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International Perspectives

The Canadian journal on world affairs

East-West or North-South?

How America sees Quebec

Struggling Africa

Export credits at work

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International Perspectives

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Editor's Note:

Canadian foreign policy again claims attention, as we hope it will in a number of International Perspectives (which, by the way, has not for the past few years had any proprietary connection with the Department of External Affairs). Everybody wants to help make foreign policy, and in this issue it is the church in Canada whose conscientious, if little-availing, efforts are considered by Robert Matthews of the University of Toronto. Even members of the diplomatic service should have some say, and two senior officers of External Affairs make their contribution to the debate of the compass. Allan Gotlieb and Jeremy Kinsman currently see this twisting world from the Canadian Embassy in Washington. Export trade, too, is related to that foreign policy process, and is beset by many adversities, including a relatively new one, export credit. Tom Burns, who heads the Canadian Export Association, reveals how these devices for grabbing a trade advantage work.

Events in Quebec don't get much reporting in the United States media, and when they do, a funny thing happens. Stephen Banker explains from Washington what that is. Africa continues to generate concern, especially as the agonies of economic backsliding become more and more apparent. Yet there are schemes — and there is hope, at least in southern Africa — as Gordon Boreham of the University of Ottawa tells us. Richard Sandbrook of the University of Toronto looks farther north, where decline is more visible than progress, but even there there are things that can be done.

In this issue, right after an enlarged Book Review section, you'll find a new department, Letters to the Editor. We hope it will always be there, but we do not always have Peyton Lyon on Canada's mid-East policy, or Nef and Hallman on the Falklands, to stimulate your writing faculties. Perhaps others will.

An Apology

International Perspectives in its November/December 1982 issue published an article on the International Development Research Centre. We wish to make it clear that this article was not intended as any comment on the professional competence and fitness of Mr. Ivan Head to hold the office of President of the International Development Research Centre, and we regret and apologize if any such implication was drawn from the article.

Is there hope for Africa?

by Richard Sandbrook

Anticipation and excitement — these were the sentiments that infused African studies in the early 1960s when I took my first university courses. Most of us expected great things to emerge from Africa. Perhaps, we thought, the long suffering of African peoples would produce a new kind of person, one committed above all to collective betterment. Our perspective was romantic — and profoundly unfair. Suffering and powerlessness do not generate any special virtue. Skeptics now, we endorse Ayi Kwei Armah's despairing view that "The Beautiful Ones are not yet born."

Today, many conclude that Africa's future is bleak, especially Subsaharan, or tropical Africa — that part of the continent between the desert and southern Africa and the concern of this article. But this is not the official view of professional developmentalists employed by national or international development agencies. Publicly, they speak of Africa's problems, but also of the "vast potential" of nations bubbling with the "ferment of development." Privately, however, these officials are often less sanguine.

For something *has* gone wrong. The unpalatable fact is that the economic, social and political promise of *uhuru*, of independence, is generally not being realized. Economic crisis, persistent mass poverty and inequality, and a drift towards military intervention in politics constitute the predominant trends.

Economic crisis

Subsaharan Africa, the poorest region of the world's least developed continent, is in danger of maintaining that unenviable position. In the World Bank's 1982 list of thirty-three "Low Income Economies," no fewer than twenty are in Tropical Africa. The data enumerated below indicate the unlikelihood that these economies will escape their plight, unless major changes in direction occur. Consider these:

(1) For most Africans, the *economic outlook* has been grim since 1960. A weighted annual growth rate below 1 percent per capita is recorded for the twenty-four low-income countries of Subsaharan Africa (see Table 1). Indeed, only nine of the thirty-nine countries for which data exist achieved a per capita growth rate of 2.5 percent per annum in 1960-80, and three of these were oil exporters. In the 1970s no fewer than fifteen economies registered a *negative* growth rate of per capita income. By 1980, even such high-growth countries as the Ivory Coast, Nigeria, Kenya and Malawi experienced severe economic difficulties.

(2) *Agriculture*, the livelihood for 60 to 90 percent of

the populations, has performed dismally. Subsaharan Africa, in 1960, was more or less self-sufficient in foodstuffs. But between 1960 and 1980 food production increased by only 2 percent per year while population grew by about 3 percent. A growing dependence on food imports resulted. Subsaharan Africa will have to import one-third of its food requirements by the year 2000, if current trends continue. Even the production of export crops has slumped: increases in output in the 1960s were obliterated in the 1970s. For countries which depend for their foreign exchange upon the export of primary commodities, the implications are catastrophic.

(3) Overall *industrial growth* in the 1970s has been slightly more impressive, with thirteen of thirty-four reporting countries achieving annual rates of over 5 percent. But these figures can mislead. Note, first, that growth rates are inflated by the initially small industrial base on which they are calculated. Secondly, the fifteen middle-income economies — in particular the oil exporters (see Table 1) — accounted disproportionately for the industrial output, while the low-income majority lagged behind. Finally, the appropriateness of the *pattern* of industrial development is questionable. As is well known, manufacturing in this region typically relies upon capital-intensive, skill-intensive and import-intensive technologies provided by the multinationals. Production is oriented mainly to the processing of primary exports and the local assembly or production of "non-essential" consumer goods for the relatively privileged minority. Thus, manufacturing growth generates little in terms of employment and incomes either directly (within manufacturing industries) or indirectly (by means of backward and forward linkages to other economic sectors). And the modern manufacturing sector does not produce the goods needed to satisfy the basic needs of the poor majority.

(4) Severe *balance of payments crises* were evident by the late 1970s or early 1980s. Africa's agricultural decline, worsening terms of trade with the North, rising bills for oil imports, increasing interest rates on foreign debt, and declining receipt of foreign aid combined to produce this

*Richard Sandbrook, a Professor of Political Science at the University of Toronto, has extensive field research experience in East and West Africa. His most recent book is entitled **The Politics of Basic Needs: Urban Aspects of Assaulting Poverty in Africa** (University of Toronto Press, 1982).*

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crisis. One indicator of the balance of payments problem is the rise in external indebtedness: from \$US6 billion in 1970 to \$US32 billion by 1979.

Africa's economic prospects for the 1980s remain dim. The World Bank in its *World Development Report, 1981*, projects virtually no growth in per capita income in this region — and this even under its more *optimistic* assumptions about world economic recovery!

Poverty and inequality

Given this widespread economic stagnation, one would not expect the level of absolute poverty to have declined significantly over the past two decades. Existing studies suggest that it has not done so. Yet economic stagnation is only part of the explanation. Some countries, such as Kenya, Zambia, Nigeria, have achieved periods of robust economic growth with little relief in material deprivation.

Regardless of the indicators adopted, poverty is the major social problem in Tropical Africa. The World Bank,

the Third World. By 1980, 63 percent of the relevant age group attended primary school in Tropical Africa, a doubling of the proportion in twenty years. The field of health care has also demonstrated substantial progress. The current life expectancy of forty-seven years is low in world terms, but high when compared to the life expectancy of thirty-nine years which obtained in 1960.

Yet one must also address the questions of access to these services and their contextual appropriateness. African educational systems are generally oriented to the interests and needs of that small *minority* who eventually find employment in the modern, largely urban, sector. Most health-care budgets favor costly, Western-style curative facilities, located in the cities, at the expense of preventive and primary health care which focuses on the poor rural majority. Also, these facilities are unequally distributed, severely limiting the access of those in the more backward regions. Some governments, notably that in Tanzania, however, have genuinely attempted to equalize access to social services.

Gaps that hurt

Income distribution is another facet of social inequality. Although the data are scarce and suspect, the fact of vast inequalities is palpable in many Subsaharan countries. Studies suggest that income distribution in countries such as Gabon, Kenya, Zambia and Swaziland is among the most unequal in the world. In such other countries as Ghana and Nigeria, the concentration of income is less extreme, though still excessive. The top 20 percent of the population generally appropriates 60 percent or more of the national income. Growing income inequality is, however, common in the early and middle stages of economic development. Courageous egalitarian policies in such countries as Tanzania and Mozambique have successfully counteracted this trend.

There is also a ubiquitous rural-urban gap in mean incomes, with evident implication for population movements. This gap derives from the location in the cities of most of the desirable jobs in government and the modern sector, and most of the lucrative opportunities in commerce, real estate and industry. As well, people are drawn to the urban areas by the higher quality and greater range of services available there than in the countryside. The combination of urban bias in public and private investment with stagnant or diminishing real incomes in small-scale agriculture engenders a rate of rural-urban migration best described as explosive (see Table 1). In the 1970s, Subsaharan urban areas as a whole grew at an annual rate of 7 percent, and the thirty-five major capitals expanded at rate of 8.5 percent. Many cities thus double their size every seven years. Whereas there were only three Subsaharan African cities of over 500,000 people in 1960, there are now twenty-eight.

Most urban dwellers are, of course, not well off. Indeed, the most extreme income inequality tends to be found in the largest cities. This is manifest to all who journey beyond the modern cores of African capitals. The coexistence at close quarters of the affluent residential areas with the squalid dilapidated "bidonvilles" (squatter settlements and slums), is striking. The *nouveaux riches* develop a pervasive fear of the poor, as they see 40 or 50 percent of a city's population subsisting in underserved, unsanitary and overcrowded settlements. Their residence

Socio-Economic Data, Subsaharan Africa

	Low-income countries (24)	Middle-income oil importers (11)	Middle-income oil exporters (4)
Population (millions, mid-1979)	187.1	65.2	91.6
GNP per capita (\$US 1979)	239.0	532.0	669.0
Annual Growth Rates (%)			
GNP per capita, 1960-79	0.9	1.5	3.2
Agriculture, 1970-79	1.5	3.5	-0.3
Industry, 1970-79	1.5	3.5	10.6
Labor Force			
1960-70	2.0	2.3	1.7
1970-80	2.1	2.6	1.7
1980-2000	2.8	3.1	3.2
Urban Population			
1960-70	5.8	5.3	4.7
1970-80	6.5	6.2	4.8
Food Production per capita, 1977-79 (1969-71 = 100)	91.0	95.0	86.0

Source: World Bank, *World Development Report, 1981*, various tables.

Notes: Weighted averages are used.

Notes: "Low-income countries" are those with a per capita income of less than \$US370.

Notes: Six Subsaharan countries (all very small) are excluded owing to lack of data.

Table 1

the Organization for Economic Cooperation and Development, the International Labour Office and other bodies have all developed their own measures of absolute poverty. From their work, we know that 40 to 65 percent of the Subsaharan population is "poor," and that this proportion is unlikely to diminish much by the year 2000, unless major policy changes occur. Mass poverty means that life expectancy at forty-seven is the lowest in the world today, while death rates are the highest. One in five children still dies before his or her first birthday.

Africa's achievements in education and health care are not to be slighted, however. Total school enrollments have grown faster in Africa since 1960 than in any other region in

become small fortresses, surrounded by high walls and guarded by night and often also by day. Crimes against property are high, but the undefended poor as always bear the brunt.

