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CANADA'S INTERNATIONAL RELATIONS: AN OVERVIEW

March 1994

**DEPARTMENT OF FOREIGN AFFAIRS
AND INTERNATIONAL TRADE**

**CANADIAN INTERNATIONAL
DEVELOPMENT AGENCY**

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THE FOREIGN POLICY REVIEW

THE MAIN MESSAGES

OPENING FOREIGN POLICY TO CANADIANS

GIVING PARLIAMENT A GREATER SAY

THE PROCESS

THE NATIONAL FORUM ON CANADA'S INTERNATIONAL RELATIONS

THE MAIN MESSAGES

- The Government is giving Parliament and Canadians a greater say in setting the course of our international relations.
- Since this is the first time we are going through such an exercise, the Government will also ask Canadians for ideas on how to improve the process of annual consultations which it is launching.
- In a world which has become so turbulent and unpredictable, we can no longer afford to wait every few years to assess how our interests and values are best served. This must be done every year.
- The ultimate goal is to maintain, if not improve, the Government's ability to defend the interests and values of Canadians in the world.

OPENING FOREIGN POLICY TO CANADIANS

- The world used to be a more stable, predictable place. What used to take a decade or even a generation to change now can change in a year. To continue defending our interests and values in such a volatile environment, we must constantly monitor what is happening in the world and the implications for Canadians.
- This requires systematic and regular analysis, as well as a two-way exchange of information and views between the Government and Canadians who have an interest and involvement in various aspects of our international relations. The Government believes that more open and democratic foreign policy-making is not only desirable in itself, but also makes good practical sense because it can draw useful information from the vast pool of Canadians who are involved every day in Canada's international relations.
- To that end, the Government is launching a process of ongoing consultations and discussions with Canadians. As a start, it will hold a National Forum on Canada's International Relations, designed to bring ministers and interested Canadians involved in international activity together for discussions on major international trends and developments, and how they can affect Canada's interests. Other forms of consultation will be led on a regular basis by the Minister of Foreign Affairs, the Minister for International Trade and the secretaries of state for Asia-Pacific and Africa and Latin America.

GIVING PARLIAMENT A GREATER SAY

- The days of managing Canada's international relations as if the elected representatives of Canadians do not exist are over. The Government believes that Parliament has a right to debate major foreign policy initiatives such as the deployment of peacekeeping forces.
- These are not just nice words and intentions. The Government has already consulted Parliament on issues such as peacekeeping and cruise missile testing by means of special debates in the House of Commons. It is also giving MPs an opportunity to state their views on the broad directions of Canada's foreign and defence policies through this debate.
- The Government is also counting on Parliament to give Canadians a greater say in the broad directions of our foreign policy. The Government proposes that parliamentary committees will organize public hearings across Canada this spring and summer. The Government's statement on Canada's international relations this fall will take into account the findings and recommendations of these parliamentary hearings.

THE PROCESS

- This year's foreign policy review will be a four-staged process:
 - parliamentary debate on our foreign and defence policies in March;
 - a National Forum on Canada's International Relations March 21 and 22;
 - public hearings by parliamentary committees this spring and summer; and
 - in the fall, a statement of the Government's foreign policy directions, including international assistance.
- The Government will also carry out other forms of consultation with non-governmental groups in areas such as development assistance, human rights, and peace and security.

THE NATIONAL FORUM ON CANADA'S INTERNATIONAL RELATIONS

- The Government's agenda for the National Forum is simple and straightforward. It is to bring ministers and Canadians together to discuss 1) the major changes which have taken place in the world, 2) how these changes can affect Canadian interests and values, and 3) where our foreign policy directions are right and where they need to be examined.
- The Forum is only one of the ways in which the Government will consult Canadians about our international relations. In addition to consultations that will take place every year between the Government and individuals and groups on a whole range of issues including human rights, development assistance, and peace and security issues, there will be public hearings across Canada by parliamentary committees on Canada's foreign and defence policies.
- The Government is bringing a diverse group of Canadians together at the Forum. The Government chose the participants on the following bases: 1) it wanted people at the Forum table who have exceptional experience and knowledge in the field of international relations; 2) it wanted to foster an exchange of views and ideas among individual Canadians, not a clash of agendas among interest groups; and 3) it wanted a representative sampling of Canadians.
- The National Forum is designed to foster discussion among individuals in their own right. Groups and institutions will be able to get their points across in the parliamentary committee hearings that will take place across Canada this spring and summer.

SECURITY

NON-PROLIFERATION

NORTH KOREA

INDIA-PAKISTAN

THE MIDDLE EAST PEACE PROCESS

NATO REFORM

THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE)

THE CONVENTIONAL FORCES IN EUROPE (CFE) TREATY

START 1/UKRAINIAN NUCLEAR WEAPONS

ASIA-PACIFIC

THE AMERICAS

NON-PROLIFERATION

General

- The proliferation of weapons of mass destruction, associated technology and expertise is the major international security issue.
- With the end of the Cold War and the rise of regional tensions, some states have become more intent on acquiring weapons of mass destruction. The proliferation of such weapons increases risks that regional conflicts will escalate. It also heightens the possibility of accidental or unauthorized use.
- More countries are developing nuclear capabilities as well as missile delivery systems. The build-up of sophisticated conventional arms can also heighten regional tensions. Addressing the underlying causes of arms build-ups is essential, but not easy.
- International treaties, conventions and regimes can help stem the tide. The experience in Iraq has shown the challenges in verifying compliance.

**Status of the NPT (as of March 1, 1994)
(Non Parties to the Non-Proliferation Treaty)**

<u>South America</u>	<u>Europe</u>	<u>Asia</u>	<u>Africa</u>
Argentina *	Armenia *	India	Algeria *
Brazil	Azerbaijan	Israel	Angola
Chile	Bosnia-Herzegovina	Kazakhstan *	Comoros
Cuba	Croatia	Kyrgyzstan	Djibouti
Guyana	Georgia	Oman	Niger
	Moldova	Pakistan	
	Monaco	Tajikistan	
	Slovenia	Turkmenistan	
	Ukraine *	United Arab Emirates	
		Vanuatu *	

* Announced intention to ratify

All other countries have signed

Weapons of Mass Destruction

Nuclear Weapons

- The Nuclear Non-Proliferation Treaty (NPT) remains the best international instrument to prevent the spread of nuclear weapons. A review and extension conference will be held in 1995 in New York. Canadian objectives at this conference will be:
 - to extend the NPT indefinitely and to campaign for universal adherence. In particular, the states of the former Soviet Union must be convinced to sign on as non-nuclear weapon states. In addition, other states such as India, Pakistan, Argentina, Brazil and Israel must be convinced to sign the treaty;
 - to strengthen the International Atomic Energy Agency (IAEA) safeguards and provide the IAEA with greater resources to ensure that clandestine nuclear weapons programs can be detected; and
 - to broaden and tighten export controls on nuclear technology through the Nuclear Suppliers Group.
- Negotiations on a Comprehensive Nuclear Test Ban Treaty (CTBT), a longstanding Canadian objective, began in Geneva in January 1994.
- The result of these negotiations must be a global treaty accompanied by an effective verification regime.

Chemical Weapons

- The Chemical Weapons Convention (CWC), signed in January 1993, provides the most effective international instrument for halting the spread of chemical weapons. Canada intends to ratify the CWC, establish a national authority to implement it and promote industrial compliance with the terms of the convention.
- Canada will take an active part in the preparatory commission and the international organization in The Hague to ensure a smooth entry into force of the CWC. Canada is involved in the Australia Group, which is an informal arrangement of 25 countries that harmonize national export controls of chemical/biological weapons-related items. The government intends to maintain vigilance over exports of sensitive materials and technologies.

Biological Weapons

- Canada believes the 1972 Biological and Toxin Weapons Convention (BTWC) can be improved with the addition of effective verification provisions. Canada will continue its campaign for the convening of a special conference next September, and is developing verification mechanisms to be considered at the conference.

Ballistic Missiles

- The Missile Technology Control Regime (MTCR) is a suppliers group composed of 25 like-minded states working to prevent the proliferation of ballistic missile technology and equipment.
- Canada has taken the lead in calling for the evolution of the MTCR into a formal, multilateral non-proliferation agreement with an effective verification regime.

Conventional Weapons

- The experience of the Gulf War has highlighted the need to control excessive and destabilizing accumulations of conventional weapons in regions of tension and conflict.
- Canada's export guidelines, established in 1986, control the exports of military goods and technologies to:
 - countries that pose a threat to Canada and its allies;
 - countries involved in or under imminent threat of hostilities;
 - countries under UN Security Council sanctions; and
 - countries whose governments have a persistent record of serious violations of the human rights of their citizens.
- Every application to export military goods or technology to countries that are not NATO allies or close defence partners is reviewed on a case-by-case basis by officials of Foreign Affairs, National Defence and Industry. After the review, the Minister of Foreign Affairs decides whether or not to approve applications to export the military goods and technology in question.

UN Arms Register

- Canada was instrumental in developing the reporting parameters for the UN Arms Register. Canadian experts will participate in the 1994 UN group charged with enhancing those parameters. It is our expectation that the register will be expanded to include military holdings as well as procurement through national production.

- Canada will continue bilaterally and multilaterally to urge all countries to comply with the reporting requirements of the UN Conventional Arms Register (which consists of statistics on imports and exports of seven major weapons systems) as a first step in making the arms trade more transparent.

NORTH KOREA

- Canada urges North Korea to accept inspections of its nuclear facilities by the International Atomic Energy Agency (IAEA), as required by its nuclear safeguards agreement. We urge Pyongyang to fully implement its de-nuclearization agreement with South Korea and to comply with the Nuclear Non-Proliferation Treaty (NPT).
- Canada strongly supports the objective of a nuclear weapons-free Korean Peninsula and a strong non-proliferation regime.
- The Government shares South Korea's concerns about the North Korean nuclear program. Canada continues to discuss the situation with our North Pacific neighbours: Japan, China, Russia, South Korea and the United States.
- Canadians fought and died to build democracy in South Korea. Canada has taken a leadership role in efforts to establish a security dialogue in the North Pacific.

INDIA-PAKISTAN

- Canada has closely followed the Indo-Pakistani relationship since partition in 1947, especially the highly emotional and divisive issue of Kashmir. Our interest stems from our longstanding bilateral relations with the two countries, our shared Commonwealth membership, and the human bonds established through the migration of a large number of South Asians to Canada.
- Canada believes Indo-Pakistani relations can improve with a sustained dialogue addressing the Kashmir Issue and other bilateral irritants. There is a definite need for more confidence building and less vitriolic rhetoric between these two neighbours.
- The Minister of Foreign Affairs wrote to his Indian and Pakistani counterparts in December 1993, urging them to pursue such a dialogue. Canada stands ready to assist this process at the official or unofficial level.

THE MIDDLE EAST PEACE PROCESS

- Last September's signature of the statement of principle between Israel and the PLO produced a glimmer of hope for a just and lasting peace in the Middle East. It is essential that the process be allowed to continue and achieve the desired objectives. Canada congratulates and supports the regional participants who have had the courage to take risks for the sake of peace.
- That Canada would be involved in the peace process was reaffirmed at the leaders' conference in Washington last October 1. Canada promised to provide \$55 million over five years to assist in the development of the Occupied Territories.
- Canada participates actively in the multilateral phase of the peace process. In addition to chairing the Working Group on Refugees, Canada sits on the working groups on the environment, on water resources, on economic development, and on arms control and regional security. Canada also sits on the Multilateral Negotiations Steering Committee.
- As Chair of the Working Group on Refugees, Canada is striving to ensure that the Palestinian refugees benefit tangibly from any progress achieved in the peace process.
- Canada has condemned the tragic events that took place in Hebron.
- Canada welcomes the government of Israel's decision to ban the extremist parties Kach and Kahane Chai. This measure may make it possible to control extremist forces.
- Canada hopes that the discussions under way in Tunis and Prime Minister Rabin's visit to Washington will allow the resumption of bilateral negotiations.

