

sectors would not be prevented from accepting US military research contracts arising from the project. Such a restriction, said Defence Minister Erik Nielsen, would be "a terrible impediment" to Canadian free enterprise (*The Citizen*, June 1). Opposition critics were quick to criticize such blanket permission without benefit of either a direct policy decision by the government or a Parliamentary examination of the issue. (An all-party committee was conducting cross-Canada hearings into SDI as one aspect of its foreign policy examination [see "International Canada" for April and May 1985].)

One group urging Canadian participation in SDI was the Aerospace Industries Association, whose president Ken Lewis told the committee that Canada should join with all possible speed in order to avoid being left behind in technological developments. While citing the commercial benefits to be accrued through involvement in the research phase of SDI, the association held that only early participation would provide an adequate basis for making a decision on possible Canadian cooperation in a development phase (*Globe and Mail*, *The Citizen*, June 12). Mr. Lewis stated that "as a nation becoming increasingly dependent upon high technology to generate our wealth we cannot afford to pass this opportunity." However, while Mr. Lewis saw the SDI debate as "clouded by a great deal of hysterical and dramatic rhetoric," critics of Canadian participation remained in the majority.

Operation Dismantle, a peace organization previously involved in the fight to avert Cruise missile testing in Canada, vowed to use "every technique within the law to overturn and reverse such a disastrous policy," should the government become involved in SDI (*The Citizen*, June 14). The group expressed concern that even a negative decision might be circumvented through the issuance of government funding to private industry involved in contractual arrangements with the US Defence Department.

Later in the month, it was announced that the report commissioned in mid-April by the government from Arthur Kroeger into the US invitation to participate in SDI would neither be made public nor tabled in the Commons, but rather would be passed to Cabinet. Mr. Kroeger's report was compiled as an examination of the strategic, scientific and economic implications of Canadian involvement, and followed the submission of briefs from interested organizations as well as meetings with US defence specialists (*Globe and Mail*, June 25).

Strong criticism of participation in SDI — in fact, nearly all military expenditure — as a "technological and economic dead end" came from the Ottawa-based North-South Institute in a report released that same month. Entitled *Disarmament and Development*, the report downplayed the oft-claimed developmental benefits. Evidence had indicated that "spending money and research skills on military expenditures [was] an uneconomic means of development" (*Globe and Mail*, June 27). While draining "manpower, finances and natural resources," military research did not provide a "productive return on investment." While advocates of SDI had elaborated on the spin-offs of research, the Institute's report noted that these "paled" in relation to the "magnitude and cost" diverted from "improving productivity and improving the quality of life."

A Liberal task force examining several foreign affairs and defence issues also cast a negative vote, calling for Canadian adherence to its traditional role of international mediator, the "honest broker, negotiator and peacemaker" in an interim report on SDI (*Globe and Mail*, July 13). Canadian participation would "seriously erode" Canada's position as an international voice of moderation, the report added. A rejection would allow Canada to assist the superpowers in coming to terms with world tension on a political rather than on a military footing. In addition to a loss of political independence, involvement in SDI would "destabilize the current strategic balance." SDI also represented a "quantum leap" in the arms race, both in regard to the militarization of space and a diversion of funds from international development to weaponry.

Similar criticisms were levelled by the Canadian Labor Congress which, in testimony, indicated an unwillingness to have its membership involved in jobs resulting from the SDI program (while at the same time expressing doubts as to the likelihood of appreciable job creation). CLC vice-president Richard Martin noted that "military research and development is not a job creator of consequence . . . More jobs in a world made more dangerous is not a goal for the CLC, nor should it be for Canada" (*Globe and Mail*, July 19).

Lumber Exports

The problem of impending US protective measures directed against foreign lumber continued to threaten Canadian exports during this two-month period. In early June, an ongoing International Trade Commission (ITC) investigation into Canadian products was extended, examining claims by the US industry that growing Canadian penetration of the US market was harming the domestic producers. Proposed legislation before the House of Representatives would institute curbs on Canadian lumber, using perceived subsidies as grounds for such measures (see "International Canada" for April and May 1985). One particular bill, sponsored by Sam Gibbons (Democrat, Florida), would redefine subsidies and thus permit retaliatory action against Canadian stumpage fees. However, Canadian lobbyists (as well as the US administration) regard the bill as contrary to "accepted definitions of countervail and subsidy" in view of its interpretation of lower Canadian stumpage fees (*Globe and Mail*, June 6, 7, 13). Government (both federal and provincial) and industry spokesmen presented the Canadian case to Congressional members in mid-June, stressing that no subsidy existed in the Canadian system of stumpage fees. Once again, emphasis was placed rather on the high value of the US dollar as the cause of increased imports.

Following the intensified Canadian lobbying effort, Canadian Forestry Service spokesman Richard Herring stated that Canada would neither compromise nor voluntarily submit to export restraints and would continue to work against any protective bills. While the US administration had not officially requested cutbacks, he said, such had been the underlying goal during consultations (*The Citizen*, June 13).

However, a delegation of Congressional members meeting with senior administration officials in late June