Political decay

Economic crisis, persistent poverty, marked inequality — this is not a socio-economic environment conducive to the flourishing of democratic institutions and political stability. Nor was the colonial history of autocratic rule followed by a brief period of internal self-government likely to foster the institutionalization of democratic norms by the time of independence. The authoritarianism and disorder that characterize the political life of much of Tropical Africa (see Table 2) is therefore not surprising.

Table 2 shows the extent and form of *authoritarianism* in mid-1982. A few points bear elaboration.

(1) Half of the regimes were either *military* or *quasi-military* in composition. In practice, it is often difficult to distinguish these since military-backed regimes strive to deck themselves out in civilian clothing. Military-dominated governments range from the relatively benign (as in Togo and Guinea-Bissau) to the relatively brutal (as in Ethiopia, Uganda and Zaire).

(2) Only one-seventh of the relevant polities constitute *competitive-party electoral systems*. Even in some of these states, the governing party's tolerance of the opposition is either untested or tenuous. Would Senegal's ruling Socialist Party actually accept its constitutional removal by a coalition of opposition parties? Will Zimbabwe's multi-party system survive the next election, given Prime Minister Robert Mugabe's commitment to a one-party state? Will Nigeria's multiparty system, installed only in 1979, succumb to another *coup d'état*? Instability in Nigeria, the world's fourth-largest democracy, stems not just from persistent poverty, but ironically also from the influx of oil revenues in the decade prior to 1980. Popular expectations are high, stoked by the state's sudden affluence, the creation of a conspicuously wealthy class of parvenu political insiders, and election promises as the various parties jostle for public support. But the *means* of satisfaction are wholly inadequate, because of the recent decline in Nigeria's oil income and limited governmental capacity. Moreover, the frustration of popular expectations occurs in a country with intense regional/ethnic rivalries. Whether the complex constitutional system (based on that of the United States) will be able to contain these strains is a moot point. Another coup in these circumstances cannot be ruled out.

(3) Almost a third of the countries are *one-party states* or *hereditary monarchies*. These are not equally authoritarian or oppressive. Tanzania, for instance, is led by a government sincerely committed to its citizens' welfare and by a governing party which permits some measure of popular participation in choosing party officials and parliamentarians. Some intra-party electoral competition also exists in Mozambique, Zambia, Kenya, the Ivory Coast and Sierra Leone. On the other hand, there exist other one-party states which brook little or no genuine participation. These include regimes of both the left (Guinea) and the right (Malawi).

(4) *Authoritarianism* more frequently assumes a conservative (or "pragmatic") guise than a leftist one. Only a third of the military, quasi-military and one-party regimes

espouse (and even fewer actually practice) Marxist or radical socialist doctrines. Other regimes refer to themselves as "African socialist," but this is generally accepted as a polite way of declaring a capitalist commitment. Of the competitive-party systems, five of the six governments are "pragmatic" in orientation. The proportion of Marxist-oriented governments in Africa will probably increase, as Soviet influence spreads.

Foundering fathers and after

Political instability is common in Subsaharan Africa. Politically-unstable states, defined as those which have ex-

Rulership Type	No.	*Degree of Stability		Ideological Orientation	
		Stable	Unstable	Right ("pragmatic")	Left
Military	14	3	11	8	6
**Quasi military	7	3	4	5	2
1-party state or hereditary monarch	15	13	2	10	5
Competitive party system	6	4	2	5	1
Total	42	23	19	28	14

Source: Author's files
 **Degree of stability: a politically unstable state which experiences two or more instances of political violence (revolution, rebellion, civil war, *coup d'état*, insurrection, assassination of principal leader) within a ten year period.
 **A "quasi-military regime" is one in which the chief leader is (theoretically) a civilian, yet rests his rule upon the military.

Table 2

perienced two or more reported episodes of political violence in a ten-year period, comprise almost half of the cases. But this is a conservative definition of political disorder: if it is more rigorously defined to include those states which have undergone at least one major episode of political violence in ten years, only a handful on countries would escape the label. Even such a paragon of stability as Kenya underwent, in August 1982, an attempted bloody coup against the government of President Daniel arap Moi. Perhaps, however, Kenya's vaunted stability has been exaggerated: three star politicians were, after all, assassinated in the first twelve years of independence.

The citizens of seventeen countries share the worst of all possible political worlds — instability combined with autocracy. Thus, many Ugandans, Zaïrois and Equatorial Guineans are essentially defenceless before the demands and deprivations of an undisciplined military or governing party. Indeed, military indiscipline is a constant problem for all regimes that rely principally on force to survive. The central government retains only a tenuous grip over certain military or paramilitary groups even in such countries as Ghana, Nigeria and Kenya. Stories of brutality and extor-

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tion practised by military units are legion in these and other countries.

The tumultuous and periodically violent politics of Tropical Africa, combined with natural disasters, have generated here the worst refugee situation in the world. In 1980-81 there were an estimated five million refugees in this region. The largest group has been in the Horn of Africa. People have fled civil wars in the Sudan, Ethiopia and Uganda, the Somalia-Ethiopia war, and oppressive, chaotic, and ethnically-based regimes in Burundi, Rwanda and Uganda. Wars of national liberation in the former Portuguese territories, Zimbabwe, Namibia and South Africa have also displaced hundreds of thousands. However, the collapse of the Portuguese in 1974 and of the Rhodesian regime in 1980 prompted a massive return of refugees to Mozambique and Zimbabwe — over 600,000 to the latter country in 1980-81. Today, refugees in Somalia, the Sudan, Djibouti, Mozambique and the Cameroon place an onerous burden on the local economy and services. The United Nations High Commission for Refugees assists with its very limited resources.

A "second independence?"

These then are the dimensions of the false start that accompanied Africa's "first" (political) independence. The

hope for Africa? The novelist V.S. Naipaul has pessimistically concluded that Africa has no future. To rest the case with a description of Africa's mammoth problems is implicitly to encourage such despairing notions. This is not my intention. But what is the option? One wants to suggest ways to eliminate or transform unhealthy trends and replenish hope. As risky as that is, there are certain popular proposals for ameliorating the problems just surveyed which are worth commenting upon.

A major proposal advanced by Third World governments and reform-minded intellectuals since 1974 is the creation of a New International Economic Order (NIEO). This demand stems from the view that the present international order is fundamentally inequitable. The benefits from North-South exchanges of primary commodities, manufactured goods, technology, and skilled manpower seem to favor the already developed and privileged partner. Today, one finds a situation in which Africa, though bearing no responsibility for high interest rates or the rising cost of its imports, must nonetheless shoulder the economic burdens which these impose. This is the sort of regional situation which gives impetus to the Southern demands for greater access to developed-country markets, especially for their manufactured exports; for more stable

Countries Classified by Rulership, June 1982

Military	Quasi-Military	1 party state or hereditary monarch	Competitive party system
Benin	Chad	Angola	Botswana
Burundi	Guinea-Bissau	Cameroon	Gambia
Central African Republic	Mali	Comoros	Mauritius
Congo (Brazzaville)	Somalia	Djibouti	Nigeria
Equatorial Guinea	Togo	Gabon	Senegal
Ethiopia	Uganda	Guinea	Zimbabwe
Ghana	Zaire	Ivory Coast	
Liberia		Kenya	
Madagascar		Lesotho	
Mauritania		Malawi	
Niger		Mozambique	
Rwanda		Sierra Leone	
Sudan		Swaziland	
Upper Volta		Tanzania	
		Zambia	

Source: Author's files

Table 3

record is sobering. Since 1960 the economic experience has been one of agricultural stagnation or decline combined with poor-to-modest, but at any rate inappropriate, industrial growth. The prospects for economic improvement in the 1980s and 1990s are dim, in light of the trends. Mainly for this reason, the abysmally high level of absolute poverty is unlikely to fall by the year 2000. Meanwhile, income inequality will typically remain high and may even worsen in some countries. Economic crisis and social polarization will, finally, provide an unfavorable socio-economic environment for counteracting authoritarianism and nurturing constitutionalism.

Yet, one still confronts the central question: is there

and higher prices for their primary commodity exports; for controls to prevent abuses in the transfer of technology by transnational corporations; for the recognition of the right to national ownership of natural resources; and for the increased availability to the South of financial resources from reformed international monetary and development agencies. The well-known Brandt Report (or "The Report of the Independent Commission on International Development Issues," entitled *North-South: A Programme for Survival*) of 1980 endorsed many of these proposals. It nurtured the view that a North-South dialogue could lead to a restructuring of the international economic and political order in directions that would benefit the world's popu-

...ion — in the North as well as the South. "International solidarity," the Report notes, "must stem from strong mutual interests in cooperation and from compassion for the hungry."

little hope for Brandt approach

These are stirring words. But is a reformed international order the answer to Tropical Africa's problems? Here are grounds for skepticism.

First, a decade of North-South negotiations demonstrates the unwillingness of Western governments to accept restructuring of the international order that penalizes their economies. The Brandt Commission argues that there is a North-South harmony of interests in raising the living standards of the Third World's poor by means of international reform. This may be so; yet, the prospective benefits to the developed economies deriving from growing world markets for their sophisticated products are, obviously, long-term. Governments, however, act according to short-term interests which lead them to oppose any changes requiring expensive structural economic adjustments. In any event, reforms in the international economic and political order are not negotiated on the grounds of social justice and long-term mutual interest; rather, they become *faits accomplis* as a consequence of shifting economic power balances.

Second, NIEO, even if established, would disproportionately benefit the more prosperous Newly Industrializing Countries, rather than the least developed in subsaharan Africa. Those with existing industrial capacity and creditworthiness would receive a fillip to their development. The Subsaharan countries, however, would really only benefit from the stabilization and raising of raw material prices — as well as from increased aid allocations. But, finally, even if these stabilization agreements eventuated, how within African countries would gain from them? How widely would the benefits be spread? It is quite possible that enhanced foreign earnings would go largely to finance augmented imports of luxury goods and weapons. This would reinforce the repressive potential of African states while providing the dominant classes with a greater stake in inequitable social orders. Such an outcome would obstruct an all-out assault on poverty.

If there is hope for Africa, then, this lies in a fundamental redirection of national development strategies. Both the realities of the international economy and the immensity of the problems confronting the African masses lead to this conclusion. This is not to suggest that the international order is equitable and therefore requires no reform. Far from it. It is rather to recognize the limited economic power of Subsaharan Africa, and thus its limited capacity to force or benefit from a new international order. However, African governments do, in principle, have it within their power to reorient their economies — towards self-reliance and satisfaction of their citizens' basic needs.