NATO REFORM

- Canada was an early advocate of dialogue and co-operation between NATO countries and the other countries in Europe. NATO must be responsive to the legitimate security concerns of all countries in Europe and must be willing to accept new members.
- Canada supports the Partnership for Peace proposal adopted in January at the NATO Summit. Partnership for Peace will expand political and defence co-operation in Europe. In Central and Eastern Europe, it can strengthen commitment to the democratic principles on which the NATO alliance is based. It is a pragmatic approach to expanding collective security.
- Canada believes that some Central and Eastern European partners will be able to work with NATO more quickly and more intimately than others. This process will lead to an expansion of the alliance in a way which enhances the security of all European states.

PARTNERSHIP for PEACE



(as of March 1, 1994)

THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE)

- Canada views the CSCE as a unique, transAtlantic and pan-European forum for the promotion of security based on democracy, the rule of law, human rights, sustainable economic development, peaceful relations between states and military confidence-building.
- Canada has helped shape the CSCE's role in preventing and resolving conflict. As a result, the CSCE is now involved in fact-finding, *rapporteur* and long-term preventive diplomacy missions. It has established a Conflict Prevention Centre, a High Commissioner on National Minorities and new forms of political consultation. Canada believes the CSCE's priority is to improve its capacity to prevent conflicts by improving these tools.
- Canada intends to continue to exercise leadership in -- and strong political support for -- the CSCE.

THE CONVENTIONAL FORCES IN EUROPE (CFE) TREATY

- The CFE Treaty entered into force in July 1992. Since then, it has become a key component in Europe's evolving co-operative security relationships.
- Although negotiated in the Cold War era, primarily on a bloc-to-bloc basis, the CFE still provides a framework to limit the conventional military forces and weapons of NATO members and the successor states of the former Warsaw Pact.
- The first phase of weapons destruction was completed in November 1993, and the equipment reduction process is continuing.
- Canada is an active participant in CFE verification and inspection operations, and in the Joint Consultative Group, which deals with emerging issues (for example, the requests from Russia and Ukraine for changes in limits on their deployment of forces in border areas).
- Although the CFE resulted from numerous compromises and could unravel if isolated elements are re-examined, Canada believes any request for revision deserves careful study. Canada believes that requests for alterations, and the entire security relationship in the region, are too complex for simplistic or hurried replies. Russia and Ukraine have been asked to provide more detailed explanations of their rationale for seeking changes.

START 1/UKRAINIAN NUCLEAR WEAPONS

- Following the break-up of the former Soviet Union, the nuclear weapons located in Russia, Belarus, Ukraine and Kazakhstan were brought under the military control of the Commonwealth of Independent States, with the latter three countries gaining a veto over the use of missiles on their territory.
- Canada welcomed the unconditional ratification on February 3 of the START 1 treaty by the Ukrainian parliament, and the ratification of the Lisbon Protocol, which commits Ukraine to acceding to the Non-Proliferation Treaty (NPT) as a non-nuclear weapons state. Ukraine felt able to ratify the treaty, after the signing of a trilateral agreement in January whereby Ukraine agreed to return nuclear weapons from its territory to Russia for dismantling over the next few years.
- The United States has extended compensation and aid to assist in dismantlement, and has offered the possibility of more; Ukraine is looking for further assistance from the rest of the international community.
- Within the context of an enhanced political and economic relationship, Canada will continue to press Ukraine to now implement its Lisbon Protocol commitments and accede to the NPT at the earliest possible date. Canada is committed to helping Ukraine in the nuclear field, particularly in the area of safety.

ASIA-PACIFIC

- Until recently, there was no tradition of multilateral co-operation on security issues in the Asia-Pacific region. Canada encouraged the development of a dialogue by beginning, in 1990, the North Pacific Cooperative Security Dialogue, a series of workshops for academics and officials. As a result, our regional partners came to recognize the benefits of multilateral discussions as a way of heading off problems and of strengthening stability.
- In July, ASEAN will for the first time convene the ASEAN Regional Forum, involving the foreign ministers of ASEAN and most of the other Asia-Pacific countries, including Canada, the United States, Russia and China. They will discuss how their countries can co-operate on regional security concerns. In preparation for this meeting, Canada has been asked to develop papers on non-proliferation and conflict prevention. At the Regional Forum, Canada will promote the development of regional conflict prevention and resolution mechanisms.
- Through CIDA, Canada is funding the South China Sea Initiative, a project designed to encourage dialogue between the six countries laying claim to the Spratly Islands. Due in large part to this unique initiative, the six states have agreed to proceed through peaceful means and not to attempt to enforce their claims militarily. Although Canada has no direct interest in the Spratlys, this modest, practical initiative is contributing in a tangible way to prevent conflict and build confidence in the region.

THE AMERICAS

- Latin America is relatively free of interstate conflicts. Nonetheless, there are a number of countries which are cause for concern to Canada. We are therefore looking for greater compliance with international treaties, and greater transparency in the policies of these countries.
- The current civil conflict within Haiti has preoccupied Canada in its role as a member of the Group of 4, which also includes France, Venezuela and the United States. Also known as the Friends of Haiti, the group tries to support and assist the UN in its resolution to the problem.
- Canada is working to strengthen the ability of regional organizations to deal with security issues in order to alleviate the growing burden on the United Nations.
- Canada has made the Organization of American States a focus of efforts to promote hemispheric security and stability. Our priority areas are conflict prevention and resolution, conventional arms transfers, non-proliferation, and confidence-building measures.
- Canada is also developing bilateral dialogue and co-operation with many countries in the region, such as Argentina, Brazil, Chile and Mexico, on issues such as arms control, non-proliferation and peacekeeping.

INSTITUTIONAL RELATIONSHIPS

THE G-7

THE UN SYSTEM

UN SECURITY COUNCIL REFORM

THE COMMONWEALTH

LA FRANCOPHONIE

THE ORGANIZATION OF AMERICAN STATES (OAS)

THE G-7

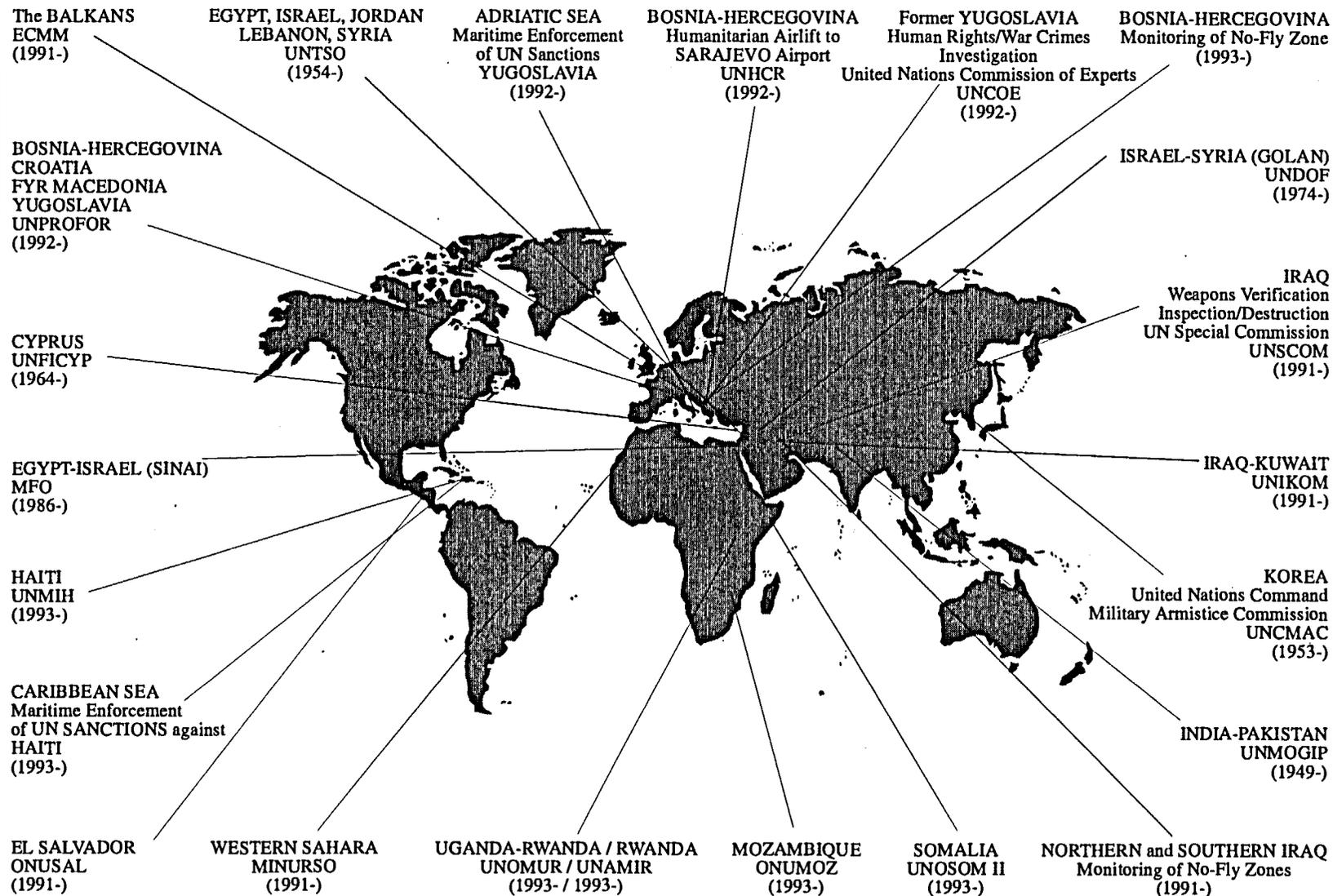
- As the Group of Seven (G-7), the heads of government of the leading industrialized countries of North America, Asia and Europe review international political and economic issues and co-ordinate their policies. The G-7 has no permanent bureaucracy nor institutional constraints. It is therefore an excellent forum for building consensus and making decisions that respond readily to events.
- G-7 discussions have broadened beyond their original focus on macroeconomic co-ordination to include world trade, support for reforms in the countries of the former Soviet Union as well as political and social issues such as terrorism, drug trafficking, AIDS, and the proliferation of weapons of mass destruction. Decision makers in government and the private sector look to the G-7 for signals and guidance on this evolving international agenda.
- As the lines between domestic and foreign issues become increasingly blurred, Canada's membership in this unique forum is more important than ever. The annual G-7 summits provide Canada with a high profile and a privileged opportunity to speak out on issues that matter to Canadians. These include unemployment, the protection of the earth's natural resources, the spread of crime, market barriers to Canadian exports, the plight of developing countries, and international financial stability.
- Canada will continue to pursue its national and foreign policy interests at the 1994 Summit, to be held July 8-10 in Naples, Italy. The 1995 Summit will be hosted by Canada.

Note: The Group of Seven is comprised of Canada, France, Italy, Germany, Japan, the United Kingdom and the United States.

