

in third countries. . . It will also act as an information clearing house for Canadian companies seeking new opportunities and establish and maintain an active liaison with the appropriate government agencies in Canada and act as an advisor to the Canadian government on Canada-India affairs."

INDONESIA

Nuclear Cooperation Agreement

A nuclear cooperation agreement was signed by Canada and Indonesia July 12 during a visit to Canada by Indonesian Energy Minister Subroto. An External Affairs press release that day stated, "The Agreement is a positive indication of the importance both countries attach to cooperation in this area and opens the way for sales of Canadian uranium and the transfer of Canadian nuclear technology, including CANDU reactors, to Indonesia." Indonesia, now in the process of developing a nuclear energy program, is a State Party to the Treaty on the Non-Proliferation of Nuclear Weapons and has concluded an agreement with the International Atomic Energy Agency, bringing all of its nuclear activities under safeguards.

Dr. Subroto, who visited Canada from July 12 to 16, also toured Canadian energy projects, and met with federal ministers, provincial government officials and energy sector representatives (Energy, Mines and Resources Canada press release, July 8).

ISRAEL

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JAPAN

Auto Imports

Canada continued to enforce tight customs procedures for Japanese car imports during June and July, but relaxed the inspections at the end of July to "show good faith" toward Japan. The government had told customs officials in late May to strengthen the procedures at the point of entry until some progress was made toward a bilateral agreement with Japan regarding voluntary automobile export quotas, including provisions for Canadian content in Japanese-made automobiles. Imports from Japan had represented 25.6 percent of the new car sales market in the first third of this year (*Globe and Mail*, July 7). After March 31, when the previous quota agreement had expired, cars and trucks coming to Canada from Japan had been increasing (*Globe and Mail*, June 28). At the same time, the Canadian auto industry was reported in "deep crisis." (See "International Canada," April and May, 1982, in *International Perspectives*, July/August, 1982.)

The aim of the customs tactic was to pressure Japan to negotiate and to "provide some relief" for Canada's auto

industry (*Globe and Mail*, June 2), but the government was criticized by opposition MPs from both parties, Canadian dealers selling Japanese cars, and the government of Japan for the resulting pile-up of cars on the west coast (13,000 on June 28, according to the *Globe and Mail*). Prime Minister Trudeau had had a "friendly" meeting with Premier Suzuki of Japan at the Versailles Economic Summit, but it was reported that both countries appeared "inflexible" on the car import issue (*Globe and Mail*, June 7).

During June, opposition MPs repeatedly demanded that the government reach an agreement with Japan. The government was criticized for the customs delay tactics, which were called "childish," and blamed for "inexcusable hardship and unemployment for countless port workers, transportation workers and businesses dependent on this important trade" (June 17).

On July 4 International Trade Minister Ed Lumley announced that Japan would send four officials to Ottawa later in the month to talk about the trade problems. The Japanese Minister of International Trade had said that the lengthy customs procedures must be removed before Japan was prepared to discuss a limit on the number of cars exported to Canada (*Globe and Mail*, July 5). After the Japanese delegation's visit to Ottawa, Mr. Lumley announced July 21 that he had ordered a loosening of the inspections. He said that an agreement over car exports from Japan was expected "in the near future." Under attack in the House of Commons that day, Mr. Lumley said that he had had "positive discussions" with the Japanese representatives. He was accused by Otto Jelinek (PC, Halton) of "caving in to Japanese demands once again" and "fiddling around." Mr. Jelinek wanted the Trade Minister to impose Canadian content regulations on Japanese cars. The government continued to favor a negotiated settlement.

Investment in Canada

The government was criticized by Jim Fulton (NDP, Skeena) in June for allowing a Japanese consortium to take control of Quintette coal mines in northern Canada. Mr. Fulton issued a press release June 28 in which he accused the government of losing hundreds of millions of Canadian dollars invested by the federal and provincial governments by allowing the Japanese "takeover." Minister of Transport Jean-Luc Pepin told the House of Commons that day, "if there is foreign ownership in these coal mines, it will be subject to FIRA, and FIRA and the government of Canada will decide if those acquisitions are to the advantage of Canada as stated in the legislation itself."

A Japanese report was issued in July which concluded that "Canada is a promising country for investment." An External Affairs press release July 26 said that the report, the result of a Japanese survey mission which had recently toured Canada, called Canada "a youthful and attractive country with a potentiality for development which promises something more than mere returns on investment."

LEBANON

See this issue, POLICY — Foreign.