Agriculture first

The broad outlines of a new development direction can be briefly sketched, though the policy emphases must obviously vary to fit local circumstances. Since Tropical Africa has a largely rural population, the major thrust of a basic-needs strategy must lie in agriculture. The fundamental aim of policy should be to encourage small-holders to achieve adequate production of food, export crops and

inputs into the manufacturing sector. Improved productivity requires the governments to arrange the provision of extension services, infrastructure, agricultural inputs and credit to these small-holders. Even then, increased output can be forthcoming only if peasants participate in the income gains flowing from higher productivity. Pricing policy needs to reflect this fact. Industry, too, requires a reorientation — away from a reliance upon imported machinery and inputs to produce non-essentials for the affluent minority, and toward the utilization of local inputs to provide for the basic consumption and capital needs of the



vast majority. These changes in agriculture and industry would create a more dynamic, interlinked economy. But their success depends upon a redistribution of income, and probably assets too where ownership is concentrated, in order to form mass markets for the new product mix. The generation of more productive employment favors such a redistribution, but this in turn implies the development of more labor-intensive (though still efficient) technologies than those usually found in the modern sector. Hence, a basic-needs strategy implies the fostering of a local research and development capacity to provide such technologies in agriculture, industry and the service sector. Since each small country never can achieve technological self-reliance, regional and even broader cooperation is necessary in scientific research.

Collective self-reliance must also extend to regional and international trade. South-South trade links would partially replace the prevalent North-South pattern. This would make economic sense, in that each African economy could specialize in particular mass consumer goods and therefore capture economies of scale.

Change of this scale may be necessary to achieve the liberation that some African intellectuals have called the "Second Independence." Clearly, the shift in national power needed to inaugurate a new development direction

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means that the transition will be intensely conflictual. The Second Independence, like the first, will require its own generation of "prison graduates." But Ayi Kwei Armah is wrong: the "beautiful ones" are *already* alive, though not well. Their names are recorded in the Amnesty International reports on prisoners of conscience and political tor-

Managing interdependence in southern Africa *The Republic tries*

Economic cooperation in southern Africa

by Gordon Boreham

It is conventional wisdom that international cooperation is a precondition for the progress of mankind. Indeed, the idea advanced in international circles nowadays is that the interrelationships that bind the world together are so extensive that the entire community of nations will face disaster if the concept of interdependence is ignored. What has tended to be pushed from sight in most international meetings about the co-development of North and South, however, is the need for greater South-South cooperation. Since developing nations have a sympathetic, intuitive knowledge of the underdeveloped world, they can and should play an important role in the economic development of depressed areas.

One of the few efforts to stimulate development in the southern African region is the Constellation of Southern African States, envisaged by South Africa's Prime Minister P.W. Botha and his government. Another is the Southern African Development Coordination Conference, a grouping of nine Black southern African countries. Both of these regional ventures appear to hold considerable promise, not so much because of the extent of the aid they provide, but because they seek to create models for cooperation and development among Third World countries. It is with these two models that this article is concerned.

How it started

Addressing a conference of leading businessmen at the

*Gordon F. Boreham is a Professor of Economics at the University of Ottawa. He has visited southern Africa four times since 1970. Two years ago Dr. Boreham contributed an article to **International Perspectives** on new initiatives to promote closer economic ties among the countries in southern Africa. Last summer he went back to the region to have another look at those efforts.*

ture in African countries — unforgotten victims of struggle to create more just and democratic societies.

Self-reliant and basic-needs-oriented development strategies. Is this a utopian dream? Perhaps. But for African people it is a matter, as René Dumont has observed in a somewhat different context, of "L'utopie ou la mort

Carlton Hotel in Johannesburg in November 1979, South African Prime Minister Botha referred to the potential emergence of "a peaceful constellation of southern African states with respect for each others cultures, traditions and ideals." "In a constellation of states the countries concerned," he explained, "derive from their fixed proximity to each other a common interest whilst maintaining their individual sovereign status. This concept thus specifically excludes a satellite relationship among any of the constituents." In essence, the main objective of the proposed constellation plan concerned the narrowing of the welfare gap between the different races and population groups in South Africa and also between South Africa and neighbouring countries.

The constellation concept as set forth at the Carlton Conference has not materialized. Originally it was hoped to include at least the Republic of South Africa and neighbouring national states within its boundaries (the republics of Transkei, Bophuthatswana and Venda, as they are now known, became independent states in the late 1970s; Ciskei gained its independence in 1981); and from outside these borders Botswana, Lesotho and Swaziland (the former British High Commission Territories became independent states in the 1960s), Zimbabwe (which attained independence from Britain in 1980) and the former mandated territory of South West Africa (Namibia, which is currently administered by the Democratic Turnhalle Alliance, a South African-backed multiracial movement). Unlike South Africa's Black national states, the BLS countries (Botswana, Lesotho and Swaziland) and Zimbabwe are members of the United Nations, the Commonwealth of Nations, and the Organization of African Unity. While the structural framework of this "association of southern African states" was left undefined, it was thought that in d

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been classified by the World Bank's International Development Association as "very poor." It is also apparent that large differences exist among the states of the region in growth rates, inflation rates, literacy rates, food production and total international monetary reserves. Per capita food

course it would provide the basis for expansion of cooperation in the whole of the subcontinent. As it happened, the proposed "inner" constellation never gained momentum as a new international economic order because it was viewed by the potential member states as a strategem for economic dominance by South Africa, while retaining its internal policy of separate development. For this reason, the constellation concept has been scaled down to what is now essentially a device to restructure economic relations between the present and former parts of the South African state. Thus, a form of confederation is in the making for South Africa, the four independent Black national states and the six self-governing Black homelands.

SADCC

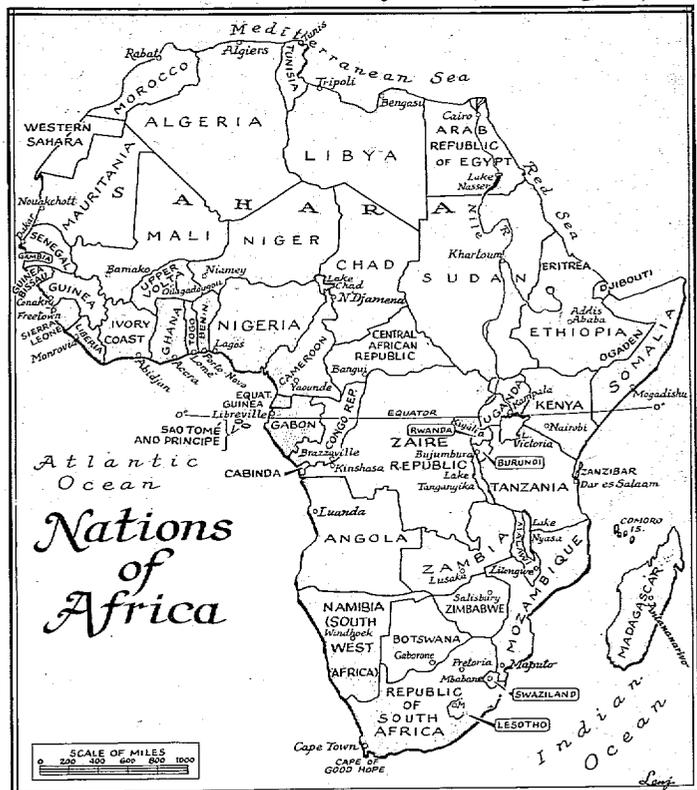
The Southern African Development Coordination Conference (SADCC, but pronounced Sadec) was initiated by the so-called Frontline States — Angola, Botswana, Mozambique, Tanzania and Zambia — in July 1979 when they met in Arusha, Tanzania. At this conference, which was also attended by invited guests from the international community (including Canada), it was made clear that no formal economic integration was contemplated. Rather, the emphasis was on the formulation and implementation of specific projects — most notably in the transport and communications areas — and on the coordination of foreign aid and the promotion of industry and trade.

These five states, as well as Lesotho, Swaziland, Malawi and Zimbabwe, assembled again in Lusaka, Zambia, in April 1980 and issued a declaration titled "Southern Africa — Toward Economic Liberation." The objectives were to reduce economic dependence on South Africa and, as a corollary, to increase economic interdependence among themselves; to attain greater control over their own economic destinies; and to establish an economically powerful bloc of nations stretching from the Indian to the Atlantic Ocean.

The Lusaka Declaration also contained a "Programme of Action." Thus Mozambique was asked to design a transportation and communications strategy; Zimbabwe, a food security plan; Zambia, a development fund scheme; Swaziland, a manpower development and training program; Tanzania, a regional plan for industrialization; Angola (the only oil-producing member), a regional energy program; Botswana, a project for regional control of animal diseases, and for the growing of crops in semi-arid areas. New activities are now being allocated to Malawi (fisheries, forestry, and wildlife), Lesotho (soil conservation and land utilization) and Zambia (mining) for coordination.

Before reviewing current efforts to create "a community of nations" in southern Africa, it is important to emphasize that the individual countries in the region differ fairly significantly in economic size, industrial diversification, technological capacity, colonial background and present ideologies. The SADCC states also differ in the degree of their economic links with South Africa.

As can be seen from the following table, Angola is almost seventy-four times larger than Swaziland. The population of South Africa is thirty-two times larger than Botswana. The annual per capita income of South Africa is about ten times higher than those of Malawi, Mozambique and Tanzania. Out of the nine SADCC countries, six have



production actually declined in seven of the countries between 1971 and 1980. It rose only in South Africa.

Varied relationships

Apart from South Africa, which is industrially far more advanced than the other countries of the southern African region, Zimbabwe is the only one that has a manufacturing sector of some consequence. No fewer than seven of the nine SADCC states have close economic ties with South Africa. At one extreme the BLS countries are joined with South Africa in the Southern Africa Customs Union, while Lesotho and Swaziland are also members, together with South Africa (including its four independent national states), of the Rand Monetary Area. South Africa, Swaziland and Malawi are members of the Southern African Regional Tourism Conference. These same countries, plus Botswana and Lesotho, are also members of the Southern African Regional Commission for the Conservation and Utilization of the Soil. At the other extreme, Tanzania and Angola have no close economic relations with South Africa. Their participation in a bloc of countries explicitly seeking to reduce their reliance on South Africa is therefore a peculiarity, except insofar as they can offer the other countries alternative harbor and rail facilities. In the case of Zambia, for example, nearly two-thirds of its foreign trade is now passing along the "southern route" to South African ports. Contacts between South Africa and its neighboring states are also being maintained in telecommunications, air traffic, power supplies, migrant labor, foreign trade and capital investment.

So far as their colonial background and their current ideologies are concerned, Angola and Mozambique are

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former Portuguese territories while the remaining countries in the SADCC grouping are part of the British Commonwealth. Angola, Mozambique, Tanzania, Zambia and Zimbabwe are following a variety of socialist forms of economic organization while the others adhere to the capitalist order (free enterprise or the market system). To complete these characterizations, it should be remembered that the Union of South Africa withdrew from the British Commonwealth in March 1961 and became a republic two months later. It too subscribes to the market economy path of socio-economic development.

Confederation inside South Africa

Regional economic cooperation based on "mutual respect for one another's cultural heritage and traditions" was one of the fundamental objectives endorsed by the first economic summit conference of the governments of South Africa, Transkei, Bophuthatswana and Venda at Pretoria in July 1980. This was to entail the establishment of a Southern African Regional Development Bank, the setting up of a Small Business Development Corporation, the promotion of private initiative and private investment in the national states, the launching of a new program of industrial decentralization concessions, and the establishment of interstate infrastructure projects, as well as an expanded development assistance program.

