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International Perspectives

The Canadian journal on world affairs

What the Falklands was about

Tilted to Israel

Missiles versus missiles

Mitterrand's socialist France

The struggle for sea law

Strategic minerals timebomb

International Perspectives

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Editor's Note:

This issue of International Perspectives continues its tradition of more than ten years — solid, lively articles on topics as current as our publishing schedule permits. This number ranges more widely than most, with pieces from authors across Canada, on topics circling the globe. Subjects like Latin America and defence just won't go away, so three of our eight are in that category. Canada's traditional support for the existence of Israel, and therefore for Israel, is being seriously challenged for the first time, and it is already visibly crumbling. Peyton Lyon voices that dissatisfaction in a spirited call for change. The final answer to the war in the Falklands isn't to be found by applying good guy and bad guy labels. Authors Nef and Hallman see the same political needs and motivations acting on both the British and Argentinians in that sorry encounter. A member of Parliament guides us through the intricacies of the Law of the Sea agreement recently concluded — but far from ratified. The United States is a hold-out, and this is really inconvenient. Strategic minerals are beginning to get the attention they deserve as potential spoilers of international tranquility, as Jock Finlayson reveals the critical dependence of the West on South African sources for manganese and chromium. President Mitterrand has now had some two years to redirect France onto his Socialist path, and Harvey Simmons examines how he is doing beginning on page 22. As if there weren't enough ways of worrying about defence and defence costs, Paul Buteux notes the renewed campaign in the United States to develop and install a defence against missiles. And Central America maintains its front and centre position as an enduring home of unhappy politics and its victims in an updating piece on Guatemala by Jim Guy. In our growing book review department you'll find James Eayrs on a new volume on defence, and correspondent Chris Young commenting on John Holmes's second volume; and more.

CORRECTION

We had two bloopers in our last issue, both of them inflicted upon the same author — Professor Margaret Doxey of Trent University. The article was on international sanctions, and began on page 13. One paragraph was misplaced, and the final paragraph of summation and conclusions did not appear. For readers who were as nonplussed by this peculiar presentation as was Professor Doxey, you can get the full sense of the article by taking the first paragraph beginning on page 14 with the word "recently" and moving it to the bottom of column 2 on page 14. The missing final paragraph (from page 15) read as follows:

This article cannot hope to do more than bring to the fore some of the major issues associated with international sanctions and indicate the complex set of roles which they can play. If policy recommendations for Western countries are offered, they would include consistency in the condemnation of comparable acts; thorough advance assessment of measures which best reflect objectives; collective responses which are well coordinated and uncoerced; and preservation of options for diplomatic resolution of crises with minimum loss of "face." It is desirable that aggression should be condemned wherever it occurs even if it is not always possible to undo what has been done. It is quite undesirable that the Western alliance should fracture itself or even fray its edges over measures which cannot have a decisive impact. It is deplorable for sanctions to do the most damage to those imposing them.

International Perspectives offers its deep regrets to Professor Doxey, whose injury at our hands we promise will not happen to other trusting authors.

Canada's Middle East tilt

by Peyton Lyon

That domestic interests should determine external policies was elevated to a central principle in the Trudeau Doctrine of 1970. Nowhere has the principle been more rigorously honored, or has it accomplished more harm, than in the Middle East. Once the locale of Canada's proudest achievement in global diplomacy, the region has become the source of considerable embarrassment, and not merely to Joe Clark. Although professing to be balanced, in accordance with its peacekeeping vocation, Canada's approach has in fact long tilted in favor of Israel. This has reduced our capacity to promote peace, tarnished our reputation for objectivity, independence and common sense, and limited our trade. The tilt has been caused mainly by the ignorance of Canadian politicians and their eagerness to retain or gain the support of an ethnic community modest in numbers but weighty in influence.

Outside observers have always categorized Canada as one of Israel's most predictable supporters. The bias in its UN voting record has been exceeded only by the United States and Costa Rica. Since the election in 1976 of the Begin government, Canadian spokesmen have more frequently criticized Israeli expansionism, violence and denial of civil rights; they have, for example, spoken out against the bombing of Iraq's nuclear installation, the extension of jurisdiction over the Golan Heights and the brutal invasion of Lebanon. They have also become more emphatic and precise in speaking of Palestinian rights to a homeland in the West Bank and Gaza. Most other countries, however, including all Canada's allies apart from the United States, have been more severe in their condemnation, more objective in the UN voting, and more realistic in their treatment of the Palestine Liberation Organization as a legitimate and inescapable participant in the Middle East peace process. Arab governments have commended the improvement in Canada's words, but, along with the United States, we are more isolated than ever in our pro-Israel voting stance. Some UN insiders argue that words count for more than votes; others stress that voting statistics are likely to be cited long after the words are forgotten.

Who represents Palestinians?

Another touchstone of friendship for the Arab world is a nation's willingness to deal with the PLO as the authentic voice of the Palestinian nation. This need not mean, of course, approval of terrorist acts any more than dealing with Israel means approving the terrorism of Menachem Begin and his associates in the establishment of Israel, or

its subsequent expansion. Unlike Washington, Ottawa has never made rejection of the PLO a matter of principle and its officials have for years been permitted to meet PLO representatives informally. Privately no one in Ottawa pretends that any other group could now speak for the Palestinian community, but our official position remains a firm rejection of the PLO's claim to be the sole legitimate spokesman for the Palestinians. PLO representatives are denied access to government offices and Canadian officials are far more cautious in their informal contacts than their counterparts from such allies as Britain, France and Germany.

Canada's support for the Camp David peace process has not won favor with most Arab governments but is in step with the policies of most of our allies. More damaging to Canada's image in Arab eyes was the way the Trudeau cabinet, pushed by the governments of Ontario and Toronto, reneged on its offer to host the 1975 UN Conference on Crime on the grounds that the UN insisted that PLO observers be permitted to attend, as in New York and other UN centres.

While the Clark government backed off from its electoral pledge to move the Canadian embassy in Israel from Tel Aviv to Jerusalem, the incident was widely noted and did little to persuade Arabs that Canadians have mastered the ABC's of Middle East politics. Arabs with long memories recall that Canadian representatives, notably Justice Ivan Rand and Lester Pearson, played a decisive role in the creation of the state of Israel, and frequently betrayed an anti-Arab bias.

This did not exclude a constructive contribution to conflict containment in the Middle East. Pearson earned his Nobel prize; a few Canadians continue to serve as UN peacekeepers in the area, and Canada supports refugee relief. Uncharacteristically, we failed to become a permanent part of the UN operation in the Lebanon, but declining to supply troops for the non-UN presence in Sinai is one of Ottawa's few decisions that have pleased most Arab governments. So too has the increase in the number of Canadian embassies in the area, and the visits by Trudeau and other ministers.

Peyton Lyon is a Professor of Political Science at Carleton University in Ottawa. Earlier he was a member of Canada's diplomatic service and has published extensively on Canadian foreign policy. Currently he is in New York studying Canadian diplomacy in the UN setting.

Canada, Israelis and Arabs

The price of partiality

Canada's ability to influence the peace process has nevertheless declined sharply. Failure to maintain a reputation for objectivity is not the only cause, but it is certainly important. Moreover, our obvious partiality for Israel has impeded the increase of Canadian exports to the area, almost the only fragment of the Third World with customers able to buy substantial quantities of the manufactured goods that Canadians long to sell in order to diminish their trade dependence upon the United States, by far the greatest constraint on our autonomy.

Why, in view of all this, does Ottawa persist in its pro-Israel posture? Most foreigners, and many Canadians, assume it is due to US pressure, or at least example. This is emphatically not the case. Similarities in policy derive from similar domestic pressures and processes; they do not exist because either government dictates to the other. Canada could emulate the more balanced West European attitude without prejudicing its vital relations with Washington. On occasion, such as Clark's Jerusalem caper, Canada has been even more supportive of Israel than has the United States. More recently, it easily ignored American hints that our experienced soldiers would be welcome in Sinai. Canada's relations with Cuba, and its early recognition of the Chinese Peoples' Republic, provide further evidence that Ottawa is able and willing to determine its own foreign policy, especially when it comes to establishing diplomatic relations.

At least as obvious is the fact that Canada's diplomatic tilt towards Israel does not reflect the views of Canada's diplomatic experts. In 1975-76 the Canadian International Image Study persuaded over 300 federal decision-makers to evaluate the impact of twenty international actors on a scale of one (positive) to seven (negative). Although this was before the Sadat peace initiative, and before the election of the Begin government, Egypt emerged at close to mid-point, while Israel was rated close to the bottom. Only North Vietnam, South Africa and the PLO were lower; the USSR, Warsaw Pact and China were all higher. Other responses, as reported in *International Journal* in 1977, tended to confirm that Ottawa mandarins consider Israeli policies to be disruptive, and the pressure within Canada of the Zionist lobby to be contrary to sound Canadian policies. It appears likely that the reputations of Egypt and the PLO have risen since 1976 in the eyes of official Ottawa. The same can scarcely be claimed for Israel. Canadian diplomats incline to be especially critical of Canada's pro-Israel tilt while posted to the Middle East or the UN, but I know of none who denies the tilt, or expresses happiness with it.

Canada's trade with Israel seems likely to remain modest. Prospects in the Arab world, especially the oil-rich portion, are decidedly better. Countries like Saudi Arabia already purchase substantial quantities of manufactured goods and expert services. Although this attractive trade was clearly at risk during the Jerusalem embassy caper, and Arab leaders frequently complain of Canada's pro-Israel sympathies, it is difficult to estimate the increase in exports that might result from a more evenhanded posture. The business community, however, and the government's trade officials, have certainly urged the Cabinet to drop proposals, such as anti-boycott legislation, that would please Israel at the cost of further antagonizing the Arabs. Canada, moreover, was a target of the politically-motivated

Arab oil blockade of 1973. Although less dependent than most oil importers, Canada's energy security is clearly not enhanced by its prevailing posture towards the Middle East.

Erosion of support for Israel in Canada

At the beginning, the Christian churches were overwhelmingly sympathetic to Israel. Their bible, as Lester Pearson noted in explaining his own bias, fosters the conviction the Jews belong in Palestine, and churchmen were especially conscious of both the monstrous crimes of the Nazis, and also the discrimination practised against Jews in other Christian countries, not least Canada. The Vatican, however, has always had reservations about the political claims of the state of Israel, and it has become more sympathetic to the plight of the displaced Palestinians. Senior Roman Catholic prelates maintain contact with the PLO. For years the most prominent Canadian advocate of the Palestinian cause was the Rev. A. C. Forrest, Editor of the United Church's widely-circulated periodical, *The Observer*. He won considerable support among other church leaders but, as on most political issues, they probably had little impact on the church rank-and-file. Nevertheless it seems safe to say that institutional Christianity is no longer a major factor in determining Canada's Middle East policy.

A similar conclusion should probably be drawn about the media. Its anti-Arab bias has often been blatant. Despite a recent improvement in objectivity, and frequent editorials critical of Israeli expansionism, the bias remains significant. *The Globe and Mail*, for example, still accords Zionist spokesmen privileges denied the leadership of all other religious or ethnic groups. The question remains whether the media lead public opinion or simply cater to it. Certainly public opinion polls have from the start revealed a consistently pro-Israel bias among Canadians generally. This may be eroding in view of recent Israeli excesses and the forbidding personality of Menachem Begin. It seems probable that the government would not now encounter strong public resistance if it chose to modify its Middle East posture. Nevertheless, the basic sympathy for Israel of most Canadians, coupled with the concern of opinion leaders to avoid the risk of appearing anti-Jewish, are necessary components of an adequate explanation of the success of the Zionist lobby in influencing Canada's external policies.

Canada-Israel Committee

Many Canadian politicians and officials, including Prime Minister Trudeau when he thought he was retiring from public life, have testified to the resources, efficiency and impact of the Canada-Israel Committee, the foreign policy arm of the well-organized Jewish community. Not all Jews are Zionists, of course, and even among the Zionists are to be found vigorous critics of Israeli policies. Nevertheless Canadian Jewry appears to be more homogenous than that of other countries, notably the United States, in its identification with Israel. The Canada-Israel Committee has persuasive credentials to speak for a large majority of Canadian Jews. Even though they comprise a small minority (1.4%) in the country, their apparent cohesiveness gives weight to the representations of their designated spokesmen. And the tactics of their organization have generally been superb.

Indeed the C-IC was recently described as not only the most influential lobby in shaping Canadian foreign policy

but a model for all the others in its professionalism and skill. This tribute was from an official of the Department of External Affairs at an open conference on pressure groups in 1982 organized by the Canadian Institute of International Affairs. Other authorities detailed the monetary and informational resources at the disposal of the C-IC, the rapid communications network linking almost all Canadian Jews, and the intelligent, seemingly cooperative approach to politicians and officials adopted by the C-IC staff. One reported that they are in daily communication with relevant External Affairs officials, and they can on occasion provide information on Middle East developments more rapidly than can Canadian diplomats serving abroad. The C-IC works closely with the Israeli embassy and organized Jewry in other countries, especially the United States. Despite its resources and skill, however, the C-IC could not exercise its considerable influence over Canada's policies without the basic sympathy, or indifference, of the Canadian public and the opportunism, or ignorance, of Canadian politicians.

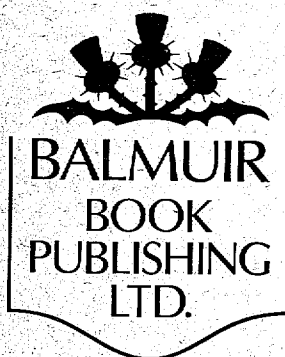
The parties probably exaggerate the significance of the Jewish vote. In several Toronto and Montreal seats that vote varies between fifteen and twenty-five percent. Even where smaller, it may be decisive in a close vote. It is less clear, however, that the Jewish vote can be swung in its entirety on a foreign policy issue. And Canadians of Arab origin are more numerous than is popularly supposed; Arabic is now the third language in Ottawa and non-Arab Moslems, such as Pakistanis, tend to identify with their coreligionists in the Arab-Israeli dispute. The Arab community is faction-ridden and poorly-organized. Compared to Canadian Jewry, its lobbying is pathetically amateurish. Some Arab-Canadians, including many of the Lebanese Christians, are not even sympathetic to the cause of the Palestinians. The second generation Moslem-Canadians, however, tend not only to be more attuned to the Canadian political culture but also more committed to political action. It appears significant that whereas Joe Clark may have secured one or two seats in Toronto with his 1979 Jerusalem promise, the only seat won by the Liberals west of Manitoba was one in Vancouver containing a large number of Pakistani immigrants. Professional analysts tend to agree that attempts to gain seats by exploiting views on the Middle East are almost certain to be futile.

Canadian politics supervenes

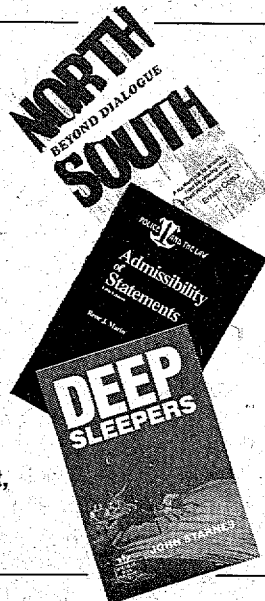
The Jerusalem issue was not an instance of C-IC initiative or pressure. The Committee was greatly concerned about Jews in Russia, and anti-boycott legislation, but only a minority believed it would be wise to lobby for the Embassy move. Rather Clark's promise was a blatant attempt by a politician to gain the votes of an ethnic minority, and many Jews resented it. Clark himself believed that opportunism and principle coincided — that the gesture would not only win votes but improve the consistency of Canada's Middle East policy. We had long proclaimed our support for Israel, he thought, without ever doing a thing to demonstrate it. Anyone in the UN, or the Department of External Affairs, could have told him that the precise opposite was closer to the truth — we had been proclaiming our objectivity but acting in a pro-Israel manner.

Clark's ignorance of the Middle East, and opportunism, are widely shared by Canadian politicians and account in large part for their susceptibility to pressure from the Zionist lobby. As of summer 1982, however, attitudes appear to be changing. More MPs from all parties are critical of Israeli policies, especially its brutal attempt to destroy the PLO in Lebanon, and object to the bias in Canada's official posture. A loosely-structured group of parliamentarians, academics, ex-diplomats, journalists and other Canadians is beginning to provide the government with an alternative to the C-IC as a source of information on the Middle East, and of policy advice. Prime Minister Trudeau reacted with exceptional harshness to the Israeli invasion of Lebanon and one of his three external affairs ministers, Pierre DeBané, indicated that the Cabinet would consider sanctions. This possibility was quickly rejected, however, by Secretary of State for External Affairs Mark MacGuigan whose characteristic concern for human rights and the underdog appears not to extend to Palestinians; nor does he worry about being perceived as subservient to Washington — almost the contrary.

On the other hand, public outrage at the excesses of the Begin government, a sentiment apparently shared by many Jewish Canadians, seemed likely to accelerate the slow evolution towards a more balanced and effective Middle East policy, one in line with the wise recommendations found in the 1980 report to the Clark government by Robert Stanfield. □



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BEYOND DIALOGUE by Ernest Corea . . . "Ernest Corea argues with great lucidity why rich and poor nations must find a way to a global compact in new and more equitably economic relationships. His is a voice from the South which deserves to be heard widely in the North." *Commonwealth Secretary General, Sonny Rampah.*

ADMISSIBILITY OF STATEMENTS by René J. Marin . . . A person, no matter of what crime he may be accused, has the right to remain silent when questioned by the police. This is the very cornerstone of our common law. To protect this right, and the freedoms which rest upon it, a body of rules have developed over time. They affect the admissibility of statements into evidence and are of concern to investigators, defence counsel, crown counsel and the judiciary and are of particular concern to society as a whole. Judge Marin discusses this subject with all the authority of his judicial background and yet in terms the layman can understand.

DEEP SLEEPERS by John Starnes . . . Set in Canada, Russia, Germany and the United States, John Starnes draws on his wide experience in the world of security and intelligence for his first spy novel. The former Director General of the Canadian Security Services delves into the life of a fictional Soviet spy who burrowed deep inside the Canadian government. A sequel to this story of international intrigue, *Scarab*, will be published this fall.

Available at book stores or directly from the publisher.

Reflections on the Anglo-Argentinian War

by J. Nef and F. Hallman

It is forbidden to kill; therefore all murderers are punished unless they kill in large numbers and to the sound of trumpets.

Voltaire

On April 2 Argentina invaded one of the last vestiges of British colonial rule, located 350 miles off its coast. The occupation of the Falkland/Malvinas Islands cast this previously little-known territory under an instant spotlight. British warships were promptly dispatched while the world watched — at first almost in disbelief — the escalation of a conflict so fraught with absurdities and paradoxes as to seem a comedy of errors. But with a deadly celerity, and at the cost of untold lives, the ugly “joke” soon turned into tragedy.

Can it be, in this supposedly sophisticated and cynical age, that governments are still able to mobilize entire populations into battle for such concepts as “national prestige?” Certainly the propaganda of both sides would have us believe so. Yet, it is never armed conscripts or recruits who start such wars; they only give their lives to them. Who then, stands to benefit, and what, if any, are the material stakes involved? In this case, the rewards at first appear negligible. Neither the islands nor their strategic location would seem to warrant the risks of armed confrontation. Nevertheless, rumors of oil off the coast persist, and to the South lurks the unfailing scent of Antarctica’s untapped wealth. The long-term stakes may, in fact, be immense, not to mention the legal implications that a settlement on the sovereignty issue may have for other obviously important and populous overseas territories, such as Hong Kong. However, this is at this time purely speculation. With the dearth of overt discussion on such matters, it is difficult to determine to what extent these potentialities may be influencing the immediate conflict. (Certainly, no regime claims

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F. Hallman is a Researcher on inter-American relations — and occasional cartoonist. She is at the present studying the Salvadorian civil war as well as the conditions of Salvadorian refugees in Honduras.

to exhort its public towards risking life and limb except for matters of “highest principle!”)

Needless to say, analyzing war is not an easy task, especially since its root factors tend to be obscured and convoluted by sensationalist and anecdotal accounts. Given the nature of currently available information, what are the possibilities of gaining insight into the South Atlantic crisis? As a general proposition we suggest that the war was the result of the simultaneous convergence of three interrelated trends — systemic, national and psychological — which have affected both actors. This configuration created the collision course which made the apparently irrational outbreak almost inevitable.

Domestic versus global stability

The first explanation involves the increasingly fluid and unstable nature of the international stage itself. One of the most striking developments since the Second World War has been the breakdown of the old colonial system, which for Britain has meant the withdrawal of forces from seas where British rule once prevailed. The Persian Gulf, and more to our point, the South Atlantic, are two such examples. The result has been the creation of a political power vacuum which today’s dominant powers have been unable to fill. At the same time, an East-West confrontationist view of the world has compounded and confused peripheral instabilities. Given the tendency of major rival-powers to exchange blows by proxy, there are few conflicts, however parochial and limited in origin, which can avoid ultimately taking on international dimensions. The East-West world view has a further impact: even in cases where the influence of one major power is notably absent or insignificant, the mere suspicion of its presence on the part of a rival power may induce in the latter a kind of reflexive interventionism.

In the case of the United States, the maintenance of stable economic dependence in a rapidly-changing and volatile global environment becomes increasingly difficult. In order to preclude erosion of the status quo (i.e., to preserve “stability”), it has adopted a conscious policy of support for regimes which the current ambassador to the U.N. terms “friendly authoritarian governments.” Essentially, what Mrs. Kirkpatrick recommends is the active promotion of virtually any regime, no matter how repressive, provided it holds to a strong anti-communist orientation. In many instances, the consequences for local populations can only be described as devastating. In Latin America, El Salvador and Guatemala are examples of this

kind of ally, as are Argentina and Chile in the Southern Cone.

But it is one thing to prop up small neo-fascist dependent regimes in Central America. It could be quite another to nurture similarly-inclined sub-paramount powers such as Argentina (and Brazil, Chile, South Korea, Palhevi's Iran). The former small countries may never develop the capacity to wreak genocide far beyond their immediate borders. The latter, on the other hand, may in time achieve this capability, and the will to do so. Nourished by a continuous flow of economic, military and technological assistance (ironically for the preservation of "stability") it is not inconceivable that such regimes may ultimately turn their military and plutonic energies outward. What then of global "stability?"

The Internationalization of national problems

This takes us to the second level of our analysis: the extent to which national conflicts can be transferred to the international arena. As two world wars have dramatically illustrated, there is a tendency for economic crises and social strife to be "solved" by incumbent governments through the flexing of international muscles. Nothing reveals more starkly the contradiction between the abstract "public interest" and the concrete interests of the public. While governments orchestrate campaigns of popular outrage against external foes, internal domestic problems can be obscured and forgotten. Facts are distorted, social reforms are sidetracked. Only in retrospect does it sometimes become clear that populations have been aroused in defence of a proclaimed "national interest" which in fact bears little resemblance to their own. Rather what has been primarily at stake are the positions and prestige of those already in power. Argentina and Britain are contemporary cases in point; two more poignant examples of the national "need" for the occasional "limited war" would be difficult to find.

In Argentina, scarcely two weeks before the invasion, General Galtieri was facing a resurgence of public demonstrations against the regime, despite the pervasive atmosphere of fear in the country. Not only was the junta saddled with one of the worst human rights records in Latin America, its economic performance, as seen by double-digit unemployment and triple-digit inflation, had also proven disastrous. Moreover, on top of widespread civilian unrest, the legitimacy of the regime was in question even among the armed forces, following the coup which overthrew the preordained successor to General Jorge Videla, Army General Viola. Under these circumstances, the regime's adventurism appears as a risky, but calculated, gamble not only to increase its prestige, but to ensure its very survival. And the move did in fact create a sense of national unity and purpose by focussing public attention on the one issue in Argentine politics upon which the whole nation is in apparent agreement: the historical claim of sovereignty over the Malvinas.

The British government for its part, obvious differences with the Junta notwithstanding, found itself in a markedly similar predicament. Although the broader political outcomes of the whole affair are as yet open, the Argentinian move clearly dealt a severe blow to a shaky and highly controversial political adventure. At the time of the invasion, the Thatcher government was already beleaguered by recession, high unemployment and the

myriad of social ills and tensions associated with its generally unsuccessful domestic program. It is hardly surprising then, that the government would leap at the external diversion. As in the Argentinian case, the opportunity to rally around the flag and transform a liability into an asset proved an irresistible temptation. Indeed, the hawkish response was not only in keeping with Prime Minister Thatcher's own "iron" image; her cabinet's seeming obsession with preserving that appearance left little alternative. If sending the fleet was an over-reaction, it did serve to soothe domestic discontent by playing an old British tune. The problem is that for both contenders, confrontation



Frances Hallinan

simultaneously became a "zero-sum," all-win-or-lose situation, with the very political survival of those in power at stake.

War psychology: masses and elite ideology

This brings us to the third factor of the crisis: the subtle but important psycho-cultural aspect of international conflicts. On the one hand, there is the issue of mass psychology — the profound sense of social frustration and anxiety resulting from a protracted socio-economic malaise. For Britain, the retreat from Empire has been a forced, often traumatic, experience — witness Northern Ireland, even today. In many respects, the post-war disintegration of old colonial structures has chipped away at the very essence of traditional British pride. This process inexorably undermined that deeply-instilled national assurance which, only a short time ago, was unabashedly equated with imperial rule. The psychological blow this has dealt has not been

Britain and Argentina

limited to the dominant classes alone. For an alienated majority, colonialism may have offered little more than a vicarious sense of power. Nevertheless, the process of decolonization has stripped away even this illusion, leaving in its place increasing fears of national impotence. The consequent backlash effects have been severe. Ominous tendencies within the national mood were apparent in the election of Margaret Thatcher, which clearly reflected the growing resistance to contemporary realities in some sectors of British society.

In Argentina, meanwhile, there was the myth of never-fulfilled grandeur. Lacking a genuinely nationalistic economic program of its own, the military regime resorted to an intensely xenophobic political campaign best described as symbolic chauvinism. However, here again, the retrospective and highly romantic 19th-century-style rhetoric reflected the anachronistic nature of the leadership itself, its almost total incomprehension of current international trends.

In both Argentina and Britain, drum-beating and flag-waving xenophobia have proven easy devices for tribal self-assertion. Both regimes seek to assuage popular dissatisfaction by cultivating ultra-nationalist sentiments. However, the particular historical experience of Argentina and Britain has determined that the official campaigns of the two countries differ in one respect: in Britain it entails appealing to feelings of power-nostalgia; in Argentina, it means developing illusionary power aspirations (*Argentina potencia*).

It is here that the other psychological component of the South Atlantic conflict becomes crucial. This involves elite perceptions — the way in which the leadership sees the world, and most important, overcomes strained relations with its constituencies through the manipulation of mass psychology. By amalgamating and articulating incipient fears, resentments and phobias in such a way as to focus attention away from themselves, governments forestall the brunt of public criticism. In Britain, the Thatcher cabinet — perhaps with the exception of Lord Carrington, himself a political casualty of the affair — is almost a contemporary anomaly, harking back to a Victorian view of world politics, when Britain ruled the world. As for the Argentine Generals, unrestrained by mechanisms of popular representation, their image of international politics clouded primarily by a geopolitical mold à la von Haushofer. In their view, force and war are not only the main tools of politics, but are in themselves intrinsic virtues.

While in both Argentina and Britain, the war did not smother all signs of domestic opposition, there can be no doubt that each regime managed, at least for a while, to diffuse much disruptive anger. In short, the war became crucial to legitimizing the ruling elites. The Argentinian surrender allowed the Thatcher government to consolidate its power, while it had the very opposite effect on the Galtieri regime and the Argentine military in general.

The simultaneous convergence of international (systemic) and national crises, as well as the above-mentioned psycho-cultural factors, created the "strike-out" conditions which led to the Argentinian action and subsequent British reaction. Yet, direct armed confrontation still need not have followed but for the presence of certain precipitating factors. One was that each regime miscalculated in "calling

the bluff" of the other. The point is, of course, paradoxical: war erupted due to a fortuitous congruence of chains of events affecting both parties. But it is the situational and ideological symmetry of those parties which stands out. Ironically, armed conflict between nations more often than not seems to occur not as the result of diverging world views, but rather because of converging — though incompatible — positions.

The situation in the South Atlantic has been further complicated by another factor: the attempts by Washington to mediate under objectively impossible conditions. Caught between two entangling defence commitments, that to NATO and that to the Rio Treaty, the Reagan administration has found itself in an extremely difficult, and often contradictory role. There was, too, the piteous incongruity of US Secretary of State General Alexander Haig in the role of peacemaker.

At least two possible scenarios develop from the South Atlantic crisis. The first concerns the far-reaching implications for existing alliances. The second involves the prospects for regional, and possibly global, peace emerging from the conflict.

Strained alliances

From the outset, strains in the NATO alliance were visible, as the initial neutrality of the United States threatened to sour relations between that country and Britain. However, with Washington's subsequent shift in favor of Britain, combined with its imposition of economic and military sanctions against Argentina, a rift of this nature became less probable. But within the European Economic Community, solidarity with Britain was by no means unanimous. Particularly since Britain's sinking of the Argentine cruiser, *General Belgrano*, many formerly-supportive member-countries reassessed their position. Ireland strongly condemned the British action, and with Italy withdrew its endorsement of sanctions against the Junta. France and West Germany, in more cautious terms, indicated a clear desire to distance themselves from certain aspects of British policy. Thus, with the breakdown of consensus within the EEC, the very unity of NATO as well came into question.

The reverse side of the same issue involved the repercussions for Latin America — and the Inter-American system as a whole — of Washington's support for Britain. From the perspective of the US, the potential far-reaching consequences for its economic and military hegemony were more significant than even the immediate Argentine-British dispute. For the American leadership, the situation presented a potentially disastrous balancing act. Unaccustomed to viewing conflicts in other than East-West terms, the Reagan administration, a non-crisis team in the best of circumstances, was suddenly confronted with the need to mediate between two important allies in two key parts of the Western world, and between two collective defence systems which were never thought of as being in danger of colliding. On the one hand, as the leader of NATO, the US is militarily committed to Western Europe. Moreover, at a time when anti-American sentiments on that continent are running high, the Reagan administration could hardly afford to withhold support from its only unconditional ideological ally in the region — the Thatcher government. To do so would only have alienated that ally, but might actually have contributed to its political defeat

and possible replacement by a government less sympathetic to the present administration. This in turn could bode poorly for Washington's objectives in the area, which already face considerable opposition throughout Europe.

However, by taking up the British cause, the US significantly undercut its own position as the dominant regional power in the Inter-American system. Forced to take sides (or risk alienating both), the Reagan administration opted for Britain, perhaps in the belief that, if necessary, Latin American right-wing allies would be more immediately replaceable, and hence more expendable, than their British counterparts. However, continental dominance always entails the perils of continental dominos: the United States cannot impose sanctions against its Latin American clients and simultaneously maintain the Rio Treaty, the Monroe Doctrine, in short, Pax Americana.

Argentina "betrayed"

Argentina particularly illustrates this dilemma. As a strong anti-communist presence in the Southern Cone, and more recently, as the profferer of military assistance to right-wing regimes in Central America, the Junta has demonstrated an unswerving "friendliness" towards Washington. Indeed, contrary to the more prevalent trend in Third World countries, the Argentine generals have dismissed the notion of "rich" exploitative nations versus a "poor" underdeveloped world. Instead, they have firmly aligned themselves (like South Africa and Brazil) with the Reagan administration's own "Communist versus free world" position. Consequently, US support for Britain has been the source of great acrimonies. As General Galtieri put it in an interview with Italian journalist Oriana Fallaci:

I feel much bitterness towards them, I must say, tremendous deception. Because the Americans know very well that also as a Commander-in-Chief of the Army, that is, before I was President, I tried very hard to be near them and their administration . . . In the future, more than in the present, having good relations [is] more than indispensable. And indeed the rapport I had personally established with the Reagan administration was excellent. The same could be said for all the Argentine officials. We got along really well. We were supposed to do many things together in this continent . . . Indeed, both the Argentines and I see this as a betrayal.

Not only was such a move regarded as a blatant let-down, it was also perceived as having distinctly racist overtones, with the Anglo-American-European bloc indicating their apparent contempt for the Latin world. For the generals it is difficult to accept that Washington, after encouraging precisely the kind of "friendly authoritarian regime" they have built in that country, has not even remained neutral vis-à-vis Britain. Moreover, the only face-saving explanation for their defeat is the myth that they lost against the combined might of two superpowers — Britain and the US. Thus, at least in the short run and for as long as the Junta does not wish to add a "professional" failure to its already tarnished record, they will not be able to normalize relations with the US by puncturing that myth. In the long run, however, the survival of the dictatorship and that of the military establishment still depends upon Washington's support. The realities of Latin American politics may well prove to be stronger than bruised egos and "military honor."

These resentments are not limited solely to the Argen-

tine leadership. In most countries in the region — even those traditionally hostile to Argentina — there has been an overwhelming show of solidarity with the Junta. To some extent, this support may be based on similar self-centred territorial landclaims, such as Guatemala's assertions with regard to Belize, which the regime would likewise like to settle by force. But by and large, it reflects the more generalized antipathy in the region (and the Third World as a whole) towards anything associated with imperialism.

