

age the private sector to bolster its support to the performing arts, which has dropped from 34 per cent in 1963-64 to 15 per cent in 1970-71.

The report's preface points out that the conclusions and recommendations are entirely those of the authors. According to André Fortier, Director of the Canada Council, however, in general they reflect the concerns of the Council, and will certainly have an influence on the development of its programs. "I also believe," said Mr. Fortier, "that this study will help the various governments and private donors to understand the needs in this field, and to undertake action to meet them."

Canada makes trade agreement with Bulgaria

A new trade agreement establishing a framework for the development of trade between Canada and the People's Republic of Bulgaria was signed on February 13 by Mr. R.L. Rogers, Canadian Ambassador to Bulgaria, and Mr. A. Loukanov, Bulgarian Deputy Minister of Foreign Trade.

Besides providing for the continued exchange of most-favoured-nation treatment, which began in 1963, the agreement is accompanied by an exchange of letters signifying Bulgaria's intention of increasing its imports from Canada during the life of the agreement.

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toward a political solution on either side's terms, the peace will no longer be as fragile as it is and the mere presence of an international commission will no longer be regarded as a vital part of the picture or as necessary to contribute to a solution. On the other hand, if neither side's view of a political solution is making any headway, we can look forward to a

resumption of full-scale hostilities regardless of the presence of any observer or supervisory body.

It is out of consideration for this new element and for the possibly far-reaching consequences of opting out now, for which we would have to accept some responsibility, that the Government has decided not to exercise its option to withdraw after 60 days, even though it could justify doing so on the basis of the reasonable application of its announced criteria. On the other hand, our experience, both past and present, does not justify moving into acceptance of open-ended or unconditional participation. Consequently, the Government proposes to inform the parties to the agreement that Canada would be prepared to continue to serve on the same basis as it does now for a further period of about 60 days — that is until May 31 — after which, unless there has been some substantial improvement or distinct progress has been made toward a political settlement, it will withdraw, giving a further 30-day grace period for the parties to find a successor. This means that Canada, unless there is a substantial improvement in the situation or some sign of an imminent political agreement, will cease to participate in the ICCS by June 30, 1973. All the parties will by then have had adequate time to carry out those provisions which the ICCS was created to supervise — perhaps even the holding of elections, on which I will have more to say. If the South Vietnamese parties now meeting in Paris are able to reach an early accord on internal matters as envisaged and encouraged in the Paris agreement of January 27, our decision will present no obstacle.

One important aspect of the agreement assigns a task to the ICCS, not in the field of truce observing but in contributing to the political settlement which alone can bring about an end to the war. The agreement calls for an election to form a new national government. The ICCS protocol assigns an undefined observer role to the ICCS. The meetings now going on between the two South Vietnamese parties are intended to produce the conditions under which the election should be held. This electoral function is distinct and separate from the other functions assigned to the ICCS, and the

rules have yet to be elaborated. It could, therefore, be dealt with separately. So far as Canada is concerned, regardless of our status in respect of other aspects of the agreement, we would remain ready and available to serve, as the parties may wish, in helping to supervise an election, provided it was called under the provisions of the agreement. It would not apply to an election called in other circumstances.

Canada will also inform the four parties to the Paris agreement that, as Canada neither negotiated nor signed the Paris agreement, we do not regard ourselves as bound by its provisions beyond the extent to which those who did sign it consider themselves to be bound. Consequently, we will leave or otherwise regulate our deployment at any time if the parties who signed the agreement show, by their actions, that they no longer regard themselves as bound by it. The resumption of large-scale hostilities or any action tantamount to a direct denial by the parties of their obligations under the agreement would, in the Government's view, relieve Canada of further responsibility to the ICCS. Should this decision be forced upon us, the Government will state its reasons for withdrawal publicly.

I am not predicting that the arduous and skilful work involved in reaching this agreement will be nullified by an early escalation of hostilities. Nevertheless, there is a great deal of evidence that the means to resume the war are readily available and there is, unfortunately, also reason to think that this possibility is not excluded from the calculations of some at least of the parties concerned. We shall reassess the situation again before the end of May and give our definitive view at that time.

In closing, I should state that, in the time remaining to us in the Commission, we will continue to maintain the objective and open approach we have taken until now and endeavour to see that the ICCS fulfils not only the psychological part that has been superimposed on it by remaining in Vietnam but also the duties as laid down in the agreements. We will not take part in a charade nor will we tacitly condone inaction when we believe action is required.

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