



Statements and Speeches

No. 77/24

CURRENT ISSUES OF CONCERN TO CANADA AND THE INTERNATIONAL COMMUNITY

A Statement by the Honourable Donald C. Jamieson, Secretary of State for External Affairs, in the House of Commons on December 19, 1977.

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In a single speech or in one debate it is not possible to cover all aspects of international affairs. I have decided this afternoon to confine most of my remarks to those issues in the international realm that impact most directly upon the people of Canada, and also those that have caused the greatest amount of concern in recent months. Meeting both of these criteria, very obviously, is the question of the world economy and the new economic order, as it has come to be called, throughout the international scene.

Some weeks ago, I gave the House a rather comprehensive report on the various activities taking place in such organizations as the International Monetary Fund, the Organization for Economic Co-operation and Development (OECD), and a number of similar agencies. Therefore, it is not my intention today to deal with these in any great detail. However, by way of recapitulation, I should like to refer briefly to three subjects I am sure will be touched upon by other speakers from both sides as this important debate proceeds.

Outcome of London summit conference

First, I refer to the summit conference of last May, in London, and the events that have flowed from it. Among those are the "North-South Dialogue", or the search for the new economic order, as well as the multilateral tariff negotiations (MTN). All of these — and particularly the focus that was brought to them by the summit — illustrated once again the interdependence of the world and the growing necessity for us to consult with one another, not only in the developed world but also with the Third World. This is necessary if we are to find solutions for what are generally described as basic structural changes in the world economic system.

There is now general agreement, given the precarious nature of the economic structure at the present time, that resolutions of a satisfactory nature will not be found unless we recognize that old solutions imposed on new circumstances will be inadequate. Therefore, the search is on in a wide range of forums in order to determine how we must approach these new developments.

In the case of the summit, there was general agreement that we must resist what are obviously the growing forces of protectionism. Canada, more than any other developed country, recognizes that there is a fine line we must follow between ensuring that existing industries and existing sources of employment are reasonably protected, while at the same time doing those things necessary to ease the general

pattern of world trade to make access to foreign markets better for us so that we can, from a comparatively small domestic base, expand in a manner that will be necessary if we are to meet the increasing demands upon the economy and if we are going to be able to support the general standards to which our people are entitled.

Before returning to the multilateral tariff negotiations, I should like to refer to a very serious concern of those who met at the summit, including the Government and the Prime Minister of Canada. That is the tremendous problem of world unemployment, particularly in the developed world. It is a phenomenon that has not shown up previously or, at least, to the same extent as at present. It is one of the permanent structural changes to which I referred a few moments ago that will require new initiatives and new techniques.

No one contends that there are any easy answers. However, during this past week the OECD held a high-level meeting in Paris. It was attended by the Minister of Employment and Immigration...among others. It was attempting to see what kind of international action or impact might be brought to bear on something that, happily, in this country has not so far created serious unrest of a dangerous kind but in some countries, including some with long democratic traditions in Europe, is of real concern in the sense that it is posing a threat to the very democratic foundations of those societies.

Of course, we shall have to deal with these matters in the domestic context also and undertake whatever measures we can devise jointly, or as a Government, in order to do what is possible within the framework of our own responsibilities and capabilities. But in this, as in so many other matters these days, it is becoming increasingly apparent that we shall have to rely more and more on international instruments; and, of course, one of those is the multilateral tariff negotiations.

**Multilateral
trade nego-
tiations**

Let me say very briefly...that what might be described as crucial talks, in terms of the multilateral tariff negotiations, are coming at what is admitted on all sides to be a most inopportune time, and certainly one vastly different from what was in existence in 1973, when the "Tokyo Round" was launched. Since that time we have had the incredible and dramatic changes brought about by the OPEC (Organization of Petroleum-Exporting Countries) decisions and what has come to be called the energy crisis, and we have had a whole series of other international events that have sharply dampened the enthusiasm of many developed countries for the kind of across-the-board tariff-cutting mechanisms that appeared in 1973 to be highly advantageous to all.

Yet, as I said a moment ago, those who met at the summit in London, and also those who participated, including myself, at the OECD meeting in Paris subsequent to the London summit, concluded without reservation that there was no alternative but to press ahead with what will, we hope, over time be a comprehensive improvement in the overall tariff structure.

I should mention, also, at this point that, of course, most of the emphasis quite naturally tends to fall upon tariff reductions or changes. But for Canada, as for many other countries, an equally important, if not more important, aspect of the MTN is the whole question of non-tariff barriers. This, too, is being addressed in what I think Honourable Members will find is a comprehensive and far-sighted way. No one has any illusions that this process will be either easy or quick. It will take a very long time, and indeed it is quite possible that we may not proceed with a single action but may provide for periodic assessment along the way. In other words, no one in Canada, either from the optimistic or the pessimistic side, should expect or anticipate that there will be some dramatic overnight change in the present scheme of things. Obviously, this question has to be approached with great caution and great care.