Latin America rethinks

This sensitivity is not purely a mass phenomenon. Even right wing, largely unpopular, dependent regimes in Latin America (whose own existence, ironically, requires perpetuation of unequal relations between developed and underdeveloped nations) tend to regard the region's dominant power with an often barely-concealed rancor. Thus, the military regime in El Salvador, itself engaged in a civil war, in which American aid is pivotal, denounced Washington for having "broken the Inter-American Treaty by supporting Britain." As a peculiar kind of "North-South dialogue," the South Atlantic war exacerbated profuse historical resentments, many of which were already evident at Cancun in 1981. Even in the short term, Washington's backing for Britain created obstacles as it sought to gain Latin support for its current counter-insurgency operations in Central America, where Argentina was a central piece in the offensive in Nicaragua and El Salvador. There is a certain irony in a situation in which the prime destabilizer of US hemispheric dominance has been, in this case, not the USSR, Cuba or Cuban-style revolutionaries, but rather the over-reaction of Washington's closest ally. This in turn may have the immediate effect of bolstering a kind of nationalism absent from the area for at least two decades. It can also enhance a type of solidarity among countries in the region not seen in this century.

These international trends may have, as well, significant domestic repercussions. A realignment of the Latin American military away from its US external constituencies and from the doctrine of internal war and towards a more conventional definition of its role (and of arms procurements) will undoubtedly require a broadening of the internal support base of the state. A return to populism and corporatism as in the thirties is not an impossible alternative here. This will also mean a serious re-assessment, if not rejection, of current monetarist policies of economic development in favor of statism and import-substitution. Of course, all these alternatives remain quite open-ended and fluid. The present system of international and internal domination may have the ability to withstand multiple dysfunctions. In the latter case, the status quo could be maintained after some short period of readjustment.

Opportunity for USSR?

How then, does the Soviet Union fit into this picture? Perhaps more than any other, this question highlights the liabilities of current American foreign policy. Incapable of viewing conflicts except through the prism of East-West confrontation, the US gropes confusedly in light of other realities. Yet, the war in the South Atlantic involved not a threat from without, but rather a mounting and dangerous feud within the Western camp.

Some analysts have expressed concern that currently-strained relations between Latin America and the US

Britain and Argentina

opened up new possibilities for direct Soviet involvement. However, the USSR has little to gain and much to lose by so committing itself deeper to the region's convoluted politics, beyond their present Cuban association. If ever there were advantages to its own professed ideological differences with the two ardently anti-communist protagonists of the war, the time is now. In reality, the Soviet Union could no more afford to intervene directly on behalf of Argentina than it could on the part of Great Britain, without incurring a heavy political and military liability. Nor could such a move offer tangible prospects with regard to strengthening its already substantial economic exchange with Argentina.

Therefore, we might expect the USSR to do little, if anything at all. It need simply wait on the sidelines (as in the present case it did) while its declared adversaries go to pieces. In this sense we can see that the present US policies in the region have the potential of becoming a self-fulfilling prophecy. From a Cold War perspective, Soviet influence could only increase, by default, if by nothing else. Indeed, for the people in the Kremlin to interfere directly in dismantling the Western collective, when the latter's own various components were efficiently carrying out the task independently, would have been sheer lunacy. The Soviet Union has enough in its immediate sphere of influence without committing itself to this kind of situation.

Vortex effect

This is not to say that both superpowers might not have inadvertently been pulled into the conflict, had it begun to spread to other nations. In that event, it would have been difficult for either major power to remain unaffected. As noted, the US became directly implicated, albeit reluctantly. Stripped of its regional policing powers, Washington became unable to maintain Pax Americana. The entire conflict-management system, superintended by Washington since the Second World War, was suddenly thrown into disarray. And in all likelihood, it will remain this way for a good deal of time. As a result, a relic from the past — the underlying balance of power system among South American nations, which has the distinct potential for multiplying and accelerating conflicts — has resurfaced. Given existing historical tensions between Argentina and Chile, Chile and Peru, Peru and Ecuador, Ecuador and Colombia and Colombia and Venezuela, not to mention Argentina and Brazil, there is a possibility of a South American-style August 1914 situation developing. Not only a reemergence of the hostilities could bring a spreading war, but local conflicts could proliferate and extend on a continental basis (e.g., the Beagle Channel dispute between Argentina and Chile and the old rivalries between Argentina and Brazil).

Considering the conditions of modern warfare, communications and alliances, such a conflict could produce an unfathomably destructive vortex, a regional firestorm into which outsiders would unavoidably be drawn. Obviously, none of this has passed beyond the realm of speculation. Even so, there is a very real potential for widening, all-encompassing violence developing as a backlash of the Falklands episode. At a minimum, the Argentinian fiasco may well bring about a push for rearming that country, thus throwing the continent into a dangerous arms race.

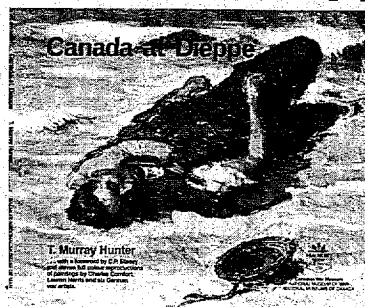
What makes this alternative all the more foreboding is the fact that various Argentinian governments, dating back

to Peron in the forties, have been actively looking to the nuclear option. Since the mid-1970s, the country has had the capability of producing — though not delivering — at least one nominal plutonium bomb per year. The peaceful export of nuclear technology from Western Europe, primarily West Germany, and recently, from Canada, has abetted this capacity. Not being a signatory to the Tlatelolco Treaty of denuclearization in Latin America, and having stated intentions to follow the nuclear road, a similar "small war" such as the South Atlantic crisis, could — time and circumstances permitting — hold one of the keys to Pandora's box . . .

It is not presently known whether or not Argentina actually possesses an operational nuclear device. However, given its domestic and international conduct, even the remote possibility of this is disconcerting. Equally alarming, is the recent international behavior of its extraordinarily well-armed British adversary, engaged in the kind of macho-style politics normally associated with caricatures of Latin American generals. Indeed, the activities of the Thatcher government seems to indicate that not only "war is the extension of diplomacy by other means," but the extension of war means the eradication of diplomacy.

Like the labyrinths of time of modern Latin American writers, history seems to be full of twists and paradoxes. When Britain invaded Buenos Aires in 1806, she was not intent on bringing about the downfall of the Spanish Empire in Latin America. In so doing, however, she set in motion a chain of events that culminated in Ayacucho in 1824, with the emergence of the Latin American republics. It is possible that, once again and inadvertently, Britain may have provided the spark for a process whose implications may be far-reaching. □

Canada at Dieppe



by T. Murray Hunter

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NATIONAL MUSEUM OF MAN



Ballistic missile defence returns

by Paul Buteux

In May 1972, as part of the collection of agreements and understandings that marked the culmination of the first round of Strategic Arms Limitation Talks (SALT), the United States and Soviet Union signed a treaty on the limitation of anti-ballistic missile systems. This ABM Treaty, as subsequently amended in 1974, restricted the two signatories to the deployment of a single, fixed, land-based system each and placed considerable restrictions on the development, testing and deployment of new systems. The Soviet Union chose to maintain and upgrade the defences against ballistic missile attack around Moscow, while the United States built, and then de-activated a single ABM site at Grand Forks, North Dakota, intended to offer some protection to the nearby *Minuteman* ICBM field.

At the time of its signature, the ABM Treaty was widely regarded in the United States and elsewhere as a substantial contribution to the stabilization of the Soviet-American strategic arms race and as an important step in the direction of further measures of arms control. Now, however, serious discussion is taking place in the United States over the future of the ABM Treaty, including whether or not it should be amended to allow for greater possibilities of anti-ballistic missile defence, or, in the most extreme case, whether the United States should not consider abrogation of the treaty as provided for in Article XV. This development has attracted less public attention than other aspects of the current debate over US strategic policy, but in fact it is intimately connected with the concerns that have stimulated this debate. Should the United States, as a result of these concerns, decide formally to reopen the question of ABM defences, then it is clear that the political and strategic implications would be wide-ranging.

The general background against which the revival of interest in the United States in ballistic missile defence (BMD) has occurred is that of the steady growth in Soviet strategic power and, in part as a consequence, an increasing skepticism and disillusionment with the results of arms control. Moreover, a number of more specific reasons can be adduced for this development. Foremost among these is the growing vulnerability of American land-based strategic missiles to pre-emptive Soviet attack. Although for many this threat is more theoretical than real, and although there is considerable controversy as to its credibility and political utility to the Soviet Union, nonetheless, no American administration can be indifferent to the possibility of ICBM vulnerability — something that has been reinforced with the trend in the US strategic posture since 1974 towards a "limited options" strategy. This strategy places

particular emphasis on the need for greater flexibility and endurance, even under conditions of nuclear war, in all aspects of the American strategic arsenal.

Protecting ICBMs on land

If these American objectives are to be met, a survivable ICBM force is essential. Given present technology, only the land-based ICBMs have the accuracy and flexibility of command and control to make the preferred American strategy at all plausible, and it is this which accounts for the degree of urgency that has been given to overcoming the vulnerabilities of the land-based missile force. A variety of policy options involving the planned mobile MX missile has been examined, but there are many difficulties, not the least of which has been the finding of an effective and politically acceptable deployment mode. Even some of the most elaborate deceptive basing systems suggested, with missiles being moved among a large number of launch points, would be theoretically vulnerable to anticipated Soviet strategic capabilities.

In the search for a technical solution, a number of studies have suggested that the MX basing problem would be much easier to deal with if deployment were associated with a complementary ballistic missile defence, the possibility of which has been enhanced by recent technical developments. Indeed, the impact of technological innovation on the weaknesses and operational inadequacies of previously-planned BMD systems has provided another stimulus to the revived interest in defence against ballistic missile attack. Prior to the signing of the 1972 ABM Treaty, the *Safeguard* anti-ballistic land-based missile system was in process of deployment in defence of the US land-based missile force. In the view of many of its critics the system would not have worked because of the ease with which an attacker would design his attack so as to circumvent and overwhelm the defence. Now, however, there is considerable confidence in the technical community involved that many of the problems are capable of being overcome (for example, the problems of vulnerability of the radars involved both to direct attack and to the "blackout" effects of detonating nuclear warheads, and of the lack of a computer technology adequate to the enormous demands that would be made on it).

Seemingly futuristic technologies, that nonetheless

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The missile defence debate

are within the realm of technical feasibility, take the concept of ballistic missile defence much further along the road to operational effectiveness than was the case with any of the systems proposed in the 1960s. Among the possible technologies are non-nuclear "exoatmospheric" interceptors that would intercept incoming warheads in the middle phase of their ballistic trajectory; interceptors that would operate in conjunction with sensor probes launched into space and which would enable the interceptor to home onto its target. Even more futuristic still, is the possibility of a whole range of "Star Wars" satellite and other technology being developed to provide for the interception of incoming ballistic missiles over the whole of their trajectory, from the moment of launch to the terminal phase of their attack on specific targets. A "layered" defence involving the use of both short-range interceptors to attack incoming warheads in the final stage of their flight and longer-range exoatmospheric interceptors offers the prospect not only of a more effective defence of hard-point targets such as ICBM silos and launch control centres, but also would lend itself to some area defence of population and property.

However, current American research and development on ballistic missile defence is directed to the defence of hard-point targets, and much of the technology required for an effective, comprehensive defence is beyond the present state of the art. A low-altitude defence system (LoADS) has now been designated *Sentry* and could, according to its advocates, considerably improve the survivability of US land-based missiles at a cost-exchange ratio favorable to the defence. In other words, the costs to an attacker in overcoming the defence would be greater than those to the defenders.

Getting there first

One final factor should also be taken into account in explaining the resurgence of interest in BMD: this is the fear that the active Russian program of research and development might lead to a situation in which the Soviet Union would catch the United States by surprise and "breakout" with a ballistic missile defence that would drastically alter the strategic balance. One might be skeptical as to the ability and likelihood of the Russians doing such a thing, but the concern that the Soviet Union might secure a technological advantage in this field is a real one in Washington. (And elsewhere too: the British development of the maneuvering *Chevaline* warhead for their existing force of *Polaris* submarine-launched ballistic missiles was undertaken, in part, to ensure that the British deterrent would be able to penetrate any improved Soviet area ballistic missile defence.)

It is widely accepted that no effective hard-point, or, for that matter, area, defence could be deployed within the confines of the present ABM Treaty. Thus an essential requirement for effective ballistic missile defence is the opening-up of the Treaty. Any attempt to do so at the present time would involve considerable political costs for the United States in terms of its relations with its allies and with the Soviet Union. But if the United States cannot deal with what it currently sees as a significant threat to its land-based strategic missile force through the next round of strategic arms control negotiations, then serious attention will be given to the possibility of seeking revisions in the Treaty before the 1987 quinquennial review. Whatever hap-

pens as a result of further strategic arms control efforts, the United States will take unilateral action anyway to ensure a strategic balance satisfactory to itself, and among the options available will be ballistic missile defence. Of course, this is by no means the only possible option. One not implausible solution would be for the United States to put up with a continuing theoretical threat to its land-based missiles and either revise its strategic objectives or attempt to secure them by other means, for example, by increasing the counterforce capabilities of its submarine-launched ballistic missiles. Nevertheless, it can be expected that over the next several years continuing attempts will be made to restore US confidence in its land-based ICBMs.

Ten years of changes since SALT

American concern with ICBM vulnerability is but one of the consequences of the shift that has occurred in the overall strategic balance in the years since the first round of SALT agreements was concluded in 1972. Other effects have been felt in alliance politics, and both global military developments and the changing balance in Europe have revived the debate in NATO about the nature and extent of the American guarantee to its allies. The fact that nuclear "parity" has been the essential condition for strategic arms control has had the effect of underlining the difference in the geo-strategic circumstances of the allies on each side of the Atlantic, which, in turn, has been linked to growing political differences over the East-West relationship. Thus the current interest in the United States in ballistic missile defence has implications for both the political and strategic interests of the allies, and any American move in the direction of such a defence would immediately become a salient item on the alliance agenda.

Should ballistic missile defence again become an issue of alliance politics (it was, briefly, in the late sixties), then the political response of the European allies can be expected to occur at two levels. First, the issue will be linked with détente and East-West arms control, and the European response, by and large, will be based on the potentially negative consequences of BMD deployments on both those objectives. Secondly, the implications of ballistic missile defence will be assessed at the strategic level in terms of the impact on the nuclear balance in Europe. Although it is not at all clear what the effects of ballistic missile defence deployments would be on the European balance, ultimately it can be seen as depending on the place of BMD in the overall US strategic posture. More particularly, it will depend on the assessment of the contribution that BMD might make to maintaining the credibility of the American extended deterrent commitment to Western Europe.

Whatever the impact, it is doubtful whether ballistic missile defence, by itself, could do much to remove present European concerns over adverse trends in the military balance in Europe and, in particular, over the buildup of Soviet theatre nuclear forces, those non-strategic nuclear weapons targetted against Western Europe. One response to this concern with what is sometimes ambiguously termed the "Eurostrategic" balance has been the support given to the modernization of the alliance's long-range theatre nuclear forces. However, the political controversy generated by the decision to deploy *Pershing II* and ground-launched *Cruise* missiles has indicated just how difficult it is for European governments to accept major changes in the alliance's nuclear posture. There is a tension

between the need to adapt to changes in the strategic environment that can be seen as "decoupling" the American strategic deterrent from the security of Europe (of which the vulnerability of the American ICBMs is a primary example) and the political sensitivity of nuclear issues for domestic politics. Thus one effect of continued American interest in ballistic missile defence could well be further to stimulate the debate over nuclear weapons taking place in many allied countries. The timing of any decision to pursue BMD would be important here: if a decision were made before other issues concerning the nuclear posture of the alliance had been settled, such as theatre nuclear force modernization for example, then US policies concerning missile defence could be very disruptive of intra-alliance relations.

Canada no longer needed

In terms of the general political implications of any move by the United States towards BMD deployment, probably the Canadian response would be similar to that of the Europeans, with concern being expressed as to the possibly negative consequences for arms control. On the other hand, and in the long-term more significant for Canada, would be the implications for Canadian strategic interests. These may be said to fall into two broad categories. First, unlike the proposed *Sentinel* and *Safeguard* systems of the 1960s, the deployment by the United States of a hard-point defence would not involve the interception of incoming missiles over Canadian territory, nor would facilities on Canadian territory be required for the effective operation of a low-altitude ballistic missile defence. In other words, a continental approach is no longer necessary to meet US strategic and military objectives. NORAD or some similar joint approach to the defence of North American territory is irrelevant to an American decision on BMD. This state of affairs simply underlines the impact that technology has had on Canada's geo-strategic situation. Canadian strategic interests remain profoundly affected by American defence decisions, but Canadian cooperation is less and less required. Along with this, of course, goes an erosion of Canada's ability to influence American strategy as it directly affects Canada.

When a bilateral context for Canadian representations to Washington does not exist, it has been natural for Canadian governments to attempt to further their interests in a multilateral forum. Thus Canada in the past has sought on more than one occasion to link problems of continental defence with NATO, using Canadian membership in the alliance as a classic "counterweight" to the United States. However, and it is here that the revival of American interest in ballistic missile defence affects the second general category of Canadian strategic interests, Canada is also affected by the strains on the transatlantic link which threaten increasingly to "decouple" European security from the American strategic deterrent. In this case the effect is to reinforce the strategic dependence on the United States that flows from the facts of Canada's position as a North American power; but as already pointed out, as far as the strategic defence of the United States is concerned, Canada is of diminishing relevance.

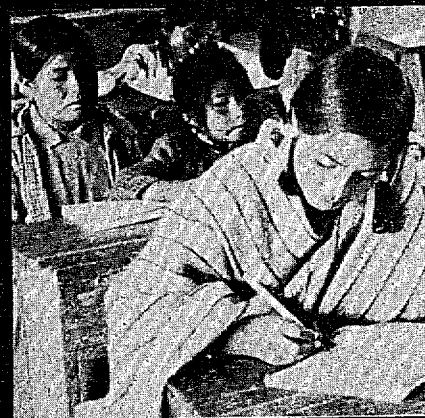
Canadian reexamination required

One unfortunate consequence is the challenge posed to some of the basic premises of Canadian defence and

foreign policies, particularly those founded in some way on the notion of the special importance of Canada's connections with Europe. Despite attempts from time-to-time to reorient the direction of Canadian policies (of which the defence and foreign policy reviews of the late 1960s were perhaps the most determined examples), Canadian governments have continually returned to more traditional alignments. As many commentators have observed and as a number of politicians have discovered, Canada's ties with Europe seem to offer at least some solutions to the problems created by the overwhelming presence of the United States. This has been true in the security as in other fields; and, certainly, a primary political function of NATO membership has been to create an environment in which Canadian security has been seen in a broader context than North America. Now, however, changes in the military balance, by underlining differences in strategic interests on both sides of the Atlantic, have made the requirements of a broadly-defined Canadian security policy more demanding.

Given the record on these matters, should the United States decide to deploy a ballistic missile defence, the decision is likely to be taken with little or no prior allied consultation. Nonetheless, such a decision would have substantial impact on the NATO allies, and would, in the absence of careful preparation, lead to further stresses on allied relations. In this respect, the revival of interest in the United States in BMD and the problematic quality of the issue are symptoms of the wide range of tensions generated by current developments in the strategic environment. Although it is unlikely that the United States will give priority to a decision on ballistic missile defence in the near future, the possibility of doing so has become a genuine option for American strategic policy. It would be as well for Canada, and others for that matter, to be aware of this fact. After all, whatever decision the Americans arrive at, including one to continue with the status quo and to leave the present ABM treaty in place, it is likely to have some significant effect on our interests. □

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Law of the Sea: A Canadian dilemma

by Donald W. Munro

Canada has one of the longest, if not, indeed, *the* longest coastline in the world; not counting deep indentations, such as bays, sounds and wide river mouths, it amounts to over 10,000 miles. When a 200 nautical mile Exclusive Economic Zone (EEZ) is extended seaward from such a baseline (though not in the Davis Strait and Baffin Bay and north) the additional area over which Canada will be expected to exercise controls of one kind or another is more than just significant — it approaches the mind-boggling, since it will add about one-third to the area over which Canada's writ now runs. On the East Coast, Canada has a wide Continental Shelf, stretching in one place to about 750 nautical miles east of Newfoundland; on the West Coast, however, the Shelf falls away to the Ocean Deep about 50 nautical miles off shore. Canada has offshore islands, particularly on the West Coast, and a collection of islands (an archipelago?) in the North, through which passes a navigable Strait. (Remember the "Manhattan?")

As a trading nation, with hundreds of ships entering our ports each year, and just as many going up and down our coasts, we are aware of just how important it is for the regulation of navigation and pollution at sea and inshore, preferably by international agreement. Canada claims extensive resources from the sea and below; many of our people already depend for their livelihood on the sea's living resources; and only now are we beginning to discover just how rich our offshore non-living resources are likely to be. With Canada as one of the world's foremost producer's of nickel (first), cobalt (third), copper (fourth) and zinc (first), we cannot fail to be worried that the deep seabed mining of those same metals — in which Canadian companies are also playing a part — will affect our land-based operations.

These are some of the issues with which the Law of the Sea conferences have been dealing for more than a decade now. It is not surprising, therefore, that Canada should have been playing a prominent role at the Conferences. Aside from the negotiations themselves, Canada, through its permanent delegate, Ambassador Alan Beasley, has been chairing the Drafting Committee, which will be expected, among other things, to iron out interpretive diffi-

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culties that may arise in preparing a definitive text in the six languages used at the United Nations. It is understandable also, perhaps, that Canada should have voted in favor of the Convention when it was finally put to the test on April 30 last.

Caught in the middle

When, however, those multifaceted concerns are matched up with the fact that one of our neighbors, a principal trading partner and a major consumer of our mineral resources (the USA) voted *against* the Convention; and when another neighbor (the USSR) abstained on the vote — as did a number of our friends in the EEC (including the UK), most of whom have fishing rights in Canadian waters — when all these matters are taken into account, is it any wonder that Canada's future course of action in this area should be bristling with difficulties and uncertainties? How are they all to be resolved?

Will the USA, we are bound to be asking ourselves, continue to remain outside the Convention? And if so, will the USA, while recognizing that the deep seabed mining provisions were the main reason for withholding assent, respect the other provisions of the Convention, even if not legally bound to do so? Does the same apply to the EEC abstainers? And what about the USSR and Poland? As has already been said, most of these states are bound under bilateral fishing agreements with Canada, agreements that were, however, concluded in the expectation that the long-awaited international Convention would to a considerable extent underpin those accords. What happens now, when those bilaterals come up for renewal? Where do the opponents and the abstainers leave Canada? And what about the protection afforded us by the provisions in the Convention dealing with international straits? Are we to expect another "Manhattan?"

Before even attempting to deal with these questions, we should perhaps look at the Convention itself in some objective detail to determine just what, exactly, it sets out to accomplish.

What the Convention does

The Law of the Sea Convention, generally speaking, aims at developing an internationally acceptable set of laws and principles applicable to the three-quarters of the globe's surface that is covered with salt water and is not yet subject to dryland state jurisdiction, and to provide a means of resolving disputes arising between states over differing interpretations of those laws and principles.

The waiting oceans

These rules are intended to be applied to operations such as navigation, fishing and mining, as well as to the ownership of the many resources (both living and non-living) in the subsoil, on the seabed, in the sea above, on the seas' surfaces, and in the airspace above. In short, it purports to regulate tridimensional space and nearly all the human activities that can or might take place therein — a venture of some magnitude, surely!

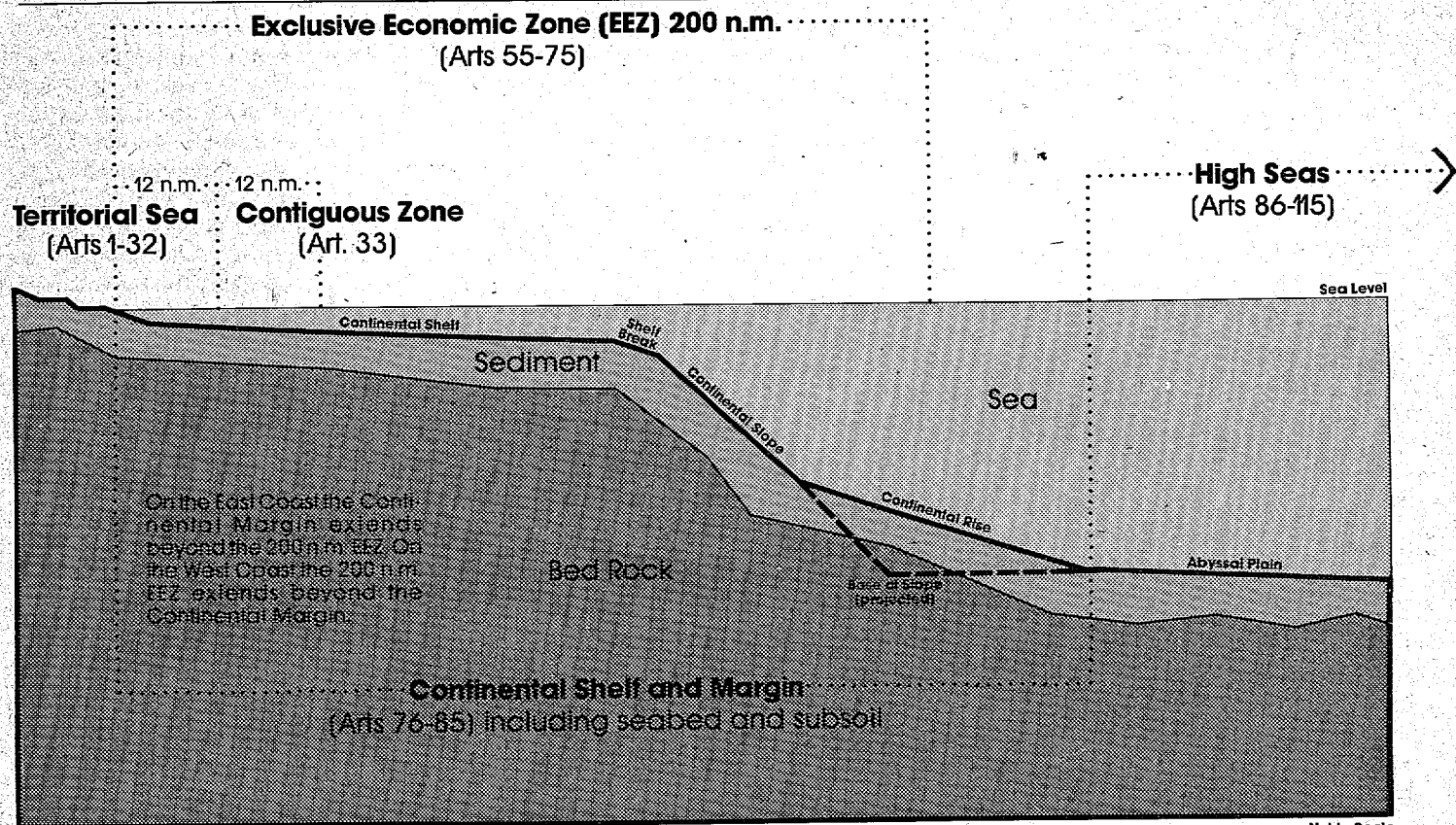
The Convention goes even further: it provides for the sharing of the proceeds of exploitation of seabed and subsoil resources beyond coastal state jurisdiction with states which may lack the technology to embark on deepsea ventures, or which, having no coastline, have no basis for any sort of maritime claim. In adopting this position, the Convention seeks to consecrate, for the first time in a universally applicable agreement, the notion that that which is not national is to be considered as "The Common Heritage of Mankind."

In addition, the Convention deals with Archipelagoes, International Straits, Maritime Research and the Protec-

resources within the *Exclusive Economic Zone*. Within the *Territorial Sea*, as part of the EEZ, the only limitations to complete national sovereignty relate to the "innocent passage" of aircraft, ships and submarines, the latter being required to travel on the surface showing their flag. "Passage," in this context, is to be "continuous and expeditious," whether to reach waters beyond the Territorial Sea, or to gain port.

Within the Territorial Sea and the *Contiguous Zone*, the coastal state may apply such control and sanctions as may be required to prevent such infringements of its customs, fiscal, immigration and sanitary laws as may have an impact within its territory or on its Territorial Sea.

The EEZ, extending out 200 nautical miles, is subject to exclusive state jurisdiction in all matters relating to exploring, exploiting, conserving and managing the natural resources, living and non-living, above, on, in or below the sea itself. Limited coastal state jurisdiction can extend beyond the 200 mile EEZ to a distance that is determined in accordance with a number of factors including depths,



1 nautical mile (or n.m.) i.e. a minute of longitude
 1 n.m. = 6080 ft. = 1.852 km.
 therefore 200 n.m. = 240 miles approximately = 370.4 k.m.

Adapted from *RESOURCES UNDER THE SEA*, E.M. & R., 1977.

tion of the Marine Environment. An all-embracing document, if there ever was one, and one which, under Article 309, allows of no reservations or exceptions, unless specifically provided for in particular articles. In these prescribed circumstances, how is Canada, for example, or any other coastal state, for that matter, expected to handle its "off-shore" jurisdictions, and what role can it play on the High Seas?

Finding the fence on the sea

The accompanying diagram tells part of the story. The coastal state exercises sole authority over the economic

slopes and even the thickness of the sediment. At no point, however, does this extension beyond the 200 nautical miles extend beyond the Outer Edge of the Continental Shelf (Article 76). Within this extended area, coastal state law is restricted in its application to regulating exploration for and exploitation of the mineral and other non-living resources on the seabed and subsoil, as well as the living organisms belonging to sedentary species on or under the seabed.

Special provision is made, in Articles 63 to 67, for conserving, managing and harvesting highly migratory spe-

The waiting oceans

cies of fish and transiting stocks (such as tuna), anadromous species (such as salmon), and catadromous stocks (such as eels) that may penetrate more than one jurisdiction. These fish stocks are expected to be subject to regional agreements in order to ensure their continued healthy survival.

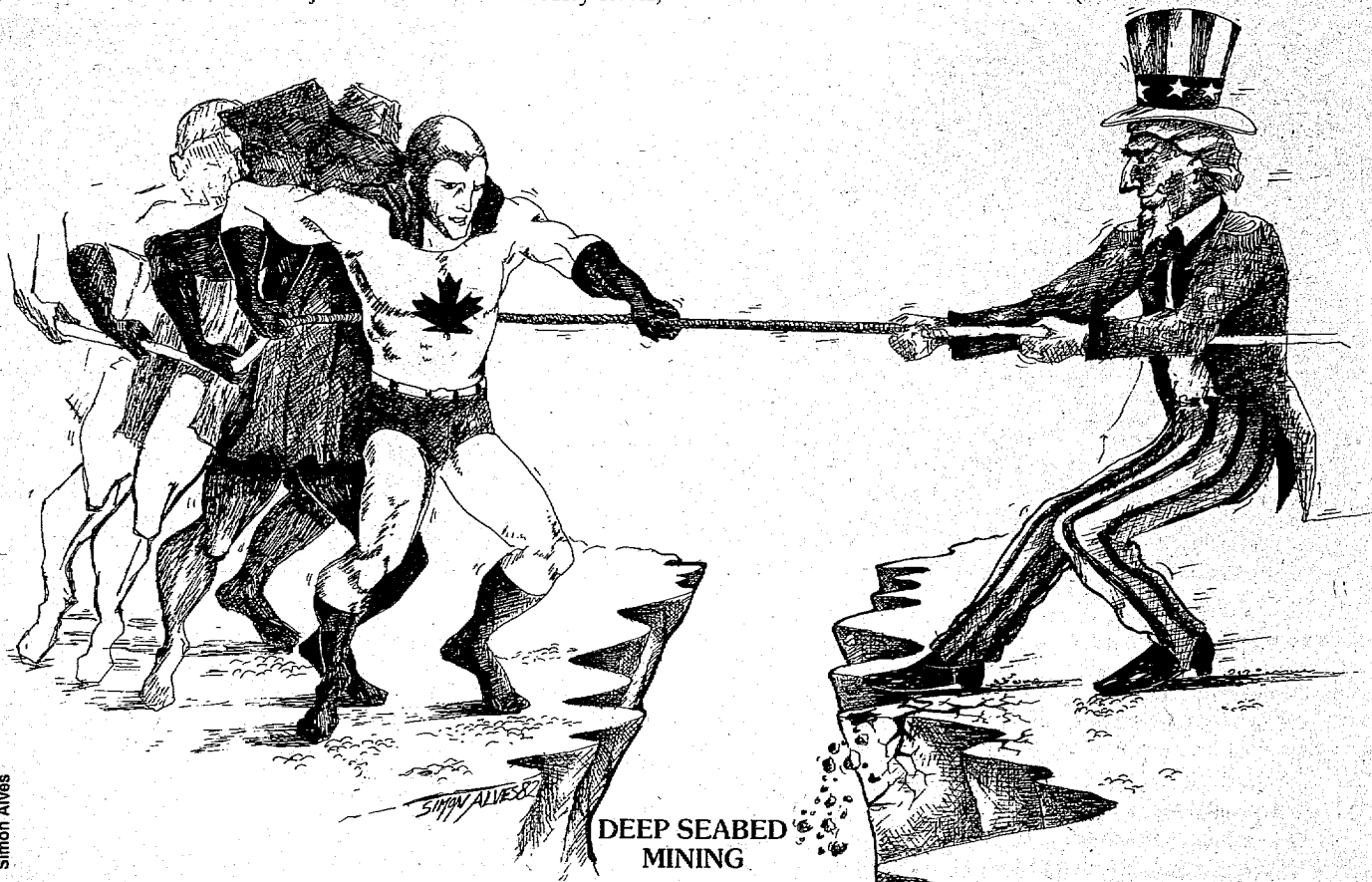
Outside the area in which coastal state law can be made to apply, to a greater or lesser degree, lies what was once loosely designated as the High Seas. Here are to be found the seabed and subsoil mineral, liquid and gaseous resources held to be *The Common Heritage of Mankind*, and exploitable only on that understanding, i.e., that the proceeds of any such exploitation are to be shared, under a specific percentage formula, with the rest of mankind, regardless of which state carries out the recovery process. This stretch of the seabottom is known as *The Area*; it is to be subject to governance by *The Assembly and Council*, which in turn are provided with a Secretariat and an exploitative arm, *The Enterprise*. The activities of these various organs will be examined by a Review Conference scheduled to meet fifteen years from the start of commercial production. The production question — for the time being, at any rate — relates to polymetallic nodules, known to exist in large quantities on various parts of the ocean floor and to contain high concentrations of nickel, copper, cobalt and magnesium, and, in some areas, zinc.