To foster regional cooperation and coordination, a small interim secretariat has been established in the Department of Foreign Affairs and Information in Pretoria. Nineteen multilateral committees and working groups, consisting of representatives from South Africa and the four national states, are currently cooperating to solve problems in areas such as agriculture, posts and communications, health and welfare, education and training, transport and tourism, and economic and financial affairs.

The Small Business Development Corporation, which was established in February 1981 with an authorized capital of 150 million Rand, is a joint venture between private enterprise and the South African government. Its objective is to promote the development of small business within South Africa's traditional borders in the commercial, industrial or service sectors, irrespective of race, color, sex or language group, through the provision of financial assistance, business facilities, specialized training and a credit guarantee scheme. The maximum loan to any borrower at any one time is R150,000, the maximum repayment period is ten years, and the interest rate can be adjusted only twice a year. From its inception until June 30, 1982, the Corporation approved 249 loans amounting to R15 million, with infrastructure investment over the period accounting for a further R20 million. Another 268 applications for loans, totalling R8.8 million were referred to commercial banks under the Corporation's credit guarantee scheme.

Industrial development policy in the Confederation

Following involved and lengthy discussions between the independent and self-governing national states and the South African government, a new industrial development policy came into operation on April 1, 1982. The salient features of the new policy, which are based on proposals announced at the Good Hope Conference (a meeting between Prime Minister Botha and some 600 business and

community leaders) in Cape Town on November 12, 1981 are as follows:

1. South Africa is divided into eight development regions, which cut across political boundaries;
2. The levels of the various decentralization incentives have been raised considerably and their form changed to promote greater emphasis on job creation;
3. Financial assistance in the provision of infrastructure in the designated development points will be granted on an agreed regional priority basis;
4. The South African government has agreed to assist the other ten governments in the financing of the new incentives.

According to a press statement issued by the office of the South African Prime Minister in March 1982: "This policy is only the starting point of a comprehensive, coordinated regional development strategy. Progress in this regard will be monitored closely on a continuous basis and adjustments will be made if and when necessary."

It remains to point out that the multilateral Development Bank of Southern Africa is taking longer to establish than originally anticipated. However, it is expected that legislation required for its establishment will be passed by the parliament of each participating state early next year so that the Bank can become fully operational by April 1983. It is hoped that the proposed institution will have a strong impact in local and international capital markets that will make it a more efficient mobilizer of capital than each of the smaller governments or their development institutions on their own.

SADCC: a progress report

To date, the SADCC states have not been able to take any positive steps toward their main aim — economic disengagement from South Africa. But their positive attitude towards closer economic cooperation among themselves has not been diminished by this failure. As will be shown below, SADCC's belief in the benefits to be realized from regionalism has moved well beyond the level of rhetoric.

To begin with, the Lusaka Conference has been followed by four summit meetings; in Maputo in November 1980 (SADCC 2), in Harare in July 1981 (SADCC 3), in Blantyre in November 1981 (SADCC 4) and in Gaborone in July 1982 (SADCC 5). The next summit conference (SADCC 6) is being held in Maseru in January 1983. A small permanent Secretariat located in Gaborone opened in July 1982.

At the SADCC 2 conference, a shopping list of ninety-seven projects was proposed to thirty foreign governments including Canada, and eighteen international development agencies. Some two billion US dollars was sought over a period of years of which only \$650 million was pledged, mostly for transport and communications projects. The SADCC 5 and 6 meetings were primarily reviews of progress rather than aid-pledging conferences. For example, at the SADCC 5 summit, it was announced that the 97 transport and communications projects initially presented at Maputo (SADCC 2) had grown to 106. A breakdown of the projects shows that three projects were completed, forty-eight were being implemented, twenty had been prepared and submitted to funding agencies, ten were ready for submission

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inner constellation until the question of citizenship is satisfactorily resolved.

The second obstacle which stands in the way of a confederal structure is the fact that the existing fragmentation of the national territories is just not acceptable to the people who are expected to live in them. Over the past several years it has become readily apparent that additional land, ports, towns and even cities must be included in the boundaries of the national states if they are to become viable economic entities. However, recent proposals for final consolidation of the Black national states are not likely to result in this outcome. Not surprisingly, the leaders of several of these states have indicated that they are not prepared to accept a constitutional restructuring of South Africa in the prevailing circumstances and on current terms.

The final difficulty in the current confederation-making process derives from the striving of Black people who live outside the national states for recognition and human dignity. To this end, the South African government has

Southern Africa: Selected Economic Data, 1980.

Country	Area (Thousands of Square Kilometres)	Population (Millions) 1981	GNP Per Capita (1980 US Dollars)	Average Annual Growth (Percent) 1960-80	Average Annual Rate of Inflation 1970-80	Adult Literacy Rate 1976	Average Index of Food Production Per Capita 1978-80 (1969-1971 = 100)	International Monetary Reserves (Millions of SDR's)*
Angola	1,247	7.25	470	-2.3	21.0	N/A	82	N/A
Botswana	704	0.95	720	N/A	N/A	N/A	N/A	262
Lesotho	30	1.37	420	-6.1	11.6	52	91	32
Malawi	118	6.12	230	2.9	9.8	25	99	28
Mozambique	802	14.50	230	-0.1	11.2	28	75	N/A
South Africa	1,221	30.13	2,300	2.3	12.5	N/A	102	947
Swaziland	17	0.57	650	N/A	N/A	N/A	N/A	80
Tanzania	945	18.51	280	1.9	11.9	66	92	13
Zambia	753	5.96	560	0.2	8.1	44	95	73
Zimbabwe	391	7.70	630	0.7	8.8	74	95	138

*Total reserves, with gold valued at SDR (Special Drawing Rights) 35 per ounce, at July 1982, except Tanzania (April 1982) and Zambia (June 1982).
Sources: World Bank Atlas, 1981; World Bank Development Report, August 1982; International Financial Statistics, September 1982.

abolished all but one of the "job reservation" provisions which regulated who could work in which jobs. The provisions of the Apprenticeship Act have been extended to all applicants, regardless of race, color or sex. Blacks may now join or form legally-recognized trade unions (the Black membership of registered trade unions constituted 25 percent of the total of 1,050,000 at the end of 1981; about 100,000 Blacks belong to unregistered unions). In addition, trading restrictions have been lifted on Blacks in Black urban residential areas, and Blacks may now establish light and service industries there as well. Whites may also become minority shareholders in Black businesses.

In recent years more resources have been directed to Black education and the provision of Black housing. In

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fact, the expansion of education facilities has increased to such an extent that compulsory education is now being phased in for Blacks. Furthermore, the government has lifted all enforced racial discrimination in public places (petty apartheid), abolished all restrictions on racially-mixed sports and recently provided for autonomous self-governing Black municipalities.

Taken together, these changes, whatever their shortcomings, clearly reflect a positive response to the economic, social and political needs of urban Blacks in South Africa. Or, to put the same point another way, these changes have been so significant that South Africa today is very different from even five years ago. However, this conclusion is partially vitiated by the fact that population groups are still defined in terms of race classification laws, and urban Blacks are still excluded from participation in separate institutions for Whites, Coloureds and Asians. These two central pillars of separate development (grand apartheid) are rejected by the leaders of the national states. Thus, national pride and anti-discrimination sentiment might well deter these states from all but fairly loose ties with South Africa.

Until these and related obstacles are eradicated, it is highly unlikely that P.W. Botha's vision of a Constellation, even in its scaled-down form of a Confederation of Southern African States, will become a reality. Fortunately, the struggle to formulate a strategy to secure a meaningful future for all South Africans is still continuing.

Problems for SADCC

Turning now to the SADCC initiative, it is clear that its immediate prospects are bleak. The gravest threat to SADCC's aims stems from a general deterioration of economic and political conditions in the countries concerned. Zimbabwe is moving towards a one-party state based on Marxist-Leninist principles while tribal rifts, terrorism and economic disintegration dominate everyday life.

Lesotho, one of the world's five least developed countries, is also in a state of tension following years of autocratic rule (recently the Minister of Public Works was killed by members of the Lesotho Liberation Army, a military wing of the exiled opposition Basutoland Congress Party), mismanagement and widescale embezzlement of government funds (the recent Report of the Auditor General on the Public Accounts of Lesotho mentions so many instances of fraud, waste and incompetence that there hardly appears to be any agency or project connected with the government that is untainted) and economic retrogression (besides chronic unemployment and inflation, Lesotho suffers from over-population, over-grazing and acute soil erosion) that threatens the stability of the country.

The productive and political life in Swaziland has been all but stopped since King Sobhuza, until then the world's longest-reigning monarch (he ascended the throne in 1911) died in August 1982. It now appears likely that eleven-year-old Prince Makhosimevlo, one of Sobhuza's favorite sons, will be named to succeed the man known as Ngwenyama or Lion. If that is true, the queen mother, called the Ndhlovukati or she-elephant, will rule until the prince is twenty-one. And that means real power will be vested in the Liqoqo or inner council, made up almost exclusively of members of the royal family of Dlamini. Since regency rules are not the happiest to have, the fragile Swazi economy may be in for a period of uncertainty and instability.

Mozambique, an authoritarian Marxist state with close ties to Moscow, is harassed by desperate poverty and the rebellious Mozambique National Resistance Movement, while 18,000 Cuban and East German troops have kept a tottering Marxist regime standing in Angola. Similarly, Tanzania and Zambia, both one-party states, are speeding towards economic collapse. Also Botswana and Malawi are struggling with economic recession and erosion of political stability. As things stand therefore, SADCC members are facing an exceptionally dismal outlook.

Another possible difficulty for the future development of SADCC is that six of the nine members are interconnected with South Africa's economy to a far greater extent than they are with each others' economies. In fact, South Africa dominates, in a number of different ways, the economies of the BLS countries and to a lesser but significant extent the economies of Zimbabwe, Zambia and Mozambique. For example, about 99 percent of Lesotho's imports come from, and nearly all its non-diamond exports go to, South Africa. In addition, Lesotho's large and growing trade deficit is mainly financed by migrant earnings (remittances) from South Africa (about 150,000 Basotho were employed in South Africa as at June 30, 1982) should be added that there are nearly 200,000 migrant workers from other neighboring countries registered in the Republic. To take another striking example, about 90 percent of Zimbabwe's trade currently is either directly with or in transit through, South Africa. Thus, it is to be expected that existing intra-regional ties will have to be maintained for a long time to come and that, in fact, economic relations with South Africa might increase in the short run.