In addition to that, of course, we in this country must also examine what we can do domestically in those cases where transitional or other forms of adjustment-assistance are required to ease any potential burdens that may emerge when the final listings are made and the exercise is over. But I repeat that I believe we are embarked, as a country, on the wise course.

After all, it has become something of a cliché in Canada to say that we must export in order to survive. It follows almost automatically that a climate receptive to export or, for that matter, a climate receptive to imports from around the world, is highly advantageous for Canada, particularly in view of the quite dramatic changes that have been taking place in the last ten to 20 years, which have seen very large organizations of countries coming together. I refer to organizations of countries such as the European Economic Community (EEC), the ASEAN (Association of Southeast Asian Nations) group, and many others. This means that Canada, with 23 million people and a comparatively small manufacturing and production base, must look outward and must avoid at all costs an international community that is inward-looking, if we are going to have those export opportunities.

There is a great deal more that could be said and will need to be said, and a great deal more consultation will have to take place with provincial governments, with various industrial sectors and, indeed, with the Canadian community at large, before final and definitive decisions are taken with regard to MTN. But I thought it important, in the context of this debate, to emphasize to Honourable Members that Canada is taking a very strong role and considers it important for the country that we have as one of the central pieces of our foreign policy this total involvement, to the maximum extent possible, in various international organizations, which, in the last analysis, will have a tremendous, if not decisive, effect upon how quickly we emerge from the current depressing and unfortunate circumstances in which not only we, but all the industrialized countries, find ourselves.

In this connection...it is parenthetically interesting to note that, while one can never be sure until these events are concluded, there is considerable encouragement in the news coming from Venezuela, where the OPEC countries are presently meeting, which seems to suggest that we are likely to see a freeze on oil prices at least for the next year or so.

I might add that we in Canada have been active, along with other Western governments, in making representations to the OPEC countries in an effort to persuade them that that kind of posture is the one that best serves the world community at the present time and that also, of course, in the long run serves their interests. This whole issue of the world economic situation bears very heavily on Canada's relations with its major friends and trading partners in the international community. I am referring to such countries as the United States of America, the countries of the European Economic Community, and Japan, as well as others.

**Canada-U.S.
relations**

I should like to take a moment now to deal, once again very briefly, with our current state of relations with various countries I have mentioned. Turning first to the United States, I am happy to be able to tell the House that in my judgment – and it is one, I believe, that is widely shared – Canada-U.S. relations are in better condition today than they have been for a very long time in the past. I am by no means assuming, accepting or suggesting that the Government deserves all the credit for this situation, but I am happy that we have been able, during these past 12 months in particular, to undertake certain projects and discussions with the United States that have helped to create a set of circumstances that I am happy to report are most encouraging and helpful at present.

The Prime Minister has twice visited President Carter since his inauguration, and my own relationship with Secretary of State Vance is most friendly and co-operative. We have had many meetings in the last eight or nine months, not only on matters affecting Canada-U.S. relations directly but also we have been able to co-operate most effectively in concerting our efforts in terms of a number of international initiatives. Also, many of my colleagues who have direct relations with departments and agencies in the U.S. have been able to have close relations and make co-operative arrangements.

I am also pleased to note that members of the House of Commons and of the other place have substantially increased their negotiating and their discussion arrangements with their colleagues in the U.S. Congress....

I should say that, quite frankly, we in this country frequently tend to ignore, or at least to forget, the fact that there is a duality in the American system, and that while you can have good relations so far as the Executive Branch is concerned in Washington, it is of equal importance that the Parliamentary and the Congressional parts of our systems also have frequent and, indeed, almost day-to-day contact. We have set up in the past year...an arrangement whereby that is going to be possible to a greater degree than ever before.

I do not want to take the time of the House to detail the literally hundreds of issues that have arisen and have been resolved quietly and, indeed, in most cases, without publicity over the past year. We are all aware that, in a relationship as intricate as that between Canada and the United States, there are tensions that develop daily and irritants that arise daily that must be disposed of. Happily, the vast majority of them are without any serious consequences. However, I should like to mention just three

areas in support of my claim that relations with the United States are in very good order at the present time.

There is, for example, the fact that we were able to conclude the Northern Pipeline Treaty, which I think by any assessment or measurement indicates a high level of co-operation between the two countries. I am also happy to say to the House that, despite early forecasts of failure, negotiations with regard to the maritime boundaries — probably one of the more complex issues to arise between us in the last 25 or 30 years — are now moving along very satisfactorily. Certain matters have now been established in principle with regard to joint management of fish-stocks and the like, and the two negotiators felt sufficiently satisfied with the progress they were making to request from their governments an additional month, until 31, 1978, in which they are reasonably confident they can conclude the negotiations satisfactorily.