US holdout

In light of what has been said above with respect to Canada's production of most of these metals, our concerns are understandable — not just about the Authority itself,

The USA obviously looks at matters differently. There is first of all the cumbersome bureaucracy associated with *The Area*, a bureaucracy in which national patronage is bound to play a part. The Council and Assembly, in US eyes, will in all likelihood respond more readily to political than to economic and technological pressures. Holding, as they do, the technological advantage in deepsea mining, the USA has shown an unwillingness to be hamstrung by political road-blocking: the output is much too important to be held to hostage that way! In current political circumstances, furthermore, the USA is not absolutely assured that their needs for these vital metals will be met uninterrupted from landbased sources, such as is Canada. The imposition of a minimum production volume (given the high costs of recovery) makes more sense to the US than the maximum level which Canada obviously favors. If acid rain, the Garrison Dam, the Skagit, salmon interceptions and maritime boundary negotiations were not already sufficient irritants in our bilateral relations, then differences over the Authority and Deepsea Mining are all that is required to put an even greater strain on good neighborliness.

What is in it for Canada to keep the Convention alive in all its integrity? What would Canada lose if the Convention were now to be scrapped? Can the Convention survive leaving important nations outside its ambit? These are the crucial questions facing Canadian negotiators and the Canadian Government during this inter-sessional period — is it also being made intercessional? An attempt will be made from the outside (because I have no access to



DEEP SEABED MINING

but, even more perhaps, about the failure of all participants, but most particularly the USA, a major consumer of these products, to approve and therefore be part of the Convention.

the day-to-day discussions that must now be going on to save the Convention) to examine these serious matters.

For reasons that are outlined in the opening paragraphs, and also because of the inability of Canada to

defend or otherwise guarantee its claims to a 200 nautical mile limit and beyond, coupled with the vulnerability of our mining industry, we need a Law of the Sea Convention as much as any underdeveloped nation does. That goes a long way to explaining, of course, why Canada made common cause with the Group of 77 throughout the negotiations.

Problem of US absence

Since the Convention can come into force twelve months after the deposit of the sixtieth instrument of ratification, there seems every chance, given the actual number of states in the "Group of 77," that the Law of the Sea Convention will become international law within the next two or three years. How it is going to operate if the USA stays out is a matter of conjecture. What that is going to mean in terms of US policy (the main holdout), of USSR policy (one of the principal abstainers) and of Canadian policy, is also pretty much up in the air.

The USA, of course, is quite capable of persisting on its present course: partly on ideological grounds; partly in order to assure its own supply of strategic metals; partly (possibly) out of pique at not being given an absolute guarantee of a seat on the Council; partly, I imagine (for ideological reasons) because of its unreadiness to share — under The Heritage of Mankind formula — the proceeds of its enterprise with such national liberation movements as the PLO and SWAPO; and partly, also, because of what they are bound to consider (if only in financial terms because of economies of scale) the unrealistic limitations placed on deepsea production. A very important consideration in US eyes, I suspect, is related to the applicability to all signatories, and without further ratification, of any decisions taken down the road by the Review Conference: such a procedure does not fit with US constitutional practice and law.

What the USA may do, in these circumstances, is to declare itself in favor of a mini-treaty for deep seabed mining. In that endeavor it would conceivably be joined by the UK, the Federal Republic of Germany, Belgium, the Netherlands, Luxembourg and Japan. Such a treaty is said, indeed, to be in the making. Canada's position in such circumstances would be extremely precarious: do we have any levers we could use to oblige such an enterprise to limit

its production and thereby not completely destroy Canada's landbased operations in mining nickel, cobalt, and copper? Canada's room for maneuver seems to me to be very limited, if such should be the prospect that reveals itself. Decisions by the EEC countries are obviously of prime importance in deciding what the USA will do.

Soviet difficulties

The USSR withheld its approval, so they claimed, because they considered it discriminatory to be denied status as "Pioneer Investors" in the Preliminary Investment Protection resolution unless they were to sign the Convention, whereas the USA, even while standing apart from the Convention, can benefit as a "Pioneer Investor" so long as at least one of the nations in a consortium with the USA to engage in deep seabed mining votes in favor. What is more likely is that the USSR adopted the abstaining role in order to leap either way — in or out — and with minimum prestige damage, depending on how the future unfolded.

Canada, therefore, stands teetering in the middle. I suspect, however, that our diplomats are lobbying feverishly to bring "the dissidents" back from the brink and in doing so are almost certain to have the full support of the Developing World. The upshot is still difficult to predict. It will depend to a considerable extent on how the USA sizes up the pros and cons.

Despite what has already been said, it is not easy to envisage a "mini-treaty" enterprise and a Convention enterprise setting up operations side-by-side. The availability of the required technology and capital are likely to be the critical determinants in this whole exercise. Canada may be able to contribute to one, but is not in a very good position at this time to help on the other.

Well might it be asked whether the Convention is "viable" in all other respects except for the Enterprise et al. In legal terms it probably is; but given the degree to which the Third World — and even Canada — relies on enforceable international law to ensure the climate in which all can flourish, I suspect that for most of those states who have spent so much time, manpower and treasure in getting the Law of the Sea Convention this far, it is a matter of all or nothing. And which of us is capable of embarking now, unilaterally on policies designed to guarantee the integrity of our respective 200 nautical mile zones?

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Canada and strategic minerals

by Jock Finlayson

There is growing anxiety about future access to needed minerals. A marked deterioration in East-West political relations, the Soviet and Cuban interventions in Africa since 1975, and the invasions of Zaire's mineral-rich Shaba province by Katangan rebels in 1977 and 1978 (perhaps with outside support) have led many analysts and policy-makers in various western countries to conclude that the West is increasingly vulnerable to drastic increases in prices and to interruptions in the supply of "strategic" non-fuel mineral commodities.

This growing interest in the politics and economics of international resources trade has also been stimulated by such diverse causes as the sharp increases in petroleum prices engineered by OPEC, the oil embargo instituted by Arab petroleum producers during the 1973 Middle East War, the astonishing rise in virtually all primary commodity prices during the 1972-74 commodity "boom," the formation and strengthening of producer cartels for such commodities as copper, bauxite, iron ore, natural rubber and bananas, and increasing concern about the depletion of essential non-renewable mineral commodities. This increasing anxiety is mainly directed to those minerals exported by southern African countries and the Soviet Union, although some other minerals and suppliers do pose problems.

Traditionally, certain minerals were deemed to be strategic because continued access to them was seen as essential for the maintenance of adequate national defence preparedness and for the prosecution of war. In the last decade, however, concern has mounted over the more general economic and social consequences of sudden interruptions in mineral supplies to the Western industrial countries. The dislocation caused by periodic reductions in petroleum deliveries during the 1970s serves as an indication of the difficulties that can result from supply curtailments.

Table 1 provides data on the import dependence of Canada, the United States, the European Community and Japan for eleven minerals normally included in discussions of Western minerals vulnerability. A brief glance at the table indicates that Canada is in a very favorable position compared to its allies. Canada is self-sufficient with respect to the crude forms of all but four of these minerals. The

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EEC and Japan depend on external sources of supply for at least eighty percent of their requirements for all eleven, and for one hundred percent in the cases of four or five. The United States is less exposed to foreign producers than the European Community or Japan, as it satisfies most of its demand for iron ore and copper through domestic mine production and also produces significant quantities of nickel, tungsten and zinc. Nonetheless, the US is much more import-dependent than Canada, and is likely to become considerably more so in spite of recent efforts to increase mining activity in parks and other areas under

Estimated Import Dependence of Canada, the U.S., the EEC and Japan:
Imports as a Percentage of Apparent Consumption in the late 1970s

| MINERAL | CANADA | U.S. | EEC | JAPAN |
|----------------|--------|------|-----|-------|
| BAUXITE | 100 | 93 | 95 | 100 |
| CHROMIUM | 100 | 90 | 100 | 100 |
| COBALT | — | 98 | 100 | 100 |
| COPPER | — | 13 | 95 | 98 |
| IRON ORE | — | 30 | 80 | 95 |
| MANGANESE | 100 | 98 | 100 | 98 |
| NICKEL | — | 92 | 100 | 100 |
| PLATINUM GROUP | — | 90 | 100 | 100 |
| TIN | 95 | 82 | 88 | 98 |
| TUNGSTEN | — | 57 | 99 | 98 |
| ZINC | — | 62 | 80 | 80 |

Sources: Amos Jordan and Robert Kilmarx, *Strategic Mineral Dependence: The Stockpile Dilemma*, the Washington Papers, Volume VII (Beverly Hills: Sage Publications, 1979), p. 40; Mineral Commodity Summaries, 1981 (Washington: U.S. Bureau of Mines, Department of the Interior); and data from the Department of Energy, Mines and Resources, Canada.

TABLE 1

federal control, developments resulting from the relentless depletion of ore deposits and higher production costs.

The Canadian patrimony

The Canadian supply situation with respect to these minerals is more complicated than the simple figures in Table 1 suggest. Although the country is self-sufficient in the *crude forms* of cobalt, copper, nickel, platinum and tungsten, it must turn to external sources to obtain many of the *processed and fabricated forms* of these minerals. Thus the existence of mineable domestic ores does not necessarily mean that security of supply is assured, for it is essential to obtain minerals in forms which are usable in industry. However, Canada is fortunate in that it imports most of its fabricated mineral raw materials from the United States and Western Europe, which can be considered relatively "reliable" suppliers. Significant quantities of Canadian mineral ores have long been sent to the US or

Europe where facilities exist for fabricating them into metals, some of which are then imported by Canadian industries. Platinum is a good example: Canada is the world's third largest producer of platinum ores and concentrates (it is produced as a by-product in the treatment of nickel-copper sulphide ores), but imports all of its fabricated platinum metals, largely from the United States.

Because of current domestic production and extensive reserves, Canada does not directly share the insecurity felt by its allies about future access to adequate supplies of many of the minerals in Table 1. Cobalt is often considered a particularly high-risk mineral because a single manifestly unstable country, Zaire, accounts for over half of world mine production and for a much larger share of exports. The 1978 incursion by Katangan rebels into Zaire's copper-producing Shaba province (cobalt is generally obtained as a co-product of copper), which curtailed cobalt deliveries to the Western countries and precipitated a very sharp increase in its price, was a recent instance of supply interdiction that set off alarm bells in several Western capitals about excessive minerals dependence on the southern African region. Another mineral widely perceived as posing security-of-supply dangers to the West is platinum. The Republic of South Africa and the Soviet Union each account for almost half of world mine output, and South Africa occupies an even more prominent position as a supplier to the OECD countries because of heavy Soviet domestic requirements. Since Canada is self-sufficient in the crude forms of both of these minerals, the country's vulnerability is presumably less than that of its allies. Nor does Canada have much to fear in the cases of nickel, zinc, copper, iron ore and tungsten, all of which it produces and exports in abundance. Moreover, the country's future self-sufficiency is guaranteed for most of these minerals because Canada enjoys relatively generous reserves (defined as known ore deposits that can be economically exploited given existing technology and prices).

The critical four

Turning to the four minerals from Table 1 for which Canada (like its allies) is almost completely dependent on imports, it is evident that all four of these have something in common: they are largely produced and exported by non-Western countries (South Africa being here classified as non-Western). This fact, combined with the importance of these minerals in numerous industrial uses and the difficulties of effecting substitution in many cases, leads to the inclusion of chromium, manganese, bauxite and tin in most lists of "strategic minerals." However, most analysts regard chromium and manganese as more susceptible to serious supply dislocation than bauxite or tin. Several factors account for this. First, as Table 2 makes clear, there are a larger number of significant suppliers of bauxite and tin than of the other two minerals. Reserves are also more dispersed. This is important since, for any commodity, 1), collusion among producers to manipulate supply is facilitated by a concentration of production, and 2), the fewer are the number of major producers, the less likely it is that a serious curtailment in exports from one will be made up by greater exports from others.

Second, chromium and manganese have few if any substitutes in most of their current industrial uses, whereas tin must increasingly compete with aluminium, glass, paper and other substitutes. In the case of bauxite, while it is

currently by far the most important aluminum-bearing ore, there are several known non-bauxitic sources of aluminum that could be readily exploited if bauxite prices rose drastically or if it were unavailable. Third, interruptions in the supply of bauxite and tin appear to be much less likely than in the cases of chromium and manganese, partly because the major exporters are more stable, and partly because they recognize that short-term gains from deliberate price-raising collusive action would be more than offset by the longer-term costs as consumers searched for substitutes and new, high cost producers entered the market. For all these reasons, an exploration of Canada's vulnerability can be most usefully and economically undertaken by looking more closely at the situation facing the country as an importer of chromium and manganese.

Chromium and Manganese: the African connection

Chromite ore (from which chromium is derived) has often been called the "quintessential strategic mineral" because of its indispensability for many industrial and military purposes. It is irreplaceable in stainless steels and high-temperature-resistant alloys, and has no known substitutes for many of its high-technology applications. Chromite is mainly found in South Africa and the Soviet Union. Zimbabwe, the Philippines, Albania and Turkey are minor suppliers (see Table 2). Owing to its domestic chromium needs, Soviet exports typically account for less than

Shares of World Non-Fuel Mineral Production and Reserves, 1979-1980
(Based on actual mine production)

| MINERAL | COUNTRY | PRODUCTION (percent of world) | RESERVES (percent of world) |
|-----------|------------------------------|----------------------------------|--------------------------------|
| BAUXITE | AUSTRALIA | 31.8 | 19.7 |
| | GUINEA | 14.8 | 28.5 |
| | JAMAICA | 13.0 | 8.7 |
| | SURINAM | 5.7 | 2.1 |
| | SOVIET UNION | 5.2 | 1.3 |
| | YUGOSLAVIA | 3.5 | 1.7 |
| | HUNGARY | 3.4 | 1.3 |
| CHROMIUM | SOVIET UNION plus ALBANIA | 36.8 | less than 1 |
| | SOUTH AFRICA* | 34.7 | 67.5 |
| | PHILIPPINES | 5.9 | less than 1 |
| | ZIMBABWE | 5.6 | 29.7 |
| | TURKEY | 4.6 | less than 1 |
| MANGANESE | SOVIET UNION | 41.1 | 44.4 |
| | SOUTH AFRICA | 20.5 | 40.7 |
| | GABON | 7.3 | 2.9 |
| | AUSTRALIA | 6.7 | 6.1 |
| | INDIA | 6.7 | less than 1 |
| | BRAZIL | 6.6 | 1.7 |
| TIN | MALAYSIA | 25.3 | 12.0 |
| | THAILAND | 14.9 | 12.0 |
| | SOVIET UNION | 13.6 | 10.0 |
| | BOLIVIA | 10.8 | 4.8 |
| | INDONESIA | 10.3 | 15.1 |
| | CHINA (P.R.) | 9.3 | 15.5 |
| | AUSTRALIA | 4.6 | 3.5 |
| BRAZIL | 3.4 | 4.1 | |

*Note that South Africa processes most of its chromium ore into ferrochromium prior to export. It accounts for over 60 percent of world ferrochromium exports.

Source: Mineral Commodity Summaries, 1981 (Washington: Bureau of Mines, U.S. Department of the Interior).

TABLE 2

twenty-five percent of the world total, a figure which has been steadily trending downwards for several years. South Africa is the world's largest exporter, with about thirty percent of the market for chromium, but it accounts for over sixty percent of world exports of processed ferrochromium, a key input into high-technology steel production. Moreover, South Africa, which has most of the world's reserves, is expected to become increasingly dominant as a supplier of both chromium and ferrochromium to the OECD countries in future years.

Like chromium, manganese is also crucial in the pro-

Strategic minerals and world power

duction of steels, a use which accounts for about ninety percent of manganese consumption. Although substituting other materials for manganese is more feasible than in the case of chromium, the cost of suddenly having to do so would be enormous and the consequences serious for the steel and allied industries. Table 2 lists the Soviet Union as the world's largest producer of manganese ore, but most of this is in fact consumed domestically or within the Warsaw Pact. Major exporters in recent years have been South Africa (over thirty percent), Gabon (twenty-two percent), Australia (ten percent), Brazil (eight percent), and India (six percent), with Soviet exports fluctuating between four and ten percent depending on the vicissitudes of domestic production and demand. South Africa is once again more important than the figures for ore production and exports suggest because it has chosen to process increasing quantities of its ore into ferromanganese, of which it is the non-Western world's largest exporter. South Africa and the Soviet Union also possess most of the world's manganese reserves, indicating growing market dominance in the future.

Supply management tricky

Like its Western allies, Canada obtains most of its chromium and ferrochromium from South Africa, although accurate figures are impossible to come by since much of it is transshipped by way of the United States and the latter thus appears in Canadian trade statistics as the source. With respect to manganese, Gabon has been the major Canadian supplier in recent years, with South Africa and Brazil also being important sources. Disruptions in the supply of either mineral could result from deliberate actions on the part of exporting country governments or from political and civil strife or conflict. Deliberate embargoes or partial curtailments of exports of **chromium** could occur if the key suppliers decided to press for a much higher market price for their non-renewable reserves. In the 1960s and early 1970s, the Soviet Union and Turkey at times took advantage of the fact that their high-grade metallurgical chromite ore was required in some of the major industrial uses of chromium. Since such ores were not available in sufficient quantities elsewhere, they were able to demand a premium on the market by tacitly cooperating to restrict supplies. More recently, however, technological developments have made it possible to use other ores (particularly those found in South Africa) in the production of ferrochromium, the basic intermediate product for the manufacturing of stainless and other alloy steels. Thus the market power of Turkey and the Soviet Union has been undercut. South Africa has to date not sought to exploit its increasingly dominant market position to force prices up, although it could, in collaboration with the Soviets, precipitate a sharp price rise through reduced exports. Pretoria may well be reluctant to incur the political opprobrium of its Western customers that would surely result if it engaged in cartel-like behavior. In any case, the government apparently believes that it is in South Africa's interest to maintain chromium prices at levels that do not stimulate energetic conservation and substitution efforts by consumers and increased production by higher cost suppliers.

Deliberate action to curtail exports by one or more of Canada's major **manganese** suppliers is also quite improbable. Brazil and Australia are generally thought unlikely to

participate in producer schemes to restrict supplies of minerals because they are anxious to increase their share of the markets for bauxite, manganese and other minerals. South Africa has similar motives for refraining from taking action to increase prices drastically. South Africa could conceivably seek to "punish" its Western critics by reducing exports of manganese, chromium and other important minerals, but in fact its current plans anticipate a major *increase* in production of both manganese and chromium in the 1980s, a policy that is clearly incompatible with supply restrictions. Gabon, which, unlike the other producers, obtains the bulk of its export earnings from manganese, might anticipate significant economic gains from the formation of an explicit manganese cartel designed to engineer large price increases. But its ambitious plans to expand mine output and the major investments it has already made in improved transportation facilities suggest that it will be reluctant to abandon its goal of a greater market share. Moreover, without South Africa's cooperation, a manganese cartel would be doomed, particularly in light of the Republic's dominant reserve position in the non-communist world. The land-based producers of manganese are also presumably aware that severe upward price pressure will only intensify the search for seabed manganese nodules and improve the prospects for the economic recovery and sale of these resources.

Political dimension

Disruption of chromium and manganese deliveries could also result from political instability and turmoil in supplier countries, particularly South Africa, the West's principal source. Much scholarly ink has been spilled over the contentious question, "How long will South Africa survive?" and no attempt to grapple with this difficult topic can be undertaken here. However, it does not seem unreasonable to suggest that growing dissatisfaction among the disenfranchised elements of the South African community (i.e., the blacks, Coloureds and Indians who together comprise close to eighty-five percent of the population) may well precipitate an ever higher incidence of politically-motivated acts of sabotage and terrorism against industrial, military and other targets. Unsupported by external allies, domestic insurgent groups would be no match for the enormously powerful and recently much-strengthened South African security forces. Nonetheless, attacks on the transportation infrastructure, power plants, factories and mining and processing facilities could certainly lead to at least partial and temporary interruptions in mineral production and exports. More ominous is the prospect of black opposition groups receiving significant support from other states in the region, and perhaps from the Soviet bloc as well. If this should happen, conflict between Pretoria and its neighboring states (including perhaps a Marxist and black-ruled Namibia) is virtually certain to occur, with incalculable consequences. Many of South Africa's major mineral deposits are located in the northeast of the country near Zimbabwe and Mozambique, and that cannot be reassuring to anxious importers.

A fear persistently voiced by some observers is that the Soviet Union is seeking to deny the West access to southern Africa's minerals by exerting greater diplomatic, economic and military influence in the region. One particularly unpleasant scenario has the Soviets simultaneously fomenting revolution in South Africa, gaining

The events of June and July 1982

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Bilateral Relations

U.S.A.

Interest Rates

High interest rates in the US were held responsible for much of Canada's ailing economy by the government this spring, with direct criticism of US economic policy increasing until early June. The government repeatedly told the House of Commons that unless there was some easement in US interest rates, recovery of the Canadian economy, including a reduction of interest rates, unemployment, and inflation, would be limited.

A strong representation was made by Prime Minister Pierre Trudeau about this concern at the Versailles economic summit, held from June 4 to 6. Although the final communiqué pledged the seven attending nations to "pursue prudent monetary policies and achieve greater control of budgetary deficits," Mr. Trudeau was disappointed that no real commitment had emerged regarding US interest rates. (See this issue, MULTILATERAL — Versailles Economic Summit.)

Following the summit, External Affairs Minister Mark MacGuigan met with senior Reagan administration officials in Washington. The June 11 visit was to discuss "unfinished business" from Versailles. Mr. MacGuigan explained, "We didn't get the kind of assurances from the US (at the Summit) that we would have wished" (*The Citizen*, June 12).

Law of the Sea Treaty

Canada expressed concern in early July over signs that the Reagan administration would reject the UN Law of the Sea Treaty, and publicly expressed "profound disappointment" with the US after its decision not to sign the Treaty was announced July 9. The Treaty, supported by Canada and 129 other nations, provides for a 12-mile territorial sea limit, regulation of shipping lanes, scientific exploration, fisheries, free navigation for navies and the creation of a 200-mile economic zone for coastal nations. The provisions the US objected strongly to were those which establish limits on seabed mining of nickel, cobalt,

copper and manganese (See "International Canada", April and May, 1982 in *International Perspectives*, July/August, 1982). US President Reagan had called these provisions unfair to American companies which wish to have unrestricted access to the minerals. In part, Canada supported the provisions because they protect nickel mining in Canada. The Law of the Sea Treaty was endorsed by a vote of 130 to 4, with 17 countries abstaining, on April 30, 1982 after nine years of intensive negotiations (*The Citizen*, July 9 and 14).

The US had voted against the treaty at the time, but supporting countries had hoped to reach an agreement or compromise with "the world's greatest economic, military and political power" before the treaty is signed in December. Canada had been trying to convince the US administration to reconsider its position (*The Citizen*, July 9 and 14).

The Canadian ambassador to the US, Allan Gottlieb, and other Canadian officials, had met with US State Department officials before the announcement. They told acting Secretary of State Walter J. Stoessel that a US rejection would hamper the treaty's legitimacy and prospects for universal acceptance. Canada had asked the US for "sensible suggestions that would not undermine the basis of negotiation," but the request was ignored, a Canadian official told reporters (*The Citizen*, July 14).

MP Donald W. Munro (PC, Esquimalt-Saanich) questioned External Affairs Minister Mark MacGuigan on July 14 about the impact of the US rejection on Canadian concerns. Mr. MacGuigan said that Canada would continue with its intention to make the treaty as universal as possible. It was too soon to estimate the possible effect on the Canadian mining industry, Mr. MacGuigan said, adding that the US decision was a "retrogressive step." He also told the Commons that he thought that, "there will be no adverse effect to our claims under the treaty, assuming that the treaty goes into effect, and that we are signatories to it, which I fully expect we will be. The question is whether the United States would be able to make similar plans, whether it could be successfully argued that the provisions

of the treaty were limited in their advantages to those who are actually participants in the treaty and are not matters of general international law, or customary international law, as a result of the treaty. I think that this is a legal argument and an international political argument concerning which there will be more controversy in the years to come."

The next day, NDP foreign affairs critic Pauline Jewett asked the House of Commons for unanimous approval of a motion, "That this House express its grave disappointment and great concern that the President of the United States has refused to sign the United Nations Law of the Sea Treaty." In a press release the same day, Miss Jewett said that Canada should emphasize with "renewed vigour" Canada's concern about the future of the treaty and the fate of the world's oceans, "the common heritage of mankind." She called Mr. Reagan's refusal to sign the treaty harmful to North-South economic relations and damaging to the United Nations. "There are serious implications for Canada in fisheries, mining, maritime law, territory and sovereignty. A decade of careful negotiations and compromise have been discarded to serve the interests of US-based multinational corporations — Reaganomics goes international," she said.

Canada's disappointment with the US decision was expressed in a note delivered to the US embassy on July 14. An External Affairs press release the next day stated that, "The Note underlines the importance Canada attaches to consultations with the United States and other western countries on matters affecting our mutual economic, political and security interests. The fact that the USA announcement was made without adequate consultations is a matter of further concern to Canada."

Siberian Pipeline

A US decision to expand a previously-imposed embargo on supplies and technology for the construction of the USSR pipeline to deliver Siberian natural gas to western Europe drew international criticism in July. The ban was extended to include construction supplies from foreign subsidiaries of US companies and from foreign companies manufacturing under US licences. Plants in Europe had contracts for some pipeline supplies. Canada joined European nations July 7 in strongly protesting the extension, calling it "an unacceptable infringement" of national sovereignty (*Globe and Mail*, July 10).

Prime Minister Trudeau told a news conference July 9 that European countries which had complained about Canada's Foreign Investment Review Agency now might think Canadians had been right to protect themselves. "Now perhaps they will understand a bit better that a country which is economically dominated, as Canada is, has a right to attenuate the effects of that economic domination" (*The Citizen*, July 10). He also said that Canada's position against the US policy was more a question of principle than of direct interest.

The *Toronto Star* reported July 12 that the "extension poses a real problem for the pipeline, which by 1985 would be delivering natural gas to European nations including West Germany, France, Italy and Belgium." A key component for the pipeline — rotor blades for giant turbines — are only manufactured in Europe under licence from General Electric, a US firm, the *Star* said. The US had been trying to prevent pipeline construction, which it believed would

make Western Europe too dependent on Soviet-supplied energy.

The embargo extension drew a chorus of strongly-worded editorials in Canadian newspapers. It was seen as a coercive move designed to place US cold war interests ahead of the economic sovereignty and energy interests of other countries (*The Gazette*, July 9; *Toronto Star*, July 12; *The Citizen*, July 14). One editorial stated that, "Ottawa has acted properly in telling the US that this is a price no nation should have to pay" (*Toronto Star*, July 12).

On July 23, Mr. Trudeau again expressed his concern, telling a press conference that the US attempt to block the pipeline "may create a profound dissension within the Atlantic alliance."

Trade Relations

US trade relations with Canada were the subject of a news conference given by US trade official William Brock June 15. Washington-based Canadian journalists attended the session which followed an "encouraging" meeting between Mr. Brock and External Affairs Minister Mark MacGuigan June 11. The US had been critical of Canadian trade and investment policies, such as the Foreign Investment Review Agency (FIRA), and the granting of export credits by Canada to US purchasers. Congress had been considering retaliating with US protectionist measures, called trade reciprocity laws (*The Citizen*, June 16).

Mr. Brock told reporters that such measures would represent an "exercise in irrationality." Instead, he said US interest rates were "incredibly, inexcusably and tragically high" and had brought on a political temptation to "find somebody to blame" (*The Citizen*, June 16). He explained that the global economic recession had encouraged such protectionism around the world and was posing a serious threat to free trade. Mr. Brock said that the Reagan administration would resist Congressional pressure to impose trade restrictions, preferring to resolve differences through close relations. He also told reporters that he had "blown his cool" a month earlier when he said that Canada was acting like a developing country that might need some gunboat diplomacy to straighten it out (*The Citizen*, June 16; *Globe and Mail*, June 16). *The Citizen* reported that Mr. Brock appeared to be "playing down the degree of US unhappiness with some Canadian economic policies." Canada and the US have a solid relationship, interspersed with "the kind of tiffs that occur between brothers that love each other," Mr. Brock told the press conference.

A US study on Canada-US trade relations, published July 14, concluded that conflicting policies were likely to provoke more disputes between the two countries. According to a *Globe and Mail* article July 14, the National Planning Association predicted that Canadian policies directed at strengthening its industrial development will increasingly clash with US policies to rely on market forces.

Bombardier Subway Contract

A bid from Bombardier Inc. of Montreal to supply New York City with 825 subway cars was challenged by US interests in June and July. The Canadian Export Development Corporation (EDC) had promised a bargain-rate loan to New York's Metropolitan Transport Authority (MTA) as part of the one billion dollar package. After it was re-

ported May 18 that the MTA had accepted Bombardier's bid, an unsuccessful competitor, Budd Co. of Troy, Michigan, testified before a US Senate Finance Committee hearing on interest-rate subsidies. The company charged that the subsidy provided by Canada was unfair competition. The 9.7 percent interest rate represented a subsidy of about \$230 million (*Globe and Mail*, June 10).

Anger in the US about the Canadian subsidy spread during June to include US administration officials, the business community and labor organizations. On June 3, the AFL-CIO and three US industrial unions filed a complaint under Section 301 of the US Trade Act, asking for government action to block the sale. At the same time, Budd Co. filed a petition with the US Commerce Department and the International Trade Commission to impose a countervailing import surcharge on the subway cars. Already underway was an inquiry by the US Treasury Department to determine whether the US Export-Import Bank could provide a subsidized loan which would enable Budd to match Bombardier's offer (*Globe and Mail*, June 5). On June 22 US Trade Representative William Brock announced that the US had registered an official complaint about the financing arrangement with the General Agreement on Tariffs and Trade (GATT) (*Globe and Mail*, June 23). Mr. Brock said that the Bombardier offer violated an 11.25 percent, 8.5 year limit on loans in sales to developed countries, the guideline of the Organization for Economic Cooperation and Development (*Globe and Mail* and *The Gazette*, June 23).

The US Treasury Department inquiry results were announced July 13 by US Treasury Secretary Donald Regan. The investigation had shown that "non-competitive financing" had not been the determining factor in the awarding of the contract to Bombardier. The department found that Bombardier's offer was superior on price, delivery, schedules, engineering and performance, and on providing jobs and work in New York State. Mr. Regan said that because of the findings, he could not authorize the Export-Import Bank to provide a subsidized loan on behalf of Budd Company. International Trade Minister Ed Lumley was reported "very happy" with the July decision (*Globe and Mail*, July 14).

Still under consideration by the US administration was the request from Budd Co. for the US Commerce Department to impose countervailing duties on the subway cars. A decision was expected by August 9. If the preliminary investigation found that the Canadian export financing was injurious to US companies, the International Trade Administration of the Commerce Department would continue investigations and decide about imposing the penalties (*Globe and Mail*, July 16).

Canada is a strong opponent of subsidies in international trade. Mr. Lumley had told reporters in Washington June 29. He explained that the interest rate subsidy was used only to match a competing loan from the French government to secure a sale by a French company (*Globe and Mail*, June 30). It was later stated by a US administration official that New York transit authority had out-negotiated the EDC, and that Canada had made a "much larger expenditure of public funds than necessary to win the sale" (*Globe and Mail*, July 23).

On July 19 Mr. Brock announced that the June 3 union complaint would be investigated under the US Trade Act. Under the investigation, interested parties would submit

their views to a committee by September 3. The recommendations of the committee would then be passed to the President (*Globe and Mail*, July 20). Mr. Lumley told a US foreign trade group July 22 that Canada would continue to support companies such as Bombardier when they are challenged in the export marketplace (*The Citizen*, July 23).