Conclusions on southern Africa

In the light of the foregoing figures and interpretations, four observations seem justified. *First*, demographic and economic realities are rendering South Africans of races increasingly interdependent in one integrated economy where the share of Whites in the labor force is dwindling. *Second*, the new regional approach to industrial development is a major move away from the traditional homeland policy and toward a federal or confederal structure. *Third*, unless South Africa's domestic socio-political problems are dealt with in a satisfactory manner current efforts to promote an economic union in southern Africa cannot possibly be successful. *Finally*, given the economic and political situations in the SADCC countries, it is highly unlikely that SADCC, even if its present plans for regional cooperation were to prove reasonably successful, could serve as a major generator of economic growth.

Still there is no escaping the fact that the countries of southern Africa could be a world power if all the resources of these countries could be used to the best possible extent for the benefit of all the people of the region. Sooner or later this reality will compel all southern African politicians to reassess their priorities. With his usual insight Henry Kissinger, former United States Secretary of State, has described the choice: "History is kind to political leaders who use a margin of choice while it is still available. Those who wait on events are usually overwhelmed by them." Speaking in Pretoria at the Institute of International Affairs Outlook Conference in September 1982, Kissinger called for an "heroic effort" by the southern African authorities to step up the process of reform.

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his premiership P.W. Botha issued a dramatic call to white South Africans: "Adapt or die!" While that ringing rhetoric has failed to be followed up by "great gestures," fundamental change has started in South Africa and powerful forces within the political arena and the private sector will ensure it develops apace. Thus the time is past for assessments such as "too little too late," "no longer meaningful," and "cosmetic." Conversely, the time is ripe for a dialogue between South Africa and her immediate neighbors on the hard realities of life in southern Africa. Such contact is vital to make the region understand that time is running out.

Quebec in the US

Through the eyes of anglophones

How America sees Quebec

by Stephen Banker

Virtually everything the United States hears about French Canada comes from English Canadians. This has led to an unbalanced perspective, which is further distorted by scholarly studies that fail to take the real world into account, by the peculiar habits of wire service and broadcast news-gathering, and by the clumsy efforts of the Quebec government to rectify the situation.

The result is that with the exception of special interest groups, America is largely ignorant of events and conditions in Quebec. In mid-1981, Henry Giniger, then the Ottawa correspondent of *The New York Times* told a Quebec audience that the Parti Québécois had aroused hostility among such important US institutions as the government, the business community and the military. "Yes," said a member of his audience, "but what do the workers think?" Giniger replied that American workers don't think about Quebec at all. "Quebec is the furthest thing from their minds," he explained. "They don't read about it in whatever papers they read. And they certainly don't get much on television, which is where they get most of their information." This, Giniger remembers, "shocked the hell out of the audience."

Perhaps the surprise was because Quebecers are conscious of their cultural specialness in North America. Yet, I hope to show here, coverage of French Canada in the US media is hit with a double whammy: not only are both sides of the arguments presented by one of the disputants, but overall attention suffers from the "just like us" fallacy

that only slightly more justifiably diminishes consideration of the rest of Canada.

Few US reporters in Canada

There are about a dozen staff reporters for US publications stationed in Canada. Of these, only Alan Freeman of *Dow Jones/Wall Street Journal* and Leo Ryan of *The Journal of Commerce* are based in Quebec. It is no coincidence that both publications are business-oriented and the information their reporters gather is not always for publication. Freeman and Ryan are both bilingual Quebecers with anglo roots (Ryan's mother is French-Canadian) who are hostile to the independence movement. Ryan says he reflects "the point of view of the majority of the business community in Montreal."

Many organizations have stringers (freelancers, sometimes on retainers) in Quebec. Because of the informal nature of these arrangements, the personnel changes

Stephen Banker is an American journalist in Washington, D.C., who contributes frequently to the CBC. This article is adapted from a paper presented by him to the Conference on US-Quebec Relations, sponsored by the World Peace Foundation and the Centre Québécois de Relations Internationales. The conference was held in September 1982 at Harvard University in Cambridge, Mass. The sponsors intend to publish this study, along with others, in book form later this year.

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rapidly. The stringers for US outlets are often fulltime employees of Canadian news organizations; virtually all of them are Anglo-Canadians. No matter how bilingual those Canadians may be, their involvement in the great national upheaval of Canada forms their opinions and perceptions. To reach an American audience, the reality of French Canada must overcome numerous obstacles — linguistic, cultural, national.

Despite all this, Henry Giniger of *The New York Times* received high marks from all sides for his explications of French Canadian life and his "fairness." An American, he is at home in French, and takes a special interest in reporting Quebec life. In the days leading up to the May 1980 referendum, Giniger focussed on a Quebec family who described themselves as nationalists, but who lined up three-to-one against the Sovereignty-Association proposal of the Parti Québécois. This was a journalistic coup, if not a scoop, and later some of his colleagues called him "prescient."

But Giniger, who has recently been transferred to New York, believes his coverage suffered from his being based in the federal capital. He says, "You can't cover Quebec sitting in Ottawa. It's an entirely different world, a different point of view. In Ottawa, you are constantly pounded by federal propaganda against the Parti Québécois. The Liberals, after all, are in power in Ottawa, and for them the main enemy is René Lévesque and the PQ."

As for his role as an American, Giniger says: "I have fewer hangups as a foreigner than if I were part of the struggle. I don't start off with deep prejudices that the Canadian-English community is apt to have. I can move from one world to the other. I can understand both — but I'm not involved in the damn thing. If Quebec wants to be independent, it's okay with me."

The "okay with me" — the mildness, the willingness to let the *Québec-libre* philosophy sink or swim as it deserves — is not an attitude found among many Canadians.

When there is attention

Despite the lack of direct coverage, US newspapers and magazines are comfortable expressing freewheeling opinions about Quebec. *The Arkansas Gazette* wrote on April 20, 1982, "Premier Rene Levesque of Quebec calls the Constitution a 'betrayal' of French Canada and his followers likely will continue their agitation for separation." *The Baltimore Sun*, however, opined a week later that, "With the Constitution finally 'patriated,' there is a distinct impression that the most perilous of secessionist times is over." The editorial did not state for whom the peril existed.

Just as Giniger is an exception to the generalization about covering Quebec from Ottawa, some editorialists write perceptive copy from their armchairs many miles away. *The Houston Post* seems to have an unusual sensitivity to Quebec issues. After describing the components of the constitutional question on April 17, 1982, the paper continued:

Puzzlingly, all this was done without the consent of Quebec and against the vociferous opposition of Quebec's Premier Rene Levesque. The provincial governments have always been strong. They think more in terms of a confederation of provinces than a federal union. Each is more aware of its assets and selfish interests than most American states.

Western Canada is intent on making the most of its oil wealth. Quebec is determined to be a French nation within the federation.

In a study of US newspaper coverage of the 1980 referendum, Vernone M. Sparkes, James P. Winter and Pirouz Shoar-Ghaffari of Syracuse University said the "most surprising finding" was that the *Wall Street Journal* ran only five stories on the subject during May, the month of the voting, but seventy-four non-referendum stories about Canada. Frozen by their academic stance, the authors wondered whether the newspaper "purposefully downplayed the referendum."

In another study in 1981, Sparkes and Ghaffari concluded that "The American press . . . has somewhat proved its coverage of Canada." They based their findings on various measurements, such as column inches. Jonathan Anderson of *The Washington Post* says, "There are a lot of people, Quebecers among them, who tend to equate column inches with moral standing. That is a calculus we are not prepared to deal with."

And notwithstanding the "improved coverage," correspondents in Canada often feel frustrated by the way their home offices handle their copy. It is cut, played back and shelved until a suitable space appears. Sometimes a story that has a fast-paced, breaking quality to it on the scene is shelved by the home office. An example is "L'aire Charron," which had many attractive ingredients: a news story: crime, institutions challenged, a politician disgraced, even a chase and a sex angle — and it provided a sharp focus of French-English bitterness in Quebec. When reporter Susan Brown of the Knight News Service wrote a story about it, her dispatch was carried in *Detroit Free Press* on March 22, 1982, and in the *Buffalo News* on May 16, 1982. Same story, almost two months apart.

Scholars have trouble too

In their study of US coverage of the 1980 referendum, Professor Sparkes et al made the mistake of confusing with an outside contributor to a newspaper wrote with the permission of the newspaper itself. According to their study, "*The Washington Post* suggested [that the referendum] 'may be as ominous as was South Carolina's decision in 1860 to withdraw from the United States.'" They go on to state "*The Washington Post* proposed that civil war in Canada was a serious possibility, a prospect that Canadians and the Canadian press would regard as ludicrous. The *Post* said

If the referendum does fail, then, there is a serious possibility that violence will break out in Montreal and perhaps other cities, and that Trudeau would again send in troops. In that case, the specter of civil war would hang over Canada.

In fact, *The Washington Post* did not say any of the above. Those words came from a writer named Don Nuechterlein. Unlike anonymous editorials which reflect the thinking of the newspaper, his signed article was buried on page 4 of the financial section, where people of various political and economic persuasions — sometimes extreme — are invited to set forth their views.

So it was not *The Washington Post* that anticipated a revolution in Canada over Quebec rights. It was an outside contributor who has never had any connection with the newspaper. Professor Sparkes and his colleagues should

Canada and — through its embassy and consulates — while they are there. To a travelling reporter who has too many stories to cover in too short a time, those briefings are crucial to his orientation. And those briefings express the US tilt in favor of "a united Canada."

Presidents have used that phrase and so have State Department people. It is natural in a situation in which the US has better relations with Canada than with any other country, and Canada's crises appear manageable compared to difficulties that confront the United States in other parts of the world. An independent Quebec would be an unknown, an unpredictable stranger. When the PQ talked about taking Quebec out of NATO and NORAD, this disturbed the Pentagon, which also gives journalistic briefings. When the PQ reversed itself on the military pacts, the US Departments of State and Defense wondered whether the new position was not opportunistic, something that might be re-reversed when the right moment presented itself. And that fear manifested itself in reporters' copy.

This background may help to explain why Lévesque has sometimes been defiled in the American press with epithets ranging from "another Castro" to "fascist." The first is probably tied to the nationalization of certain industries. The second is a product of the "language police" and the flight of Quebec Jews, both of which received more coverage than they would have without those resonant phrases.

News agencies set tone

Many newspapers and radio and television stations in the United States depend on The Associated Press and United Press International for their foreign news, including news of Canada and Quebec. And even those publications with their own correspondents in Canada (there are no broadcasters) sometimes print wire service stories because their reporters are otherwise occupied. Yet neither wire service has a single person stationed in Quebec. The AP, which has one correspondent in Toronto, depends on Canadian Press (CP) for its Quebec coverage and UPI has a contractual relationship with its offshoot, United Press Canada (UPC). Wire service copy is much more widely distributed than anything that is staff-written for a newspaper. Wire copy is also the most important source of local and network radio and television news. Frequently, the copy is read on the air word-for-word as it appeared on the wires.

This is important because what Americans are seeing and hearing is an Anglo-Canadian version of events in Quebec. As of this writing, all four UPC reporters in Quebec are Anglo-Canadians. CP, with a much larger staff, has three French-Canadians among the twenty-two filing on the English wire from Quebec. But all CP and UPC copy goes through the agencies' Toronto clearing-houses before it is passed on to New York for US distribution, and those who run desks in Toronto are Anglo-Canadians.

