

Canada Promotes Common Ground in London and Houston

Reprising Canada's traditional role as an "honest broker" in world affairs, Prime Minister Brian Mulroney figured prominently at the latest Economic and NATO summits. Common to both agendas was the Soviet Union with the question of direct western financial aid hotly debated in Houston and the emergent new order in Europe dominating the discussions in London.

Mr. Mulroney said that it was important for the G-7 group of seven leading industrial nations, in tandem with the European Community (EC) to pick on the "political and military signals" sent by the North Atlantic Treaty Organization to Soviet Leader Mikhail Gorbachev. "Where would we be if he got chucked out?" Mr. Mulroney has asked during a pre-Summit interview. "... We'll be considering an economic response not only to his concerns but to our own." West German Chancellor Helmut Kohl has suggested a \$15 billion aid package. However, the United States has said the Soviets should first trim their defence budget and Japan wants to regain the northern Kuril Islands the Soviets seized after the Second World War.

On the second day of the Houston Economic Summit, the leaders committed their administrations "to working with the Soviet Union to assist its efforts to create an open society, a pluralistic democracy and a market-oriented economy." When the 16th annual gathering had ended, President George Bush lauded the "positive and unanimous conclusion" arrived at by his British, Canadian, French, Italian, Japanese and West German counterparts as well as the EC leaders.

At the close of the Summit, Mr. Mulroney said the answer to President Gorbachev's call for western support is resoundingly in the affirmative. "President Gorbachev's reform policies, if effective, will not only benefit his nation; they will advance the interest of us all," Mr. Mulroney said. "We know the alternatives. ... We say 'yes' to the sustained dialogue he has asked for." However, instead of direct financial aid, the Summit yielded only a recommendation that the International Monetary Fund and other multilateral agencies such as the European Bank for Reconstruction and De-

velopment study the Soviet economy. The idea is to establish criteria for possible economic assistance. That does not preclude individual Summit countries from providing unilateral aid; External Affairs Minister Joe Clark is expecting that "there will probably be some announcements of fairly substantial actions. ..."

For its part, as outlined by the Prime Minister, Canada is focusing on the provision of agricultural and export credits (having signed a \$500 million letter of credit earlier this year) and through technical assistance agreements and programmes that will complement initiatives in the private sector. "Through dialogue and support, we can stimulate the kind of reform which will secure democratic principles and improved economic prospects," Mr. Mulroney said.

If there was a breakthrough in Houston, it was on the perennially contentious issue of agricultural subsidies (see cover story this issue, Pages 73-74). The leaders, hoping to restore some balance to this crucial economic sector, agreed to a U.S. call for reduced export subsidies. "It is important that each of us makes substantial and gradual reductions in support and protection of agriculture," the draft Summit communique stated, eliciting strong agreement from Mr. Mulroney.

The Levers Are Shifting

Dr. Sylvia Ostry, who has the Chair at the University of Toronto's Centre for International Studies, describes Houston as "very different" from earlier ones. It was "heavily dominated by a major political issue with economic implications" in contrast to the prevailing earlier focus on basic economic issues such as exchange rates, economic growth, trade, debt and such like. Also significant, she says, was the fact that the U.S. is "no longer the sole dominant country around that table." Chancellor Kohl had taken on new prominence, as had European Community President Jacques Delors. "It is no longer the Group of Seven. ... The balance of power has dramatically changed."

As far as the strategic balance is concerned, the NATO Summit in London resulted in, among other things, a joint

declaration of non-aggression by the western Alliance, new restrictions on the deployment of nuclear weapons and an invitation for Mr. Gorbachev to meet with the NATO leaders. There was a parallel proposal to evolve the diplomatically-obscure Conference on Security and Co-operation in Europe (CSCE), which has 35 countries as members, into a vehicle that would promote democracy. Mr. Gorbachev responded to the invitation for talks with his NATO counterparts with a seemingly casual comment that he is 'always ready.'

Still, there is no escaping the fact that the dramatic shift in the nature of the Alliance will impart strength to Mr. Gorbachev, who remains under pressure from conservatives within the Communist Party. His foreign minister, Eduard Shevardnadze, says the NATO measures "pave the way to a safe future for the entire European continent" and he added that Moscow attaches "extremely great importance" to NATO's foresworn use of first-strike action. Particularly welcome was Mr. Kohl's promise to limit the size of his military in a united Germany, a commitment that went a long way to relieving some of the pressure on Mr. Gorbachev and his reformers. The Soviet military and its hawkish Party allies tried to make the loss of Eastern Europe an issue at the most recent Party Congress. "Now we can tell them they are wrong," was the reaction of Gennadi Gerasimov, the omnipresent official spokesman for the Soviet foreign ministry. As in Houston, Canada was front and centre and was seen as particularly influential in getting the various leaders to agree to an expanded role for the CSCE now that the military alliance's importance seems to be on the wane. A CSCE summit this fall in Paris is expected to begin the formal process of creating a parliamentary-style forum, a secretariat and an agenda. By any account, Canada played a "useful and constructive" role in the London discussions, which Mr. Mulroney says history would show as "an important turning point in Europe's history." His only regret was that it hadn't come about sooner and saved Canada from having to spend billions of dollars on its contribution to the security of Western Europe.

