

the Sandinista regime on pluralism — to negotiate with the opposition, including the “contras” receiving financial backing from the US (*La Presse, Le Devoir, The Citizen*, June 6). Ms. Vézina stated that Canada would continue to support efforts toward “dialogue and compromise,” and would assist in alleviating “economic and social disparity” — the primary cause of regional confrontation. To that end, Ms. Vézina signed an \$11 million agreement supporting a geothermal electric project.

Speaking on CBC Radio upon her return to Canada, the Minister reiterated the fundamental difference between the Canadian and US approaches to Central America. Ms. Vézina emphasized Canada's continuing support for Contadora, stating that especially with regard to Nicaragua, Canada would not be swayed by the US attitude. Rather, Canada would remain committed to development assistance, while closely monitoring those projects already in place in the region. Commercial relations could be established in complement with existing cooperation programs, without neglecting the humanitarian needs of displaced persons and refugees (External Affairs transcripts, June 10, 11).

GATT

Quadrilateral Group

Canada hosted a trade ministers' meeting of the Quadrilateral Group (Canada, the US, Japan and the European Community), from July 11 to 14. Participating representatives discussed the international trade situation, while centering their attention on preparations for the next round of GATT multilateral trade negotiations (External Affairs communiqué, June 10, NBC Radio [External Affairs transcript], July 8). International Trade Minister James Keleher noted that the frequency of the Quadrilateral meetings had increased as a new GATT round appeared imminent. (The Group accounts for a majority of the free world's trade, approximately 65 percent.) Of prime consideration was the content of the projected GATT round, the Minister added, particularly in the area of “intellectual property.” Services, agricultural trade, resource products and high technology were also viewed as important from the Canadian (and US) perspective. The Group, while in agreement that GATT remained the “corner-stone of our trading system,” recognized the inevitability of trade liberalization (despite some European hesitance at keeping GATT discussions separate from discussions of the international monetary system).

Hopes were expressed that a new GATT round might begin by 1986, with Quadrilateral representatives acknowledging the threat of increasing protectionist trends worldwide (*Globe and Mail, The Citizen*, July 15). While most contentious bilateral issues remained in the background during the informal talks, it was expected that Third World countries would oppose the suggested inclusion of trade in services in any new international agreement (these countries attempting to protect their own developing industries). Despite remaining differences, the Group affirmed its intention to request GATT member nations meeting in Sep-

tember to press for “preparations” for a new round. Another meeting would be proposed for November to begin an “updating” of the current treaty.

Following the meeting on July 19, the International Trade Minister released a submission to GATT outlining Canadian views on multilateral trade negotiations (MTN). The text stressed the importance to be placed on the “early convening” of such negotiations as a means toward opening further markets for Canadian exports, enhancing market access and generally improving international trade rules. Canada approached the MTN with “a sense of urgency” in the fight against protectionist trends. In addition, greater trade liberalization would be of benefit to both industrialized and developing countries, enhancing economic cooperation. While the emphasis in the submission was on liberalization, it also covered the development of new rules for agricultural trade, tighter control of “contingency protection measures and subsidies,” a framework for trade in services and a strengthening of the effectiveness of GATT rules to reinforce the agreement's credibility (External Affairs communiqué, July 19).

Middle East

Senate Report

A report released in June by the Senate foreign affairs committee, while offering support to the Palestinians, was sharply critical of Israel. The “mistreatment” of Palestinians living in the occupied territories of the Gaza Strip and the West Bank received censure; in particular, the confiscation of property and the imposition of restrictive controls on economic and political activity. The report proposed a Middle East peace plan which recommended the removal of Jewish settlements from the occupied territories (seized during the 1967 war) and a demilitarization of the zones. Continued humanitarian aid, as well as a facilitation of emigration for Palestinian refugees in Lebanon, was also urged in the report. Calling for an end to both violence from anti-Arab Jewish extremists and PLO terrorism (along with an easing in harsh rhetoric), the Senate proposed an international dialogue with Israel, neighboring Arab states, the US and the USSR participating. Direct informal talks between Israel and the PLO were also advocated. Without issuing a direct call for Canadian recognition of the PLO as sole representative of Palestinians, the report stated that a “vast majority” of Palestinians did consider the PLO to be their principal advocate. It added that the negative attitude of the Canadian public toward the organization at the present time (primarily because of terrorist tactics), prohibited any constructive purpose in an official recognition. Despite the use of terrorism, the PLO, the report concluded, operated as a “democratic” body in the “best interests” of the Palestinians.

Prime Minister Brian Mulroney expressed his concern over the “orientation” of the Senate committee, particularly the possibility of an “unfairness to Israel developing.” However, he added that any overall peace proposal for the region would have to take into account the “legitimate rights” of the Palestinians (*Globe and Mail*, June 6). The