Of course, as I said a moment ago with regard to the OPEC meetings, one can never be certain on these matters until the ink is dry on the agreements. Nevertheless we have come a very long way since January of this year, when there was very little to assure us that there could be this kind of agreement without, at the very least, a third-party intervention.

The other point with regard to the United States that demonstrates the way in which we have been able to work together is the announcement made over the weekend by my colleague, the Minister of Transport, with regard to the agreement arrived at on phasing-in the St. Lawrence Seaway toll increases. Once again, here was a case where each country accommodated the other in a manner that I believe met the objectives of both, and it was not necessary, in this case either, to fall back upon the legal mechanisms and provisions in the treaty for renegotiation and the like.

Therefore, while we shall always have certain difficulties and tensions with the United States, I think it is important for us to state at this time that the United States continues to be not only our best customer, by a very wide margin, but also our closest friend and, in the long run, the country with which we find we can co-operate — for a whole range of logical reasons — most successfully and most beneficially, in terms not only of economic matters, to which I referred a few moments ago, but also of advancing efforts towards a more permanent peace in the world. On the vast majority of occasions we find ourselves, in this respect, with no difference of view from the United States as to goals, even though on occasion our techniques may differ somewhat from theirs.

Canada and the EEC

In this overview of our relations with various countries in the world, I should like to turn now to the European Economic Community and in the process to say a word about the nuclear negotiations that have been going on for a very long time now, but, I am happy to report, appear to be at least within reach of being settled satisfactorily for all sides.

Before I deal with the nuclear question, however, let me just say a word about our relations with the Community in general. It is just about a year ago today that I,

along with my Community colleague in the Canada-Community Committee, inaugurated the first meeting in relation to the so-called "contractual link", the familiar name that has been applied to the special relationship between us.

In the past year, this Committee has proved to have had considerable value, if for no other reason than it has given us a forum or an opportunity in which to discuss various problems that arise between us, not the least of which in recent weeks, incidentally, has been the matter of the quotas we found it necessary to impose and the decisions we had to take with regard to such things as textiles and footwear. Prior to the establishment of the Committee, these matters had no home, as it were, in terms of a negotiating base. Therefore, if for no other reason, the Committee is a worthwhile instrument.

There have also been some slight improvements in terms of the economic relations between Canada and the Community, but I think it is reasonable to expect that any substantial increase in trade must await the resurgence or the reactivation of the economies of the Western European countries. As things stand at the moment, there is a tremendous amount of slack in the economies of these highly-industrialized countries. I am thinking of steel, as just one example for Germany and for Britain, but there are many more. Therefore, as long as that condition continues to exist, it is not very likely — nor, indeed, is it possible — for them, in many instances, to increase substantially their imports from Canada.

Nevertheless, I believe — this appears to have been borne out by businessmen, who visited the Community recently, and by others — that a good relation exists, that there is a commitment on both sides to work more closely together, and that, over time, if the business community in Canada seizes the opportunities, there is no doubt in my mind that we can, in fact, increase significantly the amount of exports to the Community.

However, one must always bear in mind, in these matters — as I said a few moments ago in relation to the MTN — that, if we are going to get additional exports from Canada into the Community, we must also be prepared to look at the areas of trade in which they are interested and that we may be able to employ in order to help with this two-way traffic.

Again, I do not wish to take the time of the House with a detailed elaboration of all the matters that relate to the contractual link and to the whole range of new opportunities and new potentials that exist for us. However, I do want to say that, as I travel about Europe — and, incidentally, other parts of the world as well —, it is obvious to me...that we in this country must (this applies to the private sector in particular) find new techniques and a more aggressive approach in terms of selling in unfamiliar territory.

For a very long time the majority of business was conducted between Canada and the United States. There were exceptions, but it is clear that the Canadian business community — I repeat, with some exceptions — needs to revamp its thinking, to

employ new techniques and to get to know what the real opportunities are in various places. These opportunities exist not only in the Community but in many parts of Africa, in Latin America and in Southeast Asia as well.

Nuclear question

Having said these few words about the general relation with the Community, let me turn to the nuclear question, which has involved, for me at least, the most difficult set of negotiations that have taken place during the present year....

First, let me say that the agreement has been accepted by the Government of Canada. It has been accepted because it meets all the requirements of the 1974 policy....

I say that it has been agreed to by the Government of Canada. It is not yet approved by the Council of Ministers in Europe, and we have no assurance that it will be. I can tell Honourable Members that there are countries within the Community that are taking strong exception to some of the requirements, and it is not inconceivable that they may decide not to accept them.