THE UN SYSTEM

- Canada is committed to the development of a strong and effective United Nations. Global problems require global solutions and the UN is the organization best suited to such an approach.
- The UN's role in resolving international conflict is being severely tested. The trend toward integrating peacekeeping with humanitarian assistance and democratic development continues. Canada has been active in shaping the UN's response to these challenges. The UN's military advisor is a Canadian. Canada remains a major contributor of UN forces, it plays a leading role on the UN peacekeeping committee and Canada chairs the UN Committee on Humanitarian Assistance in both New York and Geneva.
- Canada pays its UN assessments in full and on time. Canada continues to urge other countries to do the same and has championed incentive schemes to encourage prompt payment. Our efforts are beginning to bear fruit, as several major contributors are showing signs of changing their ways.
- The strength of Canada's commitment to the UN specialized agencies reflects our recognition of the need to overcome the challenges posed by poverty, unstable economies, rapid technological advance and environmental degradation.
- The UN has a clear and significant role to play in promoting international co-operation on environmental issues. For example, it is working toward an international convention to stop overfishing in the high seas.
- Canada considers it very important to improve the co-ordination of, and eliminate duplication among, UN specialized agencies. Canada encourages Boutros Boutros-Ghali, UN Secretary-General and Chair of the Administrative Committee on Co-ordination, in his efforts to enhance the latter's role of co-ordination.

CURRENT CANADIAN PEACEKEEPING and RELATED OPERATIONS



UN SECURITY COUNCIL REFORM

- Canada believes the Security Council should operate more transparently and draw more fully on the views of the UN membership as a whole. Canada would support the creation of a small number of permanent seats for countries that have emerged as major powers since 1945. A small number of new non-permanent seats could also be created, for countries contributing significantly to international peace and security.
- Regardless of future changes in the composition of the Security Council, much can be done to improve existing procedures without amending the United Nations Charter.
- Reform is likely to come slowly. The process should not be divisive and members should take the time necessary for consensus to emerge.

Permanent and Temporary Members of Security Council include :		
<u>Permanent Members</u>	<u>Temporary Members</u>	
China	Argentina	New Zealand
France	Brazil	Oman
Russia	Czech Republic	Pakistan
United Kingdom	Djibouti	Spain
United States	Nigeria	Rwanda

THE COMMONWEALTH

- The Government of Canada values the Commonwealth because it provides a framework in which we can maintain and develop special relations with its 49 other members.
- Because relations in the Commonwealth are closer than in broader multilateral institutions, it provides Canada with exceptional opportunities to advance Canadian foreign policy objectives and influence global political and economic developments.
- The Commonwealth concentrates on promoting fundamental democratic values and institutions among its member countries; this is also a major element in Canadian foreign policy.
- The Commonwealth has been extremely useful in helping to encourage and support peaceful change in South Africa, and Canada has been able to play a leading role in this effort.
- The Commonwealth's technical assistance program, to which Canada contributes, concentrates particularly on very small developing countries which have difficulty in accessing the larger multilateral organizations effectively.
- As a member of the Commonwealth, Canada is linked institutionally and through a network of non-governmental organizations (professional associations, cultural and sectoral groups) to over a quarter of the world's population of various economic levels, cultures, languages, races, faiths and traditions.

LA FRANCOPHONIE

- Like the Commonwealth, la Francophonie is a very important institution for Canada. By making la Francophonie an integral part of its foreign policy, the Canadian government recognizes the importance of the French language and culture in Canada and in the world.
- Canada became linked with la Francophonie quite early, participating actively in the creation and development of its institutions. In Niamey, Niger, in 1970, Canada was one of the founding members of the Agency for Cultural and Technical Cooperation (ACCT) and has since played an influential, effective role in it. In addition to being responsible for implementation of the co-operation program established by la Francophonie summits, the ACCT acts as the secretariat for the various components of la Francophonie.
- The position of ACCT Secretary-General is held by a Canadian, Jean-Louis Roy. His mandate was reconfirmed last December.
- Canada has been a very active participant in the summits of la Francophonie, which have taken place every two years since 1986; the latest one, held in Mauritius in October 1993, brought together nearly 50 countries from all parts of the world.
- The Canadian government has sought original solutions to enable the provinces to participate substantially in la Francophonie. For example, the Quebec and New Brunswick governments have participating government status in the ACCT, and are involved in this capacity in the summits. In addition, Ontario and Manitoba participate in various activities in association with Canadian delegations, either in the context of the Conference of Education Ministers (CONFEMEN) or the Conference of Youth and Sports Ministers (CONFESJES).
- A great many Canadians participate in this collective effort through non-governmental organizations involved in a multitude of programs and activities. Among these are the International Assembly of French-speaking Parliamentarians (AIPLF), the Association of Partly or Wholly French-speaking Universities (AUPELF), Richelieu International, the International Union of French-speaking Journalists and Members of the Press (UIJPLF), and the International Francophone Association of School Principals (AFIDES).

THE ORGANIZATION OF AMERICAN STATES (OAS)

- Canada's membership in the OAS has become a cornerstone of Canadian foreign policy toward Latin America and the Caribbean.
- Our participation in the OAS not only allows us to pursue multilateral objectives, but also complements and enhances bilateral initiatives and facilitates contacts and co-operation with key partners.
- Canada uses the OAS to pursue and promote key components of Canadian foreign policy, such as respect for human rights, promotion of democratic development, and peace and security.
- A prime example is the leadership Canada showed in the establishment and funding of the Unit for the Promotion of Democracy, currently headed by a Canadian, John Graham.
- Canada has been instrumental in efforts to improve the effectiveness and efficiency of the OAS to ensure that it meets the real needs of its members. Chief among these efforts has been the reform of the OAS technical assistance program, to which Canada is a significant contributor.

HUMAN RIGHTS

HUMAN RIGHTS

- Human rights are integral to Canada's foreign policy. Human rights and democracy are fundamental to Canadian values and interests. They are key to a more secure and prosperous world for everyone, and to an environment in which Canadians can pursue their interests. Democracy, individual liberties and pluralism are increasingly central tenets of international society. We must help countries building democracy.
- The Government will not shrink from action in addressing human rights violations. However, the aim of any Canadian action is to influence the behaviour of governments -- certainly not to punish their innocent citizens -- and in doing that, we will work closely with our partners in the international community.
- Responses to particular situations require a careful balancing of many considerations: a government's relative performance and commitment to human rights, other Canadian interests at play, and above all the relative effectiveness of the measures at our disposal.
- Military exports are strictly controlled, and authorized only when there is no reasonable risk the equipment will bolster repression.
- Canadian development assistance will not be indifferent to irresponsible government behaviour violating international principles. But assistance aimed at creating an environment for sustainable development is primarily a positive means of promoting human rights and good governance. Canada's aid programs will increasingly focus on practical ways of advancing these principles.
- In international financial institutions and aid donor groups, Canada consistently emphasizes the need to consider a recipient's human rights and good governance commitment.

Human Rights (cont.)

- Multilateral fora, especially the United Nations, often provide the most effective means for bringing international influence to bear on a government. Canada's leadership on human rights is recognized in the UN, the Conference on Security and Cooperation in Europe (CSCE), the Commonwealth, la Francophonie and the Organization of American States. Canada played a central role at the 1993 World Conference on Human Rights. We were instrumental in establishing the office of UN High Commissioner for Human Rights, an issue on which the Minister of Foreign Affairs intervened personally with the Secretary-General.
- At the annual human rights consultations with Canadian non-governmental organizations (NGOs), the Minister of Foreign Affairs confirmed the Government's commitment to ensuring that the views of Parliament and of concerned NGOs and individuals are heard in the human rights policy process.
- Canada is an acknowledged world leader in the promotion of women's rights; for example Canada's efforts led to the adoption of the UN Declaration on Violence against Women. We intend to maintain this leadership, and to seek appointment of a UN rapporteur on violence against women.

MAJOR RELATIONSHIPS

THE UNITED STATES

THE EUROPEAN UNION

JAPAN

CHINA

PACIFIC RIM

LATIN AMERICA

MEXICO

RUSSIA

UKRAINE

AFRICA

SOUTH AFRICA

THE UNITED STATES

- Given its size and complexity, the management of the Canada-U.S. relationship remains a critical and enduring challenge in Canada's foreign affairs.
- Canada and the United States are partners in the world's largest bilateral economic relationship. In 1992, Canada exported a record \$121.2 billion worth of goods to the United States, an increase of \$14.5 billion from 1991 -- and comprising 77 percent of our total exports. Recent exports to the United States were the largest contributor to real economic growth in Canada. More than 15 percent of Canada's gross domestic product is generated directly by exports to the United States.
- The North American Free Trade Agreement (NAFTA) will be important in enhancing trade, avoiding misunderstandings and resolving trade disputes. Its side agreements offer a framework on which to build the stewardship of the North American environment and to address important labour concerns. Over the next two years both countries are committed to working out improvements in the areas of subsidies, dumping and the disciplines on such practices.
- While trade disputes grab headlines, over 95 percent of Canada-U.S. trade moves freely.
- Transboundary relations, particularly environmental, are of major importance. Since the 1909 Boundary Waters Treaty, Canada and the United States have cooperated to protect their shared environment, on issues such as air and water quality, and wildlife management.
- Canada and the United States also co-operate on peace and security issues at the United Nations, in the North Atlantic Treaty Organization and in a number of other multilateral fora. Bilaterally, the NORAD (North American Aerospace Defence) Agreement was renewed in April 1991 for five years.

THE EUROPEAN UNION

- The European Union (EU) countries taken together constitute Canada's second-largest trading and investment partner.
- The Treaty on European Union, known as the Maastricht Treaty, came into force on November 1, 1993. It paves the way for European economic and monetary union, the development of a common foreign and security policy and increased co-operation in justice and domestic affairs.
- Canada has always supported the integration process in Europe as a way to foster stability and economic prosperity.
- Integration and enlargement of the EU will create a larger and more dynamic market, presenting greater opportunities for Canada and Canadian exporters.
- Canada is closely monitoring the EU's efforts to establish new defence arrangements under the Western European Union and new ties with Eastern European countries.

JAPAN

- Canada and Japan maintain a continuous dialogue through a variety of international fora. We are partners in the G-7. We are both Pacific nations and participate together in the Asia-Pacific Economic Co-operation (APEC) forum and the Association of Southeast Asian Nations (ASEAN) Post-Ministerial Conference and regional forum.
- Japan is a significant trade and investment partner for Canada.
- Canada's 1993 exports to Japan are expected to have increased by \$1 billion over the previous year, to reach \$8.4 billion, with imports from Japan amounting to \$10.6 billion.
- The trading relationship is generally harmonious, although there are some worrying trends, notably the possibility that Japan and the United States might reach a managed trade agreement that may work to the detriment of Canadian interests.
- Canada's Action Plan for Japan, a co-operative program involving the federal and provincial governments and the private sector, has identified seven priority sectors: processed foods, tourism, information technology, auto parts, forest and building products, aerospace and fisheries.
- Over the past 10 years, Japanese portfolio investors have significantly increased their holdings of Canadian securities (primarily Government of Canada and provincial government bonds) and loans. The total amount of Canadian securities and loans held by Japanese investors at the end of 1993 was about \$54 billion, a \$4-billion increase over 1992 levels.
- For 20 years, Canada and Japan have maintained a bilateral science and technology (S&T) co-operation process, including the establishment of the Japan Science and Technology Fund (JSTF) to support the development of enhanced bilateral S&T collaboration. Over 200 projects have been approved under this fund.