Anti-Telidon Bill

Draft legislation being considered by the US Senate Finance Committee would prevent US companies from claiming a business expense tax deduction on Telidon equipment imported from Canada (*Globe and Mail*, June 17). The proposed legislation is in response to a six-year-old Canadian law which prohibits Canadian companies from claiming a business expense for commercial time bought on US television stations and transmitted into Canada. US lawmakers have already prepared an exact duplicate of the Canadian law, but Democratic Sen. Daniel Moynihan of New York proposed adding the Telidon measure to put extra pressure on the Canadian government to repeal the 1976 law, a June 18 *Citizen* article stated.

The videotex industry has become highly competitive, and similar US measures would not be imposed on systems originating in Britain, France or Japan, which share the international market with Canada. The Canadian Telidon system and the European systems are not compatible. The proposed bill would effectively lock Telidon out of the US marketplace as a "practical consequence of a one hundred percent tariff" on the equipment (*Globe and Mail*, June 16).

An External Affairs Department official responsible for marketing Telidon told reporters, "We are not happy at the prospect and are taking steps to indicate our concern in a number of ways" (*Globe and Mail*, June 16).

Despite the proposed bill, the Telidon system "received a boost" in late June, when it was adopted by a joint decision of Canadian and US standards institutes as the "single North American standard for videotex." The announcement of the June 18 decision was made at the opening of the Videotex-82 conference in New York. The announcement gave Canadian companies "a four-month lead over a number of US companies about to jump into the burgeoning industry" (*Globe and Mail*, June 29). This put Telidon into a "commanding position to capture the North American market," according to a June 29 *Globe and Mail* article. The proposed US measure to deny Telidon's entry into the US market was called "the centre of a more serious political storm in the US [which is] escalating a trend to increased protectionism" (*Globe and Mail*, June 26). On July 28 it was reported that Sen. Moynihan had stated that he had White House support for the anti-Telidon bill (*The Citizen*, July 28).

Wheat Export Dispute

Comments made by US Secretary of Agriculture John Block during a speech to the Illinois Bankers Association in St. Louis, Mo., were "highly critical" of Canada and other countries for scheduling all-out wheat production at a time when the US was cutting back to reduce the world surplus, the *Globe and Mail* reported June 14. Mr. Block said that one option the US would consider was a "short-term trade war" with rival exporters by using US export subsidies and

cheap credits, the newspaper report stated. These comments were later called "off-the-cuff" by Mr. Block's assistant secretary, who said "we're not calling for a trade war with Canada. Canada has expressed a willingness to cooperate" (*Globe and Mail*, June 14).

Canadian Wheat Board Minister Senator Hazen Argue had met with Mr. Block in late May. Sen. Argue had told Mr. Block that the Wheat Board had no intention of cutting back wheat production in Canada, because the US had caused the oversupply and because cutbacks in Canada would have little effect on world trade, according to the *Globe and Mail* report.

Trucking Dispute

A trucking dispute between Canada and the US prompted Canada to make an "unprecedented" request to US President Ronald Reagan in July. A "strongly worded" diplomatic note was sent to the US State Department asking that the President veto proposed US legislation calling for a two-year moratorium on licences for Canadian trucking companies operating in the US. The proposed moratorium is a retaliatory move resulting from claims that the highly regulated Canadian trucking industry discriminates against US applicants for licences to operate in Canada. The US had been deregulating its trucking industry, which opened the door for Canadian companies to get hauling rights in the US.

Canada's "diplomatic note" called the US reciprocity proposals "unnecessary, unwarranted and potentially harmful to international commerce," according to a *Globe and Mail* article July 21. A Canadian embassy official in Washington had told reporters that the note requesting a presidential veto was the "first time Ottawa has asked a US president to override Congress." The US Senate had passed the legislation, and it was expected to be approved by the House of Representatives as well.

On July 23 it was reported that Alberta trucking companies wanted Canada to retaliate by imposing the same restrictions on US carriers planning expansion in Canada if the US proceeds with the moratorium. A spokesman for the Alberta Trucking Association claimed that more US companies have Alberta-US rights than Alberta carriers with authority to operate in the US (See "International Canada," April and May in *International Perspectives*, July/August 1982).

US Cable Ownership Bill

The US Senate Commerce Committee passed a bill July 23 which would, if it becomes law, give the US Federal Communications Commission the power to restrict new Canadian ownership in cable companies, as long as Canada maintains present laws requiring eighty percent Canadian ownership of its cable industry. Canadian ambassador Allan Gotlieb met with the bill's sponsor, Republican Senator Barry Goldwater, July 27, to urge him to give consideration to the whole communications trade before proceeding with the reciprocity proposals. "The point I tried to make is that you can't look at this situation in terms of law-for-law and hold up a mirror to each law," Mr. Gotlieb told reporters (*The Citizen*, July 28). Sen. Goldwater did not change his mind, Mr. Gotlieb said. According to the July 28 article, "Should the US proposals become law, a potential multi-million-dollar market for Canadian cable television

operators would be at stake. American estimates are that fewer than thirty percent of US homes are wired for cable — compared with seventy-three percent in Canada — and Canadian cable operators are hotly pursuing US cable franchises."

Capital Outflow

"The over-all effect of foreign direct investment since 1976 has been responsible for a net outflow of capital from Canada," an official from the Canadian Institute for Economic Policy told reporters June 18 (*Globe and Mail*, June 19). Abraham Rotstein was speaking of findings contained in a study which "suggest that cash-starved US parent companies are damaging an already weak economy by siphoning funds out of Canada through their subsidiaries." The study, not released at the time, reportedly showed that parent firms had drained \$1.5 billion from their Canadian manufacturing industry between 1976 and 1980, and that this practice was increasing. The government had been under pressure to weaken the Foreign Investment Review Agency and the National Energy Program to allow more foreign investment in Canada. Mr. Rotstein told reporters that his would be "addressing the wrong issue" (*Globe and Mail* and *The Citizen*, June 19). (See this issue, POLICY — Trade/Economic.)

Bomb Spill on Alaska Highway

A US truck rolled off the Alaska Highway in northern BC on June 3, dumping forty US Air Force bombs onto the highway. This drew criticism from Conservative MP Frank Oberle (Prince George-Peace River) the next day. He told the House of Commons that it was "incredible that our military authorities were not informed of these shipments." The cleanup operation was done by a US military team without the knowledge or consent of the Canadian military, Mr. Oberle said. Defence Minister Gilles Lamontagne responded that the bombs were routine shipments, and had passed through Canadian customs with the necessary permits. All the munitions were properly crated and equipped with safety pins, the Defence Minister said. Both Mr. Lamontagne and Mines Minister Judy Erola promised to investigate the accident.

International Joint Commission Vacancy

The government was criticized in the House of Commons on several occasions in June and July for not making an appointment to the International Joint Commission (IJC), the Canada-US agency which investigates and helps settle boundary, lake and river disputes. There had been three US commissioners, but only two Canadian commissioners for the past year-and-a-half. This concerned both opposition parties, who believed Canada needed a "strong voice" on the Commission because so many crucial issues affecting Canadian and US boundary waters were being discussed.

Great Lakes Pollution

Obligations under agreements signed in 1972 and 1978 which committed both Canada and the US to a major Great Lakes cleanup have not been met by the US, Environment Minister John Roberts said in July. Mr. Roberts, and Ontario Environment Minister Keith Norton, blamed

cutbacks in US environmental spending for the situation (*Globe and Mail*, July 13). The US Environmental Protection Agency had fifty percent of its budget cut by the Reagan administration (*The Citizen*, June 17). Toxic chemicals, including dioxin, are leaking into the Niagara River and Lake Ontario from old chemical waste sites in New York state (*Globe and Mail*, July 13). A "gloomy" report had been released in June based on a US congressional study into the matter. The report, said to support many of Canada's concerns, showed that "the US is finding it difficult to meet agreement commitments and that to do so will require greater focus and direction of existing efforts" (*The Citizen*, June 17).

Neil Young (NDP, Beaches) asked the House of Commons July 23 to approve a motion for the government to table a report he said had been received two weeks earlier from the US Environment Protection Agency. The report recommended the repopulation of the Love Canal neighborhood and called the area in which toxic chemicals had been found "safe." Mr. Young told the House of Commons that such a recommendation had "grave consequences for the Niagara River and Lake Ontario."

The NDP had recommended in the House of Commons June 30 that an all-party committee be established to look into toxic chemical pollution, and act as a "monitor" of Canada-US efforts to clean up the Great Lakes and Niagara River. The NDP Environment Task Force, chaired by Mr. Young, met with the New York State Environmental Conservation Ad Hoc Committee on July 22 and 23 to discuss ways and means to cleaning up the toxic chemical pollution (NDP press release, July 16).

Acid Rain: Power Sale Cancellation

A proposed sale of electricity by Ontario Hydro to General Public Utilities (GPU) of New Jersey was cancelled June 11 by the prospective purchaser. Environmentalists and some federal MPs, including Environment Minister John Roberts, had opposed the National Energy Board's (NEB) approval of the sale in April, charging that the acid rain fallout produced would surpass acceptable levels. Mr. Roberts wanted tougher acid rain emission controls. He also considered it important to apply the same standards for pollution control to Canadian plants that the government had been urging the US to adopt. The federal Cabinet had been examining its position at the time of the cancellation announcement (See "International Canada," April and May, 1982, in *International Perspectives*, July/August, 1982).

Reasons for the withdrawal given by GPU were financial. It had transpired that the contract with Ontario Hydro, which would have electricity generated at the coal-burning plant in Nanticoke and exported by a power cable under Lake Erie, would exceed estimates by one hundred million dollars. GPU alternately arranged to purchase power from old coal-fired plants on the Detroit River in Michigan. Opposition MPs in the House of Commons June 12 charged that Cabinet "dithering" had "bought time" for the New Jersey company to look into alternatives and "get out" of the contract. The Ontario Hydro sale would have created 7,000 man-years of employment and an estimated one billion dollars in power profits, resulting in a reduction of hydro rates for Ontario residents. Ontario Hydro will have to pay 2.3 million in cancellation charges to firms it had

contracted, and GPU will pay 6.1 million in similar costs. *The Citizen* reported June 12.

Environmental groups who had opposed the deal were reportedly pleased with the cancellation. According to *The Citizen* (June 12), Energy Probe official Jack Gibbons said that since the US coal-fueled plants had "scrubbers", acid rain fallout on Ontario would be less than if produced by the Ontario plant in Nanticoke. Scrubbers are large, complex machines that spray wet powdered limestone into the smoke from furnaces to remove acid gasses. Under present Ontario regulations, an estimated 90,000 tonnes of acid emissions would have resulted (*Globe and Mail*, June 12). The Ontario government had argued the contrary, saying that acid rain fallout would be greater if produced by the Michigan plants, because Ontario Hydro was adding two scrubbers to its plant. Ontario Hydro had made the commitment to reduce acid emissions by fifty percent starting in 1985.

On July 19, Ontario Hydro announced that because of the GPU cancellation, it would "defer for up to seven years" the \$240 million plan to install the scrubbers. "One of the reasons the scrubbers were there, the major reason, was for GPU," a Hydro spokesman said. Last winter, at the time of the NEB hearings into the proposed sale, Hydro spokesmen had testified that they expected that adding the scrubbers would "set an example for the utilities in the Ohio Valley." The June 19 decision came at a time when the US Senate was debating a plan to reduce acid rain and Canada-US acid rain talks were "threatening collapse," the *Globe and Mail* reported June 20.

Heavy criticism of the Ontario Hydro decision followed the announcement. Environmental groups and MP Ron Irwin (Lib., Sault Ste. Marie), Parliamentary Secretary to the Secretary of State for External Affairs, thought the decision would weaken arguments used by US legislators campaigning for tougher US controls — that Canada was making progress toward reducing the pollution. At the time of the NEB approval of the sale, Mr. Irwin, the chairman of the House of Commons subcommittee on acid rain, had not thought that the two proposed scrubbers would be sufficient. He told reporters July 22, "I think they (Hydro) have tried to bamboozle the public who have a very high perception of the problem, and in the process they have lost their credibility" (*The Citizen*, July 23). (See this issue, BILATERAL — US, Acid Rain: US Senate Decision.)

Acid Rain: US Senate Decision

During a period in June when acid rain reduction negotiations between Canada and the US administration were reportedly stalled, the US Senate Environment Committee announced June 22 that it unanimously approved a plan to combat the "real and significant atmospheric poisoning." The plan calls for an eight-million tonne — almost thirty percent — reduction in sulphur dioxide emissions originating in the US over twelve years (*The Citizen*, June 23).

The US Senate decision was hailed in Canada. Environment Minister John Roberts called it an "overwhelming recognition by some of the US Senate's leading and most respected members of the need to begin now to deal with acid rain" (*The Citizen*, July 23). The House of Commons unanimously approved a motion July 22, "That this House go on record as supporting the action of the Senate

Environment and Public Works Committee in attempting to force action on the urgent problem of acid rain, and that this House express its appreciation to Senator Stafford and his fellow Senators from both American political parties for their efforts to improve Canadian-American relations with regard to environmental questions."

According to a US State Department official, the Senate committee vote would help the bogged-down US-Canadian negotiations (*The Citizen*, July 23). Earlier in the month Mr. Roberts had criticized the Reagan administration's treatment of the problem. He had made a speech in New Orleans the day before the Senate committee announcement. On June 21 Mr. Roberts had told a meeting of the US Air Pollution Control Association that "In Canada we are deeply disappointed with the state of negotiations

The foot dragging and interference in the development of scientific information has reached frustrating proportions. The administration's rejection of our proposal to reduce sulphur dioxide emissions in eastern North America by fifty percent by 1990 and a clear indication that it may be some considerable period of time before it will be able even to begin to discuss control actions, is a bitter pill to swallow." The same day, Canada's position had been supported by a "strongly worded letter" signed by nine US Senators and distributed by the Canadian embassy in Washington. The letter urged strong action to combat acid rain pollution, warning that further delays could cause "serious deterioration" and "needless souring" of Canada-US relations (*The Gazette*, June 22).

Reagan administration officials had said that a lack of both funds and knowledge about acid rain made it impossible to move ahead on a cleanup program (*The Citizen*, June 16). The Senate proposals of June 22 will be debated in the House of Representatives and if they survive will be given to the President for approval. This is not expected to happen this year (*Globe and Mail*, July 23).

Acid Rain: Quebec and NY Agreement

Quebec and New York signed an agreement July 26 to coordinate efforts to curb acid rain pollution through the operation of a joint information and research office. The agreement, by which both parties will invest \$100,000 for the establishment of offices in Quebec City and Rochester, was made after two years of negotiations (*Globe and Mail*, July 27).

Visit of Quebec Premier to Washington

Quebec Premier René Lévesque met with a group of US Republican Senators July 14 in Washington. Mr. Lévesque told reporters that the meeting was an opportunity to discuss "the ABCs of Canadian politics in general and the politics of Quebec" (*Globe and Mail*, July 15). Issues discussed included Montreal's Bombardier Inc. subway contract with New York City, the US credit rating on Quebec provincial bonds, and the possible effect of an independent Quebec on NATO commitments. US Senators reported that Mr. Lévesque was very "pro-American" in his approach to trade with the US (*Globe and Mail*, July 15).

Ground Fish Processing

NDP fisheries critic Ted Miller (Nanaimo-Alberni) called on the federal government June 3 to stop sales of BC ground fish to US processing firms. He told the House

of Commons that there were 400 unemployed shore workers in the BC ground fish industry, while raw fish were being shipped to Washington for processing. Fisheries Minister Roméo Leblanc replied that at least one Canadian processing plant had not found sufficient volume of fish to sustain its ground fish processing operations.

East Coast Scallops

Canada and the US reached an agreement regarding Georges Bank scallops, Fisheries Minister Roméo Leblanc announced June 17. He called it "the first serious step toward cooperation between the two countries in the east coast fisheries since extension of the fisheries jurisdiction." Understandings reached included provision for the implementation of a "forty-meat per pound rule," which was considered an important step in conserving the scallop stock. A Canada-US boundary dispute over Georges Bank had been referred to the International Court of Justice, with a decision expected by 1984 (Fisheries and Oceans press release, June 17).

Duty-Free Books

Pierre Bussières, Minister of State for Finance, announced June 9 that the Canadian government would extend the suspension of the duty on imported books beyond June 30, 1982. A press release from the Minister's office stated, "The ten percent duty on books was temporarily removed from January 1979, to June 30, 1982, in response to action taken by the United States to exempt Canada from the 'manufacturing clause' of its copyright legislation which had prevented Canadian printers from exporting commercial quantities of books and other printed materials to the United States." Should the US "manufacturing clause" be reimposed against Canada, the government "would have to give serious consideration to the reinstatement of duties on books," Mr. Bussières stated. A *Globe and Mail* article July 6 said that the government decision met with general approval in the Canadian book trade.

Satellite Agreement

Telesat Canada announced June 21 that contracts with the US National Aeronautics and Space Administration (NASA) were signed that day, providing for the launches of five new Canadian satellites over the next three years. The first Canadian Anik D satellite is to be put into orbit August 12 in the conventional manner atop a Delta rocket. The remaining four launches will employ the NASA space shuttle. The total cost of the five launches was estimated at \$75 million.

On June 30 Communications Minister Francis Fox announced that government approval had been given to Telesat to provide Argo Communications Corporation of the US with six channels on the first Anik D to be launched in August. Mr. Fox stated that he was "satisfied that Telesat Canada had satellite capacity to supply the services requested by Argo and that future Canadian customers are adequately protected" (Communications Department press release). It was also reported July 7 that the federal government was considering giving approval to a pact with the US which would further "liberalize" the use of domestic satellites for telecommunications and broadcasting transmissions between the two countries (*Globe and Mail*).

ARGENTINA

Candu Reactor

Controversy surrounding Canada's commitment to honor its contract to complete work on a Candu reactor in Argentina, and to supply nuclear fuel for peaceful purposes to that country, continued during June (See "International Canada" April and May, 1982, in *International Perspectives*, July/August, 1982). St. John, N. B., dockworkers received support from the Canadian Labour Congress (CLC) in their late-May refusal to load nuclear fuel bundles destined for Argentina, which had occupied the British-owned Falkland Islands and was fighting British forces in the Falklands. A press release from the CLC June 4 stated: "The CLC is opposing the sale of nuclear technology to the Argentinian regime, now revealed as an international aggressor as well as a domestic one, and these workers are upholding Canada's international reputation at a time when the federal government refuses to prevent the steady march of the Argentine generals towards nuclear-weapons capability." The dockworkers were also supported by the Saint John Medical Society, the Greenpeace Foundation, other anti-nuclear groups and opposition MPs from both parties (*Globe and Mail*, July 3).

During June, opposition MPs repeatedly called on the government to cancel the nuclear fuel shipments to Argentina. On June 9 Conservative MPs told the House of Commons that a day earlier, an Argentine spokesman at the International Atomic Energy Commission in Vienna had said that Argentina reserved the right to develop nuclear energy for military purposes. Similar statements had been previously reported made by Argentine officials. The government, on June 9, repeated its claim that Canada's nuclear dealings with Argentina were completely safeguarded against any military uses. Canada has an agreement for nuclear cooperation with Argentina. "In addition," Energy Minister Marc Lalonde told the House of Commons, "there is the relevant safeguard agreement with the International Atomic Energy Agency in Vienna. In that agreement Argentina has undertaken that nuclear items supplied by Canada shall not be used for the manufacture of any nuclear weapons, to further any other military purposes, or for the manufacture of any other explosive device."

Prime Minister Pierre Trudeau responded to further opposition to the government's policy in the House of Commons June 16. He said that to withdraw from the contract with Argentina would not "make the world safer," but would mean that "Argentina will have the technology and material which are no longer safeguarded. We prefer to keep those safeguards than to set Argentina free."

It was reported July 3 that 2,000 nuclear fuel bundles, called "Hot Cargo" by the protesting dockworkers, had been quietly flown to Argentina through Montreal's Mirabel airport June 29. On July 5 External Affairs Minister Mark MacGuigan told reporters in Charlottetown that Canada had rejected a suggestion from the Argentine government that it be allowed to reserve the right to use atomic fuel for military-related purposes such as powering nuclear submarines (*The Citizen*, July 6). Mr. MacGuigan also said that the dockworkers' argument used in protest to the fuel shipments — that Argentina was at war with Britain — was

no longer valid. Fighting had ceased on the Falkland Islands June 14.

Sanctions Lifted

Following a similar move by the European Economic Community, Canada lifted its ban on imports from Argentina on June 22. The sanctions had been imposed in April following the Argentine invasion of the Falkland Islands. It was also announced that Canada would begin again to issue credits for export deals with Argentina. Canada's ban of the sale of military goods to Argentina was not lifted (External Affairs press release, June 22).

BRAZIL

Delegation Visits Canada

Brazilian President Joao Baptista Figueiredo, accompanied by a dozen Brazilian Cabinet Ministers and a delegation of about one hundred businessmen, visited Canada from July 18 to 22. The Presidential visit was the first to Canada by a Brazilian head of state. Bilateral trade between the two countries had exceeded one billion dollars annually for the past two years, although Canadian exports to Brazil have dropped since 1980 (*Globe and Mail*, July 26). Trade promotion was the aim of the bilateral talks, and several agreements were signed between government representatives.

The largest trade agreement, which provided for the export of \$750 million in wheat from Canada over a three-year period, was signed July 20. The same day, the Department of External Affairs released Canada's Export Development Plan for Brazil, a document which highlights the "significant market opportunities in specific sectors which are consistent with Canadian supply capabilities" (External Affairs press release, July 20). Other agreements signed by the two governments were two "Memorandums of Understanding," one establishing a Political Affairs Consultative Committee, and the other concerning technical cooperation and technology transfer in telecommunications and space missions.

In addition, the Canadian Economic Development Corporation and private Canadian banks signed several loan agreements with Brazilian companies to provide financing for the purchase of Canadian goods and services.

The visit also provided an opportunity for representatives from 140 Canadian corporations to meet with Brazilian businessmen. Canadian multinational companies have interests in Brazil worth approximately one billion dollars (*Globe and Mail*, July 21).

CHINA

Trade

A sale of unfinished BC logs to China by MacMillan Bloedel Ltd. was criticized by spokesmen for the woodworker's union in July, who claimed that the company was "exporting jobs" out of Canada. The union had been critical

of the number of forest companies applying for export permits on types of logs that traditionally have not been exported, the *Globe and Mail* reported July 6. A company spokesman called the export agreement a "positive opportunity" because it provided work for 550 loggers this summer. The union believed that 600 jobs could have been saved if the logs had been processed in Canada (*Globe and Mail*, July 6).

Also in July was a sale of 500,000 metric tonnes of wheat to China, worth \$100 million. The Canadian Wheat Board announced July 7 that the sale was in addition to a three-year \$2.25 billion sale announced in May (*Globe and Mail*, July 8).

EL SALVADOR

Canadian Aid

Canada's position regarding relations with El Salvador was questioned by NDP MPs during July. An International Monetary Fund (IMF) loan of eighty-five million dollars to El Salvador was called "one of the most controversial political loans the IMF has granted since the sixty-six million dollar loan to President Somoza a few weeks before he fled with the national treasury," by Bob Ogle (Saskatoon East) on July 22. Asked how Canada had voted on this loan, External Affairs Minister Mark MacGuigan answered that "Canada has a long tradition of treating matters before bodies such as the IMF as economic matters and not as political matters. We do not apply any ideological tests to our aid or to our action before international bodies." Mr. Ogle also asked how Canada would vote on "the question of the \$194 million loan proposals now before the Inter-American Development Bank for El Salvador." He was advised by Mr. MacGuigan that such a decision would be made on economic grounds only.

After a July 27 US announcement that its aid to El Salvador would include "among other things, eighty-one million dollars worth of military equipment," Mr. Ogle asked the External Affairs Minister "what measures he is taking to protest the move by the US President." Mr. MacGuigan replied that it is not Canada's role to determine what US policy should be in this situation. Canada had applauded El Salvador's decision to continue the land reform movement, he said, but Canada was not in the position to give any new development assistance to El Salvador.

FRANCE

Visits to Canada

French Transport Minister Charles Fiterman was in Ottawa on July 2 and 3 to review issues of common interest with Canada's transport department, such as the aeronautics field, and to strengthen cooperation between the two departments (Ministry of Transport press release, July 4).

Later in July a group of French delegates attended in Ottawa the Fifteenth Annual Meeting of the Canada-France Inter-Parliamentary Association. The meetings, between July 18 and 26, were to "promote mutual understanding by parliamentarians from each country and to

improve general bilateral relations between Canada and France" (Canada-France Inter-Parliamentary Association press release, July 15).

HONDURAS

Canadian Relations

Reports that armed forces from Honduras had invaded border areas of Nicaragua and El Salvador during July prompted critics to ask that Canada review its relations with Honduras. On July 16, Pauline Jewett (NDP, New Westminster-Coquitlam) condemned "Honduran armed forces and mercenary involvement in El Salvador and Nicaragua" and called on the Canadian government to review that country's "target country" status as a recipient of Canadian foreign aid, and to protest the Honduran military support for El Salvador. A similar request was made July 26.

The Council on Hemispheric Affairs, a US-based public interest group, also called upon Canada to deny support to Honduras. It wanted Canada to prevent a proposed thirty million dollar sale of "military transport planes" to Honduras by Crown-owned de Havilland Aircraft of Canada, Ltd. De Havilland had an export permit for three DCH-5D Buffalo aircraft it wanted to sell to Honduras. It was reported that the council had sent a letter to Prime Minister Pierre Trudeau saying that the sale would violate Canada's past declarations about the importance of human rights (*Toronto Star*, July 24). Questioned about the export permit in the House of Commons July 28, External Affairs Minister Mark MacGuigan told Bob Ogle (NDP, Saskatoon East) that he would look into the situation, but that "Buffalo aircraft are not military aircraft, and it is extremely unlikely that a permit to export Buffalo aircraft would have anything to do with the problems which exist in Central America at the present time." (See this issue, POLICY — Aid.)

HUNGARY

Visit to Canada

Hungarian Foreign Minister Frigyes Puja visited Canada from June 1 to 4. Mr. Puja and External Affairs Minister Mark MacGuigan engaged in "wide-ranging discussions of international and bilateral issues" (External Affairs press release, May 28).

INDIA

Trade

The formation of the Canada-India Business Council was announced July 9. A press release from the Canadian Chamber of Commerce said that the "Council will promote bilateral trade and investment, as well as joint investment

in third countries. . . It will also act as an information clearing house for Canadian companies seeking new opportunities and establish and maintain an active liaison with the appropriate government agencies in Canada and act as an advisor to the Canadian government on Canada-India affairs."

INDONESIA

Nuclear Cooperation Agreement

A nuclear cooperation agreement was signed by Canada and Indonesia July 12 during a visit to Canada by Indonesian Energy Minister Subroto. An External Affairs press release that day stated, "The Agreement is a positive indication of the importance both countries attach to cooperation in this area and opens the way for sales of Canadian uranium and the transfer of Canadian nuclear technology, including CANDU reactors, to Indonesia." Indonesia, now in the process of developing a nuclear energy program, is a State Party to the Treaty on the Non-Proliferation of Nuclear Weapons and has concluded an agreement with the International Atomic Energy Agency, bringing all of its nuclear activities under safeguards.

Dr. Subroto, who visited Canada from July 12 to 16, also toured Canadian energy projects, and met with federal ministers, provincial government officials and energy sector representatives (Energy, Mines and Resources Canada press release, July 8).

ISRAEL

See this issue, POLICY — Foreign.

JAPAN

Auto Imports

Canada continued to enforce tight customs procedures for Japanese car imports during June and July, but relaxed the inspections at the end of July to "show good faith" toward Japan. The government had told customs officials in late May to strengthen the procedures at the point of entry until some progress was made toward a bilateral agreement with Japan regarding voluntary automobile export quotas, including provisions for Canadian content in Japanese-made automobiles. Imports from Japan had represented 25.6 percent of the new car sales market in the first third of this year (*Globe and Mail*, July 7). After March 31, when the previous quota agreement had expired, cars and trucks coming to Canada from Japan had been increasing (*Globe and Mail*, June 28). At the same time, the Canadian auto industry was reported in "deep crisis." (See "International Canada," April and May, 1982, in *International Perspectives*, July/August, 1982.)

The aim of the customs tactic was to pressure Japan to negotiate and to "provide some relief" for Canada's auto

industry (*Globe and Mail*, June 2), but the government was criticized by opposition MPs from both parties, Canadian dealers selling Japanese cars, and the government of Japan for the resulting pile-up of cars on the west coast (13,000 on June 28, according to the *Globe and Mail*). Prime Minister Trudeau had had a "friendly" meeting with Premier Suzuki of Japan at the Versailles Economic Summit, but it was reported that both countries appeared "inflexible" on the car import issue (*Globe and Mail*, June 7).

During June, opposition MPs repeatedly demanded that the government reach an agreement with Japan. The government was criticized for the customs delay tactics, which were called "childish," and blamed for "inexcusable hardship and unemployment for countless port workers, transportation workers and businesses dependent on this important trade" (June 17).

On July 4 International Trade Minister Ed Lumley announced that Japan would send four officials to Ottawa later in the month to talk about the trade problems. The Japanese Minister of International Trade had said that the lengthy customs procedures must be removed before Japan was prepared to discuss a limit on the number of cars exported to Canada (*Globe and Mail*, July 5). After the Japanese delegation's visit to Ottawa, Mr. Lumley announced July 21 that he had ordered a loosening of the inspections. He said that an agreement over car exports from Japan was expected "in the near future." Under attack in the House of Commons that day, Mr. Lumley said that he had had "positive discussions" with the Japanese representatives. He was accused by Otto Jelinek (PC, Halton) of "caving in to Japanese demands once again" and "fiddling around." Mr. Jelinek wanted the Trade Minister to impose Canadian content regulations on Japanese cars. The government continued to favor a negotiated settlement.

Investment in Canada

The government was criticized by Jim Fulton (NDP, Skeena) in June for allowing a Japanese consortium to take control of Quintette coal mines in northern Canada. Mr. Fulton issued a press release June 28 in which he accused the government of losing hundreds of millions of Canadian dollars invested by the federal and provincial governments by allowing the Japanese "takeover." Minister of Transport Jean-Luc Pepin told the House of Commons that day, "if there is foreign ownership in these coal mines, it will be subject to FIRA, and FIRA and the government of Canada will decide if those acquisitions are to the advantage of Canada as stated in the legislation itself."

A Japanese report was issued in July which concluded that "Canada is a promising country for investment." An External Affairs press release July 26 said that the report, the result of a Japanese survey mission which had recently toured Canada, called Canada "a youthful and attractive country with a potentiality for development which promises something more than mere returns on investment."

LEBANON

See this issue, POLICY — Foreign.

MEXICO

Nuclear Energy Project Cancelled

Mexico shelved its multi-billion dollar nuclear energy program on June 10 for financial reasons. Atomic Energy of Canada Ltd. (AECL) was one of the seven firms from five countries to bid on the deal to build a nuclear reactor in Mexico. The initial sale would have been worth \$2 billion. The *Globe and Mail* reported June 12 that the sealed tenders submitted were scheduled to be opened on the morning of June 11. The offers were returned unopened. Mexico's cancellation meant "about \$5 million in AECL's time down the drain, plus uncounted millions more in efforts by other members of the CANDU reactor sales team," according to the *Globe and Mail*. These efforts included a massive marketing campaign involving government ministers, Canadian embassy personnel, the Export Development Corporation, and Canadian utilities, manufacturers, contractors and consultants. A sale to Mexico would have represented a boost for Canada's nuclear industry, the article said.

POLAND

"Solidarity" in Canada

A motion corresponding with the sixth month of martial law in Poland was unanimously agreed to in the House of Commons on June 14. The motion stated, "That this House demand that the Polish government remove martial law immediately, release the *Solidarity* members who were interned since the imposition of martial law, and urge the Polish government to resume negotiations with the Church and *Solidarity* representatives, to solve the economic and political problems plaguing Poland today."

Canadian condemnation of martial law in Poland had also included demonstrations, petitions and financial contributions to the Polish people. A spokesman for the Canadian *Solidarity* information office in Toronto, Zygmunt Przetakiewicz, told reporters that twenty-eight committees supporting the outlawed Polish labor movement, had been organized across Canada. In a *Globe and Mail* interview published June 11, Mr. Przetakiewicz, a *Solidarity* member who was in Canada when martial law was imposed in Poland on December 14, 1981, said that he was overwhelmed by the support given by Canadians to *Solidarity*. The Canadian Labor Congress financed the Toronto office.

The newspaper report also said that the Polish Canadian Congress had collected \$2,250,000 in money, medicine and supplies for distribution in Poland.

Immigration Measures

Measures which permit Polish visitors in Canada on special ministerial permits to apply for permanent residence without leaving Canada were announced June 25 by Immigration Minister Lloyd Axworthy. The measures could affect 1,160 Polish visitors to Canada (*Globe and Mail*, June 26).