There is no charge of conspiracy here, not even a suspicion that the editors in Toronto are suppressing certain stories or details. The problem is more complex, having to do with differing world views. It is exacerbated by the ill-feeling that exists between the two societies. A recent example may illustrate that difficulty. I was told by a Quebec government official about the proclivity on the part of the anglo press to "exaggerate" violence in Quebec.

sked: "Who said, 'We have met the enemy and they is us?'" Was it *The Washington Post*? Or was it Pogo?

It is worthwhile to pause over this misinterpretation because it fits so neatly into the preconceived notions of many observers of the US press, especially in regard to the Quebec situation. Charlotte Gray, writing in the Canadian magazine, *Saturday Night*, for example, gullibly picked up the allegation, failed to check it, but seized the opportunity to heap scorn from the vantage of the ivory tower on *The Washington Post* and implicitly on the American press in general. The *Post's* actual position on the referendum, as expressed on the editorial page, was quite moderate:

Growth and stability now depend on those political leaders who urged Quebec to vote "non." On their response . . . depends whether the issue of separatism has now finally been put to rest.

But as in the news business, there is no catching up with a mistake. *The Washington Post's* "ludicrous" statements will pass into history as such on the basis of publication by those Syracuse "researchers."

If one is looking for clear hostility to the separatist movement in the American press, the best places to search are business publications. *The Journal of Commerce* frequently calls attention to economic reverses in Quebec. In an article appearing on January 6, 1982, reporter Leo Ryan calls attention to the heavy deficit on which the province is operating, and concludes, "Premier Rene Levesque is skating on thin ice." Similarly, *Barron's*, in the issue of November 9, 1981, comments editorially:

Americans often assume that the Quebec Anglophones are paying for past sins. This is naive. The Anglophones largely built Quebec, their rule was mild by world standards and the Francophones' prolonged failure to participate fully in the commercial system was mainly the fault of their own rural predilections and rapacious politicians.

The editorial also calls attention to the budget deficit, and charges that finance minister, Jacques Parizeau, "talked of extorting \$150 million a year," from Hydro-Quebec in order to bring more money into the provincial coffers.

So when, in July 1982, Standard and Poor's and Moody's Investor Service, both New York firms, lowered their credit ratings for Quebec, the news got heavy play in *The Wall Street Journal* and other financial chronicles. The harshness among business publications, if that is what it is, should be seen in the light of their responsibilities to their readership. They are providing information that is designed to be useful for investments. It is the nature of the investor to want to reduce variables. Political unrest is a very large variable. The financial community is uncomfortable with it, and its publications reflect their discomfort.

And it is not just a question of independence. The problem to business writers is the whole social and political outlook of the Parti Québécois, which considers itself social democratic, i.e., left of centre. The PQ early expressed ideas about foreign investment and Quebec control over its natural resources that it modified to some extent after it achieved power. For the American capitalist world, these statements had an ominous ring to them.

US government attitude

The United States government does not control what reporters write, but it briefs reporters before they visit

Quebec in the US

This official referred to a June 25, 1981, story put out by UPC, that in his view unnecessarily lumped the previous day's celebration of St. Jean Baptiste Day, a "national holiday," with some "mafia" killings. "Such murders," he said, "sometimes take place in New York or Chicago, but when they happen in Montreal, UPC makes them look as though the separatists are doing them."

I asked a New York Quebec House spokesperson to get me a copy of the story. She called UPC's senior news editor for Canada, Bob McConachie, in Toronto, who told her, "I won't release the story because I know what use you people will make of it." I then called McConachie, explaining that I do not represent the Quebec government, that I am an American who is looking into the ways Quebec news travels to the United States. "I don't see where we fit in," he said. When I reminded him that he was the conduit through which all Quebec news flows from UPC to UPI, he moderated his tone and told me, "We've had a running battle with the Quebec government, which is why I was so touchy." But still he refused to release the story. I told him I thought it was absurd to hold back a news story that had

interpretation by the English press, which then becomes American press. You cannot persuade them that UPC is not an American organization in Canada."

In Washington, a UPI executive adds, "There are not a lot of Canadian stories that make the US wire. Two stories a day would be a lot — unless they have violence, death or destruction." The St. Jean Baptiste Day story had the elements, though not to the extent that some stories mayhem do. That story, just as it appeared in *The Toronto Sun*, is reproduced elsewhere on this page.

After having gone the extra mile to find the story, I was surprised at its innocuousness. I disagree with the Quebec official who said that the juxtaposition of the murders and the celebration was unwarranted. I do not see how it would have been possible to tell that story without mentioning what the crowd was doing.

And on television — the same story

The US television networks have no staffers anywhere in Canada. When there is a Canadian story of substance

3 DIE AT QUEBEC FESTIVAL

JUN 25 1981 SUN

Gunman blasts crowd

MONTREAL (UPI Special) — A gunman who hit six people when he sprayed bullets into a crowd of 200 St. Jean Baptiste Day merry-makers early yesterday continues to elude police.

Three people were killed and three others were injured when the lone gunman opened fire in an apartment house courtyard at about 1 a.m.

Police said two men slain: Serge Desmarais, 20, and Bruno Michaud, 23, had criminal records and theorized the shootings may have been motivated by a drug-related "settling of accounts."

But a young girl also killed, Manon Laprise, 19, appears to have been an innocent victim of the violence which marred observance of Quebec's national holiday, police said.

Confusion swept the crowd as the gunfire rattled against the noise of the festivities.

"People didn't know what was happening until people started falling," police spokesman Charles Poxon said. The gunman escaped through the crowds.

"We don't have a heck of a lot to go on."

been sent all over the world a year earlier. He did not change his position, but he agreed to discuss the circumstances of the controversy with me. He said: "Most of the criticism we receive from the Quebec government has to do with how American newspapers rehandle Canadian copy. When we were a division of UPI, we wrote our copy for American consumption, but now we write for Canadian newspapers. There's more than a subtle difference. When you write for the Americans, particularly on a subject like the Canadian constitution, you oversimplify. If Allan Singer is mentioned, you have to explain that he is a Montreal businessman who took the Quebec government to court because he refused to change his [stationery store] sign to French, and so disobeyed the law. Then you have to explain what the law is. The story builds up and up. Now we just write for Canadian newspapers and give a drop to our New York office. It's picked up there and rewritten with the American perspective. There is an attempt to simplify and that obviously is very touchy, so this is where you run into difficulties. We are happy with the job we are doing in representing Quebec to the United States. But the Quebec government misunderstands the relationship between UPI and UPC. They think that any criticism amounts to 'misin-

Quebec or elsewhere, it is frequently reported to the enormous American TV audience by Peter Jennings or Barbara Dunsmore of ABC, by Morley Safer of CBS or by Robert MacNeil of PBS — all of whom are Anglo-Canadian, though the networks never identify them as such.

Computer checks, using the cues "Quebec" and "French Canada" of the ABC and CBS evening news programs going back to the 1980 referendum reveal that CBC has had thirteen stories on the air between that time and summer 1982. Five were about violent crimes or calamities. Two were about the air controller strike. Two were about patriation of the constitution. And four were about referendum. That is an average of about one minute every three months. There was less coverage on ABC, where only eight stories were presented in the same period. One of them bears repetition here in full. Anchorman Peter Jennings reported from New York on April 15, 1980, as follows:

Political news from north of the border today. The residents of Quebec have learned they will vote on May 20th for or against partial independence from the rest of Canada. It's a vote on political independence for the largely French-speaking province

while retaining economic and monetary links. The rest of Canada thinks it won't or shouldn't work.

Surely that final sentence would have had a different ring to it if the audience had known that the speaker was a product of the opposing force.

When the networks are confronted with a fast-breaking story in Canada, they have no hesitation about using reporters from CBC or CTV. Again, the Anglo-Canadian perception is the one transmitted, though the stories are sometimes specially done for the American networks. Canada is the only country in the world in which the US networks frame reports by foreigners as if they were done by network staffers. Even from England, BBC reports, when they are used, are identified as such. The reason must be that the Anglo-Canadian accent falls so easily on American ears. If so, that disadvantages Quebec, since Anglo-Canadians are the only ones who are permitted to tell the United States the Anglo-Canadian news and the Franco-Canadian news.

In the Quebec context, television's need for interesting pictures means that the issue of independence is reduced to personalism. The American TV eye sees Pierre Trudeau as a hero. Always the most casually dressed at any summit conference, he is a smiling, athletic nation-builder. He has been around for some time, and today he is an elder statesman who has been humanized by the ordeal his wife put him through.

If Trudeau is a builder, René Lévesque is a termite. He is a crybaby, a nuisance. He appears infrequently on US television, always to complain. He does not like the constitution, which would snap the apron strings to Mother England. He ungraciously objects to the visit of a perfectly pleasant Queen Elizabeth. His legislature even votes to withhold congratulations on the birth of Prince Charles's son — as if saying something courteous would introduce disturbing sunshine into a nice gloomy day.

These caricatures exist because television prefers confrontation — preferably of a violent nature — to anything else. The quick glimpses, the preference for confrontation, have resulted in distortion. Trudeau, given time on television, comes across as aloof, academic and close to humorless, while Lévesque, a professional TV performer in the past, is an amusing, persuasive, sometimes brilliant speaker. His television appearances in Quebec have been, according to Giniger, "masterpieces." But the American television audience has not seen any such thing.

Quebec fights back.

Despite the formidable obstacles to fair and thorough treatment in the US press, Quebec keeps trying. Lise Bissonnette, editor of *Le Devoir*, in *The American Review of Canadian Studies* (Spring, 1981), describes "Opération-Amérique," devised in 1978. Its purpose was, in part, to establish a communications program aimed at opinion leaders in the American media. She writes, "Budgets increased, energetic public relations operations had the effect of improving American press coverage following the disastrous distortions of 1976-77."

According to a Canadian reporter, Quebec officials "worry about American opinion, they think about it, they're oriented to it." But their actions sometimes belie that concern. Lévesque has sometimes said that he prefers the United States to English Canada. He is proud to have worn a US uniform during World War II, and he still spends

vacations in New England. Last July, Lévesque visited Washington at the invitation of Republican Senators, who meet on a regular background basis with foreign officials. Before the visit, Quebec spokesmen sent out numerous conflicting messages to reporters in Washington and New York. First, the Prime Minister would hold a news conference in Washington. Then, the Prime Minister would not hold a news conference but would be available to those who staked out (hung around) the Senate Foreign Relations Committee room. Then, the Prime Minister would not be available to reporters because this was a private visit. Etc. After this carousel had gone around a few times, one Washington reporter told the Quebec official who had been telephoning him, "Thank you very much. Please tell the Prime Minister that if he wants to see me, I will be in my office."

The uncertain signals, the lack of coordination, unnecessarily created a negative feeling about Lévesque himself and the plausibility of working with the Quebec government. In a two-paragraph story, *The New York Times* noted that Lévesque had "slipped into Washington" and that the Canadian Embassy was not involved with the arrangements. All in all, it was a maladroit performance that did nothing to modify the American image of René Lévesque as a nay-sayer.