CHINA

- China is an emerging superpower. To have any influence, Canada must be prepared to exchange views with China on such important topics as disarmament, the environment and regional security.
- Canada is pleased with the development of our bilateral economic relations. Canadian expertise meets China's infrastructure needs in the key sectors of telecommunications, oil and gas, hydropower and transportation.
- Canada must take part in, and profit from, the economic boom in China. This cannot be done unless Canada is fully engaged in exchanges with China at the federal government level.
- Canada continues to be dissatisfied with the human rights situation in China. Improving our economic and commercial relations with China does not contradict our desire to see an improvement in China's human rights situation. The economic development of China should help create an environment more conducive to democratic reforms.
- Canada uses all opportunities, bilaterally and multilaterally, to remind the Chinese authorities of our human rights concerns. Canada is also aiding China in reforming its judicial and legal structures and in promoting democracy and the primacy of law.

PACIFIC RIM

- Pacific Rim markets will account for at least half of global growth over the next decade, representing the equivalent of at least five new Canadian economies being added to global consumption.
- Two-way trade with the Asia-Pacific Economic Cooperation (APEC) economies, excluding the United States, was almost \$40 billion in 1992.
- The Pacific Rim is also becoming an increasingly important source of foreign direct investment and new technology for Canada. Japanese direct investment in Canada has doubled since 1985 to \$5.7 billion, while portfolio investment, mainly in federal and provincial government bonds, now exceeds \$50 billion. Other Asian economies, such as Hong Kong, Australia, Singapore and South Korea, have also become major foreign investors in Canada.
- The Pacific Rim economies will become increasingly important to Canada. Led by the dynamic economies of South Korea, Taiwan, Hong Kong, Singapore, Thailand and Malaysia, the rate of economic expansion in Pacific Rim economies is exceeding the global average by a large margin. Indications are this growth pattern will continue.
- Canada intends to be in on the ground floor of Pacific regional institutions to ensure that our priorities and concerns are taken into account as the region formulates its own approach to global issues. For example, the APEC forum is evolving into a key agenda-setting body for the region, helping to define priorities for member countries and providing a window for directly advancing Canada's interests in the region.
- APEC holds annual meetings of foreign and trade ministers. Canada is scheduled to host the Ninth Ministerial Meeting in 1997. Canada will host an APEC Environment Ministers' Meeting in Vancouver in March to coincide with GLOBE '94, a trade show featuring environmental goods, technologies and services.

LATIN AMERICA

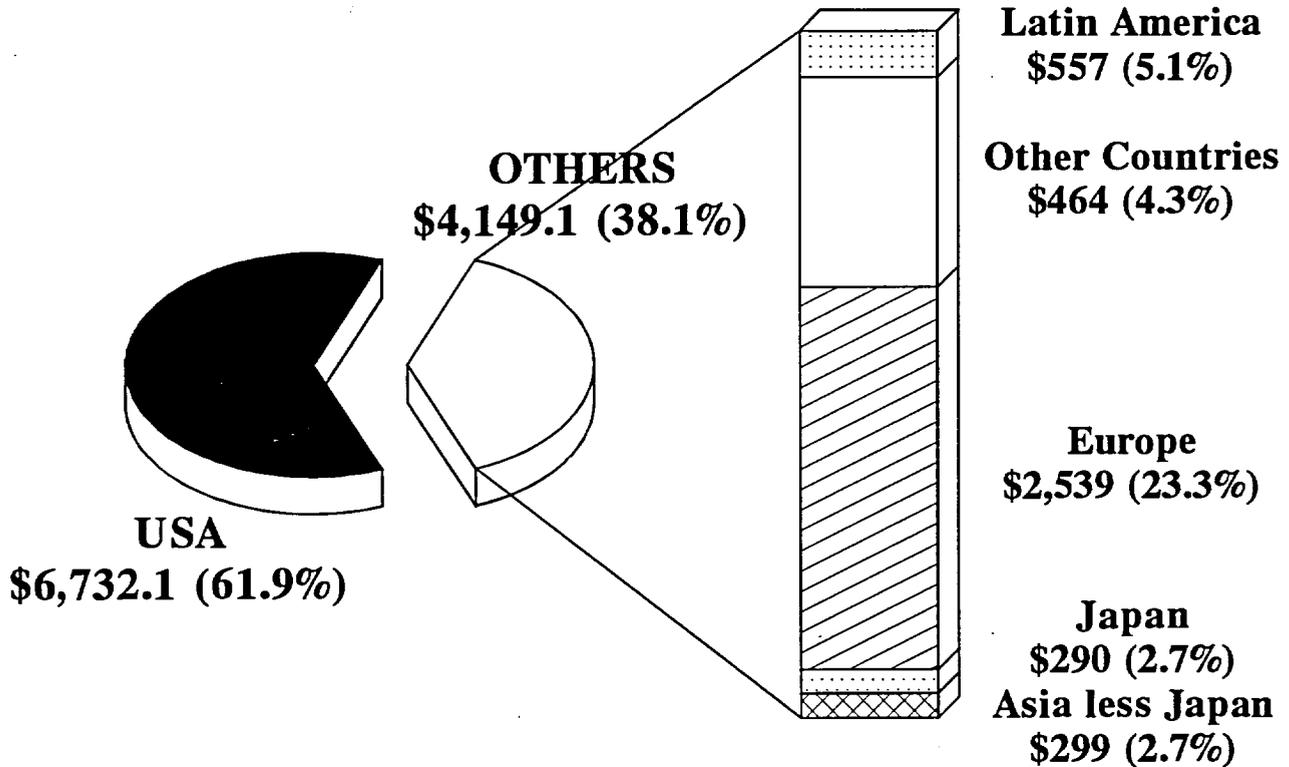
- Canada's major objectives in Latin America are to strengthen bilateral economic relations, promote consolidation of democratic institutions and respect of human rights, and encourage regional economic and political stability.
- Partnership with the countries of the region is being secured through a stronger Canadian participation in the Organization of American States (OAS) and its agencies, including the Inter-American Institute for Co-operation on Agriculture (IICA), the Pan-American Health Organization (PAHO), and the Inter-American Drug Control Commission (CICAD). The OAS has embarked on a process of renewal and revitalization in which Canada is playing a prominent role.
- With a population of over 460 million people, Latin America and the Caribbean offer tremendous opportunities to Canadian exporters. We have to better seize these opportunities.
- Canada's two-way trade with the region reached almost \$9 billion in 1992. Our biggest export markets are Mexico, Brazil, Venezuela, Colombia and Chile. Our most important suppliers are Mexico, Brazil, Venezuela, Cuba and Chile.
- Canada's marketing strategy for the region includes technology transfers, business partnerships, business missions and trade fairs, and the signing of more Foreign Investment Protection and Double Taxation Agreements and Protocols for health and product standards.
- Future directions in Canada's hemispheric trade policy are favouring NAFTA accession, with its reciprocal market responsibilities and privileges.

MEXICO

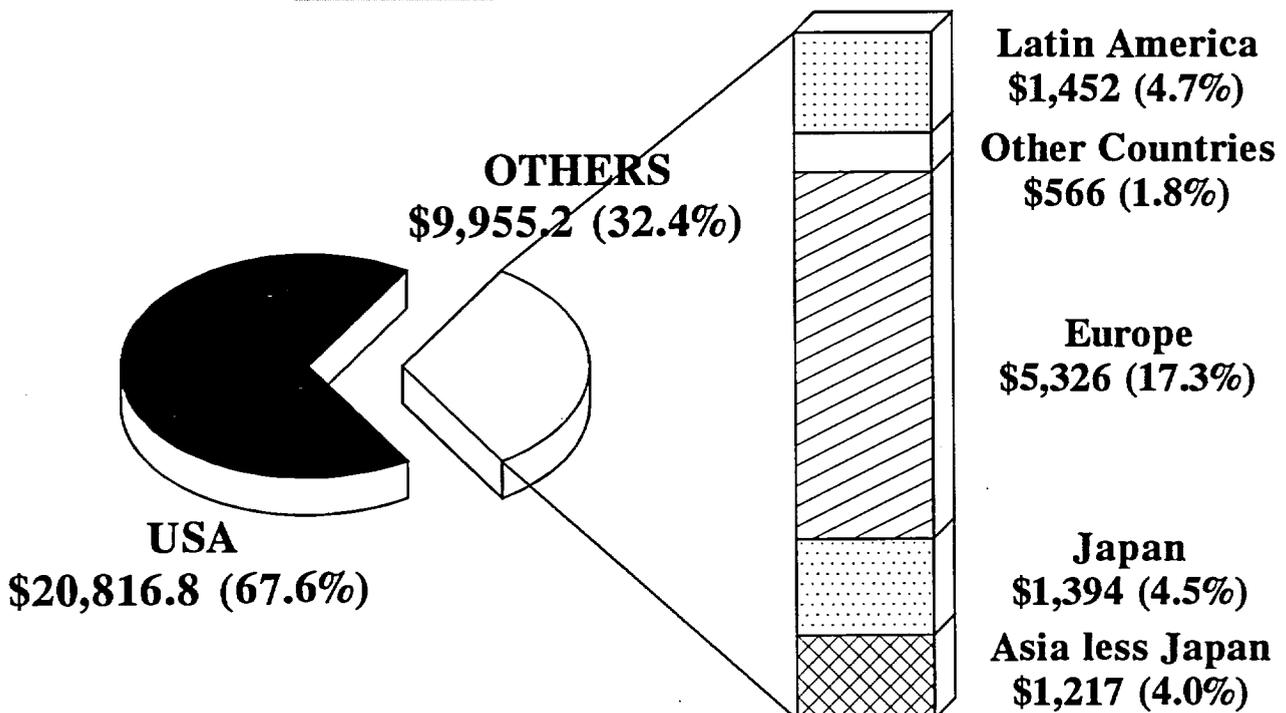
- The North American Free Trade Agreement (NAFTA) has confirmed Mexico's status as Canada's closest and most important partner in Latin America. Two-way trade has grown significantly since the mid-1980s, totalling more than \$3.5 billion in 1992.
- The economic and political transformation under way in Mexico has encouraged a closer relationship with Canada. We conduct annual consultations with the Mexican authorities on a whole range of issues of common interest. The Minister of Foreign Affairs will be in Mexico in March to participate in the annual meeting of the Canada-Mexico Joint Ministerial Committee.
- This year, Canada and Mexico are celebrating 50 years of formal diplomatic relations.
- The Government is organizing in Mexico City in late March the largest single trade fair of Canadian goods and services ever held. More than 400 Canadian companies will exhibit their wares.
- The Government intends to maintain a close dialogue with Mexico on human rights. For example, we are encouraged by recent steps the Mexican government has taken recently to address the situation in Chiapas, such as the amnesty offered to rebels and the active role assigned to the national Human Rights Commission.