SPAIN

Prime Minister's Visit; Fishing Dispute

Between attendance at the Versailles and NATO summits, Prime Minister Pierre Trudeau visited Spain from June 7 to 9. Mr. Trudeau's visit, at the invitation of Spanish Prime Minister Leopoldo Calvo-Sotelo, was to "enable the two leaders to explore ways in which relations between Canada and Spain can be enhanced and diversified to reflect the importance that Canada attaches to Spain as a major industrialized democracy" (Prime Minister's Office press release, May 25). It was reported that Mr. Trudeau's visit was also to show Canada's support for Spain's adoption of a democratic form of government and to welcome its preparations to join NATO (*Globe and Mail*, May 12).

One issue discussed between the leaders was the fishing dispute between the two countries, which was considered the only remaining problem in an otherwise harmonious relationship (news conference, Madrid, June 8). The "fish war" had included a ban against Spanish fishermen in Canadian waters and the blocking by Spain of imports of Canadian fish (*Globe and Mail*, June 9). Canada's approach to the dispute had been questioned in the House of Commons June 4. Lloyd Crouse (PC, South Shore) asked Fisheries Minister Romeo LeBlanc if reports that Canada and Spain had reached a fisheries agreement meant that Spain had agreed to enter the North Atlantic Fisheries Organization (NAFO). The minister replied that, "There have been some negotiations and the Spanish government has indicated a readiness to join the NAFO. The matter as to whether we will have final agreement is still open."

The Prime Minister told the press in Madrid June 8 that a tentative agreement was made June 7 which would award quotas to Spanish fishermen of 5,000 tonnes of fish a year in exchange for access to the Spanish market for the sale of Canadian fish. Mr. Trudeau said that "I can only express the hope that both sides will, indeed, want to sign the agreement."

It must be approved by Cabinets in both countries, the *Globe and Mail* reported June 9. The newspaper report also predicted that the Canadian Cabinet would be under "fierce pressure from East Coast fishing interests and provincial governments not to sign."

The issue was raised again in the House of Commons June 9 by James McGrath (PC, St. John's East), who charged the government with "giving away fish in our zones." Fisheries Minister Romeo LeBlanc told the Commons that he would be consulting the Canadian fishing industry and the provinces before making a recommendation to Cabinet.

THAILAND

Visit by External Affairs Minister

External Affairs Minister Mark MacGuigan visited Thailand from June 19 to 21 at the invitation of Thai Foreign Minister Siddhi, who had visited Ottawa in April 1981. Among subjects discussed were bilateral issues such as development assistance for Thailand, trade relations, and

international concerns regarding Cambodian refugees in Thailand. An External Affairs press release (June 4) announcing the visit stated that "Canada has been impressed by the humane manner in which Thailand has dealt with its serious refugee problems and has responded sympathetically" by accepting over 25,000 Cambodian refugees from Thailand since 1975. Mr. MacGuigan had been in Singapore June 17 and 18 attending a meeting of the Association of Southeast Asian Nations, of which Canada is a "dialogue partner." (See this issue, MULTILATERAL — ASEAN).

USSR

Grain Sales

Wheat Board Minister Senator Hazen Argue visited the Soviet Union in early June to put the final touches on an agreement providing for a record-breaking sale of twenty-five million tonnes of wheat and barley to that country over five years. Eight million tonnes of grain, worth \$1.3 billion, had already been sold to the Soviet Union under the agreement this year (Wheat Board press release, June 3).

The beginning of Sen. Argue's eight-day visit corresponded with the end of the Versailles Economic Summit, where seven national leaders, including Prime Minister Trudeau, agreed to "handle cautiously financial relations with the USSR and other eastern European countries, to ensure that they are conducted on a sound economic basis, including also the need for commercial prudence in limiting export credits" (*Globe and Mail*, June 7). It was reported that the US had urged the summit nations to adopt this measure, and that Canada had been among those "questioning US insistence that credits to the Soviet Union should be curbed." . . . Canada generally favored the French view that this would not bring about changes in Soviet foreign policy" (*Globe and Mail*, June 7).

The NATO summit which followed the Versailles summit adopted a similar statement in its final communiqué. At a press conference following the NATO meeting, Prime Minister Trudeau expressed his views on the foreign policy objectives of such measures. "Should we try and interrupt relations with the Soviet Union and hopefully accelerate their rapid demise, or shall we say that they are not going to wither away that soon and maybe the ways in which we can influence it is by using economic relations," Mr. Trudeau said. (See this issue, MULTILATERAL — Versailles Economic Summit and NATO).

After the Versailles announcement, NDP Wheat Board critic Stan Hovdebo (Prince Albert) expressed his concern for the Canadian sale June 7 in the House of Commons. In a press release the same day, Mr. Hovdebo questioned "the future of Canada's multi-billion dollar export grain trade given the export credit restrictions agreed to by the Canadian government at the Versailles summit." He stated that, "We cannot endanger this most important of customers simply on the basis of the foreign policy tactics of the US President." It had been reported that the

Soviet sale would include an "attractive six-month credit line" from the Canadian government (*Calgary Herald*, June 3).

The credit arrangements were revealed on July 12 in the House of Commons. There had been no official announcement of the \$1 billion line of credit issued by an order-in-council passed by the federal Cabinet June 10 (*Globe and Mail*, July 10). Responding to questions by Gordon Towers (PC, Red Deer) about the grain sale, External Affairs Minister Mark MacGuigan explained July 12 that "there is nothing particularly secret about this deal. We gave advance notice of it to the United States and, although it is for a short term credit, it is at market rates. In fact, according to its terms, it is considered by the OECD international rules to be a cash transaction. . . . It is on the same kind of terms as are given by the Australian Wheat Board — and also by private dealers in the United States itself."

YUGOSLAVIA

Prime Minister's Visit

Prime Minister Pierre Trudeau wound up his ten-day trip to Europe in early June with a visit to Yugoslavia June 11 to 13. It was the first-ever official visit of a Canadian head of government to Yugoslavia.

During talks with Yugoslav Prime Minister Milka Planinc and other ministers, the Canadian Prime Minister praised Yugoslavia for continuing late President Tito's policy of non-alignment. Mr. Trudeau told reporters in Belgrade that he had expressed to Prime Minister Planinc that although Canada was aligned with NATO, he hoped that the movement of non-alignment would progress in strength because "In a badly divided world, particularly on East-West questions, but also on North-South questions, it is important to have a group of nations . . . which can look objectively without having ideological hang-ups against one side or the other side." Mr. Trudeau said that he felt that Yugoslavia was a model country in that sense. Mr. Trudeau also visited President Tito's grave, paying tribute to the late leader on behalf of Canadians. Talks between the Prime Ministers also dwelt on Israel's aggression in Lebanon. Both leaders expressed their strong opposition to Israel's action. Among bilateral issues discussed was a possible bid to sell a CANDU reactor to Yugoslavia (*The Citizen*, June 12 and 14).

The *Globe and Mail* reported June 12 that "The only jarring note in the day came from the Yugoslavs who complained that Canada was not doing enough to stop Croation nationalist activities in Canada," who have held anti-Yugoslavian government meetings in Toronto. Mr. Trudeau addressed this problem during the June 11 press conference. He said, "I certainly regret it if Canada is used as an asylum to discuss hostile acts against a friendly country, but nothing in our law permits us to prevent free meetings and free political discussions providing they do not advocate terrorism or plan terrorism or other forms of illegality."

Multilateral Relations

VERSAILLES ECONOMIC SUMMIT

Canadian Representation

Canada was not successful in its bid to convince US leaders to lower interest rates in that country when leaders of seven major industrial countries met in Versailles between June 4 and 6. The Canadian and some European governments had been highly critical of US economic policies which had resulted in widespread high interest rates for industrialized countries. Prime Minister Trudeau met with leaders from the US, France, Britain, Italy, West Germany and Japan at the summit.

Canada was joined by France, West Germany and Italy in condemning the US interest rates, which they believed were the major factor contributing to high levels of unemployment in their countries. "We will be screaming the loudest about US economic policies" which threaten to drive the world close to depression, External Affairs Minister Mark MacGuigan told reporters before the summit (*Globe and Mail*, June 5).

After the disappointing conference, the *Globe and Mail* reported that "the best Mr. Trudeau and his allies could achieve was a vague commitment in the final communique pledging the signatories "as a matter of urgency (to) pursue prudent monetary policies and achieve greater control of budgetary deficits." The leaders also agreed to study recurrent fluctuations in exchange rates that harm international trade. Five of the seven countries, excluding Canada and Italy, will present the study at next year's summit in the US (*Globe and Mail*, June 7).

It was reported (*Globe and Mail*, June 7) that the US had urged other attending countries to impose tighter curbs on credits to the Soviet Union. The final communiqué, reported to be a compromise, stated: "Taking into account existing economic and financial considerations, we have agreed to handle cautiously financial relations with the USSR and other eastern European countries, to ensure that they are conducted on a sound economic basis, including also the need for commercial prudence in limiting export credits." The leaders also urged an immediate ceasefire after hearing of Israel's aggression in Lebanon, and gave unqualified support to Britain's attempt to recover the Falkland Islands from Argentina. (See this issue, BILATERAL — USSR.)

Mr. Trudeau told reporters after the summit that he believed that "no single issue could contribute more to the restoration of international confidence than the decline in real interest rates which could follow a budget policy in the United States promising reduced deficits." He said that he didn't know what, if any, action the US Congress might take. But he resisted the notion that, failing a decrease in

US interest rates, Canada must "beat the economy to the ground" to bring inflation down, creating massive unemployment. Mr. Trudeau's favored alternative was "a consensus to reduce the level of the rise in our expectations and to accept the reality that we are not all growing fast now and that therefore we have to bring our cost structure down." Mr. Trudeau told reporters in Paris that he hoped that this could be achieved through voluntary wage restraints starting with the public sector.

Mr. Trudeau's suggestion that Canada would review its economy within six weeks angered opposition MPs in Ottawa, who had been told to wait until after the summit for policy changes to counteract the widely-reported lack of confidence in the Canadian economy. NDP leader Ed Broadbent told the House of Commons June 7 that in another six weeks, Canada could be faced with another 25,000 people unemployed, 3,000 more personal bankruptcies and 1,000 more small business bankruptcies. Mr. Broadbent told reporters later that day that, "Everyone in the world speculated correctly that the US wasn't going to change its interest rates. . . . The government should have had an alternative strategy" (*Globe and Mail*, June 8).

The government announced new measures to strengthen the economy on June 28.

UNITED NATIONS

Special Session on Disarmament

At the start of the United Nations Special Session on Disarmament June 7, Canadian MPs gave unanimous consent to a motion in the House of Commons, "That this House recommends to all participants of UNSSOD II that every possible effort be made in goodwill and in good faith to end the arms race and restore peaceful stability to our world." The Canadian government had received the views of many Canadians, in the form of citizen's petitions and representations from non-governmental organizations during the months leading up to the UN session. Prime Minister Pierre Trudeau was to address the session June 18, and on June 17, was questioned in the House of Commons about the Canadian position on disarmament.

Pauline Jewett (NDP, New Westminster-Coquitlam) asked Mr. Trudeau if he would be advocating a freeze on the development of new nuclear weapons, which was Canada's position at the 1978 session. Mr. Trudeau responded that the "strategy of suffocation" was not accepted by the super powers in 1978, and that the Soviet Union had since developed weapons which had changed the strategic bal-

ance. As a NATO ally, Canada would support the "re-establishment of the balance" by supporting the development of Cruise and Pershing II missiles to "convince" the Soviet Union to go either for the proposal by the US for no intermediate-range nuclear arms, or, to negotiate a very reduced level of such arms. He said the freeze should continue on all other weapons, but declined to comment on a pledge made by Soviet President Brezhnev on June 15 not to be the first to use nuclear weapons.

Mr. Trudeau's indication that day that he would promote the NATO doctrine disappointed Miss Jewett, who said outside the House that "I think the hard-liners (in the government) have won" (*The Citizen*, June 18). The speech given by the Prime Minister the next day reiterated the NATO "two-track" approach — to deploy weapons while pursuing negotiations. The "strategy of suffocation" was still considered fundamental by Mr. Trudeau, but he said that it was never meant to be applied unilaterally.

His UN speech urged arms control negotiations, and expressed concern for world peace on behalf of Canadians. Stability must be achieved for the possibility of disarmament to live, he stressed, mentioning the responsibility of the super powers.

Along with the Prime Minister, the session was attended by a Canadian delegation including official representatives, Parliamentary observers, and consultants associated with non-governmental organizations. In addition, a demonstration for disarmament held in New York City at the beginning of the session had attracted thousands of Canadians (*The Citizen*, June 14) in spite of charges in the House that Canadians had been stopped, delayed and harassed at the US border (June 10). A disarmament petition bearing 100,000 Canadian signatures was sent to participants at the United Nations from the Canadian Voice of Women.

Despite various hopes for the UN session, it "did not achieve all that many people and governments hoped for," according to External Affairs Minister Mark MacGuigan. Speaking to a meeting of the Pugwash Movement in Nova Scotia July 16, Mr. MacGuigan also said that "it did serve to focus attention on the crucial and often complex arms control and disarmament issues of our time" (External Affairs press release July 16). In the House of Commons July 23, Douglas Roche (PC, Edmonton South) told Mr. MacGuigan that "the only positive movement which came out of the Special Session on Disarmament was the launching of a world disarmament campaign to which several countries have pledged financial support." Mr. MacGuigan told Mr. Roche that Canada had contributed much to the world disarmament campaign, and that the discussion had been based on a Canadian paper. He said that he hoped to have an announcement within a few days concerning Mr. Roche's request that Canada make a financial contribution.

"Yellow Rain" Report

Canada submitted a report to the UN Secretary General June 21 on the alleged recent use of chemical weapons in Laos and Cambodia, in particular, the use of mycotoxins as a lethal agent. The report was based on a study by Dr. Bruno Schiefer of the University of Saskatchewan, who had been commissioned by the Department of External Affairs. An External Affairs press release June 21

stated that, "Dr. Schiefer's report is based on the results of a two-week visit to Thailand in February where he held discussions with Thai government authorities, Thai scientists, and Canadian Embassy officials, in addition to visiting refugee camps on the Laotian and Cambodian borders with Thailand, where he collected control samples and conducted interviews with victims of alleged attacks. His report concludes that events which are reported to have taken place at the time of alleged chemical weapons attacks cannot be explained on the basis of naturally occurring phenomena."

Victims of mycotoxins, or "yellow rain" attacks experience headaches, blurred vision, severe skin blistering, vomiting, hemorrhages and convulsions, and sometimes death (*Globe and Mail*, June 21). Refugees from Laos and Cambodia who fled Vietnamese troops reported these symptoms following substances being dropped from airplanes, according to the report.

Canada co-sponsored a 1980 UN resolution to establish investigations into the use of chemical weapons. The UN Experts Group is to give its report to the General Assembly in the fall, and Dr. Schiefer's report is expected to provide a valuable scientific contribution (External Affairs press release, June 21). The UN is currently attempting to update the 1925 Geneva Protocol against the use of chemical arms (*Toronto Star*, June 28).

Namibian Contact Group

A UN-sponsored "contact group" of five western countries, including Canada, announced July 13 the "successful conclusion of the first phase of the negotiations for the implementation of the proposal for a settlement of the Namibian situation in accordance with Security Council Resolution 435" (External Affairs press release, July 13). In a letter, the contact group informed the UN Secretary-General that all parties to the negotiations accepted the principles concerning the Constituent Assembly and the Constitution for an independent Namibia which they had put forward at the end of last year. The contact group had been working together with six African nations to devise an independence plan for Namibia acceptable to both the South African government and the South West Africa Peoples Organization (SWAPO) (*Globe and Mail*, June 19).

Law of the Sea

See this issue, BILATERAL — USA.

NATO

Summit in Bonn

Prime Minister Pierre Trudeau presided over the North Atlantic Treaty Alliance (NATO) summit in Bonn June 10, which was attended by sixteen heads of government. Mr. Trudeau's speech to the opening session included a re-statement of his views on arms control. He said he believed that the present objectives of the Alliance, to work for nuclear arms limitations and reductions, should not be undermined by attempting to link such reductions to political or economic differences between East and West. He told the government leaders that dialogue, negotiation and

mutually beneficial exchanges between both sides were crucial to achieve a "peaceful international order based on a high degree of mutual toleration of difference."

At a press conference the same day, reporters questioned Mr. Trudeau about US reaction to his stand against linkage. US leaders had in the past talked in favor of linking non-military preconditions, such as human rights in the USSR, to arms control. Mr. Trudeau told the press that some of the leaders supported his position, but that US President Ronald Reagan "did not seem to accept my view on delinkage." Although at the summit Mr. Reagan "did not speak of linkage or delinkage in so many words," Mr. Trudeau said, "I have the impression that he does not agree with my concept."

The final communiqué issued by the summit as carried by the *Globe and Mail* June 11 committed the alliance to:

- an improved East-West relationship through dialogue and negotiation "whenever Soviet behavior makes this possible;"
- restricted Warsaw Pact access to Western military technology;
- negotiation of a reduction in nuclear arsenals and conventional forces in NATO and the Warsaw Pact;
- maintenance of pressure on the Soviet Union and its allies to respect human rights and the freedom of movement for people and ideas;
- an undertaking to "manage financial relations with Warsaw Pact countries, on a sound economic basis, including commercial prudence in the granting of export credits;"
- condemnation of international terrorism.

At the press conference, Mr. Trudeau told reporters that the final communiqué was filled with " clichés " and "weasel words." He expressed his frustration with the summit by saying: "I do not think that this type of summit can be very productive. If you look at the communiqué, I do not think that it says much beyond what has been said many times before. . . . When you get sixteen heads of state and government together, and they travel for many thousands of miles to meet on as important a subject as the North Atlantic Alliance, I think they should be expected to be more than rubber stamping a communiqué which has been cooked, pre-cooked, and that all their job is to put a stamp on it." With only four or five hours to discuss issues, Mr. Trudeau continued, "There is no exchange, there is no deepening of the consensus within the alliance, there is no effort at persuading each other. People come in with a speech which has been drafted by their officials in Brussels. . . . and then they each make speeches which are nothing more than paraphrases of the communiqué which has been drafted in Brussels by people who have been working for years together."

The agreement to be cautious regarding exporting to the Soviet Union was also disputed by Mr. Trudeau, and was said to represent a compromise at both the Versailles Economic Summit and NATO Summit. (See this issue, BILATERAL — USSR.) Mr. Trudeau told reporters that he believed, in opposition to some unnamed countries, that interrupting economic relations with the Soviet Union would not contribute to its demise. Instead, he said, countries can use economic relations to influence other countries, although subsidized interest rates should not be used

to increase sales to any country except Third World countries.

INDEPENDENT COMMISSION OF DISARMAMENT AND SECURITY ISSUES

Palme Report

A report from the Independent Commission of Disarmament and Security Issues, prepared over two years, was presented to Prime Minister Trudeau June 1 by its Canadian member, Robert Ford. Mr. Ford, a former ambassador to the Soviet Union, is among seventeen world leaders on the commission, headed by Olof Palme, former premier of Sweden.

Mr. Ford told the press June 1 that one of the main virtues of the report was that it represented a reconciliation of views between the US and Soviet members. The report rejects total disarmament and a nuclear-free zone in Central Europe. Instead, it advocates the reduction of conventional forces in Europe, leading to a withdrawal of nuclear weapons. The main themes of the report were reported to be, "that nuclear wars will not produce any victors, that it is an illusion to think that a limited nuclear war is possible and that security cannot be achieved by trying to reach military superiority" (*Globe and Mail*, June 2).

ASSOCIATION OF SOUTHEAST ASIAN NATIONS

Canadian Representation

External Affairs Minister Mark MacGuigan attended an Association of Southeast Asian Nations (ASEAN) meeting in Singapore on June 17 and 18. ASEAN, composed of Indonesia, Malaysia, the Philippines, Singapore and Thailand, had established formal relationships with "dialogue partners" — Canada, Japan, the US, the European Economic Community, Australia and New Zealand. The main topic of discussion at the meeting between the ASEAN and the "dialogue partners" was the situation in neighboring Cambodia (External Affairs press release, June 4).

At the meeting, Canada and the ASEAN co-sponsored a resolution to endorse a coalition government for Cambodia organized around the Kymer Rouge anti-Vietnamese resistance army, *The Citizen* reported June 19. Australia and the European Community did not support the forming coalition because the Kymer Rouge was considered responsible for mass murders prior to being ousted by invading Vietnamese forces four years ago, according to the *Citizen* article. At the meeting, Mr. MacGuigan also said Canada will not extend development aid to Vietnam "so long as Hanoi refuses to end its occupation of Cambodia" (*The Gazette*, June 18). It was reported July 8 that the Vietnamese Foreign Minister announced that Vietnam would withdraw a significant number of troops that month (*Globe and Mail*).

Mr. MacGuigan also praised ASEAN's export capabilities. He offered full support for the association's efforts to increase economic links with Canada. (*The Gazette*, June 18).

WORLD FOOD COUNCIL

Ministerial Meeting

Agriculture Minister Eugene Whelan attended the Eighth Ministerial Session of the World Food Council in Acapulco, Mexico from June 20 to 24. Items on the agenda recognized the "importance of national agri-food strategies for better internal coordination of agricultural and rural development" and the efforts of developing countries toward agricultural development (Agriculture Canada press release, June 18).

WORLD ASSEMBLY OF FIRST NATIONS

Regina Gathering

The World Assembly of First Nations (WAFN) was held in Regina from July 18 to 25. It represented the "largest gathering of indigenous peoples in recorded history," with an estimated twenty thousand delegates from North, Central and South America, New Zealand, Australia, Greenland and Scandinavia (Inuit Tapirisat of Canada press release, June 10). The WAFN recognizes about two hundred million persons in one hundred countries (*Globe and Mail*, July 26).

Delegates took part in conferences on subjects ranging from politics and law to sports and recreation, and a variety of cultural events. Groups discussed a charter for self-determination, the International Covenant on the Rights of Indigenous Peoples, which some delegations want the United Nations to adopt (*Globe and Mail*, July 26). Leaders also made representations accusing some countries of implementing a stated policy of "exterminating" native people. Canada was charged by one leader with helping the Chilean government to "liquidate" Mapuche Indians by allowing helicopter sales to Chile (*Globe and Mail*, July 20).

THE GATT

Canada's Position

The Canadian position at the General Agreement on Tariffs and Trade (GATT) ministerial meeting to be held in Geneva this November was the major topic of an address by International Trade Minister Ed Lumley to the Chamber of Commerce in Toronto June 22. The GATT, with more than eighty signatories, attempts to regulate trade barriers between countries. Mr. Lumley told the audience that he would soon present a document to Cabinet outlining the approach which Canada should adopt at the upcoming meeting. Canada "wants the international trading community to come to grips with a number of problems which were not dealt with or which were not handled in a satisfactory manner in earlier GATT negotiations," Mr. Lumley said. He mentioned several Canadian objectives for the meeting. They were:

— to ensure that newly-industrialized countries accept more obligations under the GATT;

— to reach a "safeguards agreement" which would ensure that foreign goods were not acted against unnecessarily, while elaborating on the GATT provisions regarding emergency protection against imports causing serious injury to a sector;

— to renew the effectiveness of the dispute settlement system;

— to improve and balance rules governing trade in agricultural products;

— to strengthen existing GATT codes;

— to provide better access for processed resource products.

The November meeting, which Canada will chair, is the first of its kind since 1973. Mr. Lumley said he hoped that the meeting will strengthen the international trading system. Violations of the GATT's principle of free trade have been said to be increasing. The *Globe and Mail* June 7 stated that "signatories are bending, breaching or simply ignoring the agreement to protect their economies from the world recession." The United States has filed two complaints with the GATT against Canada. It has asked the GATT to examine both the Foreign Investment Review Agency, and the subsidized export financing offered by the Export Development Corporation to Bombardier, Inc. of Montreal for a New York subway car contract (*Globe and Mail*, June 23). (See this issue, BILATERAL — US.)

AGREEMENTS

Tuna

Bluefin tuna quotas for Canadian fishermen were announced June 14, conforming to an agreement reached in February under the International Convention for the Conservation of Atlantic Tuna. The February agreement had limited the three principal bluefin fishing countries — Canada, the US and Japan — to a total catch of 1,160 tonnes in both 1982 and 1983. Scientists feared that the western Atlantic tuna stocks were being depleted. The 1982 domestic allocation for Canada will be 250 tonnes compared with an allocation of 800 tonnes in 1981. Landings last year totalled only 313 tonnes (Fisheries and Oceans press release, June 14).

INTERNATIONAL LABOUR ORGANISATION

Canadian Resolution in Geneva

Labour Minister Charles Caccia urged other delegates at the International Labour Conference in Geneva June 4 to adopt a "long term strategy for global employment." Mr. Caccia advocated an "intensified search for means to resolve problems related to international trade and development, action to fight poverty in developing countries, and action to promote social progress and fundamental human rights" (Labour Canada press release, June 4).

Policy

FOREIGN

Falklands

Unanimous consent was given to a motion in the House of Commons June 15:

That this House congratulates Prime Minister Thatcher, the Government and the people of the United Kingdom on their resolution of the conflict in the Falkland Islands that maintains the principle that armed aggression must be resisted, that respect for the United Nations Charter and the role of law in international affairs be observed and force not used to settle territorial disputes between states, regrets the loss of life and injuries on both sides and urges a peaceful settlement of all outstanding issues between the U.K. and Argentina.

Israeli Invasion of Lebanon

Amid reports from Canadian officials in Lebanon that Beirut was being "unmercifully bombarded by land, by air and by sea" (*Globe and Mail*, June 11), Canada strengthened its condemnation of Israel's attack on the Palestinian Liberation Organization (PLO) in Lebanon during June and July. Canada, along with other nations, made its increasing concern about Israel's offensive known.

At the Versailles and NATO summits in early June, joint communiqués from Western leaders, including Prime Minister Trudeau, called for Israel to abide by a unanimous UN Security Council resolution for an immediate ceasefire on the Syrian and PLO forces. Mr. Trudeau wrote to Israeli Prime Minister Menachem Begin June 5, urging him to exercise restraint, and not to invade Lebanon. Asked by reporters in Spain between the summits about his letter to Mr. Begin, the Prime Minister said that, "I pointed out several indices in Israeli actions which gave Israel's friends cause for concern, to say nothing of Israel's enemies."

On the same day (June 8) in the House of Commons, MPs unanimously agreed to a motion to support the UN Security Council resolution for an immediate and unconditional withdrawal of Israeli forces from Lebanon.

From Bonn June 9, as the Israeli invasion of Lebanon continued, Mr. Trudeau sent Mr. Begin another letter, which was reported to be a "stronger" condemnation than the previous one (*Globe and Mail*, June 11). The letter said:

With Israeli air-raids in Lebanon and rocket attacks on Northern Israel already in progress, my letter to you on June 5 counselled restraint to avoid the dangers that further military action would bring. I am dismayed by the subsequent escalation of the conflict represented by the massive movement of Israeli forces into Lebanon. Great human suffering is being caused, and

the rapid northward expansion of Israeli operations is posing an increasing risk of a wider war. . . We cannot accept the proposition that the present military activities are justified or that they will provide the long-term security which you seek for the Israeli people.

On June 11, a ceasefire was agreed to by Israel and Syria, but heavy fighting continued between Israeli forces and Palestinian guerrillas on the outskirts of Beirut (*Globe and Mail*, June 12). Israel began an assault on West Beirut, causing international alarm and increased concern for residents of Lebanon. Canada had decided to keep its embassy staff in Beirut, and concern for them, 1,600 other Canadians in Lebanon, and the Lebanese people was expressed in the House of Commons. On June 15, Immigration Minister Lloyd Axworthy announced that one thousand Lebanese visitors in Canada would be allowed to stay for a year with working permits. It was also announced that week that the federal government had pledged one million dollars for immediate relief assistance to Lebanese civilians, to be distributed by the Red Cross (*The Gazette*, June 18).

The government was questioned in the House of Commons on June 10 and 23 about the possibility of Canada imposing trade sanctions against Israel. Ian Watson (Lib., Châteauguay) expressed concern that Israel had ignored direct requests that it stop its aggression. According to the Red Cross, Mr. Watson said June 23, the invasion of Lebanon had resulted in 10,000 deaths, most of them innocent civilians. Mr. Trudeau reiterated the position that the House had taken in calling for a ceasefire, but said Canada was not considering imposing sanctions at that time.

The Prime Minister was questioned June 28 and July 7 about the possibility of Canada's participating in a peacekeeping force in Lebanon. He responded on July 7 by saying that Canada had not been approached to participate, and if it was approached, it would consider participation if the operation was "in line with the desire of the various parties to the conflict" and under the aegis of the United Nations. It was reported July 8 that "there have been proposals for a multilateral peacekeeping force that would aid in the disengagement of the Israeli and Palestinian armies in Lebanon but there has been no indication that such an organization would be organized under UN auspices" (*Globe and Mail*, July 7).

Meanwhile, Canadian citizens had been making active representations about their concern for the Israeli invasion. Many groups condemned the activity in Lebanon, while the Canada-Israel Committee on behalf of the Jewish Community of Canada advertized their views in support of Israel's actions in Canadian newspapers. On July 19, a group of Canadians, including the Hon. Robert Stanfield and three former Canadian ambassadors, urged the

Prime Minister to take a more active role in the current crisis by participating in initiatives towards a long-term solution based on a negotiated political settlement involving mutual recognition by Israel and the PLO."

The independent Member of Parliament, Bill Yurko (Edmonton South) criticized both the government and the opposition July 21 for the "deadly silence in this House in regard to the Lebanon crisis." Mr. Yurko was appealing for a task force to be sent to examine the suffering in Lebanon so that "appropriate humanitarian action can be taken." NDP Leader Ed Broadbent also asked that the government provide more aid to Lebanon on July 26. External Affairs Minister Mark MacGuigan informed the House of Commons that Canada was contributing a further \$1.4 million in aid, which he believed made Canada's contribution the highest per capita in the world.

It was announced July 22 that, under instructions, the Canadian ambassador to Israel had delivered a formal note of protest to the Israeli Ministry of Foreign Affairs because of actions by the Israeli Defence Forces (IDF), contrary to the Vienna Convention on Diplomatic relations. In the days before the letter of protest, the IDF had repeatedly searched the vehicle of the Canadian ambassador, despite his objections, when he was crossing between East and West Beirut. In addition, on two recent occasions the building which housed the Official Residence of the ambassador had been hit by Israeli shells.

Ian Watson requested July 27 that the Canadian government support the recommendations of the 1979 Stanfield report which urged the broadening of contacts with the PLO. Mr. Trudeau responded that "I think it would be a very important step forward if the PLO were to recognize the right of the State of Israel to exist, because we think that would be an important step forward in recognition of a homeland for the Palestinian people, which is a position that this government supports." A PC motion in the House on July 28 to commend the devotion of Canada's ambassador to Lebanon, Théodore Arcand, was passed on July 28 after supplementary statements and endorsements from MPs from the two other parties. Marcel Prud'homme (Lib., Saint-Denis), the Chairman of the Standing Committee on External Affairs and National Defence, gave his view that it was time for Canada to address the question of the Palestinians, and their need for a homeland. He also wanted Canada to do more than send a letter to the government of Israel protesting the searching of the Canadian ambassador's car in Beirut. Mr. Prud'homme believed that perhaps Canada should recall Ambassador Arcand for consultation. It was also revealed that a day earlier, a Canadian-PLO meeting had taken place at the Canadian embassy in Beirut. External Affairs Minister Mark MacGuigan told the House of Commons that the conversation with the PLO official had been the only direct contact between a Western government and the PLO since PLO leader Arafat had signed an agreement accepting "all UN resolutions relevant to the Palestinian question" the week-end before. The meeting was intended to confirm that the PLO position toward recognizing Israel had changed, as the statement had implied. It was reported by a Canadian diplomat in Beirut that he had failed to discover the implied changes.

Mr. MacGuigan also announced that day that Canada had received an apology from Israel for the bombing of the ambassador's residence in Beirut, and for the searching of

his car. In an interview from Beirut, Mr. Arcand said that these actions had been "unbelievable." As well as heavy bombing in West Beirut, food, power and water supplies had been cut off in that area. Mr. Arcand, the only Western ambassador who had stayed on in West Beirut, told reporters that he intended to stay until the Canadian government asked him to leave. (*Globe and Mail*, July 29).

Further action on Canada's part was urged again in the House on July 29. Henri Tousignant (Lib., Témiscamingue) said that he was shocked that some MPs should "waste their time defending the comforts and conveniences of this House and fighting against wage restraint, while thousands of innocent people are being struck down as a result of military attacks." Pauline Jewett (NDP, New Westminster-Coquitlam) repeated Mr. Yurko's previous request that Canada consider establishing a three-member all-party group to travel to Beirut and determine the kind of responses that Canada could make.

It was reported July 31 that a statement supporting a homeland for the Palestinians made by Ron Irwin (Lib., Sault Ste. Marie), the Parliamentary Secretary to the External Affairs Minister, "appeared to be firmer than previous policy announcements by the government and came a day after a special meeting of the (External Affairs) minister and about twenty-five Liberal MPs on the Lebanese situation" (*The Citizen*, July 31). In the House of Commons July 30, Mr. Irwin had responded to a question by Robert Wenman (PC, Fraser Valley West), saying that he would not use the word "self-determination," but that he thought "Canadians would want us to show the same compassion to Palestinians that we have traditionally shown to Israelis. Therefore, we do support a homeland for Palestinians. I think Canadians would want this government to do that, and that is what this government is doing." He also said that Canada would participate in a peacekeeping force if asked, if the parties involved agreed, and if it was constructive.