Basically, to repeat the first point I made, the agreement will meet all the requirements of the 1974 policy. The second point that it is important to understand is that all Canadian material going into the Community will be under full IAEA (International Atomic Energy Agency) and Euratom (European Atomic Energy Agency) safeguards as they relate to all reactors within the Community, wherever located. In short, the basic foundation of Canadian policy — that Canadian nuclear supplies will not be used for anything other than non-explosive nuclear purposes — has been fully met.

The third point that I think Honourable Members will be pleased to hear is that no nuclear supplies from Canada will be used in French reactors unless and until the French Government accepts IAEA and Euratom safeguards. In this connection, I am pleased to tell the House that we have been able to obtain agreement from the Government of France that they will accept such safeguards covering Canadian material. Furthermore, we have insisted, and France has agreed, that any plutonium derived from Canadian-sourced material also will only be used in terms of the civilian nuclear program. The fundamental point...is that the French Government has accepted IAEA and Euratom safeguards and has agreed to proceed to apply these. Unless and until it does, and unless these are "in place", no Canadian material will be used in any French reactor.

The next point that I should like to touch on is the question of the transfer of sensitive nuclear technology, another question on which several questions have been raised in the House during the past few months. Once again, there will be no transfer of sensitive nuclear technology from one country to another within the European Community unless the receiving country has a bilateral agreement with Canada that such transfer is permitted. Not only, therefore, do we have the IAEA kind of safeguards, but in addition it will not be possible — and we shall use France as an example — to acquire any Canadian technology unless and until a country has negotiated a bilateral agreement with Canada.

Reprocessing issue

The next point, which is very familiar to Members and which I think is known, proved to be the most difficult of all the negotiations, with the possible exception of

some of the bilateral questions with France. I refer to the question of reprocessing. I think it is necessary for me to attempt, on this highly complex subject, to give the House a layman's assessment or explanation of what exactly is in play in connection with this very important issue.

Basically, there are two points of view in the world community on the issue of reprocessing. One, articulated most recently by President Carter of the United States, is that reprocessing is not a necessary part of any civilian nuclear-development program. It ought to be emphasized that the President and the Government of the United States have not excluded the possibility of all reprocessing for all time. What has been said by the President, with which we concur, is that, because reprocessing tends to lead to proliferation in the amount of plutonium, and since it is inevitably linked to the fast-breeder reactor, therefore we need to know a good deal more about it before we plunge headlong into the development and creation of these fast-breeder reactors, and it is also necessary to take a hard look at how reprocessing is going to be done, the nature of controls, and such questions.

There is a second school of thought, and equally legitimate, I am told, by the scientific community — although there are differences of view amongst different people, and this is not a subject lacking in emotion. One may take the view of the President of France, the Chancellor of Germany and all the leaders of the European Economic Community, or what I might describe as the energy-short industrialized countries of the world, many of which have virtually no other sources of available energy at the present time; at least, that is their contention and their view and it is not my position to argue with them....

**Argument in
favour**

I have looked sufficiently hard at such countries as Germany, and have learnt...that they would be hard-pressed at the present time to totally abandon any civilian nuclear-energy program. This is a matter of opinion. I repeat, they feel strongly that, in terms of reprocessing, it is an essential and necessary element of their civilian program. Their argument is defensive, at least on the surface, to the layman. I shall come back to why the layman's judgment in these matters must sometimes be questioned. The point is that reprocessing provides up to 60 times the utilization of the same amount of uranium as does the straightforward, conventional use of uranium through enrichment and nothing else.

Countries that have seen their economies badly battered in the last four years as a result of the OPEC action and the general price rise in fossil fuels are, in effect, saying that they want to utilize to the maximum extent whatever fuels are available and that they cannot simply turn their backs on a process that will give 60 times as much utilization as non-reprocessed material.

Those, highly oversimplified, are the two main arguments. It is a mistake to say they are mutually exclusive. This mistake is frequently repeated by a great many people. Europeans, on the one hand, are not going headlong into reprocessing and fast-breeder reactors. Indeed, even in the most optimistic "scenario", we shall probably be pretty close to the year 2000 or beyond before there can be any

significant change from what we have at the present time. I repeat, to this point they are not committed to any argument. At the same time, it is a misrepresentation to say that the United States is completely opposed to reprocessing or to fast-breeder reactors.

I might point out that, within recent months, the United States has done a number of things, all of which impacted to some degree on Canadian policy and were part of the whole question of negotiations. First of all, the United States did continue with a high level of research on certain aspects of the matter we have been discussing. The United States resumed shipment of enriched uranium to Europe. The United States provided certain uranium for India, and the United States made an arrangement with Japan so that its pilot reprocessing plant could proceed.