Changing Canadian Markets

(C\$ millions)



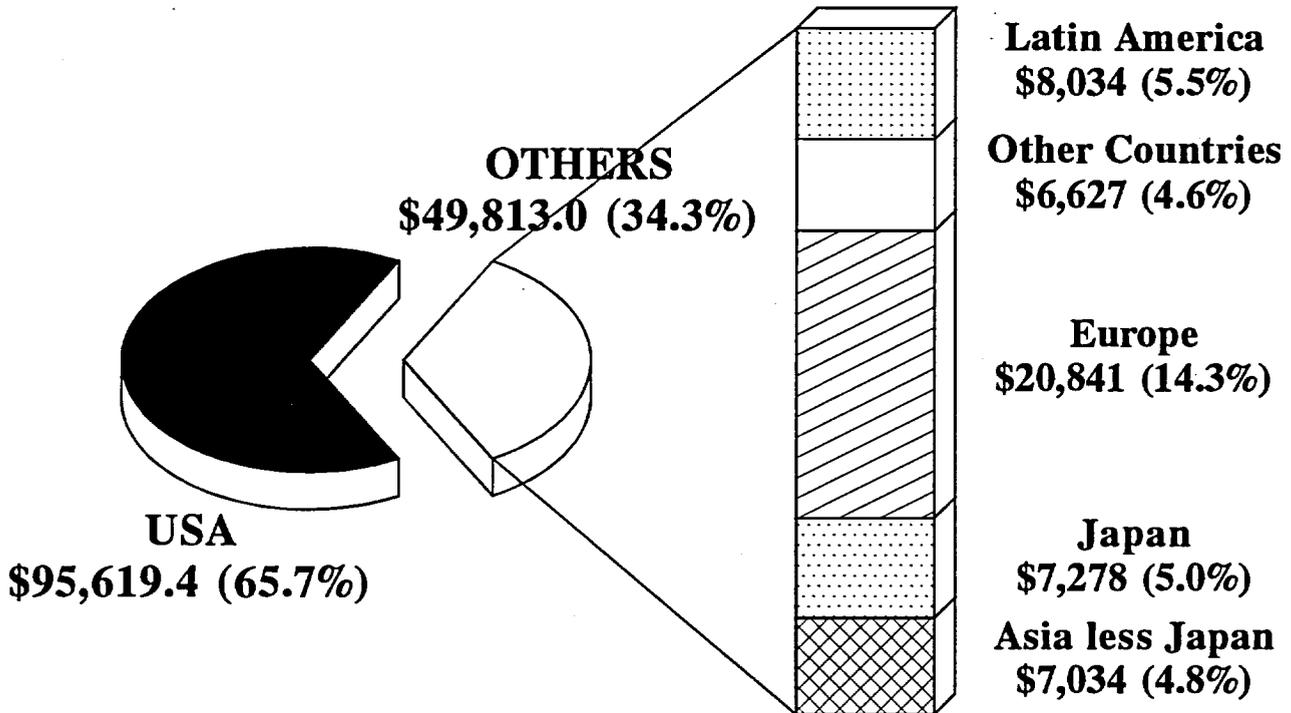
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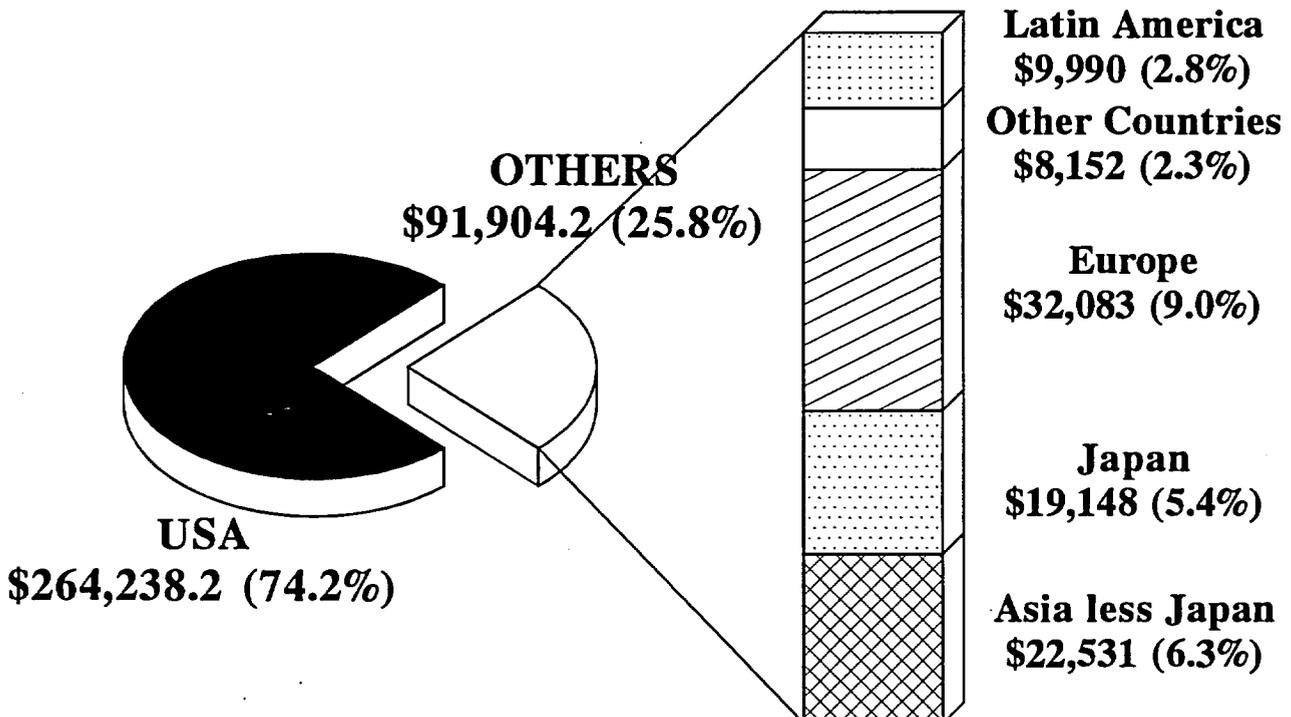
1970

Changing Canadian Markets

(C\$ millions)



1980



1993

RUSSIA

- Canada firmly supports President Boris Yeltsin in his reform efforts. It is in every Canadian's interest to have a peaceful, friendly and prosperous Northern neighbour.
- The Government knows that the building of a new Russia will not be easy and will have its share of setbacks, but our commitment is long-term.
- Canada is concerned by indications that the Russian government's determination to stabilize and restructure the economy might be weakening.
- Canada expects the new Russian cabinet to respect President Yeltsin's commitment to democracy and the development of a market economy.
- Successful reform at home in Russia and responsible behaviour on the international scene is the key to reassuring Russia's neighbours, and ensuring regional stability.
- Canada is providing \$150 million in technical assistance over 5 years to support political and economic reform. Much of this help involves grass-roots people-to-people programs. Hundreds of Canadians, many of them volunteers, are sharing their skills with Russian partners.

UKRAINE

- A stable, secure and prosperous Ukraine is important for European security. Developing our relationship with Ukraine and helping it in its democratic and economic transformation is a priority for Canada.
- Canada is prepared to assist Ukraine in developing a market economy. At the same time, it is important that Ukraine demonstrate real and ongoing commitment to economic reform.
- Canada welcomes President Leonid Kravchuk's signature of the recent United States-Ukraine-Russia accord on dismantling Ukraine's nuclear weapons. Canada believes it will enhance Ukraine's security by allowing it to become fully integrated in the international community. Canada looks forward to the rapid implementation of this accord and the START 1 Treaty, as well as Ukraine's accession to the nuclear Non-Proliferation Treaty (NPT).
- The March 27 parliamentary elections will mark an important step in Ukraine's democratic transformation. Canada is providing a \$2.5-million electoral assistance package to help Ukraine prepare and run these elections.
- Canada currently has a three-year \$30-million technical assistance program in Ukraine, focussing on democratic development, public administration, health, the environment and agriculture.

AFRICA

- Canada recognizes the need to address economic disparities and social necessities in Africa through the alleviation of poverty and the development of human resources. Africa continues to receive 45 percent of Canadian bilateral assistance.
- Canada provides over \$350 million per year in bilateral development assistance to Africa for a broad range of initiatives including environmental protection, human resource development, women-in-development, and basic infrastructure. Over \$50 million per year in humanitarian assistance has been provided to those affected by disasters.
- Canada supports emergent democratic processes in Africa through bilateral and multilateral assistance. In the past two years Canada has provided expertise, monitors and observers and material to 30 African countries.
- Canada welcomes the initiatives taken by member states to make the Organization of African Unity (OAU) a more effective instrument for preventing and resolving regional conflicts. We encourage all efforts to reduce suffering and refugee movements.
- Canada values our diverse relationships with the nations of Africa, which comprise almost one-third of the United Nations membership. These relationships are reinforced by our membership in the Commonwealth and la Francophonie as African states comprise 15 of the 50 members of the Commonwealth, and 28 of the 47 members of la Francophonie.
- Canada exports close to \$2 billion worth of goods and services to Africa, and there is potential for growth as the total market exceeds \$100 billion.
- Canada has been closely engaged with the Southern African Development Community (SADC). This underscores Canada's commitment to development in southern Africa.
- Canada is establishing the Regional Democratic Development Fund (\$40 million) and the Private Sector Initiatives Fund (\$60 million) to encourage democratization and entrepreneurial initiative.

SOUTH AFRICA

- Canada encourages all parties in South Africa to participate in the transitional arrangements and in the April 26-28 election, and Canada continues to urge all leaders to make their best efforts to reduce the level of violence.
- Political violence is high, potentially threatening the election. Canada is participating in a Commonwealth program for training the new racially integrated South African national peacekeeping force and has provided former RCMP Commissioner Robert Simmonds to the Goldstone Commission, which investigates violence for the Independent Electoral Commission.
- Canada has already embarked on a substantial program for policy development in the critical areas of education, macroeconomics and public administration, and the training of South Africans for the post-apartheid civil service.
- In December 1993, Canada announced a \$2.5-million package of assistance to the electoral process. Canada has urged the UN Secretary-General to move forward quickly with a substantial number of monitors to help control violence and to help ensure a free and fair election. At the request of the South African Independent Electoral Commission, Canada is providing high-level electoral expertise. Ron Gould, Assistant Chief Electoral Officer of Elections Canada, is one of the five "international" members of the Independent Electoral Commission. The Canadian government is also assisting Canadian non-governmental organizations in their work with their South African partners on electoral observation and voter education. Qualified Canadians will also serve with the UN and Commonwealth as experts and monitors. The Secretary of State (Latin America and Africa) will lead a Canadian bilateral electoral observer delegation.
- Now that apartheid has been abolished and a non-racial, democratic election will take place, Canada will seek to ensure that Canadians are actively engaged in the economic expansion of South Africa. The official opening of Canada's new trade office in Johannesburg on January 31 by the Minister for International Trade illustrates our strong commitment to the resumption of normal trade relations with South Africa.

TRADE DEVELOPMENT

THE INTERNATIONAL BUSINESS DEVELOPMENT REVIEW

FOSTERING SMALL AND MEDIUM-SIZED ENTERPRISES

EDC PROGRAMS

ONE-STOP SHOPPING

THE INTERNATIONAL TRADE BUSINESS PLAN

THE INTERNATIONAL BUSINESS DEVELOPMENT REVIEW

- The world of international business is changing rapidly. Firms must now consider exporting, international investment, capital flows, technology and R&D when developing international business strategies. To assist Canadian business to succeed globally, the federal government engages in international business development. However, given the changes in international business, a comprehensive review of federal government programs and policies is needed to address two fundamental questions:
 - what is the appropriate contemporary role for government in international business development? and,
 - what is the most efficient and effective way to support Canadian business?
- As a first step, the Department of Foreign Affairs and International Trade is leading the development of a government-wide inventory of international business support. This is a comprehensive listing of the activities undertaken by all government departments and agencies involved in supporting international business, including the cost of this support.
- The international business development review will be conducted as part of the foreign policy review.
- The views of the private sector and of provincial governments will be actively sought.