Newspaper reports July 31 also said that, according to the Canadian ambassador, Palestinian refugees had been harbored in the basement of the Canadian embassy in Beirut. Mr. Arcand had told reporters that about fifty women and children who had fled from southern Lebanon about eight weeks earlier had been given shelter in the embassy (*The Citizen*, July 31).

Central America

The eleventh report dealing with Canada's relations with the Caribbean and Central America was tabled in the House of Commons July 29 by Marcel Prud'homme (Lib., Saint-Denis), the Chairman of the Standing Committee on External Affairs and National Defence. The report contained recommendations for Canadian relations with countries on a case by case basis. "The conduct of states towards their own citizens should be an important factor in Canada's relations with them. . . . We believe that the power and influence of the Canadian state can and should be used, whenever possible, to move other states to protect their citizens and provide them with the opportunities and freedoms necessary for their development," the report stated. It also said that military assistance to countries from outside, either to governments or insurgents, should be reduced and eventually eliminated (*Globe and Mail*,

July 30). (See this issue, BILATERAL — El Salvador, Honduras.)

Diplomatic Corps

The Soviet Union's ambassador to Canada, Alexander Yakovlev, became the dean of Ottawa's diplomatic corps in June. The position of "first diplomat," based on seniority of number of years in the capital, involves a high profile in Ottawa's diplomatic community, including acting as spokesman for the corps of more than one hundred missions. Mr. Yakovlev has been Ambassador to Canada for nine years (*The Citizen*, June 16).

DEFENCE

Cruise Missile Testing

Canada's position concerning nuclear armaments was discussed and debated throughout June and July. Prime Minister Trudeau addressed the UN Special Session on Disarmament in New York June 18, outlining Canada's support for arms reduction negotiations, while supporting the deployment of land-based intermediate range Cruise and Pershing II missiles in Europe, to counter already-existing Soviet counterparts. (See this issue, MULTILATERAL — United Nations.)

This "two-track" policy, adhered to by NATO allies, was explained to reporters by Mr. Trudeau at a press conference in Madrid June 8. He said, "What I hope would actually happen is that before our Cruise or Pershing missiles are actually deployed that there would be enough progress in the disarmament talks, both at the strategic level and at the tactical level so that we would never have to deploy our Pershings or our Cruises."

Canada's commitment to allow the testing of Cruise missiles in Alberta had been under attack for months by MPs and by citizens and groups. During June and July, the government received more petitions calling on it to refuse to allow the Cruise missile testing on Canadian soil, and to support a worldwide disarmament program. The Primate of the Anglican Church of Canada, Archbishop E.W. Scott, wrote to the Prime Minister, expressing "dismay at the news about the Cruise missile coming to Canada" (*Globe and Mail*, June 12).

In the House of Commons July 23, Douglas Roche (PC, Edmonton South) asked the government what developments had taken place on the "controversial subject." External Affairs Minister Mark MacGuigan reiterated that the decision in principle to test the missiles remained, but that neither the "over-all umbrella agreement" nor specific negotiations had been completed. Pauline Jewett (NDP, New Westminster-Coquitlam) asked the Prime Minister on July 30 to "consider our not becoming involved in testing the air-launched Cruise missile, in line with his own suggestion at UNSOD II that the real problem is that technological advances are going on ahead of reduction talks."

The idea was rejected by Mr. Trudeau, who stated that "until some progress has been made at the START talks or the INF talks we have no cause to change our policy."

Canada's involvement in the development of the MX missile was also questioned in the House of Commons. On

June 14 Pauline Jewett claimed that "the government is furthering the production of new nuclear weapons" by discussing the possibility of federal assistance to Boeing's Winnipeg branch for a "potential contract of components of the MX missile." The NDP foreign affairs critic repeated her charge to reporters the next week (*Toronto Star*, June 21).

Arms Control Proposals

Initiatives which "underline the continuity of Canadian arms control and disarmament policy and reinforce the government's commitment to the pursuit of verifiable agreements to limit and reduce forces" were announced July 7 by External Affairs Minister Mark MacGuigan. The new initiatives were "directly related to two specific Canadian priorities: to promote the realization of a comprehensive nuclear test ban treaty; and to assist in the preparation of a chemical weapons convention." (See this issue, MULTILATERAL — United Nations.) In addition, the government announced a "substantial" increase in the Disarmament Fund of the Department of External Affairs (External Affairs press release, June 7).

Budget Cuts

Canada will not live up to its NATO commitments because of a \$100 million reduction in defence spending announced June 28. Allan B. McKinnon (PC, Victoria) charged in the House of Commons July 12. Defence Minister Gilles Lamontagne replied that the savings were based on a change in the projected increase in remuneration paid to the armed forces, and would not affect Canada's objectives regarding its NATO commitments.

TRADE/ECONOMIC

FIRA

The Foreign Investment Review Agency (FIRA) was blamed in June by Progressive Conservative MPs for being too rigid, and by New Democrat MPs for not being rigid enough. During the weeks leading up to the June 28 budget announced by Finance Minister Allan MacEachen, these opposite opinions were expressed in the House of Commons.

On June 8, Thomas Siddon (PC, Richmond-South Delta) presented a motion that "the government be directed to restore economic confidence by reversing immediately its anti-investment policies embodied in FIRA, the NEP, and the illegitimate November 12 budget or, barring such a reversal, the government is hereby instructed to resign." John Crosbie (PC, St. John's West) also requested that the policies be reversed, to "welcome foreign investors into this country." Derek Blackburn (NDP, Brant) made contrary representations, presenting motions on June 17 and 21 that "this House oppose any attempt by the Liberal government to abandon the interests of Canadians by weakening FIRA," and that "this House call on the government to strengthen FIRA and to start repatriating our manufacturing industry."

Speculation about changes to FIRA ended when the budget was announced June 28, and speculation about the impact of the changes began. The budget provided for

an increase in the number of companies eligible to be considered under the small business procedure, which provides a special "short-form" application and more rapid processing (*Globe and Mail*, June 30). The related passage from the budget speech stated, "the threshold for review under the small business procedures will be raised from two million dollars and one hundred employees to five million dollars and two hundred employees for new investment or direct acquisitions in Canada" (FIRA press release, June 30).

Post-budget debates revealed that the changes in FIRA were "not enough" for PC members, and in the opinion of NDP members, "the floodgates were opened up for FIRA so that we can have more foreign takeovers and more foreign investment in Canada." In particular, the changes would "open the door" for the takeover of small Canadian high-tech companies, according to Lorne Nystrom (NDP, Yorkton-Melville), the NDP trade critic.

Prime Minister Trudeau defended FIRA after the US announced that US firms operating in Europe were banned from selling equipment to be used in the construction of the natural gas pipeline from Siberia to western Europe. He told a newsconference that European countries which have been complaining about FIRA now might think Canada had been right to protect itself (*The Citizen*, July 10).

Government Support for Export Industry

Plans to create a national trading corporation to promote Canadian exports were reported "shelved" June 2 because of a lack of support from private trading firms. The establishment of the joint public/private venture had been recommended by a parliamentary committee a year earlier (*Globe and Mail*, June 2).

International Trade Minister Ed Lumley was questioned by Lorne Nystrom (NDP, Yorkton-Melville) in the House of Commons June 2. Mr. Lumley explained that the government did not "shelve" the idea of a national trading corporation, but had postponed the plan until the private sector committed itself to finance its portion of the proposed corporation. The government's priority will be to provide export financing to private companies, Mr. Lumley said. He had told a trading house conference the day before that the government also intends to sponsor trading company missions abroad and a series of conferences in Canada to help identify potential exports (*Globe and Mail*, June 2).

Government support of private sector export initiatives was the subject of a federal-provincial trade ministers' conference in Ottawa June 21 (External Affairs press release, May 31). Current trade issues, such as relations with major trading partners, export development programs and initiatives, and Canada's position regarding the General Agreement on Tariffs and Trade were discussed among the ministers. A statement issued after the conference emphasized the agreement between governments concerning the "importance of the continuing strong collective effort in support of Canadian export as a national priority."

Another government move to support private sector trade was announced June 15. Responsibility for the research activities of the Canadian Organization for the Simplification of Trade Procedures (COSTPRO) was transferred from the federal government to the Canadian Export Association. The Department of External Affairs provided

a \$1.6 million contribution to assist the program (External Affairs press release, June 15). (See this issue, MULTILATERAL — GATT.)

Grain Exports

The House of Commons June 11 gave unanimous support to a motion commending the "unparalleled achievement" of all those involved in the production and transportation of grain. It was announced that, with seven weeks remaining in the crop year, Canada was on the verge of surpassing an all-time export record for grain. The previous record was set in 1979-80, when Canada exported 21.7 million tonnes of grain. On June 23 Agriculture Minister Eugene Whelan announced that Canadian grain exports this year, until June 16, had totalled 22.2 million tonnes. The crop year ended July 31 (Agriculture Canada press release, June 23).

Herring Exports

A contract negotiated during June between three Atlantic fishing organizations and two European buyer groups provided for the sale of 32,000 tonnes of Canadian herring directly to foreign buyers. The fresh herring was to be sold at \$305 per tonne, almost three times the amount offered to the Canadian fishermen by Canadian processors. A Fisheries and Oceans press release June 24 said that Fisheries Minister Romeo LeBlanc called the contract an illustration of how fishermen can benefit through cooperative action. "The fishing industry must realize that it cannot ride on the backs of the fishermen, who would be fishing at a loss at the price offered by the (Canadian) processors," Mr. LeBlanc was quoted as saying.

In the House of Commons July 13, this arrangement was criticized by Lloyd Crouse (PC, South Shore), who stated that, "The artificial price of \$305 a tonne paid by communist countries, which pay no taxes to Canada, has placed Canadian processors at an unfair disadvantage in trying to meet the competition." On July 16, the *Globe and Mail* reported that, according to Canadian processors, "direct sales to Soviet processing ships by fishermen are responsible for putting 2,560 people out of work in New Brunswick and Nova Scotia."

Dollar

The Canadian dollar began this two month period at a record-low level on foreign exchange markets. On June 1, the dollar was worth 80.06 cents (US), and continued to plunge until late June, declining to 76.86 cents (US) on June 22. It rose and fell into July, but by the end of the month, at 79.85 cents (US), the dollar registered its highest level since early June. Massive borrowing to defend the dollar was reported during this two month period.

Trade Surplus

Figures released in July showed that Canada's trade surplus had increased during both April and May. In April, the surplus was 1.23 billion, and in May it was 1.36 billion (*Globe and Mail*, July 7).

Import Quotas on Leather Footwear

Leather footwear import quotas were reimposed by

the federal government July 9. The Canadian footwear industry had claimed that 7,500 workers had lost their jobs since the quotas were dropped in November 1981. Pressure on the government to reinstate the quotas included a march by thousands of industry workers on Parliament Hill June 15 and continuous questions by opposition members in the House of Commons since the November decision. Shoe industry spokesmen had claimed that the dropping of the import protection measures had made Canada the "largest exporter of shoe-industry jobs in the world" (*Globe and Mail*, July 1). In 1981 the Canadian anti-dumping tribunal had also found leather footwear imports injurious to the Canadian industry.

The shoe industry had been calling for the reinstatement of quotas to last five years (Shoe Manufacturers Association of Canada press release, June 11). The *Globe and Mail* reported July 10 that although the announced quotas will expire November 30, 1984, the shoe industry was "happy." The regulations announced by International Trade Minister Ed Lumley July 9 applied to imports from all sources and limited leather footwear imports to 11.1 million pairs annually. An External Affairs press release that day said that Mr. Lumley had stressed that "the government remains convinced that the footwear industry has the protection to restructure and modernize its operation to meet international competition." Mr. Lumley also indicated that the government was concerned over the apparent lack of cooperation between segments of the Canadian footwear industry in their effort to maintain a viable domestic industry.

Canada gave notification of its measures to its trading partners through the General Agreement on Tariffs and Trade (GATT), the press release stated. Article 19 of the GATT allows special measures of protection when domestic industries are injured as a result of imports (*Globe and Mail*, July 10). Canadian shoe importers were reported to be "furious" with the government action. The *Globe and Mail* July 10 said that Canadian Importers' Association Vice-President Peter Dawes had called the reimposition of the quotas "a triumph for political meddling over sound economic judgment and trade strategy." A Consumers' Association of Canada news release (July 16) also condemned the move, which they said makes "victims" of Canadian consumers who "may well be asked to subsidize the industry through taxes and also face higher prices on purchases."

Import Policy Report

The final report of the Sub-Committee on Import Policy of the Standing Committee on Finance, Trade and Economic Affairs was tabled by its Chairman, Bryce Mackasey, in the House of Commons July 8. The report represented a year-long review by three MPs of the proposed Special Import Measures Act, which is intended to modernize and reorganize the various scattered components of Canada's import legislation (Sub-Committee on Import Policy press release, July 8).

The report concentrated on the proposals which would bring Canada's legislation on anti-dumping and countervailing duties, import surtaxes and other import regulating measures up to date, and would take advantage of Canada's rights under the Tokyo Round agreements. The proposals were found by the sub-committee to be

"fundamentally sound for the most part but can be improved with a few additions and one major deletion," a press release from the sub-committee stated. The deletion suggested was the proposed introduction of a basic price system to establish a lowest competitive price, with imports to Canada below this price considered both dumped and injurious, and therefore dutiable. The sub-committee argued that this system would harm Canada's export interests.

If the recommendations of the sub-committee are implemented in legislation "Canada can look forward to faster investigations of dumping and subsidization, an effective system of negotiated price undertakings and a depoliticization of countervailing duty options," the report stated.

Newspapers reported that the proposals, if implemented, would give the government the power to withdraw trade privileges granted to other countries, and impose countervailing duties in retaliation for moves by foreign governments that affect Canadian exports (*Globe and Mail*, July 9). The President of the Canadian Importers Association Keith Dixon criticized the recommendations, which he said would give the government power to arbitrarily "stop, harass, surcharge and restrict the import of any product at any time from any country without notice."

He told reporters that such power would result in "the wrath and frustration of Canada's two hundred trading partners" which would retaliate by reducing their imports of Canadian goods (*Globe and Mail*, July 10). Mr. Mackasey had stated on July 8 that the powers would only be used as a last resort, notwithstanding the General Agreement on Tariffs and Trade or other trade agreements (*Globe and Mail*, July 9).

Airbus Negotiations

The federal government approved "the commencement of formal negotiations to develop a mutually satisfactory basis for Canadian participation in the Airbus Industrie A-320 aircraft project." Industry, Trade and Commerce Minister Herb Gray announced July 21. Airbus is an international consortium involving France, West Germany, Britain and Spain. The A-320 is a 150-seat, advanced technology passenger aircraft.

Mr. Gray, the responsible minister, said that a memorandum of understanding had been signed between Crown-owned de Havilland Aircraft of Canada Ltd. and Airbus Industrie. Mr. Gray announced that a final agreement with Airbus to build components would have to satisfy three conditions: that it be commercially viable; yield a high level of benefits for Canadian industry; and be on a basis of recovery of costs incurred by the government. Canada's financial commitment had not been negotiated, but in the House of Commons July 21, Mr. Gray said that, "I do not think it is correct to assume any financial commitment will be as high as \$500 million."

AID

Disaster Relief

Nicaragua and Honduras appealed for international aid in late May and early June to repair the devastation

caused by hurricanes and floods during that time. On June 3, Bob Ogle (NDP, Saskatoon East) appealed to the House of Commons to a support motion to render emergency assistance to these countries, having "thousands homeless and without food and clean water." Canada committed \$220,000 in relief to these countries through the Canadian International Development Agency (CIDA) on June 9 and a further \$40,000 to Honduras July 2 because "reports indicated that damage was more severe than originally reported" (CIDA press release, July 2). (See this issue, BILATERAL — Honduras.)

During June and July, Canada also provided disaster relief to Chad, Sudan, Indonesia, Paraguay and Tanzania through CIDA. (Also this issue, POLICY — Foreign; Isreali Invasion of Lebanon.)

Fish Donations

In an attempt to relieve the economic pressure on some small fishermen in eastern Canada, the Fisheries Prices Support Board will buy \$2,500,000 worth of canned mackerel from Atlantic and Quebec processors, Fisheries Minister Romeo LeBlanc announced June 16. The mackerel, which has little market in Canada, will be donated through CIDA and the World Food Program to developing countries, mainly in South America (Fisheries and Oceans press release, June 16).

Criticism of Foreign Aid

Progressive Conservative Members of Parliament called on the government to review its foreign aid policies several times during July. Ron Stewart (PC, Simcoe South) asked Finance Minister MacEachen to eliminate all foreign aid outside of humanitarian and emergency relief "until such time as we Canadians can put our own house in order." Mr. Stewart cited examples of what he called "loans, grants and gifts to communist-leaning nations." Mr. MacEachen rejected Mr. Stewart's request.

Again on July 12, the government was asked to "justify the need for individual projects, report full disclosure of intended spending projects to Parliament and embark on a review of all aid programs in order to weed out dubious ventures" by Gordon Towers (PC, Red Deer). On July 19 Mr. Stewart asked for a debate on the operations and accountability of the Canadian International Development Agency, which was accused of mismanaging a project in Haiti. Treasury Board President Donald Johnston replied that Mr. Stewart's views "have been very negative in terms of foreign aid programs, which I suspect are not shared, frankly, by many other members of his party." Mr. Johnston assured Mr. Stewart that management questions in CIDA are looked at on an ongoing basis by the Treasury Board.

The same day, NDP member Jim Manly (Cowichan-Malahat-The Islands) had presented a motion, which was rejected, that the government restore \$175 million for foreign aid it had "slashed" with the June 28 budget.

For the Record

(supplied by External Affairs Canada)

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- No. 81/23 Canada, China and the Rule of Law. An address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, Peking, August 20, 1981.
- No. 81/24 The Canadian Perspective on foreign investment and energy questions. An address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the Centre for Inter-American Relations, New York, September 30, 1981.
- No. 81/25 North-South futures and Canada's role. A speech by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the Canadian Association of Futures Studies, Montreal, October 3, 1981.
- No. 81/26 Increasing public awareness of disarmament issues. A statement by the Honourable Mark MacGuigan, Secretary of State for External Affairs, Ottawa, October 22, 1981.
- No. 81/27 The United Nations' place in world affairs. An address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the Thirty-sixth Regular Session of the United Nations General Assembly, New York, September 21, 1981.

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No. 81/28 North Atlantic Alliance a bedrock of security. An address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, in his capacity as Honorary President of the North Atlantic Council Ministerial Session, Brussels, December 10, 1981.

III. Treaty Information (prepared by the Economic Law and Treaty Division)

1. Bilateral

Barbados

Development Loan Agreement between the Government of Canada and the Government of Barbados.
Bridgetown, January 12, 1981.
In force January 12, 1981.

Exchange of Notes between the Government of Canada and the Government of Barbados constituting an Agreement extending for six months the 1979 Interim Agreement on International Air Services between Canada and Barbados.
Bridgetown, April 22 and May 21, 1981.
In force May 21, 1981.
With effect from May 1, 1981.

Denmark

Agreement between Canada and the Kingdom of Denmark concerning Faroese Fishing off the Canadian Coast.
Ottawa, June 3, 1980.
In force December 22, 1981.

European Atomic Energy Community

Agreement in the form of an Exchange of Letters between the Government of Canada and the European Atomic Energy Community (Euratom) intended to replace the "Interim Arrangement concerning enrichment, reprocessing and subsequent storage of nuclear material within the Community and Canada" constituting Annex C of the Agreement in the form of an Exchange of Letters of January 16, 1978 between Euratom and the Government of Canada.

European Economic Community

Agreement on Fisheries between the Government of Canada and the European Economic Community.
Brussels, December 30, 1981.
In force December 30, 1981.

Agreement in the form of an Exchange of Letters between the Government of Canada and the European Economic Community concerning their Fisheries Relations.
Brussels, December 30, 1981.
In force December 30, 1981.

Ghana

General Agreement between the Government of Canada and the Government of Ghana on Development Cooperation.
Accra, November 17, 1981.
In force November 17, 1981.

Norway

Exchange of Notes amending the Agreement of October 16, 1980 between the Government of Canada and the Government of Norway for the purpose of facilitating the reciprocal enforcement of Maintenance Orders between Norway and the Province of Manitoba.
Ottawa, December 7 and 11, 1981.
In force December 11, 1981.

Sweden

Exchange of Notes between the Government of Canada and the Government of Sweden amending the 1977 Agreement concerning the uses of nuclear material, equipment, facilities and information transferred between Canada and Sweden.
Ottawa, December 18, 1981.
In force December 18, 1981.

2. Multilateral

Convention on the Elimination of all Forms of Discrimination against Women.
Done at New York, March 1, 1980.
Signed by Canada at Copenhagen, July 17, 1980.
Entered into force September 3, 1981.
Canada's Instrument of Ratification deposited at New York, December 10, 1981.
Entered into force for Canada January 9, 1982.

In a letter accompanying the instrument of ratification, the Government of Canada made the following statement:
"The Government of Canada states that the competent legislative authorities within Canada have addressed the concept of equal pay referred to in article 11 (1) (d) by legislation which requires the establishment of rates of remuneration without discrimination on the basis of sex. The competent legislative authorities within Canada will continue to implement the object and purpose of article 11 (1) (d) and to that end have developed, and where appropriate will continue to develop, additional legislative and other measures."

Protocol to the North Atlantic Treaty on the Accession of Spain.
Done at Brussels, December 10, 1981.
Signed by Canada December 10, 1981.

Protocol on Intelsat Privileges, Exemptions and Immunities.
Done at Washington, May 19, 1978.
Entered into force October 9, 1980.
Canada's Instrument of Accession deposited December 15, 1981.
Entered into force for Canada January 4, 1982.

Convention on Long-Range Transboundary Air Pollution.
Done at Geneva, November 13, 1979.
Signed by Canada at Geneva, November 13, 1979.
Canada's Instrument of Ratification deposited at New York, December 15, 1981.

Final Acts of the International Telecommunications Union Region 2 Administrative MF (AM) Broadcasting Conference.
Done at Rio de Janeiro, December 19, 1981.
Signed by Canada at Rio de Janeiro, December 19, 1981.

Convention establishing an International Organization of Legal Metrology.
Done at Paris, October 12, 1955.
Entered into force May 28, 1958.
Canada's Instrument of Accession deposited at Paris, December 23, 1981.
Entered into force for Canada January 22, 1982.

Canada

leverage over neighboring black African states, and imposing — perhaps with the imprimatur of the United Nations — a naval blockade interdicting shipments of South African raw materials to the Western capitalist economies. It has also been noted that if the Kremlin could somehow control the whole of southern Africa, it could then put in place a "strategic materials supercartel," since over half of global output of up to fifteen key strategic minerals is accounted for by the Soviet bloc and this area of Africa together.

Another possibility that portends serious supply difficulties for chromium and manganese involves the imposition of a United Nations embargo of South Africa and/or other types of economic and diplomatic sanctions. In a recent *Resources For the Future* study of minerals availability, this was judged the most likely cause of a prolonged interruption in chromium and manganese supplies to the West. In spite of their marked dependence on South Africa's mineral wealth, Canada and other Western nations may eventually conclude that their wider interests are best served by cooperating with a sanctions policy against an unpopular "pariah state." However, the history of UN sanctions against Rhodesia after 1965 strongly suggests that ingenious importers can find ways of purchasing a desired commodity from an embargoed state. The United States of course explicitly decided with the passage of the "Byrd Amendment" in 1971 simply to ignore the UN embargo and import chrome from Rhodesia; but other countries — including the Soviet Union, which resold Rhodesian chromium on the world market at a premium — also continued trade with the white régime. Western governments would have enormous incentives to look the other way if business firms and brokers continued to import minerals from South Africa in the event that some type of embargo were in effect.

Policy choices

Countries concerned about their vulnerability to interruptions in deliveries of essential mineral raw materials theoretically can pursue a number of policies designed to lessen such vulnerability. Perhaps the best long-term strategy for nervous mineral importers is to encourage the development of additional mineral deposits throughout the world, for dispersal of sources of supply will, *inter alia*, moderate the impact of disruptions in any single exporting country and make more difficult the establishment of effective cartels. However, the success of this strategy is constrained by the geographic concentration of certain minerals; this is especially marked in the case of chromium, but somewhat less so for manganese. In addition, it is

unclear what Canada can do to encourage discoveries and exploitation of minerals elsewhere. Finally, supply diversification cannot solve the immediate problems posed by threats of supply interruption.

Governments can also attempt to increase recycling of scarce minerals and can encourage research aimed at improving substitution possibilities. For example, the National Materials Advisory Board of the US National Academy of Sciences recently suggested that the US government should provide funds to support research on chromium substitution. Another option is to exploit sub-economic domestic reserves of particularly vulnerable minerals. Chromite ore in the Eastern Townships area of Quebec was mined during World War Two, and low grade manganese deposits exist in Nova Scotia, New Brunswick and British Columbia. Exploitation of sub-economic Canadian reserves would require stiff barriers against imports and perhaps government subsidies as well, and once again years would lapse before actual mine production. The thorny problem of short-term vulnerability would thus remain.

Short-term solution

The only workable strategy to reduce immediate vulnerability appears to lie in the establishment of some kind of stockpile. The US has long had a massive strategic stockpile program designed to ensure that the material needs of its military can be met in the event that foreign supplies of certain minerals are unavailable. Washington is also considering the development of economic stockpiles of several minerals of vital importance to industry. France and Sweden have for several years been stockpiling cobalt, chromium, platinum and other minerals obtained from perceived high risk suppliers; and Britain, West Germany and Japan are also studying various economic stockpile options for these and other minerals.

In Canada the federal Department of Energy, Mines and Resources is currently examining the issue of Canadian mineral import vulnerability, and it recently estimated that about seventy million dollars would be required to purchase a one-year supply of chromium and manganese, with additional expenses being incurred through the provision of stockpile facilities. It is unlikely that such a significant public expenditure is warranted in the eyes of policy-makers faced with a host of competing spending demands. However, a major interruption in mineral supplies might encourage the government to take a close look at what can be done to address what seems to be an increasingly serious problem. □

The Mitterrand revolution?

by Harvey G. Simmons

Perhaps revolution is too strong a word. Since the French Socialist victory of 1981 no one has seen tumbrils clattering through Paris streets, nor has anyone yet accused Mitterrand and the Socialists of establishing a new Terror. But serious changes there have been, and more are on the way. Some of these changes are dramatic and well-publicized, such as the wide-ranging nationalization program, others are less apparent, but no less important. Take for example, the changed vocabulary. When is the last time anyone can recall the president of a major western country attacking "capitalism?" Yet, in September 1981, in his first press conference after taking office, President François Mitterrand said: "In this year, 1981, after more than a century and a half of the development of capitalism in France, the accumulation and concentration of capital, and the multinationalization of capital in the world have led me to consider it as just and necessary that a certain number of enterprises which have become monopolies or tend toward monopoly and which make products necessary to the nation, be nationalized, and become an integral part of the nation."

Thus for Mitterrand, as for the Socialist Party, the term capitalism is not an abstraction to be used merely in the theoretical discussions or in internal party debates, but rather a concrete term which refers to a specific socio-economic system that is "French capitalism." Since Mitterrand and the Socialist Party committed themselves in 1969 to transforming France from a capitalist into a socialist state one must be prepared to see the Socialists press forward over the next five years or so (or until the next legislative elections) in an attempt to bring about what recent party documents have referred to as a "quiet revolution."

What is revolutionary, therefore, is not so much what the Socialists have done over the past sixteen months but rather what their intentions are and what they are capable of doing. One must remember that this is the first time since the French Revolution that a left wing government has won an absolute majority of seats in the legislature. It is the first time that a Socialist President has held office under the Fifth Republic. And it is also the first time since 1945 that a committed left wing Socialist Party has won power in a major European country, for the 1982 version of the French

Socialist Party bears only a faint resemblance to the older party that preceded it.

The new Socialists

The earlier version of the Socialist Party — the SFIO — was a weak, reformist party which was ideologically stale, politically ineffective and tainted with opportunism. However, at an SFIO conference in 1969 a variety of left wing organizations and individuals joined with the SFIO to create a new party out of the ashes of the old one. Some of the new members came from the Communist Party, others came from the left wing study groups or political clubs which had proliferated under the Fifth Republic (Mitterrand was the head of a federation of political clubs before he joined the Socialist Party), and others still from left wing Catholic groups or from among the mendésistes, supporters of Mendés-France. This political ratatouille simmered and boiled for a number of years, but surprisingly, out of it emerged a Socialist Party which rejected the tepid reformism of the previous years, and was committed to a wide-ranging program of nationalization, decentralization, and radical social and economic reform. It was this new political grouping which took power in 1981.

What, then, does the Mitterrand revolution consist of? Clearly the most important and well-publicized measures concerned the nationalization of seven major industrial groups and of thirty-six banks. Even *Le Monde* referred to the nationalization program as a "revolution." Yet, as President Mitterrand pointed out in his first press conference, the nationalized sector represents only ten percent of salaried workers, eighteen percent of investment and fifteen percent of value added from industry. Moreover, the weight of the French state varies from one sector of the economy to another. In some industries — steel, for example — the state's share of the market has leaped from one percent to eighty percent. In others, machine tools, for example, although the percentage increase in state ownership is radical (from six to twelve percent) the total weight of the state in the sector is small.

The Socialists have argued that nationalized industries can be just as efficient and profitable as private enterprise. Inevitably, the Renault automobile company is cited as an example. But the Socialists have defended nationalization for three additional reasons. First, they claim that in difficult economic times the national interest demands that key industries be run in accordance with the national economic

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plan and that only through state control can the banking sector be forced to take account of the long term investment needs of the French economy. Second, they argue that the nationalization program will help the French "re-conquer the internal market," that is, claw back a larger share of the economy from foreign firms. For Canadians, now in the midst of a debate about the relationship between the Foreign Investment Review Agency and the National Energy Plan and our declining economy, the attempt of the French to determine their own economic priorities by increasing state control of the economy should be of some interest. The difference is, of course, that the French have much more leverage than the Canadians over the economy.

A third reason for nationalization has to do with economic democracy. From the President on down, the French Socialists never tire of repeating that political democracy is an empty shell without social justice. The right to cast an occasional vote at election time must, they argue, be complemented by the right of workers to participate in decision-making at all levels of the work place. This is why by 1984 nationalized firms will be run by tripartite management boards consisting of representatives from the unions, the government and consumers. The difficulty, however, is that some of the trade unions, particularly the usually pro-Socialist Force Ouvrière, have criticized Socialist plans for economic democracy, seeing in them an attempt to co-opt the trade unions into a neo-corporatist arrangement. For many Socialists, however, economic democracy is inextricably linked to two additional major themes in the Socialist program — decentralization and solidarity.

Since coming to power the Socialist government has worked revolutionary changes in local government. Hitherto the mayors and municipal councils of the 38,000 communes in France had been subject to the authority of the centrally-appointed Prefect. No matter how big or small the city, almost every decision they made had to be approved by the Prefect. Since the recent decentralization bill passed the National Assembly, however, the Prefects have been stripped of some of their major powers. Local municipal budgets no longer need his approval ("his" is incorrect here since the Socialists for the first time appointed women Prefects), the departmental executive power hitherto vested in the Prefect has now been given over to the departmental general council, and even the title "Prefect" has been changed to "Commissioner of the Republic."

Solidarity — French style

Both economic democracy and decentralization are policy objectives which fall within the realm of everyday politics. But the notion of solidarity and the creation of a Ministry of National Solidarity is certainly a curious one. And here we come to an area where there has been a happy conjunction between contemporary French Socialist theory and the personality of President Mitterrand. Like other European left wing parties, the French Socialists have recently paid a lot of attention to the idea of linking social and economic reform to changes in people's attitudes and values. In the 1920s, Socialists used to argue that only a literate, educated population could be expected to understand and accept the enormous changes that would come about with socialism. More recently, under the influence of the writings of Antonio Gramsci, the European left has argued that all the means of communication and culture have a profound effect on the nature of socialism and on

socialist society. With this in mind the Socialists have begun to reexamine the role of radio, television and the various instruments of culture (book publishing, theatre, cinema) in an attempt to liberate them from what they feel has been the dead hand of capitalism. At the same time, the Ministry of National Solidarity is intended to coordinate the actions of the various social service ministries with a view to getting



Courtesy Embassy of France

President François Mitterrand

the French to act in, and if necessary to make economic sacrifices for, the common interest. This means that, in the name of national solidarity, the better-off will see their taxes rise in order to finance the expanded social security programs. It means that higher-paid civil servants have seen increases in their social security deductions in order to help their colleagues lower in the hierarchy. It means that workers have been asked to curtail wage demands in order to increase national productivity, all in the name of the national interest. The reply of Nicole Questiaux, the Minister of National Solidarity, to a question about the meaning of the term demonstrates the interweaving of the major themes of decentralization, participatory democracy and mutual responsibility:

Solidarity means that together, and in a responsible fashion, people take charge of their affairs, their security and their social needs. Think of those in the nineteenth century who organized themselves into mutual societies to cover themselves against risks, who were the first to imagine that one could contribute according to one's resources, and where a form of redistribution was initiated within a small group.