All these things have happened since the original declarations about reprocessing were made, and all came to a head at the London summit, when the energy problem was discussed in all its aspects. As a result of that very thorough discussion and assessment, a decision was made to find out not just what one group or another thinks, not merely to accept the layman's sometimes emotional response, but to have a thorough and complete scientific and other types of assessment of the so-called "full-fuel" cycle.

This decision, taken in May, changed something else. It was concluded initially there, and subsequently by Chancellor Schmidt and our Prime Minister during the Chancellor's visit to Canada, that it ought not to be an assessment confined to the so-called "suppliers' club", or "nuclear club". As a result, INFCE(P) – International Nuclear-Fuel-Cycle Evaluation (Program) – was expanded and invitations extended to other countries, including some in the Eastern bloc – for example, the Soviet Union – and to others such as in Latin America, so that it is much more broadly based. It was, therefore, judged that it would be more credible in terms of its results than if it had simply been the small club of nuclear-suppliers arriving at a conclusion among themselves.

These are the elements, together with these two options, that come into play in our discussions with the Community as to all the circumstances in which we should be prepared to resume shipments. I emphasize that the embargo, now a year old, is beginning to exact very serious penalties and impose heavy strains on our friends in the EEC, who are also our allies, part of the Western Alliance and members of NATO. We can scarcely regard them as being, in such a context, suspect.

Furthermore, bearing in mind what I said about our wish to maintain good relations with Europe, an obstinate and unreasoning resistance on our part to the resumption of shipments would clearly be taken as an unfavourable act; indeed, it has already been so interpreted in some quarters. Yet, at the same time, we were not prepared to negotiate a situation in which the Canadian safeguards were ignored, either in terms of the other elements to which I referred earlier and where there have been significant improvements over the 1959 agreement, or for nuclear supplies without any restraint in terms of reprocessing.

The dilemma, therefore, boiled down to whether or not, given the existence of the study and Canada's participation in it, given the significantly different points of view, there was a way in which we could properly ensure that the ongoing needs of the present reactors in the Community and the identifiable needs for a little while to come could be met. The resolution flowed basically from the agreement and from the principles agreed upon by the Prime Minister and Chancellor Schmidt in July of last year, that we should undertake to resume supplies of uranium to the Community under all the conditions I mentioned earlier for the period of the INFCE(P) study or for the two years.

...It is estimated there will be the time of the study, plus one year, in which to negotiate a subsequent agreement. In essence, that is the situation. We should be willing, in the case of Europe, to do what I have said....

Veto question

The word "veto" is a regrettable one to be used.... It has been assumed that we should say no, whereas, of course, what was meant, particularly in the case of the EEC and friendly or allied countries, was that we should have the right to say either yes or no.

There is a great deal of difference. If Honourable Members are suggesting that we ought automatically to say no, they are taking the position that no reprocessing ought to be done in any circumstances. I emphasize that, in the view of the Government, such a judgment cannot be made now. So we are suspending that judgment for the period of the study, or for two years, whichever is the shorter. We shall then be in a position to negotiate, I hope, a longer-term agreement, which will not only involve Canada and the EEC but Canada and the whole world community. In the meantime, however, it is not just a question of *carte blanche*. In the first place, the reality of the situation is that very little of the nuclear supplies either presently shipped or likely to be supplied in two to three years will be reprocessed.

...I think the scientific people would tell us, on the basis of the technical competence that exists today, it is likely that only a very minimal amount could be done in two to three years. So in real terms there is no great change. What we have done is obtain an agreement with the Community that no reprocessing will be carried on without prior consultation with Canada.

There will, of course, be some who will make a great deal out of the fact that consultation is not the same as consent. My answer is that we are dealing with friends and allies; we are not dealing with people we would normally suspect....What we have said is: All right; if you agree that before any Canadian material is reprocessed there will be worthwhile consultation with us, we shall resume shipments under certain circumstances and conditions.

There was, of course, another element here that we had to take into account — namely, that there was already a good deal of material in Europe, material that had been shipped many years ago but that was still being used in one form or another and could not, in normal circumstances, be made subject to any retroactive agreement whether a veto was in operation or not. This being the case, what we managed to do

in the case of the Europeans – and I am by no means sure it will be acceptable – was to get an undertaking from the Community that none of the previous material, none of the material shipped prior to 1974, would be reprocessed unless we were consulted in a worthwhile way.

Remember, any new material to be shipped is not likely to be reprocessed until well into the 1980s, and perhaps later than that. Therefore, by getting retroactivity through invoking clauses that existed in the 1959 agreement requiring consultation, we now have a position whereby all the material in Europe will be subject to consultation. Furthermore, we have undertaken with the Community not to act merely in a customer-supplier relation but, in addition to the INFCE(P) study, we shall conduct our own examination of the way in which this system of consultation works in connection with reprocessing. So by the end of the study, when the time comes for us to seek long-term arrangements with the world community, we shall have experience upon which to rely.