Yet barring dramatic news events, US coverage of Quebec can be expected to diminish when Lévesque leaves the premiership. No one else in the Parti Québécois has demonstrated the personality and the forcefulness of the incumbent. There will undoubtedly be a surge of coverage of the new election when that occurs, but there is nothing on the horizon to suggest a fundamental change in the present system of news gathering and dissemination — a system that has led to the inequities and sins of omission described in this article. □

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The churches and foreign policy

by Robert O. Matthews

In the last issue of *International Perspectives* Cranford Pratt underlined the general instability of what he called "public interest groups" to effect much change in Canada's foreign policy. This article investigates the efforts of one such group, the Christian churches, to influence the government's foreign policies in the field of human rights. While my conclusions parallel Professor Pratt's general finding, my explanation for that outcome differs somewhat from his. We both share the view that government attributes a low priority to human rights considerations, but I am inclined to attach considerable importance to additional influences, most notably the specific nature of the human rights issue, the essentially closed quality of the Canadian political system, and the peculiar character of the churches as an interest group.

Since the early 1970s the churches have actively lobbied the government of Canada to incorporate human rights concerns into its foreign policies. This constituted a dramatic shift in their approach towards Ottawa, as in the past they had acquiesced, even endorsed the government's foreign policy. However, as church and government were drawn apart — Ottawa towards the self-interested materialism expressed in *Foreign Policy for Canadians* (1970), the churches towards an identification with the impoverished and the weak as portrayed in the liberation theology of the Third World — the churches felt compelled to challenge government policy. It is the intent of this article to describe the various techniques employed by the churches to accomplish that goal, to analyze their record, and to offer an explanation for their relative lack of success.

The Christian churches have chosen to develop their programs for the promotion of human rights through inter-church coalitions rather than through their own individual denominations or the broader councils of churches. This particular instrument has proven to be very effective. It has enabled the churches to mount programs that individually no single church could afford to consider. The coalition also joins together Protestants and Catholics in a truly ecumenical enterprise. Each brings to the common undertaking its

own skills, experience and direct contacts, thus broadening and strengthening the overall effort. At the same time the partner churches in Latin America, Africa and Asia can find a wider audience and more influential spokesmen for their point of view than their own counterparts in Canada.

The coalitions not only allow the churches to speak with a louder and a more broadly-representative voice in Canada, but they also enable the churches to speak with one voice. Through the joint planning and coordination of diverse programs the churches can avoid speaking with different and conflicting voices. In talking to government the churches are likely to be more effective if they can agree among themselves on the basic analysis of the problem to be resolved, on the recommended changes to be accomplished and on an overall strategy to be pursued.

Ways of influencing government

The churches have resorted to a variety of different techniques in their attempt to influence government and government policy. For purposes of this article these techniques will be organized into four categories: approaches to government (cabinet and bureaucracy), to Parliament and parliamentarians, to the public at large, and finally to corporations and banks.

It is important to note that while most communications are with the federal government, the churches have not ignored the increasing importance of the provinces in the making and implementation of foreign policy. The churches' relations with the federal government have, however, been much more substantial in quantity and more sustained over time.

Approaches have been made to the Cabinet or members of the Cabinet, such as the church delegation that met on February 3, 1982, with the External Affairs Minister to try to halt the sale of a second CANDU reactor to South Korea, as well as to different levels of the bureaucracy. Decisions about whether or not to see a Minister rather than a civil servant seem to be based, among other things, on the seriousness of the matter under question. The more significant a question is considered to be, the more likely the churches are to contact a member of the Cabinet. Timing is also relevant in the choice of target. If a decision is about to be made or implemented, the churches seem more likely to seek political intervention in the decision-making process. Sometimes, however, a Minister may be approached, not at the final stages of decision-making but at the beginning, not to prevent a decision from being made

Robert Matthews has taught international politics at the University of Toronto since 1969 and has served for several years as Chairman of the Canadian Council of Churches' Committee on International Relations. This article is drawn from a longer paper prepared originally for the CIIA Conference on Domestic Groups and Foreign Policy, held at Carleton University in June 1982.

The events of October and November 1982

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international canada

"International Canada" is a paid supplement to **International Perspectives** sponsored by External Affairs Canada. Each supplement covers two months and provides a comprehensive summary of Canadian government statements and of political discussion on Canada's position in international affairs. It also records Canadian adherence to international agreements and participation in international programs. The text is prepared by **International Perspectives**.

Bilateral Relations

USA

Visit of US Secretary of State

US Secretary of State George Shultz visited Canada October 24 to 25 on his first official bilateral visit abroad as Secretary of State. Discussions in Ottawa covered a wide variety of bilateral and international issues of concern to the two countries (External Affairs press release, October 18). At a press conference October 25, Mr. Shultz said that he and External Affairs Minister Allan MacEachen had agreed during the visit to meet at least four times a year to patch up quarrels and ease tensions. The most concrete agreement reached between the two foreign ministers was for the exchange of memoranda on acid rain before the end of the year (*The Citizen*, October 25).

Canadian Envoy Honored

Canada's Consul-General in New York, Kenneth Taylor, was honored at the US Embassy in Ottawa November 8 for his role in the protection of six US diplomats from being taken hostage in Iran in 1979. US Ambassador Paul Robinson presented Mr. Taylor with a specially designed flag combining elements of the flags of both countries at the ceremony (US Embassy press release, November 9).

Business Executives Visit Ottawa

Twenty-two US corporate business executives were in Ottawa October 19 and 20 to participate in talks with Prime Minister Trudeau and senior cabinet ministers. The "battalion of the heaviest of the US corporate heavyweights" was invited to the round of meetings by the Niagara Institute, an independent organization which promotes healthy relations between Canada and the US. The meetings were designed to give cabinet ministers the chance to counter negative US publicity concerning Canadian nationalistic programs such as the Foreign Investment Review Agency and the National Energy Program. According to Prime Minister Trudeau, the meetings went well and several businessmen attending told the press that they had reached a better understanding of Canada's economic

policies (*The Citizen*, and the *Globe and Mail*, October 22).

In an interview published in the *Globe and Mail* October 25, the President of the Niagara Institute said that he viewed the October sessions as a success, and that the Institute intended to plan similar visits as regular events.

Ontario Premier Defends FIRA

Ontario Premier William Davis criticized Canadian businessmen October 8 for failing to promote a more positive image abroad of Canada's economic policies, especially the Foreign Investment Review Agency (FIRA). Davis told a group of 250 people at a Conference Board of Canada luncheon that he has been "a little disturbed" when he travels and hears of the "lack of desire by Canadian businessmen to defend and explain the policy [FIRA] — I know there are some problems with FIRA — but I don't quarrel with its philosophical intent." Americans have the idea of the extent to which Canada's economy is dominated by foreign-owned firms, and are much more sympathetic when the situation is explained, Mr. Davis said (*Globe and Mail*; *Toronto Star*, October 8).

Canadian Lumber Exports

The US International Trade Commission (ITC) decided November 17 that imported lumber from Canada appeared to be injuring the US lumber industry. The decision meant that the US Commerce Department would investigate whether Canadian practices, including selling Canadian government timber to private companies at prices allegedly below market value, constitute an unfair subsidy to Canadian producers (*The Citizen*, November 18).

On October 7, a US group called the Coalition for Fair Canadian Lumber Imports had filed a petition with US agencies calling for massive duties to restrict imports of Canadian softwood lumber, shakes, shingles and fence. The group, representing about 350 mostly small forest product companies from northwestern and southern states, believed their business had been damaged by what they charged amounted to government subsidies because

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of low-cost access by Canadian companies to forests owned and allocated by Canadian provincial and federal governments (*The Citizen*, October 8).

Canadian Embassy officials and the lumber industry expressed "serious concern" about the US inquiry at the time of the announcement of investigation. International Trade Minister Gerald Regan said that the ending of unrestricted entry into the US market would threaten the lumber industry, one of Canada's major export industries. He noted that "Canadian exports of softwood lumber to the US are currently \$1.5 billion annually, down from a high of \$2.8 billion in 1979. Annual Canadian exports of cedar shingles and shakes and wooden fencing are approximately \$170 million and \$30 million respectively. The US market is essential to the Canadian lumber industry since exports to the US constitute over sixty percent of total Canadian production" (External Affairs press release, October 12).

The US Commerce Department's International Trade Administration is expected to make its preliminary ruling by March 7, 1983, on whether or not there is a Canadian government subsidy for lumber exporters. *The Citizen* (November 18) reported, "A finding of subsidy means preliminary duties could be imposed immediately, forcing importers of Canadian lumber to post bonds equal to the amount of any subsidy . . . Both the ITC and the International Trade Administration then would have to make final injury and subsidy decisions. If the US companies' injury claims are upheld, that would result in a final duty against Canadian lumber imports taking effect July 14, 1983, probably retroactive to March 7."

The matter was brought up before the House of Commons on November 25. External Relations Minister Charles Lapointe responded to concern expressed by Robert Howie (PC, York-Sunbury), about the Canadian response. Mr. Lapointe said, "The Government of Canada, in cooperation with the provincial governments and especially with industry, has already notified the American authorities that we do not agree with the preliminary finding which alleges that a subsidy was attached to provincial royalties with respect to logging operations." Mr. Lapointe said that some representations had been made, and "we are continuing our joint lobby with the provinces and industry . . ." He also said that Canada had advised the General Agreement on Tariffs and Trade that Canada does not agree with the US allegation.

Bombardier Subway Car Contract

Canada's Export Development Corporation signed an agreement November 15 which provided for the loan of \$US750 million to New York City's Transit Authority (MTA) for the financing of MTA's purchase of 850 subway cars from Bombardier Co. of Montreal. The fifteen-year loan was at a 9.7 percent interest rate. When MTA had selected Bombardier's offer last spring, US groups had charged that the interest rates of the proposed EDC loan constituted an unfair subsidy, as the interest rate offered was well below the going market rate. The falling of interest rates previous to the November 15 signing meant that the EDC rate was in line with commercial rates (*Globe and Mail, The Citizen*, November 16).

The US Commerce Department is in the process of deciding whether the interest rate subsidy caused material injury to the US rail car industry. It could impose counter-

vailing duties if it comes to this conclusion. A November 24 *Globe and Mail* article said that that Department had a day earlier concluded that the subsidy by the EDC had equaled about \$137 million in aid to MTA. The US Commerce Department based its figures on the subsidized interest rate in relation to June interest rates, when the agreement was signed. That date seemed most appropriate "since the availability of subsidized financing may have been instrumental in MTA's award of the contract to Bombardier over other bidders," a press release from that Department stated (*Globe and Mail*, November 24). The US Commerce Department's International Trade Administration has until February 4, 1983, to make its final determination. If countervailing duties are imposed, they will be paid by the MTA.

