that the EEC could not act unilaterally and must negotiate new limits with Canada; and that new limits must prove reasonable and take into account past quotas.

The Canadian newsprint industry viewed the panel report as a progressive step in negotiating increased quotas with the EEC, possibly providing them with the weight of a GATT direction to negotiate. (The industry had been operating under temporary quotas in recent months.) Officials indicated that Canada would press for a "permanent position" for Canadian newsprint on the EEC market, while at the same time seeking more flexibility in determining increases that would allow for market growth (*Globe and Mail*, November 6).

A report in the *Financial Post* for November 10 anticipated an acceptance of the panel report by the GATT council that week, stating that Canadian officials expected an acceptance which would permit a resumption of negotiations. Consensus among EEC member countries with regard to their position was necessary before such negotiations could proceed. Support for the Canadian position came primarily from Great Britain, with Italy being most adamant in its attempts to retain the reduced limits, because of its surplus newsprint production. With GATT council acceptance, the report's recommendations were to form the basis for resumed negotiations aimed at achieving a mutually satisfactory compromise agreement on quotas (*Globe and Mail*, November 14).

Beef Imports

The federal government was asked by the Canadian Cattlemen's Association (CCA) in October to curtail imports of subsidized beef from the EEC. The CCA held that the figures for EEC beef imports during 1984 were greatly increased over previous years, and that the subsidized beef (being sold in Canada below EEC market price) were depressing the Canadian market and costing domestic cattle producers upwards of \$50 million. Taking its case before the Anti-Dumping Tribunal, the CCA was able to prove subsidization but not material injury (*Globe and Mail*, October 22). The EEC subsidies on beef exports, coming primarily from Ireland and Denmark, were the result of a surplus of slaughtered beef, which was itself the result of an attempt to alleviate a surplus in milk, butter and cheese products. The CCA requested that the government impose limits on beef imports established under GATT (a yearly figure of 145.1 million pounds that was passed in early November). However, the CCA request would necessitate a curtailment of imports from the US as well from EEC countries, and the US market is the largest for Canada's own meat exports. Political consequences and possible retaliatory action on the part of the US could prove more harmful than the EEC's surpassing of quota limits. Rather than invoke the GATT quota at year's end, Canada was expected to set strict global guidelines for 1985, according to a *Globe and Mail* report November 19. It was also suggested that, in future, separate quotas might be created for individual trading partners.