I emphasize once again that all the elements of this package I have described conform to the 1974 policy statement. The alternative facing those who would have wished a continuance of the embargo is to place one of the major groupings of countries in the Western world in a position of serious deficit in a period when they have willingly entered into an agreement to study the implications of reprocessing in the fast-breeder reactor program. We have simply said we shall do nothing until a study has been completed.

The second element is that we cannot go on indefinitely mining uranium and keeping it in stockpiles. There is an economic side to it. It was not in any sense a dominant issue, but I have no doubt that if we had, in an unreasonable way, refused to resume shipments to the Community there would have been criticism on the other side that, because of what is essentially a narrow question of disagreement, we had, in fact, caused problems for our friends and difficulties at home.

Problem of Japan

The next question that arises is: What will happen in the case of Japan? At the present time, as I think I have mentioned in the House, I have signed an interim agreement with the United States on one of the major problems that existed in the case of Japan – namely, that of double-labelling. I am not going to take the time of the House to deal with this intricate subject, except to say that I believe the Japanese had, and do have, a reasonable point. If they are going to be subject to American controls when the enrichment is done in the United States on the same material, it is extremely difficult, if not impossible, for them to adhere to a set of separate and distinct Canadian controls. So we do have a basis now for resolving that particular issue.

I have indicated that, in the case of Japan, we should be prepared to offer them the same kind of arrangement, although the circumstances may be somewhat different in that case from that which we have sought at least to negotiate with the Community. I emphasize once again that this has been an extremely difficult and complex negotiation, but I am prepared to defend what we have decided upon, if it is approved

by the Community, as being the best possible arrangement under the circumstances, and the widest one, given all of the elements that are in play.

* * * *

Relations with
France

Now...I wish to speak very briefly about our relations with France. Of course, I do not need to remind you that relations between Canada and France are based on historical, linguistic and cultural affinities as well as on the development of an economic and political co-operation that I consider very important.

However, those naturally harmonious relations are going through a difficult period, particularly since Mr Lévesque visited France last November. It is partially caused by the domestic situation in Canada and the ambiguity shown since then by the French Government concerning the internal situation in Canada. After the visit of the Quebec Premier in France, we asked the French Government for more details on its policy concerning relations between Canada and France and the proposal for France-Quebec annual meetings at the prime minister level. Since then we have received written assurance from the French Government that its policy concerning Canada remains unchanged and that it will not interfere in the Canadian political debates and will respect the Canadian constitutional framework. We took note of this assurance and I for one consider that the issue about the Lévesque visit in France is closed. However, we shall continue to remind the French Administration of the necessity to consult us before signing agreements with provincial governments, just as we shall continue our discussions on the issue of prime ministers' annual meetings.

We are also concerned by other aspects of our relations with France. For instance, their intention to prohibit the importation into France of young-seal skins. I met my French counterpart, Mr de Guiringaud, in Brussels, specifically to discuss this issue, two weeks ago. In the meantime, we have sent to the French Administration a memorandum to demonstrate that this species is not in danger and that it is scientifically proved that the slaughter means used are the least traumatic for the animal and that allowances have been made within GATT for those products. I hope that the French Government will recognize the validity of our argument and will change its intention of banning young-seal-skin imports into France.

The issues of the delimitation of the territorial limits between Canada and France near Saint-Pierre-et-Miquelon and our fishing relations continue to present some difficulties. The fact that early this year France and Canada proclaimed a 200-mile economic and fishing zone gives an even greater sense of urgency to the question of an agreement on the delimitation of our marine boundaries, and in that regard the recent 1976 English-French award with respect to the English Channel had the effect of reinforcing Canada's legal position. The government of Newfoundland maintains that there cannot be negotiations with France before the question of federal-provincial jurisdiction has been dealt with. That is why we want the province to participate in the negotiation process and a firmer stand by the Federal Government should normally help reach that objective. The interim fishing agreement reached on December 30, 1976, will expire at the end of this month. On December 9 last, we agreed *ad referendum* to extend to 1978 all the 1977 arrangements, except for the

size of the quotas that were negotiated earlier in Ottawa.

Finally, I should like to point out that last week Canada denounced the 1933 France-Canada trade agreement effective March 15, 1978. We made that decision reluctantly and only after trying unsuccessfully for over a year to reach a compromise with France. That agreement no longer had its *raison d'être*. For example, the Canadian champagne industry was being penalized unfairly *vis-à-vis* foreign industries, and we were forced to take this step to protect that industry.