FOSTERING SMALL AND MEDIUM-SIZED ENTERPRISES

- In the Speech from the Throne on January 18, the Government indicated it would focus on small and medium-sized enterprises (SMEs) as a source of longer-term job creation. For over a decade, small and medium-sized companies have been the engine of the Canadian economy. However, to compete and thrive in the increasingly competitive international marketplace, SMEs will need to adopt a more aggressive trading mentality to take advantage of export markets, and thereby generate jobs and growth.

- In order to foster the export orientation of Canada's SMEs, emphasis will be given in the months and years ahead to addressing the unique needs of smaller companies. Trade policy, export financing and international business development initiatives, such as export education and business networking programs, will be geared to eliminating the barriers that prevent SMEs from exporting, investing in and obtaining technology on a frequent and sustained basis.

EDC PROGRAMS

- The Export Development Act, as amended last year, will help to address the concerns of the Export Development Corporation (EDC)'s customers for broader and more flexible financial services. This will improve our exporters' competitiveness in the marketplace by allowing Canada to match the services already offered by other export credit agencies.
- Small and medium-sized enterprises (SMEs) rely heavily on EDC services in order to compete internationally. The Government will be placing much emphasis in assisting SMEs to export more. Toward that end, the EDC will enhance its efforts to assist SMEs.

ONE-STOP SHOPPING

- The Canadian Business Service Centres are one-stop information depots for business. The Centres are being established to eliminate the confusion that businesses often encounter when seeking information on government programs.
- These Centres will be run by the federal government in close co-operation with provinces and private-sector organizations. Staff will have sophisticated on-line databases enabling them to offer accurate contact names and phone numbers and quick answers to hundreds of business questions on issues as diverse as starting a new business to obtaining export financing.
- Counsellors at the new Centres will handle phone calls and personal visits during office hours, but the outlets will also be equipped with new telephone and facsimile technologies that allow the public to obtain information 24 hours a day, seven days a week. The automated "faxback" service is a self-serve technology that government departments are using to improve service in this era of cutbacks.

THE INTERNATIONAL TRADE BUSINESS PLAN

- The International Trade Business Plan is the Government's action plan for increasing Canada's success in the global marketplace. It is prepared by federal departments and agencies in consultation with provinces and the private sector.
- The Plan includes a statement of trade policy and business development priorities and the directions that the Government of Canada intends to take. A series of 29 sector and subsector profiles is also included. These profiles address the particular opportunities and challenges facing individual industries. Accompanying each sector strategy is a list of fairs, missions and special events in which Canadian companies are invited to participate.
- As well as being a significant source of information for business, this plan helps eliminate overlap and duplication between federal departments and agencies and supports greater cohesion in the delivery of government programs.

TRADE POLICY DIRECTIONS

TRADE POLICY DIRECTIONS

- The goals of Canadian trade policy are to give our exporters' the best possible opportunities to sell their goods and services abroad and to ensure Canada remains a preferred site for investment.
- Canada has traditionally pursued this goal through working to strengthen the rules-based international trading system.
- Only by having a set of clear international rules and open and secure markets abroad will Canadians have the confidence to compete, invest in the future and look beyond their own shores.
- Unprecedented progress has been made in this regard with the conclusion of the Uruguay Round of Multilateral Trade Negotiations and the entry into force of the North American Free Trade Agreement (NAFTA). It is our intention to build on these agreements to broaden and deepen our foreign trading relationships.
- This will be done, for example, through our active involvement in the newly agreed to World Trade Organization (WTO), and the negotiation of WTO membership with such trading partners as China, Taiwan and Russia. In addition, Canada is looking to extend the NAFTA to other countries and to use the Asia-Pacific Economic Cooperation forum to help set the next multilateral agenda.
- All of these activities will be undertaken with a view to ensuring that Canadian businesses, particularly small and medium-sized enterprises, are able to take full advantage of opportunities abroad.

**MULTILATERAL TRADE NEGOTIATIONS (MTN)
FOLLOW-UP**

MTN FOLLOW-UP

- Our top multilateral priority is to work toward the full implementation of the Uruguay Round agreement. A strong and effective multilateral trading system is the cornerstone of Canada's trade policy.
- While details of the market access package have not been completed, we know that Canada will see tariff reductions of more than 50 percent in key offshore markets, including free trade in sectors of great importance to us, such as paper and paper products, basic petrochemicals, pharmaceuticals, steel products, medical equipment, office furniture, and whisky and beer.
- We are particularly eager to pursue new market opportunities in the growing economies of Asia-Pacific and Latin America, while continuing to develop links with our two biggest trade and investment partners, the United States and Europe.
- The decision to create a powerful and effective World Trade Organization (WTO) was a Canadian initiative and the crowning achievement of the Uruguay Round negotiations.
- As a medium-sized country with a big stake in world markets, it is important for us that our trading partners adhere to basic rules of trade. These include a clear definition of subsidy and disciplines on the use of countervailing duties as well as more effective dispute settlement procedures that the WTO will contain.

ENVIRONMENT

TRADE AND THE ENVIRONMENT

**THE GLOBAL FORESTS CONVENTION
AND THE MONTREAL PROCESS
TO DEFINE SUSTAINABLE DEVELOPMENT**

CLIMATE CHANGE AND BIODIVERSITY CONVENTIONS

STRADDLING FISH STOCKS MANAGEMENT

EXTENSION OF FISHERIES JURISDICTION

TRADE AND THE ENVIRONMENT

- Canadians are committed to the sustainable use of renewable resources so that the ability of future generations to meet their development needs will not be compromised.
- Canada is also an important trading nation and much of our trade is in environmentally sensitive natural resource industries. Since both the environment and trade are so important to Canadians, there is growing interest in developing a harmonious relationship between environmental and trade policies.
- During the negotiation of the North American Free Trade Agreement (NAFTA) and the North American Agreement on Environmental Co-operation, many elements of this relationship were fleshed out. Organization for Economic Cooperation and Development (OECD) countries have also created a Joint Session of Trade and Environment Experts to analyze the most difficult facets of the trade and environment relationship. The General Agreement on Tariffs and Trade (GATT) has had a Working Group actively engaged in examination of several trade rules-related elements. And most recently, negotiators of the Uruguay Round agreed to settle on an institutional structure and a work program to begin to address trade and environment issues within the new World Trade Organization.

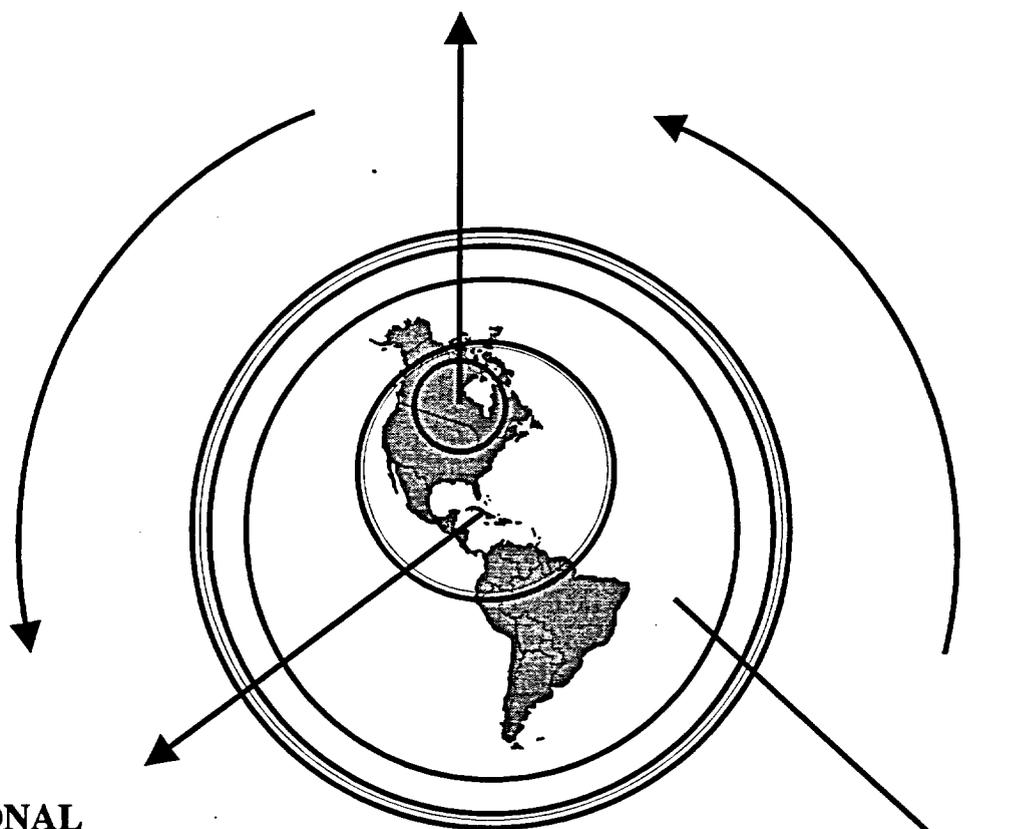
CLIMATE CHANGE AND BIODIVERSITY CONVENTIONS

- The well-being and economic prosperity of Canadians is tied directly to a healthy global environment.
- Environmental problems such as climate change, loss of biodiversity and ozone depletion pose serious threats to Canadians. Indeed, ozone depletion will affect Canadians, and other people near the world's poles, long before it affects countries nearer the equator.
- The Climate Change and Biodiversity Conventions and the Montreal Protocol on Ozone Depleting Substances are effective multilateral responses to these global environmental problems. Canada was among the first countries to ratify each of these agreements. They provide a vehicle by which developed and developing countries can co-operate in addressing these problems.
- To encourage developing countries to give priority to the global environmental problems that threaten all countries, developed countries have agreed to provide developing countries with financial and technical assistance to help implement the provisions of the Conventions and the Protocol.
- The international community has established the World Bank's Global Environment Facility and the Montreal Protocol Multilateral Fund as the mechanisms through which developed countries can provide financial assistance to developing countries.
- Canada was a founding member of, and has contributed to, both funds. We continue to support these institutions and to provide our fair share of contributions to them.

BEYOND BORDERS

NATIONAL CONCERNS

Air Pollution and Water Pollution
Use and Management of Renewable Resources
Toxic Substance and Hazardous Waste Management



REGIONAL PROBLEMS

Acid Rain and Transboundary Pollution
Stresses on Regional Ecosystems
Protecting Migratory Wildlife
Transboundary Movement of Hazardous Wastes

GLOBAL ISSUES

Global Warming
Ozone Depletion
Safeguarding the Health of Oceans
Ensuring Biological Diversity
Sustaining the World's Forests

**THE GLOBAL FORESTS CONVENTION
AND
THE MONTREAL PROCESS
TO DEFINE SUSTAINABLE FORESTRY**

- A Global Forests Convention is important. It will help forested countries address environmental concerns and protect economic interests.
- Canada pushed hard for a Convention during the 1992 United Nations Conference on Environment and Development in Rio.
- No consensus on a Convention was reached in Rio, but a non-binding document was produced called the *Guiding Principle on Forests*.
- Since Rio, Canada has worked hard to build support for a Global Forests Convention.
- To help break the current impasse, Canada hosted a forestry experts meeting in Montréal last September.
- Canada and key northern temperate forest countries are committed to finalizing the work begun in Montréal. It is hoped that international agreement on sustainable forestry criteria and indicators can be reached in time for the 1995 United Nations Commission on Sustainable Development (UNCSD) review of forests.
- Recent events indicate a significant turn-around in developing country opposition to international efforts to elaborate on the meaning of sustainable forestry. Canada intends to co-operate with these and other countries with forestry interests.
- Our goal is to have the 1995 UNCSD recommend to the UN General Assembly that it authorize the negotiation of binding rules on sustainable forest management.

