

The House of Commons Committee on External Affairs and International Trade tabled its report on June 23 (See *Bilateral Relations — USA*, above). It urged the Canadian government "to exert maximum political and diplomatic pressure on offshore [automobile] manufacturers" (*Globe and Mail*, June 24). While arguing that Canada should accept the principle that companies benefitting from sales in the Canadian market should also create Canadian jobs, the committee refused to go along with the demands of the domestic auto industry to have all offshore manufacturers produce cars in Canada worth 75 percent of their total Canadian car sales, the *Globe and Mail* report said. To demand production and Canadian content requirements in return for the right to sell automobiles in Canada could run afoul of the international trade rules set out in the GATT, the committee said.

Industry Minister Michel Côté told the committee that Canadian content legislation could actually drive automobile investment out of Canada to the US and thus raise car prices for Canadian consumers.

The Canadian Association of Japanese Automobile Dealers presented to the committee a study by Coopers and Lybrand Consulting Group which estimated that, in 1985, the "voluntary restraints" on imports of Japanese cars cost consumers \$570 million in higher car prices but created only 3,180 new jobs, for a cost per job of \$179,000. The committee's report agreed that requiring high levels of Canadian content might lead to higher costs for consumers, "but we are forced to ask, nonetheless, what would be the cost in terms of production, employment, and especially Canada's ability as an industrialized nation, if we allowed unfettered access to our market in such a critical manufacturing sector. . . . While the majority of the committee does not, for the moment, advocate the introduction of explicit content legislation. . . we nevertheless unanimously call upon the government of Canada to exert maximum political and diplomatic pressure on offshore manufacturers," the committee's report said.

The committee also recommended that in addition to diplomatic pressure, the government should continue to use the voluntary restraints and should monitor each company's performance in terms of Canadian content and the ratio of Canadian production to sales in Canada. It also asked the government to seek trilateral talks with the US and Japan in an effort to make sure that Japanese companies set up their North American factories in a way that would let them operate under the auto pact. Finally, the committee called for an automobile task force, with representatives of offshore car makers and their dealers as well as representatives from North American vehicle and parts manufacturers and the Canadian Auto Workers union (*Globe and Mail*, June 24).

## South Africa

### **Sanctions**

External Affairs Minister Joe Clark told the Commons on June 1 that the Canadian government had been asked by South African president P.W. Botha to sever ties with the African National Congress (ANC). The Minister said the

request had been contained in a letter from Mr. Botha to Prime Minister Brian Mulroney and the leaders of the six other Group of Seven nations who were meeting in Venice the following week. The letter said that "reform is impossible if Western governments lend a ready ear to the perpetrators of violence. . . . Efforts to break the cycle of violence and promote dialogue" would be welcomed, Mr. Botha wrote, adding that "it would be constructive if a clear message could be sent from Venice to the perpetrators of violence to the effect that their reprehensive [sic] deeds will not be countenanced by the civilized world" (*Toronto Star*, June 3).

The *Toronto Star* also reported on June 3 that Mr. Botha had, in a Cape Town news conference, accused Mr. Clark of "pure bad manners" in discussing the letter in public without having sent an official response to the South African government. Mr. Botha said that at no time had his government asked Canada to cut its ties to the ANC. "It's not for the South African government to tell a foreign government whom to meet or whom not to meet, just as it is not for foreign governments to prescribe to us whom we should meet or not," he said.

The *Globe and Mail* reported on June 4 that *The Citizen* newspaper of Johannesburg had run an editorial on June 3 accusing Canada of furthering its "hate South Africa campaign," saying that Mr. Clark had distorted the contents of Mr. Botha's letter. The editorial added that Canada could not look after its Indians properly, "yet it takes an inordinate interest in trying to force South Africa to abandon apartheid and hand over the country to black majority rule."

On June 16 Prime Minister Brian Mulroney told the Commons that Canada had not abandoned its 2-year-old promise to sever diplomatic relations with South Africa if apartheid remained in place. The Prime Minister told Howard McCurdy (NDP — Windsor-Walkerville), "I've indicated that we did not exclude that course of action at all, but at an appropriate time. . . . We have maintained, and continue to maintain, a dialogue in the hope that Canada and its partners" could bring more pressure on South Africa to dismantle apartheid. Mr. Mulroney referred to the two upcoming summits to be held in Canada — the franco-phone nations in September and the Commonwealth nations in October — as opportunities to marshal world opinion against apartheid.

The *Ottawa Citizen* reported on June 17 that Canadian ANC spokesman Keith Philander of Regina had said the previous day that ANC leader Oliver Tambo would, during his planned visit to Canada later in 1987, demand from Mr. Mulroney a pledge to sever diplomatic relations with South Africa.

In the Commons Mr. McCurdy called on the Prime Minister to sever all ties — economic and diplomatic — with South Africa before the end of the parliamentary session. The statements in the Commons were made as hundreds of thousands of black South Africans stayed away from work to mark the anniversary of the 1976 Soweto riots, in which hundreds of people were killed (*Ottawa Citizen*, June 17).

Later in June, the *Toronto Star* reported that Archbishop Ted Scott, a former primate of the Anglican Church of