**Attitude to
South Africa**

...I should like to touch on one or two other matters. One of them has to do with Canada's attitude towards South Africa. As the Prime Minister indicated in the House some two weeks ago, on December 5, Canada, along with a great many other countries, has been re-examining the attitude it ought to take beyond what has already been done by the world community in response to those actions that in recent times have been undertaken in South Africa to which we in Canada take the strongest possible objection, and with which we (and I am sure this extends well beyond the Government of Canada) are in major disagreement.

It is true, of course, that in other countries of the world there are clear violations of and disregard for human rights. There, too, Canada is expressing its concern....South Africa, however, stands alone. It is the only country that, as a basic part of its government structure (whether it is constitutional in the legal sense is beside the point) has a declared and unequivocal policy. It stands apart as a country that makes decisions affecting human beings on the basis of race and colour. Therefore, over time, it is not surprising that the attitude of the vast majority of the countries of the world has become harder, particularly during these past months when we have seen an increase in the amount of repression and rioting – and especially in the disturbances that followed the still-unexplained death of a respectable and respected black leader of South Africa, Steve Biko.

Along with others, Canada has been asking what further steps we ought to take in order to display and to demonstrate our disapproval of the present regime and our disapproval of *apartheid*. We strongly believe that what must come in South Africa is the destruction of that kind of system, the introduction of the principle of one man, one vote, and of the normal democratic process that all of us in this part of the world take for granted.

I am, therefore, announcing today that Canada is phasing-out all its Government-sponsored commercial-support activities in South Africa. For example, we shall as quickly as possible withdraw our commercial counsellors from Johannesburg and close the office of the consulate general in that city. We shall also withdraw our commercial officers from Cape Town. We shall, of course, maintain our offices in Pretoria for normal business, because we do not feel that the breaking-off of diplomatic relations at this time is advisable. We still wish to have an opportunity to do what we can in order to impress upon the Government of South Africa the necessity for change. We also want to have an opportunity to talk to respected leaders who are opposed to *apartheid* in South Africa.

In addition to this phasing-out of our commercial activities, we shall withdraw all Export Development Corporation government-account support from any transactions relating to South Africa. This involves, for example, export-credit insurance and loan insurance, as well as the foreign-investment type of insurance. This is a step that is not as complete as what may very well come in time. We are examining the implications and the possibilities for other such actions. After consultation with the Canadian companies concerned, we shall be publishing a code of conduct and ethics for Canadian companies operating in South Africa, designed to govern their employment and similar practices. This will be done as quickly as possible.

The fourth measure is related to South Africa's former membership in the Commonwealth, which we now propose to change. From a date to be announced, we shall require non-immigrant visas from all residents of South Africa coming to Canada. We have asked the appropriate officials to examine the impact and the capacity that is open to us to renounce the British preferential tariff. It is still in effect even though the Commonwealth membership of South Africa has long since ceased to exist.

**Namibian
problem**

In addition to all of these measures, we are very much concerned about two other aspects of South Africa and South African operations — namely, the activities of Canadian companies in Namibia. Once again, we have asked the officials of the Department of Finance and others as quickly as possible to look into all the implications of possible tax concessions and the like that these companies may be obtaining and that are being provided by what is essentially an illegal regime in Namibia, by our standards and by our demonstrated conduct at the United Nations.

We are also establishing possible codes of conduct for further investment by Canadians in Namibia. It may be asked — I am sure it will be — why these measures are not introduced immediately. There are two reasons: first, we want to be very sure that we do not penalize Canadian companies that may have been active in that country for legitimate and perfectly acceptable purposes. Nevertheless, there is unquestionably an incongruity in a situation that permits any illegal regime, by world definition, to be participating with Canadian companies in the manner I have outlined.

There is a second reason why we are withholding, for the time being, any further action. We continue to hope that a means will be found of ensuring that there is a peaceful and satisfactory solution for Namibia, one that will bring about equality — one man, one vote. We hope this can be done through negotiations and the process in which Canada is participating, which relates to the five Western members of the Security Council talking with the Government of South Africa and the other parties concerned.

In the process of making this statement and expressing my hope for a peaceful outcome in Namibia, it is also Canada's hope and wish that the black leadership there, as elsewhere in South Africa, will show its own high level of responsibility. We hope it will do everything reasonable and possible to bring about transition by peaceful

means, rather than plunging another region on that tragic continent into the kind of bloodshed we have seen repeated over and over again in recent years.

There is one final point. We shall keep the whole South African situation under review. We are moving now to make sure that our own embargo against sales of arms to South Africa is on all fours with the recent declaration of the Security Council that placed an international embargo on arms shipments. This is the first time in the history of the United Nations that such an embargo has been imposed on a member state. I believe this is a step in the direction it is inevitable and appropriate for us to take. I re-emphasize that we shall keep the whole South African situation under review.