STRADDLING FISH STOCKS MANAGEMENT

- The impact of the severe depletion of groundfish stocks including northern cod on Atlantic Canada has been devastating, particularly in coastal communities in Newfoundland and Cape Breton, where no alternative livelihood exists.
- Sharply declining high seas fish stocks in many other regions of the world have focused international attention on the need to resolve the problem.
- Foreign overfishing has been the subject of intensive bilateral and international initiatives by Canada.
- Bilaterally, an agreement has been concluded with the European Union (EU), whereby the EU has undertaken to abide by Northwest Atlantic Fisheries Organization (NAFO) conservation decisions, with Canada setting the total allowable catch for northern cod.
- Under the auspices of the Food and Agriculture Organization (FAO), Canada has concluded an agreement to promote compliance with international conservation measures by fishing vessels on the high seas.
- Following the UN Conference on Environment and Development (UNCED) in Rio de Janeiro, Canada has played a leadership role UN Conference on High Seas Fisheries negotiations for the establishment of an effective conservation and management regime.
- Non-contracting parties (reflagged and other) have become the principal cause of overfishing cod and flounder in the NAFO area.
- Diplomatic representations in 1992 and 1993 have resulted in agreements with Korea, Morocco, Venezuela and Vanuatu to remove their vessels.
- NAFO and bilateral efforts will be made shortly with Panama, Honduras, Belize, Sierra Leone and the United States.
- Unilateral action against flagless and reflagged vessels will be taken if necessary.

EXTENSION OF FISHERIES JURISDICTION

- Canada is determined to put an end to overfishing beyond its 200-mile zone, by agreement if possible and unilaterally if necessary.
- Our main concern is the boats fishing in the Northwest Atlantic Fisheries Organization (NAFO) regulated zone, either without a flag or under a flag of convenience.
- We are confident that the problem can be settled in accordance with international law.
- Canada favours the adoption by the United Nations of an international convention to ensure the conservation of high seas fisheries resources.

INTERNATIONAL ASSISTANCE

CANADA'S INTERNATIONAL ASSISTANCE

GEOGRAPHIC PROGRAMS

MULTILATERAL PROGRAMS

PARTNERSHIP PROGRAMS

FUNDING PRESSURES

AID AND DEVELOPMENT PROGRESS

WHY FOREIGN AID?

**HOW CANADA BENEFITS ECONOMICALLY
FROM THE AID PROGRAM**

**CENTRAL AND EASTERN EUROPE
AND COUNTRIES OF THE FORMER SOVIET UNION**

CANADA'S INTERNATIONAL ASSISTANCE

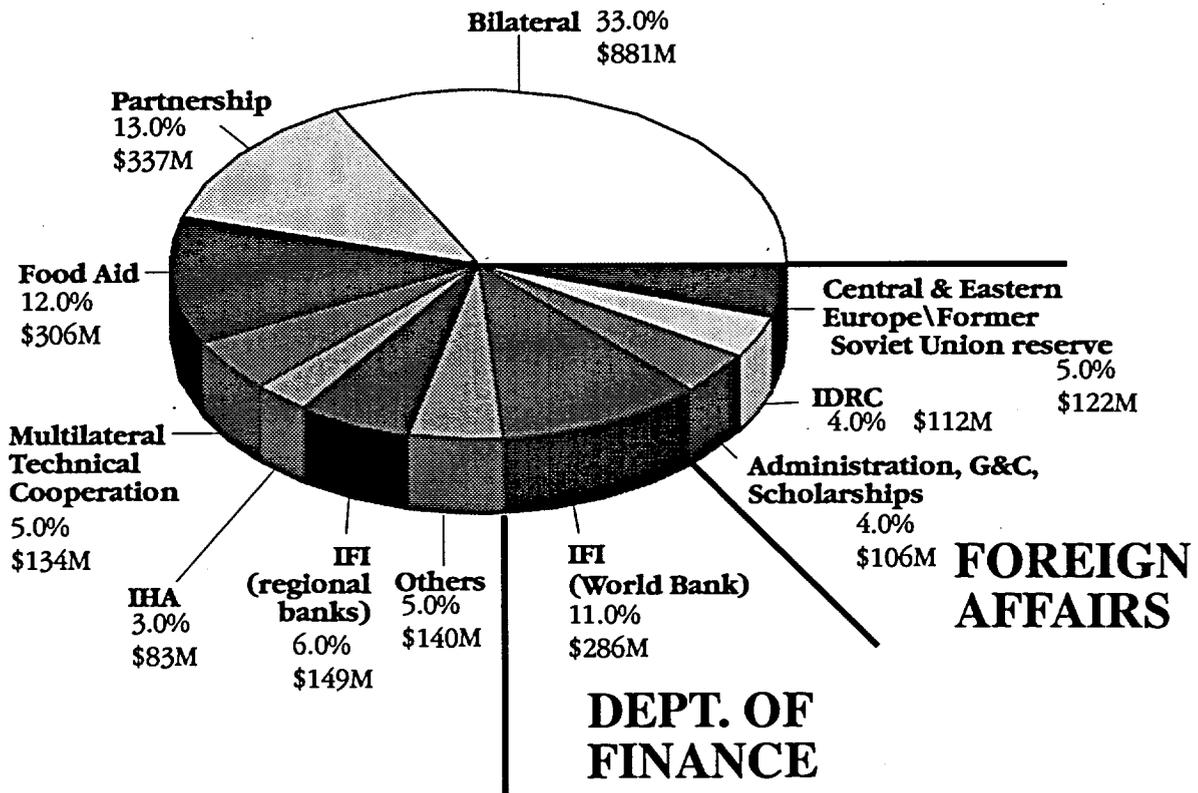
- The Canadian International Development Agency (CIDA) administers most of Canada's international assistance.
- Other departments and agencies involved in administering international assistance include:
 - the Department of Finance, for Canada's contributions to the World Bank and the International Monetary Fund;
 - the Department of Foreign Affairs and International Trade for Canada's contributions to the agencies of the United Nations, and for assistance to Central and Eastern Europe and countries of the former Soviet Union;
 - the International Development Research Centre (IDRC); and
 - the International Centre for Human Rights and Democratic Development.

CANADA'S INTERNATIONAL ASSISTANCE BUDGET

by channel of delivery
(CIDA and Other Departments)

1994-1995

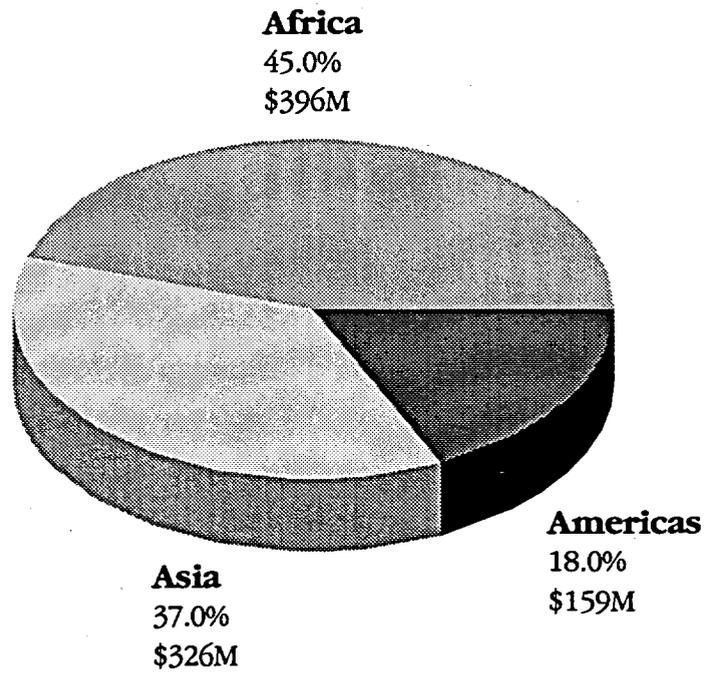
CIDA



GEOGRAPHIC PROGRAMS

- Geographic programs represent about 33 percent of Canada's international assistance, and are designed in consultation with developing country governments. These programs offer high visibility for Canada, and can be tailored to Canada's priorities in a given country.
- Within the geographic programs, 45 percent of assistance is allocated to Africa and the Middle East, 37 percent to Asia and 18 percent to the Americas.
- Aid for North Africa and the Middle East emphasizes building economic partnerships and supporting the Middle East Peace Process. Sub-Saharan Africa receives assistance that supports regional co-operation, democratic development and entrepreneurship.
- In Asia, the emphasis is on fostering long-term relationships between Canadian and Asian groups in the governmental, private, non-governmental and educational sectors. The major recipients are Bangladesh, Indonesia, India, Pakistan and China. There are also significant programs for Thailand, the Philippines, Sri Lanka and the institutions of the Association of Southeast Asian Nations (ASEAN).
- In the Americas, the main thrust is the promotion of economic liberalization, social equity, human rights and environmental protection. Resources are divided among the countries of the Commonwealth, the Caribbean and Haiti, Central America, and South America.

CIDA GEOGRAPHIC PROGRAM BUDGET 1994-1995



MULTILATERAL PROGRAMS

- Programming through multilateral channels represents about 35 percent of the international assistance budget.
- Canada supports a wide range of multilateral and regional organizations as a way of addressing global problems, while promoting Canadian policy and programming priorities.
- Multilateral co-operation enables the international community to pool its resources, and this results in greater cost-effectiveness and impact. It also allows the donor community to address issues that are best dealt with collectively.
- Multilateral programs supported include international financial institutions, the United Nations, the Commonwealth and la Francophonie, food aid and humanitarian assistance.
- These programs address such major themes as emergency and humanitarian assistance; food security; the health and social sectors; the global environment; good governance; and economic management.
- CIDA is the lead government agency in providing emergency aid to developing countries. Emergency assistance takes many forms, and meets needs related to health, nutrition, water and sanitation, shelter and transportation.
- Food aid is another important form of multilateral assistance, though CIDA also provides bilateral food aid. In fact, Canada is the largest per capita food aid donor in the world. Food aid has many uses. It meets emergency needs and can also be used in food-for-work programs and as balance-of-payments support.

PARTNERSHIP PROGRAMS

- CIDA's Canadian Partnership Programs, which receive about 13 percent of the international assistance budget, support a wide range of Canadian groups and firms involved in development activities worldwide.
- Partner groups include the Canadian private sector, Canadian and international non-governmental organizations (NGOs), educational institutions, co-operatives, unions, municipalities and professional associations. CIDA funds support initiatives developed by these groups.
- Canadian Partnership Programs deal directly with thousands of businesses and individuals, hundreds of Canadian voluntary organizations, universities and colleges, dozens of provincial government departments and agencies, and numerous municipalities.
- These programs support such activities as investment and capital project studies for the private sector; grass-roots and community-development initiatives of NGOs; links between educational institutions in Canada and overseas; and programs to strengthen the co-operative and trade union sectors.
- CIDA INC is an industrial co-operation program which backs private-sector initiatives between Canada and developing countries, including the transfer of skills, technology and capital to the developing world, while generating jobs, export sales and new business opportunities for Canada.

