

In his introductory remarks at the dialogue meeting, Mr. Chrétien reaffirmed Canada's intention to increase economic ties with the Pacific nations as a means of ensuring its own future prosperity. He mentioned as important factors in developing these ties, "increased two-way trade, joint ventures and investment both within ASEAN and Canada, and a collective will to reduce impediments to trade and commercial cooperation." Praising the ability of the ASEAN nations to establish a "common sense of destiny and a tradition of mutual support," Mr. Chrétien pointed out the benefits to be derived from consultation. The Deputy Prime Minister also mentioned the necessity of political stability and social progress for attaining joint economic and commercial objectives. He concluded by stating that Canada would continue to work toward a strengthened relationship with the nations of Southeast Asia, a relationship of "developing contacts and expanding mutual awareness" (External Affairs statement, July 13).

## **CENTRAL AMERICA**

### **Canadian Role**

The Inter-Church Committee on Human Rights in Central America, which represents most Canadian religious denominations, published a brief in mid-June which called for an increased role for Canada in the Central American region. The Committee felt that financial constraints, cited earlier by the Government as responsible for not establishing a Canadian embassy in Nicaragua, were insufficient reason for failing to develop a Canadian diplomatic presence in the troubled region. The brief cited several factors which indicated a growing risk of full-scale regional war, including "continuous military conflict, 'covert war,' and grotesque violations of human rights." The Committee called upon the Canadian government to become more active in voicing its opposition to what the Committee perceived as inflammatory US activities in the region. The US, the brief stated, had contributed to the escalating tensions with its high level "verbal tirades," direct and indirect sponsorship of "contra" warfare, "provocative acts," and "sustained economic pressure." It was suggested that a statement from the External Affairs Minister opposing US militarization might prove productive. The Committee also mentioned specifically the role Canada is playing in opposing US efforts to destabilize the Nicaraguan Sandinista regime and asked for an outline of government policy on the issue (*The Citizen*, June 13).

## **ECONOMIC SUMMIT**

### **London Meeting**

The Economic Summit meeting held in London, England, in mid-June saw the leaders of seven of the largest industrialized democracies maintain a cautious appearance of harmony in their final declaration. Representatives from the US, Canada, Japan, Britain, West Germany, France and Italy ended their meetings by con-

cluding that, in general, the world economy and those of the industrialized nations were heading in the direction of recovery. Discordant elements — such as high US interest rates, continued high unemployment and a lack of investment — were downplayed during the Summit. While only general reference was made to the need to pursue lower interest rate policies, several participants (including Britain's Chancellor of the Exchequer Nigel Lawson, Canada's Finance Minister Marc Lalonde and French Finance Minister Jacques Delors) remained critical of US economic policies and concomitant high rates (*Globe and Mail*, *The Citizen*, June 11).

A more concrete initiative was evident in the area of Third World debt, with recommendations forthcoming on alleviating the crisis. Mentioned among these were a re-scheduling of longer-term debt, increasing investment and equity capital from industrialized nations, increasing cooperation between the International Monetary Fund (IMF) and the World Bank, and an easing of interest rate burdens through new debt-servicing arrangements. An examination was also to be made of the possibility of replenishing the IMF with a new issue of Special Drawing Rights, the *Globe and Mail* report continued. It was noted that "retrenchment and self-help" on the part of the debtor countries were seen by the Summit participants as essential for recovery (as well as for the awarding of "rewards and incentives").

Proposals agreed upon included a charter of rights and freedoms entitled "Declaration of Democratic Values," one on East-West relations, one on the Iran-Iraq conflict, and one on international terrorism. The Final Declaration continued the tone of harmony established by Britain's Margaret Thatcher in her opening address, calling for efforts to keep inflation down and restrain public spending. High interest rates were mentioned in passing, as the declaration called for governments to adopt economic policies "which will be conducive to lower interest rates." While mention was made of establishing negotiations for world trade talks, no agreement on a timetable was achieved.

Then-Prime Minister Pierre Trudeau expressed satisfaction with the communiqué on East-West relations, which mirrored several aspects of his own peace initiative. The declaration contained conciliatory wording with regard to the Soviet Union, and mentioned the need for increased political dialogue and long-term cooperation. It stated that East and West have common interests in "preserving peace, in enhancing confidence and security, in reducing the risks of surprise attack or war by accident, in improving crisis management, and in preventing the spread of nuclear weapons." Mr. Trudeau praised the Summit participants for making a separate declaration on East-West relations and for recognizing the need for an acknowledgment of "common interests" with the Soviet bloc. At his press conference he said that the present stand on East-West relations marked an improvement over the harder line taken previously at the Williamsburg Summit. Mr. Trudeau concluded by stating that it was evident that the Summit leaders were increasingly receptive to a thaw in their response to Soviet security interests, and this receptivity was apparent in the current language being used by the US and Great Britain, which was now "less strong."