Question of Rhodesia

I could take time to discuss in considerable detail such questions as Rhodesia. I shall simply say, in the interest of saving time, that we are very closely in touch and in tune with the efforts now under way, particularly those of the Anglo-American initiative to once again bring about a peaceful transition in Zimbabwe, or Rhodesia, whichever you wish to call it. We are looking with great interest at the most recent steps taken by Prime Minister Ian Smith. We can only hope that he has made fully-legitimate commitments and that he is, indeed, prepared to take all the steps necessary to ensure a peaceful transition there. The situation is extremely complex. There are two major factors — Mr Nkomo's forces located outside of Rhodesia, and the issue as to how they are to be dealt with in any negotiation. That continues to be a serious issue.

So far as Canada is concerned, we have made no commitments as of this moment with regard to Canadian participation in any possible settlement arrangements for Rhodesia. We have said, provided the circumstances are right — and if, indeed, the provision of a peacekeeping force with a Canadian component in it would serve to bring about this peaceful transition — that we should then be prepared to look at it most sympathetically. Indeed, we should not be the party that would stand in the way of bringing about that resolution. So far no request has been made, no specific proposal has come forward. The same is true in the case of Namibia.

Human rights

There will be many other speakers who will touch on the subject of human rights.... Those Members of Parliament who have been observers with the delegation feel a high level of satisfaction with the position Canada took at Belgrade. We have not been reticent in denouncing what we regard as basic and direct violations of human rights. We are hoping there will be a successful conclusion to that conference that will lead to other discussions and a general opening-up of the entire question of access.

There are four points I can state quickly. We feel very strongly, in the West, that citizens of a country, whether it be in Eastern Europe, Latin America or Africa, should have the right to speak out against their governments or their establishments without fear of reprisal. That is a very simple and straightforward principle, to which most parties subscribe. Also, there should be the maximum amount of movement of people — for example, for family reunification and family visits. There is no reason why this should not be permitted on a worldwide basis with a minimum of intervention by the state.

The same is true with respect to the exchange of printed information. We hope our stand, along with the stand of others, will bring about that kind of exchange.

In order to translate the policy declarations, there ought to be exchanges in the educational, scientific and cultural fields without any inhibition or restraint. I am sure many Members will speak out on human rights. Among them will be those who are concerned as I am about the fate of Anatoly Shcharansky. With regard to that particular case, we have indicated to the Soviet Union — as well as in relation to others who may be under some form of detention as a result of their attempts to monitor the carrying-out of the Helsinki Act — that we consider any action taken against these people at this time could pose a serious threat to a successful outcome at Belgrade. Also, it could threaten and undermine the whole thrust toward *détente*.

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Middle East

When I was in the Middle East approximately a month ago, it was clear that there was a significant change of attitude. It had not shaped up at that time. I questioned very much, even for a few days before the decision was made, that either of the leaders genuinely felt they would be meeting in person so quickly. Yet there is no question that the yearning for peace was evident. I do not think "yearning" is too strong a word. Many have asked what we in other countries can do or ought to do at the present time. I have only one piece of advice: we should do the minimum possible to impede the principals in their very strong commitment at the present time; we must give them all the encouragement we can.

Already the hope is realized that the courage of President Sadat will be met by the generosity of Mr Begin. This is starting to come together. No one should delude himself that there are not any significant, deep-seated, almost Biblically, historical animosities and tensions that must be cast aside. Never in our recent history have the signs and the portents been so great for peace.

This is why, among other things in relation to the United Nations, I have expressed criticism about what has been happening at the United Nations in these past weeks with regard to various resolutions that serve no useful purpose in terms of what is being done at the present time, but will have a detrimental effect by dragging into this very delicately-balanced situation extraneous issues and unnecessary complications...

I hope next year we shall be able to view with considerable satisfaction that, at long last, going back perhaps 2,000 years or more, we have seen one of the great historic events of our time occur in one of the troubled parts of the world.

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...At Beaumont Hamel, the great Newfoundland cemetery, it occurred to me a short time ago, despite everything that has occurred in the period since the Second World War, this is now the thirty-third Christmas we have managed to get by without having a major global conflict. We have had all manner of tragic bush wars, and some, like Vietnam and Korea, that were massively bigger. At least we have learnt enough to move tentatively along this course towards a more lasting and permanent peace. I suppose it can be said that we should be grateful for small blessings — namely, 33

years in which we have not been dumped into a nuclear holocaust. We can all hope that, in the thirty-fourth year and beyond, we shall be able to say the same thing against an even more permanent foundation of true peace in the world.

S/C