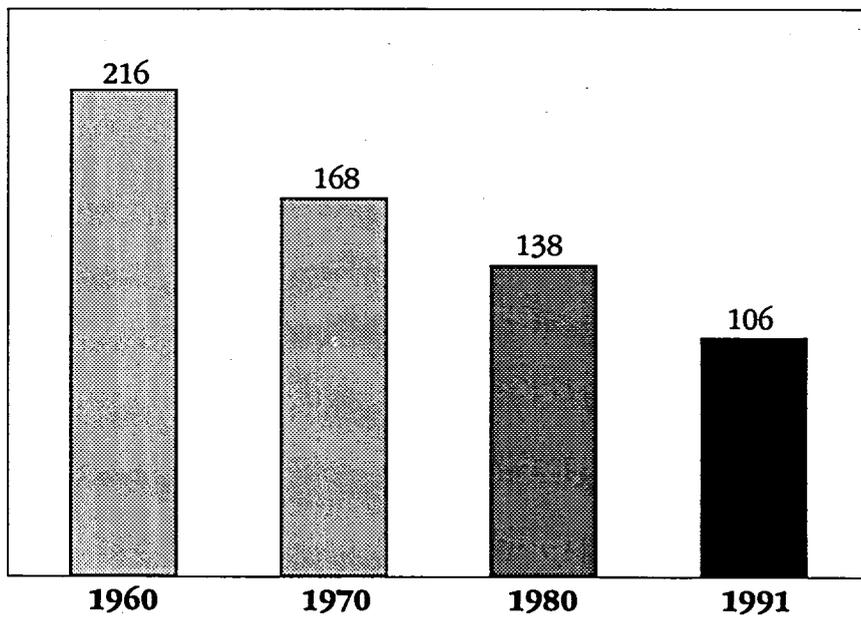
FUNDING PRESSURES

- The budgets of donor countries are increasingly stretched. Most of them, like Canada, are striving to restrain public spending and reduce debt.
- Our scarce resources must be carefully allocated. Our priorities must be closely scrutinized.
- The challenges resulting in increased demands on international assistance programs include:
 - the environment (e.g. the need to finance the Global Environment Facility; developing country environmental programs);
 - human rights, democratic development and good governance;
 - the transitional countries of the former Soviet Union;
 - increasing cash requirements for the multilateral development banks;
 - encouraging private-sector participation in economic development; and
 - humanitarian assistance needs.

AID AND DEVELOPMENT PROGRESS

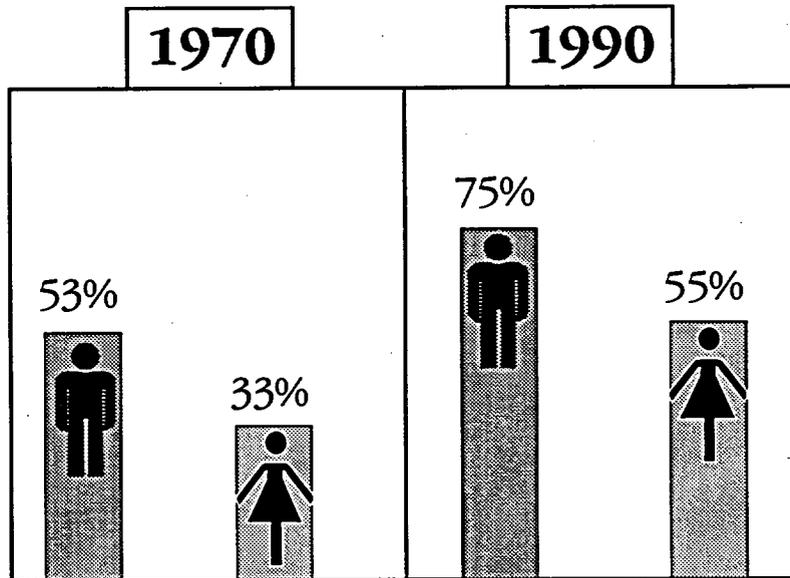
- Many Canadians do not realize that people in developing countries have made substantial and encouraging progress over the past generation, with aid an important contributing factor. Overall, the developing world has:
 - cut infant mortality in half (1960 - 217 per 1000, 1991 - 101 per 1000);
 - raised per capita income (more than doubled since WWII);
 - boosted literacy rates (more than doubled since 1950); and
 - increased life expectancy (1950 - 40 years, 1990 - 63 years).

CHILD DEATH RATES IN DEVELOPING COUNTRIES HALVED SINCE 1960



(Deaths of children under 5 per 1,000 live births)

ADULT LITERACY IN DEVELOPING COUNTRIES



WHY FOREIGN AID?

Moral and Humanitarian Concerns

Canadians believe aid is the right thing to do as a simple matter of social justice. This firm sense of moral commitment has long been the bedrock of public support for Canada's aid program.

The Environment

In developing countries, poverty is often the root cause of ecological damage. By targeting poverty, aid reduces some of the threats to our common environment. It can also help Third World countries develop in environmentally sound ways, so that their economic growth does not exact the same ecological cost as ours.

The Economy

Aid is an investment in the well-being of Canada's economy and in that of the whole world. It means jobs, contracts and export sales for Canada, and connects us to some of the fastest-growing markets in the world — those of the developing world.

Security

Poverty affects more than the poor. It breeds instability and contributes to the exodus of refugees as well as problems such as terrorism, pollution, the drug trade. By tackling poverty, aid can help us build a safer, more peaceful world.

Canadian Values

Canadians want their values to be reflected in world affairs. Our aid program is one of the most important means we have of sharing our ideals and values with people in the developing countries, who make up the vast majority of the world's population.

International Influence

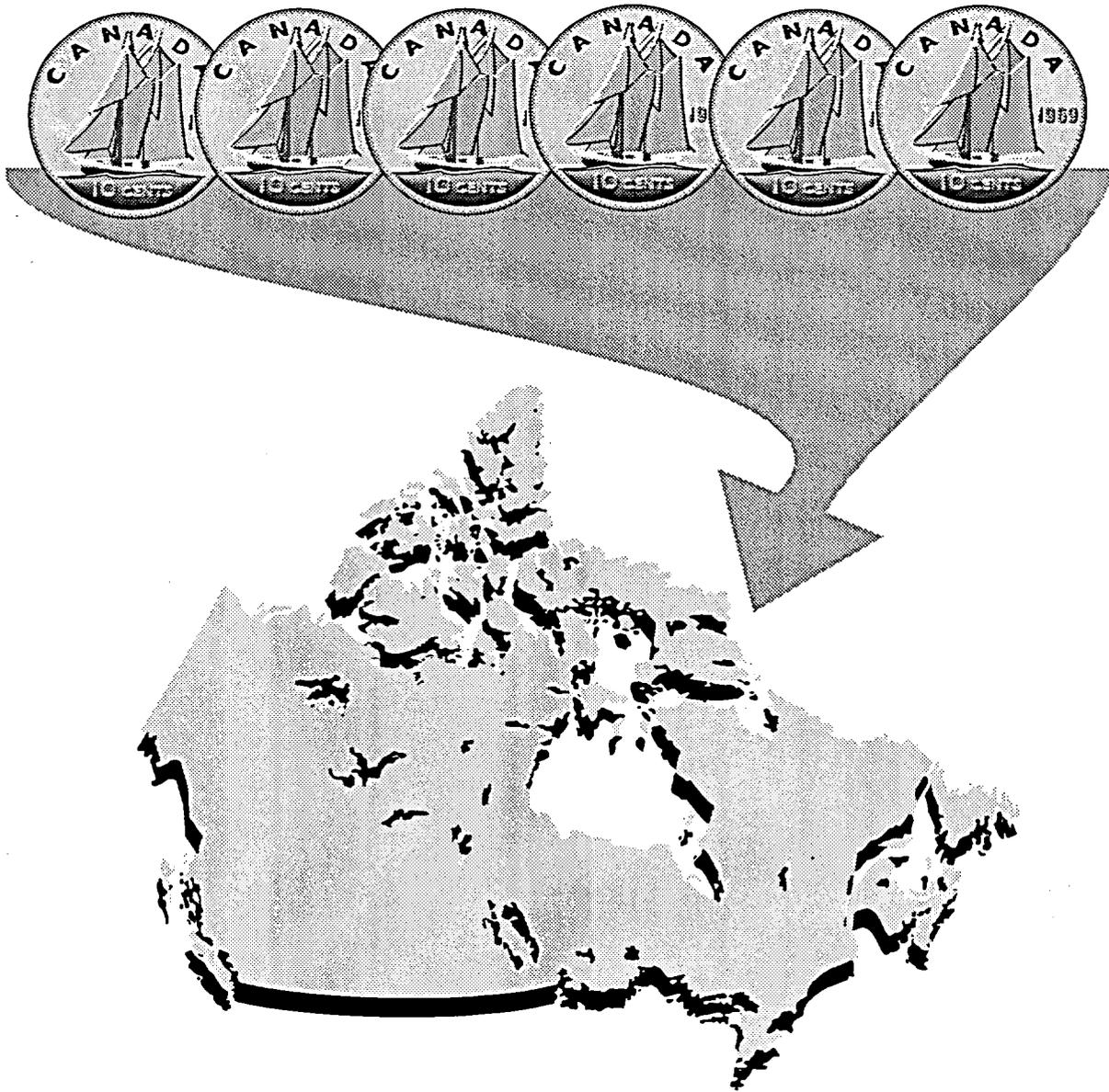
The aid program gives Canada a stronger voice in world affairs and in important international organizations such as the UN, the G-7, the OECD, the Commonwealth, la Francophonie, and many international financial institutions and research organizations. Because we give aid, our voice is more respected, our ideas are taken more seriously, and we have a better opportunity to influence the course of world events.

HOW CANADA BENEFITS ECONOMICALLY FROM THE AID PROGRAM

- Over 60 cents of every aid dollar is spent on Canadian goods and services.
- Official Development Assistance directly maintains 48 000 Canadian jobs, including:
 - 30 000 jobs from procurement of goods and services, of which 5000 stem from food aid purchases;
 - 6000 jobs from procurement by multilateral institutions in Canada;
 - 12 000 jobs in delivering aid programs (NGOs, executing agencies, public-sector staff, co-operants).
- Over the past 10 years, about one third of Canada Export Award winners had received prior co-financing assistance from CIDA's Industrial Co-operation Program.

AID AND THE CANADIAN ECONOMY

Approximately sixty cents of every
aid dollar is spent on Canadian
goods and services.



In 1992-93 this amounted to \$1.8 billion.

CENTRAL AND EASTERN EUROPE AND COUNTRIES OF THE FORMER SOVIET UNION

- The successful transition of Central and Eastern Europe and countries of the former Soviet Union to democracy and market economies is fundamental to international security and stability.
- Canadian assistance to Central and Eastern Europe and countries of the former Soviet Union consists of technical, nuclear safety and humanitarian assistance as well as assistance for trade and industrial development.
- The Canadian assistance program aims to promote democratic development, to support the transition to market-based economies and to increase Canadian trade and investment links with all countries of the region.
- The Canadian assistance program is based on partnership with the private sector, non-governmental organizations (NGOs), professional associations, labour, academia, ethnic communities and all levels of government.
- This program emphasizes people-to-people initiatives and draws on the language skills and cultural ties of the 10 percent of Canadians who trace their roots to the region.
- The Renaissance Eastern Europe program aims to increase familiarity and co-operation with the private sector in the region and to facilitate the transfer of technology expertise and investment which will promote the development of free market enterprises.
- Canada has responded generously to the humanitarian needs of the region. We have pledged some \$50 million worth of humanitarian assistance to the former Yugoslavia alone.
- Canadians are contributing to efforts to improve the safety of nuclear plants in Central and Eastern Europe and the countries of the former Soviet Union through a \$30-million, three-year Canadian Nuclear Safety Initiative.

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