Trucking Restrictions Withdrawn

A trade dispute between Canada and the US was resolved at the end of November, following the withdrawal of a US moratorium on the granting of trucking licences to Canadian truckers. US trucking firms had charged that it was more difficult to get trucking licences in Canada than for the Canadian carriers to enter the US market, which had been deregulated with the present administration. Canada had formally protested the ban. The US Interstate Commerce Commission (ICC) had been investigating the charges during the moratorium, imposed last February. On October 18, the ICC concluded the investigation. It was announced that, "Based on near-unanimous testimony — backed by statistical data provided by the Canadian government — presented in this case, the commission found no intentional discrimination by the Canadian provinces against US motor carriers" (*Globe and Mail*, October 19).

Negotiations had taken place between US Trade Representative William Brock and the Canadian Ambassador to the US, Allan Gottlieb. The two sides exchanged letters in November, agreeing to some basic principles that should apply in the regulation of transborder trucking, and agreeing to deal with any problems arising in the future through bilateral consultation, as an alternative to unilateral action. (External Affairs press release, November 30). On November 30, US President Reagan withdrew restrictions on Canadian truckers and ordered the ICC to "process expeditiously" Canadian applications for operating permits that had been held up since the moratorium was imposed in February. The same day, International Trade Minister Gerald Regan "expressed satisfaction" with the US decision (External Affairs press release, November 30).

Acid Rain

The Canadian and US governments continued to differ in their approach to the problem of acid rain during this two-month period. A senior Canadian official delivered what was reported to be the "toughest environmental message" aimed at the US in a speech to the National Academy of Sciences in Washington D.C. October 5. In his speech, Raymond Robinson, head of Canada's Federal Environmental Assessment and Review Office, accused the Reagan administration of "blatant efforts to manipulate acid rain work groups" of scientists. Mr. Robinson charged that the US administration was suppressing scientific information about acid rain and cutting off money for pollution cleanups agreed to by both Canada and the US. This

political interference, according to Mr. Robinson, was destroying seventy years of cooperation on pollution between the two countries. Canada and the US had, in August 1980, during the previous US administration, signed a memorandum of intent to negotiate a clean air agreement (*Globe and Mail*, October 6). Canada has been officially critical of the Reagan administration's approach to the problem, which has been to insist that not enough is known about the sulphur emissions to justify the expense of taking action.

At a symposium on acid rain held in Pittsburg the same week, Canadian officials again complained that the US administration's position was threatening the bilateral agreement. US Environmental Protection Agency (EPA) Administrator Anne Gorsuch had, during the conference (October 6), repeated the EPA's claim that too little is known about acid rain for US Congress to legislate any remedies, and that "several rigorous studies cast doubts on the theories" that coal-burning industries are the major cause of acid rain (*The Citizen*, October 7; *Globe and Mail*, October 8).

Shortly afterwards, a senior EPA official, Kathleen Bennett, at an Ottawa environmental conference October 14, responded to Mr. Robinson's accusations. She called them "an enormous exaggeration . . . unfounded . . . and counterproductive."

In an interview with the *Globe and Mail* appearing on October 15, Mrs. Bennett warned that the deep disagreements between Canada and the US regarding the crucial aspects of acid rain may cause the Canadian and US scientists who have been working together on the problem since 1980 to submit a split report (*Globe and Mail*, October 15).

Some progress in the dispute was reported in late October when it was announced that during the visit of Secretary of State George Shultz to Ottawa, he and External Affairs Minister Allan MacEachen had agreed to exchange memoranda on acid rain before the end of the year (*The Citizen*, October 26).

Also in late October, a four-day international conference on acid rain was held in Burlington, Vermont. Both Canadian and US politicians and officials made representations at the meetings. One view presented by US supporters of acid rain action was that their ability to persuade their colleagues "hinges on being able to point to nonsense action by Canadian friends." When Ontario Hydro decided in July to cancel plans to limit emissions through the installation of "scrubbers" in one coal-burning station, lobbyists for US utilities and coal companies had "papered the Congress" with the newspaper reports within a few hours, one US official said. Ontario Hydro's decision had been perceived as "Canada backing down" (*Globe and Mail*, October 28). Environment Minister John Roberts gave the closing speech to the conference, calling again for immediate action based on the more than 3,000 studies into every aspect of the issue.

On November 2, it was reported that a US study ordered by the EPA in 1980, during the previous administration, had concluded that "the new findings strongly suggest that pollution from coal-burning utilities, primarily in the Mid-west, is killing fish, destroying lakes, damaging structures, disrupting eco-systems and potentially threatening human health — both in this country and in Canada." The 1,200 page study was written by fifty-four independent

scientists and was intended to be a "scientifically unpeachable assessment" of the acid rain problem (*Globe and Mail*, November 2). The report, which supported Canada's position, was quickly called "incorrect and irresponsible" and was accused of not making a conclusive link between US power plants and acid rain, by Kathleen Bennett in Washington. In Ottawa, Environment Minister John Roberts said that he was not surprised by the report, pleased. "I think the scientific facts concerning acid rain are now substantially sure, and I think the case we are making is soundly based," he said (*Globe and Mail*, November 2).

Canada's case was also given a "significant boost" when it was announced November 1 that the Tennessee Valley Authority, a federal US agency that supplies electricity to a seven-state area, had decided to reduce sulphur emissions from its coal-fired generating stations rather than wait for new scientific studies. Evidence that industrial pollution is seriously damaging the environment is so overwhelming that no delays could be further justified, the agency said, splitting openly with the US administration on the issue (*The Citizen*, November 2).

In the House of Commons, Stan Darling (PC, Parry Sound-Muskoka) twice in November (8 and 18) asked unanimous consent to a motion to reconstitute the House of Commons Special Subcommittee on Acid Rain. On November 18, Environment Minister Roberts said that he would certainly welcome a decision to reestablish the subcommittee to continue the work it had done in the past.

Transborder Satellite Agreement

An "umbrella" agreement between Telesat Canada and a US domestic satellite company for a Canada-fixed satellite transborder service was signed October 6. The agreement was the first under an intergovernmental agreement approved August 24 which allowed voice and data information transmission by satellite across the border. Among other things, the agreement between Telesat, the designated Canadian entity, and the American Satellite Company of Rockville, Md., spelled out an overall objective that each of the two companies will carry an equivalent of 50 percent of the transborder traffic generated under the agreement (Telesat Canada press release October 6).

NASA Honors Canadians

Seven Canadians were presented with awards November 3 from the US National Aeronautics and Space Administration (NASA) for their role in the development of Canadarm, the mechanical arm of the US space shuttle. Of the seven recipients — the first non-Americans to be honored — four were from the National Research Council and three were from Spar Aerospace Ltd. of Toronto. They received public service medals at ceremonies conducted in Washington by NASA Administrator James Beggs (*The Citizen*, November 2).

Launching of Canadian Satellite

Telesat Canada's Anik C, "the world's most powerful domestic communications satellite," was put into orbit November 11 by the US space shuttle Columbia. Canada's first Anik C was one of two satellites launched flawlessly on the fifth flight of the shuttle.

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...ures had "effectively parked the \$30 million satellite in space, positioning it so that it rotates at the same speed as the earth turns on its axis Anik C-3, expected to go into service in mid-December, is capable of carrying thirty-two color television signals plus more than 21,000 other voice and data communications simultaneously" (*Globe and Mail*, November 17).

Ocean Ranger Inquiry

A joint inquiry by federal and Newfoundland governments into the sinking of the oil rig *Ocean Ranger* began on October 25, but was hampered by legal limitations. By law, the commission investigating the disaster, which had claimed 84 lives in February, 1982, could not subpoena witnesses outside Canada, and the owners of the rig, The Ocean Drilling and Exploration Company of New Orleans (ODECO) had reportedly refused to provide witnesses unless the commission agreed to limit questioning to their knowledge of the *Ocean Ranger*, and forbid inquiries about other company-owned rigs now under construction. In the House of Commons November 1, both Rod Murphy (NDP, Churchill) and John Crosbie (PC, St. John's West) asked for government intervention in the situation. Mr. Crosbie suggested that the government ban ODECO rigs from operating in Canadian waters if they continued to refuse to cooperate with the investigation.

BRITAIN

Visit to Canada of Foreign Minister

British Foreign Secretary Francis Pym paid an official visit to Canada on October 1 and 2 to discuss bilateral relations and international issues. He arrived in Ottawa with External Affairs Minister Allan MacEachen after both had attended the UN General Assembly in New York. In a luncheon address, Mr. Pym praised Canada for help and understanding during the Falkland's war, reviewed several problems facing the NATO alliance, and expressed confidence that the alliance was basically strong and united (*The Citizen*, October 2).

EL SALVADOR

Concern for Salvadorans

In November, several motions concerning El Salvador were made in the House of Commons. On November 1, Bob Ogle (NDP, Saskatoon East) told the Commons that fifteen moderate trade union and political leaders had been "kidnapped" by security forces in that country, and asked that the House agree to a motion to press the government of El Salvador to secure the immediate release of the detainees. Dan Heap (NDP, Spadina), on November 4, asked the government to ensure provisions for Salvadoran refugees in Canada such as public assistance and permission to work. On November 19, Walter McLean (PC, Waterloo) called attention to further violence in El Salvador. He wanted agreement to a motion that

Canada join with other concerned governments and international humanitarian institutions, "in establishing an international commission to consult with all parties in the conflict," and to submit to the UN "practical procedures for a dialogue to end the war and measures to address the deep social and economic problems of El Salvador."

FRANCE

Visit of Prime Minister to France

Prime Minister Pierre Trudeau joined French Prime Minister Pierre Mauroy in northern France November 8 at the start of a three-day visit to that country. Both Prime Ministers paid respects to Canadian and French war dead near Vimy, the site of a major First World War battle in which Canadian troops overwhelmed German positions (*The Citizen*, November 9).

The next day, Mr. Trudeau met with Mr. Mauroy and French cabinet members in Paris. Mr. Mauroy described France's relations with Canada to reporters as "exceptional for the friendship of our two peoples, for the defence of values we hold in common . . . and for the vision of the world we hold together." He added that Quebec's special relationship with France was no impediment to better relations between Paris and Ottawa.

At the same time, twenty Canadian businessmen were in Paris for a meeting November 9 of the Canadian-French Chamber of Commerce. Mr. Trudeau told reporters that the two governments had agreed to create a joint committee of businessmen to explore ways of furthering trade and investment. Several areas of economic cooperation and joint business ventures were discussed. In an address to the Agency for Cultural and Technical Cooperation in Paris November 10, Mr. Trudeau gave support to the world francophone community, and the Agency's promotion of cultural and technical communication.

Mr. Trudeau also took the opportunity in France to challenge the campaign in Europe and recent draft resolutions of the European Economic Community to ban imports of seal products from Canada. He told reporters that he thought that members of the French government had been misinformed about Canada's seal hunt. He said that he had tried throughout his visit to put Canada's case to French government officials (*Globe and Mail*, November 11). (See this issue, MULTILATERAL.) At the close of the visit, Mr. