

The Government has clarified its position in relation to international boycotts and has strongly affirmed its opposition to discrimination and boycotts based on race, national or ethnic origin or religion. Accordingly, the Government will take measures to deny its support or facilities for various kinds of trade transactions in order to combat any discriminatory effects which such boycotts may have on Canadian firms and individuals. These measures will not, of course, apply to any boycott accepted by Canada but will clearly apply to such discriminatory aspects as there may be to any other international boycott.

The type of transactions against which the Government will take action are those which would, in connection with the provisions of any boycott, require a Canadian firm to: engage in discrimination based on the race, national or ethnic origin or religion of any Canadian or other individual; refuse to purchase from or sell to any other Canadian firm; refuse to sell Canadian goods to any country; or refrain from purchases from any country.

While Canada seeks friendly relations with Arab states and with Israel, Canada also reserves the right to respond to commercial policies of other nations according to its own practices and values. Consequently, the Canadian Government will deny its support or facilities, including the support of its trade missions abroad, in the case of any transaction involving boycott undertaking of the type described above.

Given that in many parts of the world, including the Middle East, denial of Canadian Government support for a particular transaction imposes very serious handicaps, such as those relating to contact with foreign officials, market information and Canadian Government financing, it is considered that denial of such support will be an effective deterrent to cooperation with discriminatory provisions of an international boycott.

Canadian firms may decide nonetheless to agree to certain boycott clauses and forego Canadian Government support for the projects concerned. All Canadian firms, however, whether they accept boycott clauses or not, will be required to report all instances of their complying with boycott provisions. Information obtained from such reports will be made available to the public.