Socialist France

Finally, the notion of solidarity, of appealing to a sense of the common interest, of sacrifice, the idea of bringing about a major change in the attitude of the French, all this must be extremely appealing to a man like Mitterrand. Among other things, he is known to be an extremely cultured, literate person, a man who reads widely and who has demonstrated in his writings and his speeches that he is, in the best sense of the word, an intellectual. Or, as one awed Reagan official put it recently: "Mitterrand is deep."

Female "Oui," feminine "Non"

Another area where the Socialists have at least expressed radical intentions concerns women's issues. Four women have been appointed to ministerial posts, and two new ministries were created with women at their head: the Ministry of National Solidarity with Nicole Questiaux, and the Ministry of Women's Rights, headed by Yvette Roudy. It was Mme. Roudy who immediately set out to prove that not even that most sacred of French institutions, the French language, would stand in the way of feminism when she demanded that journalists address her as Madame *la* Ministre. But the Socialists have gone beyond mere words. Under the previous government the Ministry for the Condition of Women was given a derisory budget which provided support only for the functioning of the Ministry. Mme. Roudy has been given ten times as much (eighteen million dollars), and has earmarked funds for a publicity campaign for birth control aimed at immigrant women, young women and women in rural areas; for an information program on the rights of women; and for subsidies for women's information centres. Equally important on National Women's Day last March, both President Mitterrand and Prime Minister Mauroy pledged the government would ensure that abortion expenses would be reimbursed through social security, and that thirty percent of the seats would be guaranteed to women in the municipal and regional elections scheduled for this fall.

If the Mitterrand government has begun to blaze new pathways for women, one area where there has been more continuity than change is foreign affairs. Last November, when the foreign affairs budget went before the National Assembly, the Gaullist ex-Prime Minister and ex-Foreign Minister Couve de Murville sarcastically remarked that he had "desperately searched" for some indication of change in Socialist foreign policy but that he could find absolutely nothing. This is not surprising for, from the very inception of the new government, Foreign Minister Claude Cheysson had indicated there would be no major departures. Indeed, Mitterrand has hardly deviated from the line laid down by DeGaulle in 1966. This consists in keeping the French armed forces under French rather than NATO command (although Mitterrand has insisted that France remain a loyal member of the Atlantic Pact), maintaining a modern and well-equipped defence establishment, and continuing the development of an independent French nuclear deterrent. In June, 1982, the sixth French nuclear submarine was launched and President Mitterrand has approved the construction of a seventh. The Socialists have even backed away from their election promise to reduce the term of military service in France from one year to six months, arguing that such a move would be unwise in the face of rising unemployment. In a word, the Socialists will continue to follow the Gaullist path of maintaining an independent foreign policy.

DeGaulle lives

Moreover, both Cheysson and Mitterrand have been harshly critical of the European peace movement, which they disparage as "pacifist." The President and the government have apparently accepted American arguments that by 1984 there will be a nuclear imbalance in Europe in favor of the Soviets. Thus they have taken a hard line on the intermediate range missile controversy, while at the same time calling on both the Soviets and Americans to forge ahead with talks on arms reduction. However, the Socialists did not follow the Americans in imposing political or economic sanctions on the Soviets during the Polish crisis. In this the Socialists are well within the Gaullist tradition of preaching realism in foreign policy. For DeGaulle ideology was always less important than history, less important than the demands of realpolitik. Thus, if he abhorred communism (as does Mitterrand), DeGaulle nevertheless argued that only long-term historical changes could alter the deeply-held Soviet belief that any threat to the stability of Eastern Europe is a threat to the Soviet Union itself. With regard to the Polish crisis last fall, Mitterrand uttered a remark which easily could have fallen from the lips of DeGaulle himself: "For heaven's sake, how can anyone deny the outcome of the last war?"

If the government's policy toward the Soviet Union has hardly deviated at all from that of previous regimes, there have been only slight changes in its Middle East policy. Prior to taking office Mitterrand was known to be a friend of the Jewish community and of Israel. After all he was an early associate of and a long-time admirer of Pierre Mendès-France, and he always has supported the right of Israel to exist. Early in his term he promised that he would be the first French President to visit Israel. Yet, so even-handed has he appeared in his treatment of the Middle East that in January, 1982, the Egyptian Minister of Foreign Affairs said: "Since May 10 we feel more warmth and more friendship than before in our relations with the French leaders at the Elysée palace (the President's residence) and at the Ministry of Foreign Affairs." And the Minister applauded the fact that the Socialists have recognized the right of the Palestinians to a state of their own. During his March visit to Israel, Mitterrand quite frankly told the Israelis that the only road to a solution to the Middle East conflict was through direct talks with the PLO. More recently, the Mitterrand government sharply criticized the Israeli invasion of the Lebanon and voted in the UN to condemn the Israelis for their actions. However, despite the existence of some anti-zionist sentiment on the left of the Socialist Party, it appears that for the foreseeable future Mitterrand's strong support for the State of Israel will be sufficient to maintain his image as a friendly critic.

The Third World

If there is one area where Mitterrand has imposed his personal stamp on policy, that area is relations with the Third World. It is worth recalling that during Mitterrand's long ministerial career under the Fourth Republic, he was on two occasions involved in ministries dealing with the French colonies, and that in 1953 he resigned his post in protest against the Laniel government's policy in Morocco. His second book, published in 1953, *On the Frontiers of the French Union*, was a sympathetic account of the French colonies, while in the 1956 Socialist government of Mollet,

Mitterrand turned from a supporter into an opponent of French policy toward Algeria.

Most recently as President, Mitterrand has argued that the policies of the developed world toward the Third World should be based on the principle of non-interference in the affairs of others. And he has expressed deep sympathy for the economic plight of the peoples of the Third World. At the Cancun conference in Mexico in October, 1981, he criticized the position of the Reagan administration, saying that "the antagonism between East and West can in no way explain the struggle for emancipation of the damned of the earth any more than it helps them to resolve that struggle." And in a very moving passage he said:

In international law, non-assistance to people in danger is not yet a crime. But it is a moral and political offence which has already cost too many dead and too much pain to too many abandoned people for us, in our turn, to commit it.

Thus, Mitterrand has stated that the same principles hold in international politics as in domestic politics — there can be no political justice without social justice. Toward that end Mitterrand has committed his government to doubling the amount of French economic aid to the Third World, increasing it to seven-tenths of one percent of the GNP by 1988. And he has called on other governments to follow suit.

Domesticating the communists

Finally, what is the relationship between the Mitterrand revolution and the Communists? Thus far there is little doubt that Mitterrand has used the Communists with consummate skill. Despite the fact that the PCF was

lukewarm toward him in the presidential elections, and that in the legislative elections the party suffered the largest decline in its popular vote since 1945, Mitterrand has been able to maintain Communist support in the legislature and to keep Communist ministers in the government. Although some have argued that Mitterrand has well and truly trapped the Communists in an untenable position — the longer they remain in government the more the PCF will be identified with the fortunes of the Socialist Party, while if the Communists withdraw their support for the Socialists they will be seen as betraying the cause of left wing unity — still there is another way to look at Communist support. The Communists can be seen as both a threat to, and the guarantors of, the continued radicalism of the Mitterrand regime. As long as they remain in government their mere presence will serve to deflect policy toward the left. Although Mitterrand, like DeGaulle in 1945, was careful not to appoint Communists to posts that had any relation to foreign policy or to internal security, nevertheless two important ministries, those of Health and Transportation, are in the hands of Communists. Clearly they will do everything in their power to ensure that their policies bear the impression of Communist ideology. However, if they should feel that their policies are being blocked, or that the Mitterrand government is sliding toward the right, then their resignation could in fact precipitate a movement to the right and an effective end to radical change. This is not to say that the fate of the Mitterrand revolution is in the hands of the Communist Party, but it is to emphasize that their role should not be underestimated.

In the end then, it is still too early to tell whether the Mitterrand revolution is one of intentions or of actions. However, if intentions are anything to go by, France, as the Chinese would say, is in for some "interesting" times. □



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Guatemala on the brink

by Jim Guy

Guatemala is often described by visitors as the most beautiful country in the world. About twice the size of Nova Scotia, its tropical climate has spawned a Garden of Eden, dotted with lush mountains, still lakes, rain forests and olympic skies. By the untutored tourist, nothing of violence is seen or heard. For the Guatemalan government, maintaining this silence earned close to \$120 million in 1981, making tourism the number three foreign exchange earner — behind coffee and cotton. Selling beaches and charm pays off in the midst of an eerie kind of normalcy. Club Med singles trot up a nearby mountain to grab a lecture on local mating habits. American bus tours speed towards scenic Chichicastenango, a major Indian market place. But the breath-taking scenery is at once distracting and deceptive. One of the most violent and coercive political systems in all of Central America has developed there since the country became independent in 1838. In fact a real sense of heaven-on-earth may have only been briefly experienced by the ancient Mayan civilization which once thrived in what is now Guatemala.

When the Spanish conquistadors came to convert the "heathens" and get rich quick they first fell on their knees to thank God; then they proceeded to fall on the Indians, enslave and oppress them. Things haven't changed much since. Today oppression comes from a military government that deals brutally with anyone who dares to criticize it or who calls for land reforms, employment or better nutrition.

At the present time close to 400 people in all age groups are murdered or disappear each month. This number is expected to climb dramatically as political repression heightens, making politics the major preventable cause of death in the country. Regime brutality against suspected leftists has taken grim proportions, promising to act out the Latin American prophecy that white terror kills more people in defending order than does red terror in overthrowing it.

Every Guatemalan who isn't in some way linked to the Government apparatus or to the armed forces, faces a Kafkaesque fate ("now you see them now you don't"). This process of government terrorism is directed against all Guatemalans who show the least bit of non-conformity

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with the political values of the regime in power. A vocal dissenter inadvertently accumulates points against himself. After some predetermined amount has been reached the government orders his execution. There is no due process, no warning, no second chance.

The previous government of President Romeo Lucas Garcia boasted that Guatemala is one of the few countries of the world where there are no political prisoners. Small wonder; the record shows that all opinionated opposition leaders in Guatemala who are known to the government have been eliminated or are in constant danger. There is very little likelihood that the new president General Efraim Rios Montt will change the old established ways. According to Amnesty International Guatemala has the worst record on human rights in Latin America. Since 1963 more than 42,000 people have been murdered for political reasons. And this may be only a prelude to what could become the goriest purge in the Western Hemisphere. In the words of Frank Ortis, former US Ambassador to Guatemala (1979-1980), "Guatemala is a bloodbath waiting to happen."

Causes of political turmoil

The question to be asked is why is Guatemala so politically turbulent? The answer is not that complex, but it must be considered from a number of different perspectives. In Guatemala, successive military regimes have presumed that material progress brings political contentment. Historical evidence seems to suggest otherwise. In the past the fruits of economic growth have been distributed unequally. The wealthiest fifth of Guatemalans receive over two-thirds of the income. At the bottom of the heap an estimated two-fifths of Guatemalans do not participate in the economy, having no income at all. Critics hold that what growth does take place in the economy is controlled by US multinationals and Guatemalan technocrats. But as modernization has crept into the country the masses have awakened, becoming organized, aware and angry. The problem with Guatemala is that the existing political institutions have not been able to handle these mass demands. In other societies well-organized political parties can channel, moderate and often calm demands in a constructive way. But Guatemalan political parties are weak, often little more than personal vehicles designed to get a caudillo into power.

The inequitable economic conditions that beset El Salvador, Honduras, Panama and Nicaragua (under

Somoza) are also present in Guatemala. They read like symptoms of an infectious disease. Over sixty percent of the seven million people live in an inefficient rural economy. To complicate this backward indicator, about seventy-five percent of the land is controlled by two percent of the people while ninety percent of the remaining landowners hold less than twenty percent of the arable land. Many of the latter own less than two acres of inferior land which they are forced to sell when they can't make ends meet. This situation creates a pool of discontented transient workers (now numbering over 500,000) who move from one of the 1500 coffee-producing haciendas to the next, selling their labors for less than four dollars day. After suffering through this severe poverty in the countryside they head for Guatemala City where they confront fifty-six percent unemployment, prostitution, drugs, disease and rampant crime.

Sad economy

Some studies have pointed out that the nutritional level during the Mayan period was far superior to today's. The most productive land in the country is used either for recreation or to grow export crops such as coffee, sugar and cotton. Ironically, the basic food of the people, corn, which was introduced to the modern western world by the Mayans (on that same land) must be imported from other countries. The underpaid peasants who work the soil for the large plantations depend on imported corn to feed their own families.

The average annual per capita income is only \$900. This reflects the unequal distribution of income in the country. The top twenty-five percent of the population takes sixty-six percent of the gross national product, whereas the bottom twenty-five percent receive only seven percent. One result of this income disparity is that three-quarters of the children under the age of five are malnourished. Only half of the children who start school finish primary grades and infant mortality is eighty-one per thousand live births.

These indicators are symptomatic of a generally weak economy. Since 1980 Guatemala has been dependent upon foreign grants and loans in order to meet its \$100 million annual trade deficit. Without the support of the World Bank, the Inter-America Development Bank, special aid programs from the United States and Canada and private lenders the economy is certain to stagnate and perhaps crumble. Given the limited size of the manufacturing, tourist and commercial agricultural sectors of the economy, the recent slump in export trade and the reduction in foreign investment are destabilizing the political and social system.

For the most part the National Economic Development Plan which promised to provide more housing, transportation, energy and municipal services to the people has failed to achieve its goals. No growth is expected in the economy for 1982 owing to uncertainties in coffee prices and the dramatic rise in the rate of inflation. International reserves are diminishing rapidly. The government is relying heavily upon recent discoveries of petroleum to guarantee the stability of its currency, the quetzal. But compared with most of its sister republics in Central America, Guatemala has managed to maintain the lowest foreign debt ratio as well as an untainted history of meeting its financial obligations. This is cold comfort to the millions of Guatemalans

who feel alienated from the economy and who see little hope for the future.

Los Descamisados

These harsh realities of economic life weigh heavily upon the country's indigenous population. There are two distinct ethnic groups which inhabit Guatemala — the Ladino and the Indian. Within this racial framework the Indians comprise fifty-five percent of the population and occupy the inferior social position. Like many of the Indians in Canada and the United States, they are the "descamisados" (shirtless ones), the neglected people who carry the burden of severe poverty. Wherever the Indians settle they must learn to live with inadequate roads, hospitals and schools. Subsisting on the steep eroded slopes of the Western highlands their lands are not fertile and do not provide year-round work. Most of the country's seasonal workers often must leave their families for two or three months each year to work on coastal plantations, without electricity, running water or adequate sanitation. After the harvest they often return home with malaria, exposure to spraying of harmful pesticides and herbicides.

Indians who have asserted their rights as Guatemalans to live and farm the land are often considered by plantation owners to be criminals. The landowners enlist the military and right wing vigilante groups to enforce their values on the Indian people. Such a situation resulted in the now famous massacre at Panzos in 1978. More than 100 Kekchi Indians (including women and children) were killed by Guatemalan soldiers in the little town of Panzos in the Province of Alta Verapaz. They were attacked because of a land dispute with local landowners. Soldiers fired at the Indians who had gone into Panzos to meet with local officials. Later it became known that large graves had been dug days before the incident. According to a Catholic priest who witnessed the atrocity "the peasants insisted on their right to live and were answered by death." Extreme polarization quickly followed!

Since the Panzos massacre the Committee of Peasant Unity (CUC) was formed to protect the rights of peasants — landless and landed, non-Indian and Indian. Not surprisingly, the CUC was not considered a legal organization by the government. This caused it to seek the protection of other groups. And the emergence of the Democratic Front Against Repression — the Frente — in 1980 showed a groundswell of public awareness by the broadest sectors of Guatemalan society that violence is institutional and governmental. Because of the violent response to the government and right wing groups such as the Secret Anti-Communist Army, many Indians have joined the four revolutionary groups which now form part of a new Frente, the National Patriotic Unity Front (NPUF). The NPUF has called for a "popular revolutionary war" to overthrow the regime.

Khaki-coated politicians

With the exception of the brief revolutionary period of 1944-1954 all major political decisions in Guatemala have required the army's approval. The Guatemalan military, although highly technically trained, has always been motivated towards an active interventionist role in the country's politics. Its generals have integrated with conservative civilian elites who hold views and values identical to their own. Close ties are maintained with civilian bankers, edu-

Guatemala changes Presidents

cators, industrialists and government bureaucrats, creating a formidable civilian-military network of power. With this background it is understandable that the March 7 election was manipulated so that General Anibal Guevara would displace a coalition of right wing parties with the reformist Christian Democrats. But in the face of widespread knowledge of electoral fraud retired General Efraim Rios Montt was placed in charge of a three-man junta on March 23. His administration is as repressive as previous ones, although his selection by the army was intended to improve the poor international image of the Guatemalan military, for Rios Montt had been robbed by the military of his victory as the Christian Democratic presidential candidate in the 1974 elections. By the accession to power of a former Christian Democrat the junta hoped to inject a dimension of legitimacy to the regime similar to that provided by Duarte while he was president of El Salvador.

But under the new junta the campaign to tighten control over all undesirable political groups has escalated. Within one month of the bloodless coup, Congress was dissolved, the constitution was suspended and the activities of all political parties were prohibited by the new Fundamental Statute of Government. This law takes away the right of free assembly, the right to demonstrate and to organize strikes. Thus the battle lines are being drawn, promising to embroil everyone in a period of political violence.

Church as opposition

Curiously, the Roman Catholic Church is the only large Guatemalan group that has retained its autonomy and is in a position to resist the regime. It is not surprising that in many parts of the country the Church is being attacked. Some bishops have been threatened because of their involvement with the people. Catholic schools have been accused of supporting communist doctrine. School administrators have been frequently threatened. Disappearances and murders of the clergy were documented by US Congressman Robert Drinan, who headed a fact-finding mission to Guatemala in 1981. Repression of the Church has included the murder of a New Brunswick layworker Raul Leger, who was helping peasants to organize. The Church maintains that this anti-clerical program is directed by a single organism within the Government which they identify as the Army.

In all of the Central American republics the hierarchy of the Church is split along conservative/liberal lines, especially since Pope John Paul II's rejection of the "theology of liberation." So the Church quietly denounces the Guatemala regime for repression and for arresting and torturing priests and nuns accused of harboring political fugitives. But a middle-road strategy of quiet diplomacy will be hard to tread; the concern for the poor has radicalized the lower clergy as they have developed a strong stand for human rights and focused on the awesome poverty in the country. Since the terrible earthquake of 1976 the passion of the Guatemalan Church has been based on the plight of the country's poor. The bishops issued a pastoral letter which exposed the structural violence and injustice imposed on the people. This letter made visible the open resistance and defiance of the Church and rekindled the old anti-clericalism of the Guatemalan bourgeoisie and military. Relations between Church and the military junta

now mirror the relations between the people and government.

Repress the Press

The Guatemalan government also dislikes foreign journalists. Repression is so severe within Guatemala that journalists in the country learn about news through AP and UPI, the international news agencies. Guatemalan journalists often tell of repressive measures such as kidnappings, armed attacks and death threats. These are the common means used to suppress the press. Today the authorities keep a list at the international airport in Guatemala City of the correspondents considered undesirable. This includes virtually everyone who has filed stories critical of the government over the past decade.

Freedom of information doesn't really exist in Guatemala. All newspapers practice self-censorship in one form or another. The taboo topics are so well known by journalists that they never refer to them. Newspapers are targets of frequent attacks by the army or armed men employed by the army. *El Diario Grafico*, *El Nuevo Diario* and *El Independiente* have had their reporters and editors shot at and murdered for several years now. Common wisdom holds that any phone could be tapped, so no one talks politics over the line. Journalists pick their stories with the same caution as a veterinarian injecting a nervous porcupine. Everyone is a potential informer: the barber in one hotel turns out to be an oreja, a political spy; the university switchboard operator is busy jotting notes on calls to faculty.

But information trickles out and details the daily terror that Guatemalans must face. In February 1981, Amnesty International reported that a clearly-defined program of assassination, secret detention and summary execution was coordinated from a communications annex directly behind the National Palace.

Nervousness in Washington

To the Reagan administration Guatemala is the unthinkable revolution. The country has the largest domestic market and the most abundant resources in all of Central America. The US has substantial investments to protect in Guatemala, approaching \$500 million, its largest stake in the Central American region. Companies like Exxon, IT&T, Xerox, Gillette, Monsanto and IBM are but a few of the over 100 major US firms which have invested heavily in their subsidiaries and affiliates in Guatemala.

But the recent discovery of oil by Texaco in the northern corner of Guatemala — next to Mexico — has given a whole new meaning to the words "banana republic" in Washington. The reserves are impressive at 39,000,000 barrels and a daily production of 10,000 barrels. The Reagan administration cannot allow a hostile regime so close to the colossal oil fields of Chiapas, Mexico, for Guatemala and ultimately the whole region, including Venezuela, is considered part of the strategic preserve of the United States.

The policy of the Reagan administration towards the region as a whole is based on the fear of "domino communism." The Administration has concluded that growing insurgency in Guatemala is due to the subversive actions of Cuba, Nicaragua and El Salvador. As the revolutionary activities of these countries have increased, the United States has adopted a more protective attitude to

Guatemala. The Washington-based Institute for Policy Studies reports that the United States has supplied Guatemala with some sixty-six million dollars in military aid. Additional support has been provided by the US to Guatemala through the Caribbean Basin Initiative (CBI). The CBI was originally supported by the foreign ministers of the United States, Canada, Mexico and Venezuela as a mini-Marshall Plan to assist nations in the region facing rising oil costs and the severe economic consequences of falling export prices for sugar, bananas, cotton and minerals. But this type of aid is designed to serve US strategic interests by supplementing military assistance in order to secure a safe environment for private investment. Many students of the CBI are unconvinced of the capacity of private investment alone to turn the tide of the present economic malaise. In Guatemala, for example, economic stagnation is facilitated by the continuing flight of capital which to date nearly offsets economic support coming from Washington and from private investors in North America and Europe.

Latin American distrust

The Reagan administration is also confronted with

deep distrust by most Latin American nations as to its real intentions toward the region as a whole. US abandonment of its inter-American security obligations under the Rio Treaty during the Argentine-British war sparked a crisis of trust over the question of hemispheric solidarity. Latin American nations now perceive US strategy towards them as being based solely on selfish national goals, enlisting client states in the hemisphere to serve its narrow interests.

In the face of this complex international dynamic of mounting Latin American resistance to Reagan's actions, the official US posture is widely regarded in Guatemala as one of stubborn support for the Guatemala military. Publicly, the Reagan administration has shown little interest in supporting democratic and human rights groups in Guatemala. Diplomatic and military overtures from the United States have encouraged Guatemala's security forces to carry on its program of torture, illegal detention, denial of constitutional guarantees and of social activism. The strategic value of Guatemala has taken a giant leap and the presence of the United States will remain, not only in the form of private business, but also through government intervention. In a country where the tide of social reform is so insistent, that may be only a finger in the dike. □

Rural USSR City lure and farm inefficiency

The trouble with Soviet agriculture

by Thomas Land

The need for farm equipment operators will double in the Soviet Union within a decade, but a timely report warns that the drift to the cities may well deprive agriculture of its best potential young recruits. The study, compiled by an eminent Soviet economist, analyzes one of the reasons contributing to his country's third disastrous grain harvest in three years necessitating vast cereal imports.

Over the last decade, some fifteen million people have left the collective and state farms of the Soviet Union for the bright city lights. About two-thirds of them were young and educated, men and women in the prime of their lives. Much of this relentless manpower drain affects areas of declining agricultural productivity, especially in North-West, Volga-Vyatka, Central, Far East and West-Siberian regions.

This spells growing problems for the future of an already troubled yet vital sector of the national economy, so concludes a study compiled by an eminent Soviet economist and published by the United Nations International Labour Office (ILO) in Geneva. For example, the need for farm equipment operators in Soviet agriculture is expected

to double during the coming ten to fifteen years but, despite crash training efforts, the study projects a continuing stagnation at the present level of the labor supply if the drift to the cities is allowed to continue. And there is no prospect of imminent change.

The study, "Stabilizing the USSR's Rural Population through the Development of the Social Infrastructure" analyzes one of the crucial reasons contributing to the Soviet Union's persistent inability to feed itself. It follows the country's third disastrous grain harvest in three years necessitating continued huge cereal imports which are, in turn, likely to ensure the maintenance of high global price levels beyond the reach of the poorest nations. It coincides with increasing public awareness within the Soviet Union that the poor harvests cannot be blamed forever on the weather alone.

E.N. Khomolyansky, the author of the study, argues that the rural exodus is responsible for the greying as well as thinning of his country's agricultural labor force. The ranks of workers in the twenty to forty-nine age bracket are declining, while the proportion of elderly workers is rising.

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Rural USSR

He observes that "rural migration performs the important progressive function of replenishing the labour resources of the towns," but it is beneficial only "as long as agricultural output continues to rise and the decline in the rural workforce is offset by an increase in the efficiency of the agricultural workers who remain."

Causes of inefficiency

That is clearly not the case in the Soviet Union. The factors responsible for the failure of the country's centrally-administered food production and distribution machinery include a commercially unjustifiable subsidy policy, wild fluctuations in agricultural investment following ruthless exploitation of the countryside, inefficiency stemming from cumbersome bureaucratic control and, most importantly, lack of faith by the peasants in the validity of the system. The ILO study is important because it provides an insight into the intense debate now taking place in the privacy of the Soviet Communist Party leadership over ways to overcome the persistent refusal of the countryfolk to make agriculture work.

According to the authoritative Soviet journal *Questions of Economics*, feed grain losses due to improper handling may be as high nationally as thirty percent. I.N. Buzdalov, an economist with the Soviet Academy of Sciences, has declared that the recently massive investment in Soviet agriculture was in his view unproductive because "profitability, efficiency and quality play virtually no role in the work of state and collective farms."

Khomolyansky describes, unusually frank for an essay intended for publication by a UN body, the reasons now causing millions of peasants to abandon the countryside. The problem is not new. During the years immediately following the Second World War, Moscow erected administrative barriers to restrict the migration, but many managed to circumvent them because, as the study admits, such intervention "does not really solve the problem." The administration later increased considerably the material pros-

to improving conditions of life in the countryside and for paying more attention to those aspects which have been neglected."

Improving rural living

He goes on to pinpoint areas of urgent concern. High on his list of priorities is housing, particularly private homes, which country people tend to prefer to high-rise apartment blocks. The study observes that recent building material shortages have hampered individual housing construction.

Consumer services, sports facilities, secondary schools and hospitals are also inadequate in rural areas, even when measured by Soviet standards. More pre-school establishments are needed, the study says, and the existing ones should be radically improved. Many kindergartens function at present only while work is progressing in the fields. The shortage of these facilities prevents mothers of young children from taking employment outside the home. Many rural settlements lack any kind of permanent infrastructure and the existing social clubs, libraries and other cultural facilities fail to satisfy the growing expectations of the agricultural labor force.

The study prescribes easier access for countryfolk to the cultural, educational, health, commercial and general services available in the towns. This would require intensive construction of new, all-weather roads. "The better their transport links," says Khomolyansky, "the more successfully the villages can develop and retain their inhabitants."

Great hopes are pinned on the speedy development of projected agro-industrial complexes with agglomerations which would have all the facilities provided in the towns. Villages nearby would gravitate economically and culturally to these centres. But the study warns that, unless "the rural population is stabilized and a significant increase is achieved in agricultural labour productivity, agro-indus-



Soviet collective farm

trial integration will be impracticable and the underlying social problems insoluble."

trial integration will be impracticable and the underlying social problems insoluble."

perity of farm workers by boosting wages and permitting private garden plots to supplement incomes. Yet the exodus has continued. A recent investigation conducted among the rural workforce and quoted in the present study provides an explanation of the motives fuelling the exodus. The majority of the respondents pointed to a higher standard of living enjoyed in urban areas. Other lures of town life included more free time, better services and better educational facilities. But only a small proportion cited higher pay as an incentive to leave the farms. The author concludes that the message is clear: there is "a need for an all-round approach

It considers that the best way to keep Soviet countryfolk on the farms is through "a judicious orientation and state investment policy." That means that more public funds should be spent on strengthening the social and cultural infrastructures in the countryside. Stemming the exodus of rural people to the cities — a prerequisite for rescuing the present structure of Soviet agriculture — would thus depend on long-term efforts to meet the rising aspirations of an increasingly restive and sophisticated population. □

Book Reviews

A prouder Canada

by Christopher Young

The Shaping of Peace: Canada and the Search for World Order, 1943-1957, Volume 2 by John W. Holmes. University of Toronto Press, 443 pages, \$37.50 (US).

Through the chance of a foreign correspondent's life, I read much of John Holmes's new book while on assignment in Syria and Lebanon. The fifth of the once-a-decade wars that have upheaved the Middle East since the birth of the state of Israel in 1948 was devastating southern Lebanon. The Israelis were blasting out the hiding holes of the PLO guerrillas and at the same time creating a new population of homeless refugees to follow the rivers of people who had flowed out of Palestine, Gaza, the West Bank, Jordan and Syria after the wars of 1948, 1956, 1967 and 1973.

It would not be the first thought that would occur to a foreign visitor to the scene, but it was an inevitable and striking point to consider for a Canadian reading about the search for peace in the 1940s and 1950s: Canada was not a player in this crisis. The Prime Minister had stated the Canadian position, quite forcefully and clearly. We were ready, as always, to help with humanitarian aid. But the idea that we might actually do something hardly seemed to be on the agenda. This is quite a change, perhaps not noticed by most Canadians outside the foreign service, and hardly remarked upon there. It is a non-story, because it is about something that is not happening. Yet it presents a striking contrast to the situation in the period with which Holmes is concerned in the second volume of *The Shaping of Peace*, his study of Canadian foreign policy in the period from 1943, when the planning of the postwar order began, to the fall of the Liberal government in 1957.

It is not just a change in the Middle East, or in the attitude to peace-keeping as a function, but in the whole approach we now take, as a people and through our government, toward the world of international politics and the great issues of our times.

"When the atomic bomb exploded at Hiroshima policy-planners in Ottawa, aware of it for the first time, started considering urgently what could be done to control it." Thus Holmes begins an early section of this book explaining how the United Nations Atomic Energy Commission came into being. They started considering *what could be done*. Today, when a great crisis breaks upon the world, Ottawa policy-planners certainly start urgently considering *what should be said*. One doubts that they spend a lot of

energy considering what can be done, because that is now considered, unless Canadian interests are very specifically affected, to be a job for other nations.

Many reasons have been given for this loss or abdication of the Canadian mission in the world. Our relative importance in the postwar world was temporary, due to our disproportionate and successful efforts in the war. The multiplication of sovereign nations in the post-colonial era reduced our significance as a middle power. The domination of world affairs by the rivalry of superpowers left us with an unacknowledged satellite status and a room for maneuver once estimated by Pierre Trudeau at five per cent. The first Trudeau government deliberately renounced the role it derisively described as that of "helpful fixer."

Canada turns inward

Whatever the causes of the change, whether mainly imposed by shifts in the world's power structure or self-inflicted by a people suddenly convinced that their own internal problems were more pressing than questions of war and peace, global destruction and mass starvation, it is a change that has diminished Canada's value to the world community. It can be argued not that we were distracted from our useful role in the world by pressing internal problems, but that because we allowed ourselves to become mired in our internal differences we had no energy left to play a useful part abroad. John Holmes is not a preacher, but he was one of the Pearsonian diplomats and fixers. He leaves no doubt of his own belief in the value of that role at the time, although he does not cast the argument forward to the present:

If self-righteousness can be held in check, there is a case to be made for the healing diplomacy of Canadians. The Commonwealth needed it, and Canadians responded. By 1957 — or even 1968 — there was no backing away from the role of "helpful fixer." To a large extent the role was thrust on Canadians, but it suited the new activist mood and External Affairs was not bashful about exploiting it.

In the Commonwealth Canada's aggressive "fixing" was a success. Prime Minister St. Laurent, External Affairs Minister Pearson and a strong team of officials helped to find a way around the problem of keeping republics within a monarchical system. They helped to launch the Colombo Plan, prototype of larger development schemes to come. They breathed life into an institution that had seemed to many of them, at the end of the war, only a euphemism for the vanishing Empire.

Lester Pearson, of course, led the diplomatic power plays that helped to resolve middle eastern crises in 1948

Book Reviews

and 1956. He was rewarded with the presidency of the United Nations General Assembly and the Nobel Peace Prize. But he could not have won these laurels without both his External Affairs team, of whom Holmes was one, and his Prime Minister, who stood behind him and kept the Cabinet behind him, without second-guessing and without jealousy. "Pearson's tactic was simple but brilliantly played," says Holmes, writing of the Suez crisis and the tricky ground on which the Canadian government found itself when in total disagreement with Britain, France and Israel. "He had the mental as well as the physical power of an athlete. His role was that of quarterback, inventing plays and giving signals, shifting his ground to take advantage of openings and exploiting adversity *pour mieux sauter*. His vast experience and his nimble grasp of essentials gave him the necessary confidence, and his own assurance under pressure inspired the confidence of others — although even his own advisers were sometimes bewildered by the mobility of his tactics."

