

Overview

CANADA AND WORLD AFFAIRS

The year covered by this report (April 1, 1983, to March 31, 1984) was dominated by: heightened East-West tensions and preoccupations with nuclear weapons and the problems of arms control; the long-awaited if uneven economic recovery in industrialized countries, offset by severe debt problems in the Third World and by regression in some of the poorest countries; and the increasing interdependence of nations, which brought both increased risks and opportunities.

Over the past few years Canadians have become increasingly aware that their prosperity was largely dependent on a healthy international economic environment and their security a function of superpower relations. In response to this awareness these two themes emerged during the year as priorities in the conduct of Canada's external relations.

The past year was one of economic recovery in the Organization for Economic Co-operation and Development (OECD) countries from the most severe recession since the Great Depression, but the general economic picture was mixed. The recovery proceeded at different rates within the industrialized countries themselves, but for the most part it did not extend to the developing world. New and renewed protectionism continued its slow erosion of the international trading system. A major international debt crisis was averted by an emergency, case-by-case, approach combining re-financing with re-scheduling of debtors' obligations. But the severest concentration of debt in a few Latin American countries persisted. Many of the least developed countries, especially those of sub-Saharan Africa, experienced economic regression caused by debt, falling returns on exports (largely from lower commodity prices), drought and famine. Simultaneously, the newly industrializing countries of the Pacific continued to flourish.

A main objective of Canada during the year was to ensure that economic recovery continued to broaden and endure. Several initiatives flowed from this objective. Canada participated in a number of multilateral efforts to resolve the international debt problem. During the Williamsburg Summit there was agreement on a Canadian initiative to monitor the extent to which governments lived up to their anti-protectionist pledges. Canada also participated in informal meetings with trade ministers from the United States, Japan and the European Economic Community to consider co-operative measures aimed at strengthening the world economy. Canada was instrumental in urging rapid conclusion of a preparatory work program in the General Agreement on Tariffs and Trade (GATT) in anticipation of a new round of multilateral trade negotiations. The government's commitment to an aggressive trade drive was reflected in the reorganization of the Department of External Affairs, which further integrated trade with general foreign policy objectives.

East-West relations were a preoccupation during the year, not least as a result of the Soviet downing of a Korean airliner

in September, with heavy loss of life. In the absence of a negotiated solution to the threat posed by new USSR missiles in Europe, the North Atlantic Treaty Organization (NATO) began the counter-deployment in Europe of intermediate-range nuclear weapons. Public concern in the West focused on the lack of substantive dialogue between East and West and lack of progress in arms control, perhaps best characterized by the sharply antipathetic superpower relationship. There was special concern over the Soviet Union's withdrawal from the central nuclear negotiations with the United States, which reduced the prospect of significant progress on nuclear arms control, at least until after the 1984 US presidential election.

Conflicts in the Third World continued to be numerous and difficult to resolve and they often resulted in human rights abuses and serious refugee problems. Central America grew increasingly combustible, communal strife continued to ravage Lebanon, and the war between Iran and Iraq threatened security in the Gulf and the maintenance of vital Western oil supplies. Little headway was made in resolving conflicts in Southern Africa, Afghanistan and Cambodia. In some cases regional conflicts were exacerbated by the superpowers' propensity to view them from the perspective of East-West global rivalry.

Against this background, the promotion of international peace and security was a priority focus of Canada's external relations. Pursuing the Williamsburg Summit's commitment "to devote our full political resources to reducing the threat of war", Prime Minister Trudeau launched an initiative on East-West relations and international security.

The aim was to persuade political leaders to devote their energies to the cause of peace, to re-open lines of communication between East and West and to draw attention to the common ground that East and West share. In particular, the Prime Minister sought to give political impetus to the Stockholm Conference on Military Confidence-Building Measures, to reinvigorate talks in Vienna on mutual and balanced conventional force reductions, to reinforce the Nuclear Non-Proliferation Treaty, to promote a number of specific arms control proposals and, most importantly, to restart the dialogue between East and West (see also Chapter 4).

Monitoring and managing the massive and multi-dimensional relationship with the United States, with whom discussions of freer trade in certain sectors were initiated, remained a priority concern.

The visits by the Secretary of State for External Affairs to the Middle East and Southeast Asia demonstrated Canada's interest in encouraging dialogue and facilitating peaceful resolution of regional disputes. Considerable attention was also devoted to efforts to expand political, social and economic links with countries of Asia and the Pacific, and to improve the working of the United Nations (UN) system.