Setting Standards: Canada Puts Money Where its Mouth Is

It has been said here and elsewhere that by not having a solid legislative underpinning for its commitment to environmental issues, Canada was in danger of losing its credibility as it called for world-scale solutions to this world-scale problem. However, a series of initiatives at home and abroad represent major steps to restoring lost credibility.

Environment Minister Robert de Cotret has confirmed that Canada will eliminate production and ban the use of ozone-depleting chlorofluorocarbons (CFCs) by 1997, two years earlier than planned. It came only a few weeks after recommendations to that effect had been made public by the House of Commons' environment committee. He made his announcement at a conference in London where his counterparts and their officials from more than 100 countries were reviewing the 1987 Montreal Protocol for having the use of CFCs by 1997.

"Many countries, including Canada, acknowledged the 50% target ... as simply a first step," Mr. de Cotret stressed. Before ratifying the Montreal agreement in mid-1988, Canada promised elimination by 1997. "It was then, and still is now, our belief that science and technology will give us the means to exceed our targets and advance timetables," he added. "We must, and can, accelerate our schedule without severe social disruption or, in the case of medical and fire safety products, without endangering the lives of our citizens."

He also pledged elimination of methyl chloroform (MCF), a degreasing agent in the metal fabrication and electronics industries, by the end of the decade and urged the conference to seek 85% global reduction over the same period. "Those of us in a position to take action have a moral obligation to future generations to do so," he said. "To be successful, however, our efforts must be shared by all nations. Developing countries must be provided with the means to participate." The upshot of that is a \$10-million Canadian commitment to a \$240-million (U.S.) international fund for Third World assistance.

On the bilateral front, a comprehensive Air Quality Accord is the goal of formal negotiations between Canada and

the United States that are due to begin August 28 in Ottawa. Its announcement followed a meeting in Ottawa between Mr. de Cotret and his American counterpart, Environmental Protection Agency Administrator William Reilly. The accord is expected to establish a framework for managing not only the transboundary pollutants that cause acid rain but also such things as urban smog and airborne toxic materials. It also would create a mechanism for settling any complaints by one country against the other about alleged non-compliance and could serve as a model for other bilateral or even multilateral agreements. Both are openly enthusiastic about the upcoming talks which should conclude in late October and which are expected to lead to a signed Accord by the end of the year. "A very major step forward" is how the Canadian minister describes the proposal. "We feel it is very much an historic moment." The EPA head says it should be one of the most comprehensive commitments of its kind by "any two countries anywhere."

Proposal Draws Predictable Criticism

If there is a sour note in all of this, it's that neither would say that the accord will lead necessarily to further reductions in acid rain emissions. Two Canadian activists were immediately critical. "We've got two countries with their own sovereign laws," Canadian Coalition on Acid Rain Co-chairman Michael Perley points out. "And they're saying that without a bilateral accord those laws may not be enforced? I've just never heard of that sort of pronouncement." Julia Langer of Friend of the Earth says the announcement diverts attention "from actually getting on with something."

Also bilaterally, several federal departments and agencies are collaborating with Canadian and American universities, the Ontario government and the National Aeronautics and Space Administration in a three-year field study to determine the role of methane gas in global warming. Produced by wetlands, cattle and rice paddies, methane is one of the so-called 'greenhouse' gases held responsible for a trend that scientists say could boost the earth's temperature by up to three degrees Celsius over the next

half century with potentially catastrophic results in coastal regions and for agricultural countries. Canada's share of the programme is \$3 million and part of the study will use satellites and special airborne equipment to scrutinize the extensive lowlands around Hudson Bay.

In the meantime, the Canadian Electrical Association and an arm of Energy, Mines and Resources have signed a five-year agreement that could lead to further reductions in emissions of carbon and sulphur dioxide and nitrogen oxides, principal constituents in global warming as well as acid rain. The \$3 million deal between the CEA and the Canada Centre for Mineral and Energy Technology is expected to lead to development of new furnace processes. A government-industry panel also will look at relevant technologies in other countries.

Finally, there are the long-awaited reforms to the federal government's Environmental Assessment Review Process. The proposals, which eventually will put necessary legislation in place of a 1984 cabinet directive that is open to broad interpretation, are admittedly vaguer than expected, but Mr. de Cotret says the requisite regulations would be ready by the time Bill C-78 is ready to be promulgated into law.

"By far the most comprehensive in the world" is Mr. de Cotret's assessment of the initiative. It would entrench, for the first time in Canadian federal law, "the federal government's obligation to integrate environmental considerations into its project planning and implementation." However, possibly undermining our credibility as an environmental pace-setter — a role often touted by Mr. Mulroney and other ministers — ultimate responsibility rests not with the Environment Minister but with the minister whose department is directly involved in a project or programme. When this is broached, Mr. de Cotret counters that there are too many dangers in "over-centralizing." He also points out that federal funding or, rather, the withholding of it, can be used as a lever to ensure co-operation. Levers, on the other hand, are only of value when a government is willing to use them.