Peace needs friends

Canada's successes in the diplomacy of the Middle East perhaps owed something to the absence of direct interests there, as well as to the fact that the United States was not directly committed either. Our interest was in peace, as the interest of a helpful fixer should be. As Holmes puts it in a line that could be written for tomorrow's newspaper editorial: "It was hoped that forces would remain in balance long enough for the Israelis and Arabs to explore their way to a more disciplined hostility and then peaceful co-existence." For all the successes of Pearsonian diplomacy, that hope has not yet been fulfilled, but that does not tarnish the Canadian achievements of those years. To look at it in terms of 1956, there was a risk of a wider war created by the over-reaction (to put it mildly) of Britain and France to the nationalization of the Suez Canal. The UN defused that risk, through the inventive diplomacy of Lester Pearson and Dag Hammarskjöld.

To look at the same argument through the prism of 1982, another middle eastern war occurred which went on far too long, took far too many lives, introduced incalculable new elements of instability, largely because there was no credible intermediary to seek an urgent truce and a longer-term settlement. The Americans by this time were embroiled as major players on the scene, and the Philip Habib mission was not accepted as an impartial search for compromise. The UN was not the forum for mediation that it had been in 1956. There was no country prepared or able to make the kind of effort that Canada used to make on these occasions. Not that Canada — stern daughter of the voice of God, as Dean Acheson called us when irritated by do-goodism — is required by some law of history to leap into every breach; but who else will do it? Touring the flattened towns of southern Lebanon, watching the terrible bombardment of Beirut, a correspondent's inclination was to ask, "Why doesn't somebody do something?" The inclination of a Canadian, especially one who had been reading John Holmes, was to ask, "Why aren't we doing something?"

One bad experience

Peacekeeping and helpful fixing did not always win applause abroad and at home. Nor is just "doing some-

thing" for the sake of doing it necessarily effective. In the case of Indochina, a peace-keeping effort that began two years before Suez and UNEF, Canada was trapped into a long-running commitment that served us poorly and the world hardly at all. We were there for nearly twenty years, from the time of the French final disasters through the early years of American involvement, into Johnson's war and again after Nixon's final pullout. Our accomplishment was small, probably even negative overall, because we were typecast from the beginning. Chou En-lai proposed that the truce commissions for Vietnam, Cambodia and Laos should be composed of India, Canada and Poland — a neutral nation then congenial to China, a pro-American western country and an important member of the Soviet bloc. Canada heard about it first from the *New York Times*. We were pressured into an unwelcome role although "there was every practical reason against accepting this invitation." Inevitably we became the advocate of the US position in the interminable squabbles of the commissions. As the US became the principal protagonist against the communist nationalist armies that ultimately won the war, our position became humiliating and finally indefensible. If this experience had warned Canadian policy-makers to be more careful in the commitments they undertook, it would have been salutary. If it convinced them that they should never again undertake peace-keeping missions in distant lands, they drew an illogical conclusion from a special case.

Around the end of the recent unlamented decade a sardonic commentator remarked that the history of the 1970s showed that there were only two superpowers in the world — Israel and North Vietnam. Vietnam has subsided into its own problems, and the West pays little attention to it now that French and Americans and other western people are no longer dying there. Nothing is as boring as a fallen domino. Israel continues to bestride its narrow world like a colossus, dominating the consciousness of Washington, challenging the world to find a way to accommodate the conflicting aspirations of the peoples of the Middle East. There was a time when a small country — not as small as Israel or North Vietnam — played a large role for peace in the world through its energy, imagination, goodwill and willingness to see that there are at least two sides, and usually more, to the kind of issue that blooms into a great world crisis. But the leaders of this favored country or its people — who can say which was chicken and which was egg — decided they would be better engaged in solving their own problems, maximizing their own trade, looking after their own national interests. Perhaps they forgot that the greatest of all national interests in this age is the preservation of international peace.

These are thoughts provoked by Holmes's book, not those of Holmes himself. Many of them are implicit in the book, though the author rarely indulges himself in carrying forward the logic of his period (1943-1957) to check it against developments in the twenty-five years since. But the reader who troubles to look up some of the notes at the back of the book soon discovers that John Holmes has almost as many disguises as his uncle Sherlock, appearing beside various antiseptic numbers as author of the most penetrating comments anonymously quoted in the text. He does use some peculiar words, such as "enfuriate" (several times), "defendable" and a "ringing of hands." Still, a lucid and jargon-free writing style allows him to thread his way

through some complicated issues, shedding light and judicious comment as he goes.

It is perhaps a matter of regret that his judgment and wise perspective has been lost to the inner circles of power for the last twenty years, but the policy approach he stands for can be studied and reconsidered here.

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Comparative defence

by James Eayrs

The Defense Policies of Nations: A Comparative Study, by Douglas J. Murray and Paul R. Viotti (eds.). The Johns Hopkins University Press, Baltimore and London, 525 pages, \$35.00 (US).

Here is a sprawling and exceptionally complicated assemblage of material of several kinds, compiled by two members of the department of political science at the US Air Force Academy to promote and facilitate the comparative study of national security policies. It is both a book of readings from previously-published articles and a symposium of specially-commissioned chapters that (with the exception of the introductory and concluding chapters by the co-editors) are all the work of different authors. To distinguish the material especially written for the book from that reprinted in it the former is printed in serif type, best read under an arc lamp with the aid of an electron microscope. Of the original chapters, ten deal with the defence policy of different countries — the United States, the Soviet Union, the United Kingdom, France, West Germany, Sweden, Romania, Israel, the People's Republic of China and Japan — "selected because of their dominant or unique position within the international milieu." Bibliographical essays by other authors accompany the chapters on the Soviet Union, the United Kingdom, France and West Germany; a bibliographic essay on defence policies in the Middle East notes "a need for more scholarly research on the defense policy processes of the Arab states." The tome winds up with a ten-page glossary of both defence jargon (e.g., "COLD LAUNCH: The technique of ejecting a missile from a silo before ignition of the main engine") and terminology with which any reader of *International Perspectives* will be familiar (e.g., "COLD WAR: A state of tension between adversaries in which measures short of sustained combat by regular forces are used to achieve national objectives").

To provide the cherished objective of comparability, the co-editors have required each contributor to employ a common framework of analysis. The defence policy of each of the ten selected states is accordingly examined with reference to its international environment, its national objectives (including, where relevant, national strategy and military doctrine), its defence decision-making process, and a catch-all category entitled "Recurring Issues: De-

fense Policy Outputs," embracing civil-military relations, weapons acquisition, force posture, arms control, the use of force and "other issues." These four fundamental factors are further subdivided in the framework, sometimes elaborately. Thus, the defence decision-making process is held to be conditioned by five forces, the fifth comprising "constraints on defense decision makers," such constraints being of ten types, for example, that exerted by manpower which, in its turn, is analyzed with reference to the variables of a) number, age sex, b) conscripted or volunteer forces, c) reserves, and d) capability for mobilization of reserves.

Some adhere to this schema more rigorously than others, but all have paid it heed. In consequence, it becomes possible to compare, say, the domestic constraints on the use of force and, by using the authors' qualitative judgments, to rank each state on the scale made famous by Bo Derek: the Soviet Union ("military instrumentalities are likely to be called upon to play a larger and larger role in the promotion of Soviet interests abroad") emerges as a "10," Japan ("national opinion is still probably far from permitting [overseas] use of the Self-Defense Forces") as a "1" or "2," the United States ("increasingly reluctant to employ military force for political purposes") as perhaps a "6." It is to the credit of the contributors and co-editors alike that they refrain from such spurious quantification.

Only a polymath could usefully evaluate chapters as disparate as those of William R. Heaton, Jr., on China (which sensibly begins by recalling the "Middle Kingdom's" time-honored sense of cultural superiority to other countries) and of David P. Burke on Romania (contending "that Romanian policy and the situation of Romania within the Eastern European political system are even more complex and more deviant than generally supposed"). All ten country studies are informative, several authoritative, David Greenwood's piece on British defence policy the sprightliest. Searching poetry for advice for Whitehall planners, Greenwood alights on "Dryden's perceptive lines":

*Not heav'n itself upon the past has pow'r
But what has been has been and I have had my hour.*

Not quite yet.

Canada is evidently neither sufficiently dominant nor unique to warrant a chapter, but the co-editors, neighbors of the Canadian armed forces stationed in Colorado Springs, take note of our strategic situation in their summing-up. They appear to subscribe to the doctrine of the involuntary American guarantee, for they write: "In North American air defense . . . Ottawa can be sure that the United States will provide for its own defense, even if Canada chooses not to participate in the arrangement." If they mean by this that the United States is bound by geography to deter attack on prime Canadian targets, their view (as David Cox and more recently Douglas A. Ross have argued) may already have been overtaken by technological developments. If Halifax were to suffer the fate of Nagasaki — a city its size when destroyed, but with far less inviting military targets — what would be the United States's response? Cold war, yes; cold launch, almost assuredly, no.

James Eayrs is Professor of Political Science at Dalhousie University in Halifax, and the author of a multi-volume work on Canadian defence.

Disarm now

by Doug Coupar

Safe and Sound: Disarmament and Development in the Eighties, by Clyde Sanger. Deneau Publishers, Ottawa, 122 pages, \$8.95.

First and foremost, *Safe and Sound* is a catalogue of squandered resources. It's probably the most accurate picture available of world military expenditures — and Sanger is not just talking about cash. He details lost labor, land, raw materials, research skills, industrial capacities and so on.

But the author didn't do it all by himself. The book is a popular, condensed version of the United Nations' 1981 report on the relationship between disarmament and development. Nearly 100 researchers in 20 countries, plus 27 scholars, diplomats and politicians contributed to the report. As a writer who has worked closely with the top international development agencies, Sanger brings a refreshing hands-on approach to the whole business of explaining UN conclusions to the public.

It should be no surprise that books of this nature are in demand. The chairman of the UN Group on Disarmament and Development, Inga Thorsson, prefaces *Safe and Sound* with an ominous warning: "The . . . militarisation of states and their accumulation of vast resources of destruction are of such magnitude that the survival of this generation of mankind is at stake. This has driven me . . . to give voice to the pessimistic prophecy that if no dramatic breakthrough in disarmament negotiations is achieved in the 1980s, the prospect of our surviving this century without a nuclear war is very bleak." Thorsson's prediction more-or-less sums up the peace movement's moral appeal for an immediate end to the arms race. It's based on that most human instinct: survival.

But Sanger takes a different tack. He once told me that "winding down" the arms spiral is the most realistic way to discuss solutions. While he's not unsympathetic to the peace marchers, he prefers to embrace the concrete alternatives of military conversion and redirected public spending. In fact, Sanger is one of the few people who could probably reverse the thinking of the most hardened military industrialist. He becomes totally animated when talking about the sheer profitability of a new international economic order — an important consequence for the many corporations that are currently dependent on the arms markets.

And that's what his book is all about. Not exactly a blueprint for getting out of the crisis, but a logical argument for step-by-step change on the global level. The author is asking the reader to take a head-over-heart look at what can be done . . . "Politicians the world over need to be persuaded by strong arguments before they will acknowledge that they cannot afford to spend so much on certain programs. Their job, after all, is to spend the taxpayers' money — and they are judged on how wisely they do it. So, if their political will is to be engaged in reversing the arms race, it is important that they should be convinced that it is economic and strategic folly to continue increasing military expenditure."

Of course, Sanger focuses on the United Nations as the place "where norms can be set for the reallocation of disarmament savings," but the fact remains that it's ultimately in the hands of the United States and the Soviet Union. The diplomatic efforts of countries like Canada, or the Non-Aligned Movement or the Western European nations have only had short-term effects so far. Since US President Ronald Reagan is a key player in the mix, talk of "disarmament savings" seems almost ludicrous. With the defeat of Jimmy Carter, most foreign affairs observers acknowledge that East-West negotiations took a definite step backwards. For example, it's said that Washington's existing offers of mutual restriction of some military deployment appear to stem primarily from the fear that nations such as the Federal Republic of Germany may further back away from US war preparations in that part of the world.

Safe and Sound advances axis analysis like that by describing a new pattern of strategic interdependence: "Now there are levers of power . . . in many parts of the world, and we are all intricately wired together. This . . . is a source of hope."

If policymakers in the developed world begin to grasp the futility of swimming against the tide, Clyde Sanger's optimism may prove to be well-founded.

Doug Coupar is an associate producer with CBC Radio in Toronto.

Selling abroad

by B.A. Sulzenko

International Marketing Data and Statistics, 1982 (Seventh Edition) and European Marketing Data and Statistics, 1982 (Eighteenth Edition). Euromonitor Publications Ltd., London, 354 and 359 pages respectively, \$170.00 (US) each.

International Marketing Data and Statistics and its companion volume, *European Marketing Data and Statistics*, published by Euromonitor Publications Limited of London, are, as their titles suggest, reference manuals for economic and business research practitioners. These are not books with which users will generally choose to curl up in bed at night for a good read. In fact there is no written text.

The International and European volumes are made up of some 137 and 234 tables of statistical material respectively. The tables cover relevant market information on 132 countries of the Americas, Africa, Asia, and Australasia, and 30 European countries. The subject areas include general economic indicators, population, employment, production, trade, housing, health and education, communications, travel — with more detailed analysis, particularly of consumer goods markets, in the European volume.

The data in each table are arrayed in country groupings, e.g. the Americas, to facilitate comparisons between

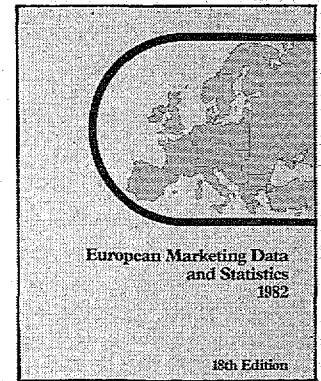
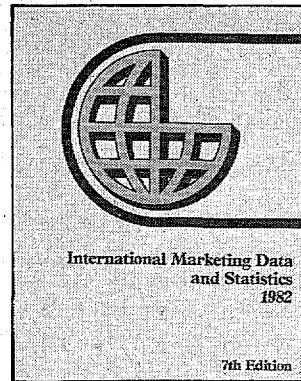
countries. For instance, the fact that Mexico has 16.8 million kilowatts of installed electrical capacity serving 70 million people becomes more meaningful if compared to Canada's 78.2 million kilowatts for 24 million people.

The researcher can use these volumes as an encyclopedic reference for specific information on economic activity in a particular market area, but also for a general impression of a particular country market, an outline of global or regional production of a commodity grouping, or an international comparison of socio-economic performance. Unfortunately, the books provide the researcher with a snapshot of the issue in question often two or three years out of date as the statistics are generally based on official government sources. To their credit, however, the Editors have in a number of cases provided their own estimates for the current year.

The main drawback to the material is that it rarely provides the user with a time series to permit an analysis of trends. A critical consideration in market research is rate of growth, and in many areas it would be necessary to have access to back issues of these volumes to permit historical analysis.

These volumes are useful, therefore, largely as a first step in the market research process — to provide an overview of the market in question and to determine whether there is a basis for proceeding further in more detail through other data sources. They amalgamate a large amount of publicly-available, but otherwise diffuse, information into a comprehensive format, thereby saving the researcher considerable time and effort. In a business environment time is money, and for many internationally-oriented firms the initial high cost of \$170 (US) per volume could be offset through regular usage.

International and European Marketing Data and Statistics might be particularly advantageous as a principal reference source to smaller firms or institutions that cannot afford elaborate dedicated research facilities or do not have convenient access to large libraries or data banks. They would also be useful to the executive who needs ready and easily available access to a wide variety of international



data. Both volumes could easily be carried in a normal size briefcase.

All in all, *International and European Marketing Data and Statistics* can be recommended to anyone who is able to rationalize their purchase price in terms of the opportunity cost of continuing to undertake equivalent research through more conventional resources.

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The Canadian Constitution— its origins and evolution

*The following article is an edited excerpt from the booklet, **How Canadians Govern Themselves**, written by the Honourable Eugene A. Forsey for the Government of Canada. Mr. Forsey, a former Canadian Senator, is widely regarded as one of the foremost experts on Canada's Constitution. Interpretations and views expressed are those of the author, and do not necessarily reflect the official position of the Government of Canada.*

Our Constitution

The *British North America (BNA) Act* was the instrument that created Canada. It was an act of the British Parliament. But, except for two small points, it is simply the statutory form of resolutions drawn up by delegates from what is now Canada. Not a single representative of the British government was present at the conferences that drew up those resolutions, or took the remotest part in them.

The two small points on which our Constitution is not entirely homemade are, first, the legal title of our country, "Dominion," and, second, the provisions for breaking a deadlock between the Senate and the House of Commons, which have never been used.

That the federation resolutions were brought into effect by an act of the British Parliament was the Fathers' deliberate choice. They could have chosen to follow the American example, and done so without violent revolution. Sir John A. Macdonald, in the Confederation debates, made that perfectly clear. He said: "If the people of British North America after full deliberation had stated that it was for their interest, for the advantage of British North America to sever the tie [with Britain] I am sure that Her Majesty and the Imperial Parliament would have sanctioned that severance."

The *British North America Act, 1867* now renamed the *Constitution Act, 1867* contained no provisions for its own amendment, except a limited power for the provinces to amend their own constitutions. All other amendments had to be made by a fresh act of the British Parliament.

Canada comes of age

At the end of the First World War, Canada signed the peace treaties as a distinct power, and became a founding member of the League of Nations and the International Labour Organisation. In 1926, the Imperial Conference recognized Canada, Australia, New Zealand, South Africa, the Irish Free State and Newfoundland as "autonomous communities, in no way subordinate to the United Kingdom in any aspect of their domestic or external affairs." Canada had come of age.

This gave rise to a feeling that we should be able to amend our Constitution ourselves, without even the most formal intervention by the British Parliament. True, that Parliament always passed any amendment we asked for. But more and more Canadians felt this was not good enough. The whole process should take place here. The Constitution should be "patriated," brought home.

Attempts to bring this about began in 1927. Till 1981, they failed, not because of any British reluctance to make the change but because the federal and provincial governments could not agree on a generally acceptable method of amendment. Finally, after more than half a century of federal-provincial conferences and negotiations, the Senate and the House of Commons, with the approval of nine provincial governments, passed the necessary Joint Address asking for the final British act. This placed the whole process of amendment in Canada, and removed the last vestige of the British Parliament's power over our country.

The *Constitution Act, 1867*, remains the basic element of our written Constitution.

But the written constitution, the strict law of the Constitution, even with the latest addition, the *Constitution Act, 1982*, is only part of our whole working constitution, the set of arrangements by which we govern ourselves. It is the skeleton; it is not the whole body.

Responsible government, the national cabinet, the prime minister, the bureaucracy, political parties, federal-provincial conferences: all these are basic features of our system of government. But the written Constitution does not contain one word about any of them (except for that phrase in the preamble to the act of 1867 about "a Constitution similar in principle to that of the United Kingdom"). The flesh, the muscles, the sinews, the nerves of our Constitution have been added by legislation (for example, the *Elections Act*, federal and provincial, the *House of Commons Act*, the *Legislative Assembly Acts*, the *Public Service Acts*), by custom (the prime minister, the cabinet, responsible government, political parties, federal-provincial conferences), by judgments of the courts (interpreting what the act of 1867 and its amendments mean), by agreements between the national and provincial governments.

What does it say?

If the written Constitution is silent on all these things, which are the living reality of our Constitution, what does it say? If it leaves out so much, what does it put in?

Before we answer that question, it is necessary to understand that our written Constitution, unlike the American, is not a single document. It is a collection of twenty-

four documents: thirteen acts of the British Parliament, seven of the Canadian, and four British Orders-in-Council.

The core of the collection is still the act of 1867. This, with the amendments added to it down to the end of 1981, did twelve things.

First, it created the federation, the provinces, the territories, the national Parliament, the provincial legislatures and some provincial cabinets.

Second, it gave the national Parliament power to create new provinces out of the territories, and also the power to change provincial boundaries with the consent of the provinces concerned.

Third, it set out the power of Parliament and of the provincial legislatures.

Fourth, it vested the formal executive power in the Queen, and created the Queen's Privy Council for Canada (the legal basis for the federal cabinet).

Fifth, it gave Parliament power to set up a Supreme Court of Canada (which it did, in 1875).

Sixth, it guaranteed certain limited rights equally to the English and French languages in the federal Parliament and courts and in the legislatures and courts of Quebec and Manitoba.

Seventh, it guaranteed separate schools for the Protestant and Roman Catholic minorities in Quebec and Ontario. It also guaranteed separate schools in any other province where they existed by law in 1867, or were set up by any provincial law after 1867. There were special provisions for Manitoba (created in 1870), which proved ineffective; more limited guarantees for Alberta and Saskatchewan (created in 1905); and for Newfoundland (which came into Confederation in 1949) a guarantee of separate schools for a variety of Christian denominations.

Eighth, it guaranteed Quebec's distinctive civil law.

Ninth, it gave Parliament power to assume the jurisdiction over property and civil rights, or any part of such jurisdiction, in the other provinces, provided the provincial legislatures consented. This power has never been used.

Tenth, it prohibited provincial tariffs.

Eleventh, it gave the provincial legislatures the power to amend the provincial constitutions, except as regards the office of Lieutenant-Governor.

Twelfth, it gave the national government (the Governor General-in-Council, that is, the federal cabinet) certain controls over the provinces: appointment, instruction and dismissal of Lieutenant-Governors (two have been dismissed); disallowance of provincial acts within one year after their passing (112 have been disallowed — the last in 1943 — from every province except Prince Edward Island and Newfoundland); power of Lieutenant-Governors to send provincial bills to Ottawa, unassented to (in which case they do not go into effect unless the central executive assents within one year; of seventy such bills, the last in 1961, from every province but Newfoundland, only fourteen have gone into effect).

These are the main things the written Constitution did as it stood at the end of 1981.

The final British act of 1982, the *Canada Act*, as we have seen, provided for the termination of the British Parliament's power over Canada and for the "patriation" of our Constitution. Under the terms of the *Canada Act*, the *Constitution Act, 1982*, was proclaimed in Canada and "patriation" was achieved.

Under the *Constitution Act, 1982*, the *British North*

America Act and its various amendments (1871, 1886, 1907, 1915, 1930, 1940, 1960, 1964, 1965, 1974, 1975) became the *Constitution Act, 1867-1975*.

The major changes

More important, it made four big changes in our Constitution.

First, it established four legal formulas or processes for amending the Constitution. Till 1982, there had never been any legal amending formula (except for a narrowly limited power given to the national Parliament in 1949, a power now superseded).

The first formula covers amendments dealing with the office of the Queen, the Governor General, the Lieutenant-Governors, the right of a province to at least as many seats in the House of Commons as it has in the Senate, the use of the English and French languages (except amendments applying only to a single province), the composition of the Supreme Court of Canada, and amendments to the amending formulas themselves.

Amendments of these kinds must be passed by the Senate and the House of Commons (or by the Commons alone, if the Senate has not approved the proposal within 180 days after the Commons has done so), and by the legislature of every province. This gives every single province a veto.

The second formula covers amendments taking away any rights, powers or privileges of provincial governments or legislatures; dealing with the proportionate representation of the provinces in the House of Commons; the powers of the Senate and the method of selecting Senators; the number of Senators for each province, and their residence qualifications; the constitutional position of the Supreme Court of Canada (except its composition, which comes under the first formula); the extension of existing provinces into the territories; the creation of new provinces; generally, the Canadian Charter of Rights and Freedoms (which is dealt with later).

Such amendments must be passed by the Senate and the House of Commons (or, again, the Commons alone if the Senate delays more than 180 days), and by the legislatures of two-thirds of the provinces with at least half the total population of all the provinces.

Any province can, by resolution of its legislature, opt out of any amendment passed under this formula that takes away any of its powers, rights or privileges; and if the amendment it opts out of transfers powers over education or other cultural matters to the national Parliament, Parliament must pay the province "reasonable compensation."

The third formula covers amendments dealing with matters that apply only to one province, or to several but not all provinces. Such amendments must be passed by the Senate and the House of Commons (or the Commons alone, if the Senate delays more than 180 days), and by the legislature or legislatures of the particular province or provinces concerned. Such amendments include any changes in provincial boundaries, or changes relating to the use of the English or French language in a particular province or provinces.

The fourth formula covers changes in the executive government of Canada or in the Senate and House of Commons (other than those covered by the first two formulas). These amendments can be made by an ordinary act of the Parliament of Canada.

The second big change made by the *Constitution Act, 1982*, is that the first three amending formulas "entrench" certain parts of the written Constitution, that is, place them beyond the power of Parliament or any provincial legislature to touch.

For example, the monarchy cannot now be touched except with the unanimous consent of the provinces. Nor can the governor generalship, nor the lieutenant-governorships, nor the composition of the Supreme Court of Canada (nine justices, of whom three must be from Quebec; all of them appointed by the federal government and removable only by Address of the Senate and the House of Commons), nor the right of a province to at least as many members of the Commons as it has senators, nor the amending formulas themselves. On all of these, any single province can impose a veto. Matters coming under the second formula can be changed only with the consent of seven provinces with at least half the population of the ten.

The guarantees for the English and French languages in New Brunswick, Quebec and Manitoba cannot be changed except with the consent both of the provincial legislatures concerned and the Senate and House of Commons (or the Commons alone, under the 180-day provision). The guarantees for denominational schools in Newfoundland cannot be changed except with the consent of the legislature of Newfoundland; nor can the Labrador boundary.

The amending process under the first three formulas can be initiated by the Senate, or the House of Commons, or a provincial legislature. The ordinary act of Parliament required by the fourth formula can, of course, be initiated by either house.

Rights and freedoms protected

Third, the new *Constitution Act* sets out a Charter of Rights and Freedoms that neither Parliament nor any provincial legislature acting alone can change. Any such changes come under the second formula (or, where they apply only to one or more, but not all, provinces, the third formula).

The rights and freedoms guaranteed are as follows:

- (1) Democratic rights (for example, the right of every citizen to vote for the House of Commons and the provincial legislative assembly, and the right to elections at least every five years, though in time of real or apprehended war, invasion or insurrection the life of a federal or provincial house may be prolonged by a two-thirds vote of the Commons or legislative assembly).
- (2) Fundamental freedoms (conscience, thought, speech, peaceful assembly, association).
- (3) Mobility rights (to enter, remain in, or leave Canada, and to move into, and seek a living in, any province subject to certain limitations, notably to provide for "affirmative action" programs for the socially or economically disadvantaged).
- (4) Legal rights (a long list, including such things as the right to a fair, reasonably prompt, public trial by an impartial court).
- (5) Equality rights (no discrimination on grounds of race, national or ethnic origin, religion, sex, age or mental or physical disability; again, with provision for "affirmative action" programs).
- (6) Official language rights.

(7) Minority language education rights.

All these rights are "subject to such reasonable limits as can be demonstrably justified in a free and democratic society". What these limits might be, the courts will decide.

The equality rights come into force three years after the time of patriation. (This is to give time for revision of the multitude of laws, federal and provincial, which may require amendment or repeal.)

The fundamental, legal and equality rights in the Charter are subject to a "notwithstanding" clause. This allows Parliament, or a provincial legislature, to pass a law violating any of these rights (except the equality right that prohibits discrimination based on sex) simply by inserting in such law a declaration that it shall operate notwithstanding the fact that it is contrary to this or that provision of the Charter. Any such law can last only five years. But it can be re-enacted for further periods of five years. Any such legislation must apply equally to men and women.

Official languages

The official language rights make English and French the official languages of Canada for all the institutions of the government and Parliament of Canada and of the New Brunswick government and legislature. Everyone has the right to use either language in Parliament and the New Brunswick legislature. The acts of Parliament and the New Brunswick legislature, and the records and journals of both bodies must be in both languages. Either language may be used in any pleading or process in the federal and New Brunswick courts. Any member of the public has the right to communicate with the government and Parliament of Canada, and the government and legislature of New Brunswick, and to receive available services, in either language where there is "a sufficient demand" for the use of English or French or where the nature of the office makes it reasonable. The Charter confirms the existing constitutional guarantees for English and French in the legislatures and courts of Quebec and Manitoba.

The minority language education rights are twofold.

- (1) In every province, citizens of Canada with any child who has received or is receiving primary or secondary schooling in English or French have the right to have all their children receive their schooling in the same language, in minority language educational facilities provided out of public funds, where the number of children "so warrants." Also, citizens who have received their own primary schooling in Canada in English or French, and reside in a province where that language is the language of the English or French linguistic minority, have the right to have their children get their primary and secondary schooling in the language concerned, where numbers so warrant.
- (2) In every province except Quebec, citizens whose mother tongue is that of the English or French linguistic minority have the right to have their children get their primary and secondary schooling in the language concerned, where numbers so warrant. This right will be extended to Quebec only if the legislature or government of Quebec consents.

Anyone whose rights and freedoms under the Charter have been infringed or denied can apply to a court of competent jurisdiction "to obtain such remedy as the court considers appropriate and just." If the court decides that any evidence was obtained in a manner that infringed or

denied rights and freedoms guaranteed under the Charter, it must exclude such evidence "if it is established that . . . the admission of it . . . would bring the administration of justice into disrepute."

The Charter (except for the language provisions for New Brunswick, which can be amended by joint action of Parliament and the provincial legislature) can be amended only with the consent of seven provinces with at least half the total population of the ten.

Other rights

The Charter is careful to say that the guarantees it gives to certain rights and freedoms are "not to be construed as denying the existence of any other rights or freedoms that exist in Canada." It declares also that nothing in it "abrogates or derogates from any rights or privileges guaranteed by or under the Constitution of Canada in respect of denominational, separate or dissentient schools." These are, and remain, entrenched.

Before the Charter was added, our written Constitution entrenched certain rights of the English and French languages, the Quebec civil law, certain rights to denominational schools, and free trade among the provinces. Apart from these, Parliament and the provincial legislatures could pass any laws they saw fit, provided they did not jump the fence into each others' gardens. As long as Parliament did not try to legislate on subjects that belonged to provincial legislatures, and provincial legislatures did not try to legislate on subjects that belonged to Parliament, Parliament and the legislatures were "sovereign" within their respective fields. There were no legal limits on what they could do (though of course provincial laws could be disallowed by the federal cabinet within one year). The only ground on which the courts could declare either a federal or a provincial law unconstitutional (that is, null and void) was that it intruded into the jurisdictional territory of the other order of government (or, of course, had violated one of the four entrenched rights).

The Charter has radically changed the situation. Parliament and the legislatures will, of course, still not be allowed to jump the fence into each others' gardens. But both federal and provincial laws can now be challenged, and thrown out by the courts, on the ground that they violate the Charter. This is something the Americans, with their Bill of Rights entrenched in their Constitution, have been familiar with for almost 200 years. For us, it is almost completely new, indeed revolutionary.

Natural resources

The fourth big change made by the *Constitution Act, 1982*, gives the provinces wider powers over their natural resources. Each province will now be able to control the export, to any other part of Canada, of the primary production from its mines, oil wells, gas wells, forests and electric power plants, provided it does not discriminate against other parts of Canada in prices or supplies. But the national Parliament will still be able to legislate on these matters, and if provincial and federal laws conflict, the federal will prevail. The provinces will also be able to levy indirect taxes on their mines, oil wells, gas wells, forests and electric power plants and primary production from these sources. But such taxes must be the same for products exported to other parts of Canada and products not so exported.

All these changes, especially the amending formulas and the Charter, are immensely important. But they leave the main structure of government, and almost the whole of the division of powers between the national Parliament and the provincial legislatures, just what they were before.

Native rights

The *Constitution Act, 1982*, makes other changes, and one of these looks very significant indeed, although how much it will really mean remains to be seen. The *BNA Act, 1867*, gave the national parliament exclusive authority over "Indians, and lands reserved for the Indians," and the courts have ruled that "Indians" includes the Inuit. Till 1982, that was all the Constitution said about the native peoples.

The Constitution now has three provisions on the subject.

First, it says that the Charter's guarantee of certain rights and freedoms "shall not be construed so as to abrogate or derogate from any aboriginal, treaty or other rights or freedoms that pertain to the aboriginal peoples of Canada," including rights or freedoms recognized by the Royal Proclamation of 1763, and any rights or freedoms acquired by way of land-claims settlement.

Second: "The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed," and the aboriginal peoples are defined as including the Indian, Inuit and Métis peoples.

Third, the prime minister of Canada is to convene, within one year, a constitutional conference of first ministers of the provinces, which will have as one item on its agenda "constitutional matters directly affecting the aboriginal peoples . . . including the identification and definition" of their rights "to be included in the Constitution of Canada," and the prime minister is to "invite representatives of those peoples to participate in the discussions on that item."

The principle of sharing

The *Constitution Act, 1982*, also contains a section on equalization and regional disparities. This proclaims: (1) that the national government and Parliament and the provincial governments and legislatures "are committed to promoting equal opportunities for the well-being of Canadians, furthering economic development to reduce disparities in opportunities, and providing essential public services of reasonable quality to all Canadians;" and (2) that the government and Parliament of Canada "are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation."

The 1982 act also provides that the guarantees for the English and French languages do not abrogate or derogate from any legal or customary right or privilege enjoyed by any other language, and that the Charter shall be interpreted "in a manner consistent with the preservation and enhancement of the multicultural heritage of Canada."

Finally, the act provides for English and French versions of the whole written Constitution, from the act of 1867 to the act of 1982, and makes both versions equally authoritative.

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