

as a matter of considerable concern because of the appearance of additional allowable emissions," Mr. Jutzi was quoted as saying.

Canada and USA to Work Together in Ocean Drilling Program

Energy, Mines and Resources Minister Jean Chrétien announced on October 24 that Canada would work with the United States in a scientific program of ocean drilling to probe deep beneath the sea floor. The announcement followed the signing of a memorandum of understanding between the two countries, confirming Canadian participation in the planning of the US National Science Foundation's Ocean Drilling Program (ODP).

"Canada stands to gain a great deal of valuable geoscientific information by participating in ODP," Mr. Chrétien said, "especially when you consider the length of our coastlines, our extensive continental shelves, and our increasing interests offshore." He termed the agreement "a very sound investment," with Canada contributing \$250,000 to the planning phase of the program over the next year. The US National Science Foundation would spend \$28.8 million during the same period, most of which would go into the refitting of the vessel that would carry out the drilling program.

The Minister noted that the United Kingdom was participating in the planning of ODP and that Japan, West Germany and France were expected to join as well. It was anticipated that the drilling phase would start in the fall of 1984 and that the drillship would be working in the Labrador Sea during 1985. The knowledge gained there would contribute to an understanding of the geology of the Labrador Sea and aid Canada in the search for hydrocarbons off its east coast.

Plans would be developed for research off Canada's west coast in subsequent years to provide Canada with more detailed knowledge of seabed mineral deposits such as those which had recently been found off Vancouver Island (EMR press release, October 24).

Canadian bank encounters extraterritoriality

John Crosbie (PC, St. John's West) told the House on November 17 that the Bank of Nova Scotia was being fined \$25,000 per day by United States courts for failure to divulge bank records from the Grand Cayman Islands. At the same time, an injunction from a Grand Cayman court forbade the bank to give that information to the American authorities because of their (Grand Cayman Islands) secrecy laws. In the light of that situation, Mr. Crosbie wanted to know whether the Government had decided to intervene before the United States courts in aid of the bank. As newspaper reports had stated that External Affairs Minister Allan MacEachen had discussed the matter with US Secretary of State George Schultz, Mr. Crosbie asked what Mr. Schultz's response had been. Further, he asked what action the Minister had planned for following up "this untenable position in which the bank has been placed?"

Mr. MacEachen replied that he had discussed the bank's position with Mr. Schultz. "We did have a continuing consultation on what Canada considers an unjustified extraterritorial application of American law. In this case the Bank of Nova Scotia and other banks are put in an almost

impossible position in being asked to comply with American law which contravenes the local law." He continued that "The American authorities have sought information in a way which we think is unnecessary as well as unjustified. We believe that a good deal of that information could have been obtained legally through the application, for example, of [sic] the taxation treaties."

With regard to the Canadian government's intention to intervene in support of the Bank of Nova Scotia in American courts, Mr. MacEachen said that the matter was under consideration by the Department of Justice.

Mr. Crosbie asked if, in view of the \$25,000 daily fine being paid by the bank, the Minister could not consider the matter to be urgent. He wanted to know whether Mr. Schultz had been sympathetic and whether he had indicated that he was going to take some action. Mr. Crosbie further asked whether the Government had given consideration to the suggestion of the President of the Bank of Nova Scotia "that we should hold the line on activities of foreign banks operating in this country until the matter is cleared up."

Mr. MacEachen replied that, in his opinion, Mr. Schultz had shown both sympathy and understanding. As for the \$25,000, the Minister's information was that the collection of the fine had been postponed for a month. He expressed the hope that it would not become necessary for Canada to apply actions to American banks which, in the Minister's view were "unjustified when applied to Canadian banks."

CENTRAL AMERICA

Canadian Offer to Monitor Peace Arrangements

External Relations Minister Jean-Luc Pepin, in the course of a press interview given in New York on October 18, is quoted in various newspapers as saying that Canada could become "very useful" to any peacekeeping operation in Central America. "That's the price you pay for being involved," he suggested, "you can't expect to be just in the cheering section." The following day, External Affairs Minister Sinclair Stevens (PC, York-Peel) and Pauline Jewett (NDP, New Westminster-Coquitlam), and Donald Munro (PC, Esquimalt-Saanich) (a former Canadian ambassador in Central America) asked for the extent of any commitment given by the Government. Mr. Munro called on the External Affairs Minister or one of his two Ministers of State to make a statement to the House; Mr. Stevens wanted assurances that the Commons would be able to give the "approval or disapproval before any Canadians are asked to engage in what the Minister has been suggesting," and Miss Jewett said that any monitoring should be undertaken "only after all foreign military forces and military bases have been removed from the bases in Honduras." International Trade Minister Gerald Regan told Miss Jewett that he cannot give her those assurances and indeed, I would not want to do so." To Mr. Munro he said that the Government "in support of the [Contadora] group of nations in the area that have been working toward peace. We do not see Canada as essentially playing a role in any peace corps in Central America, but we are prepared to consider it if requested."

Mr. Regan said that he would have to consult with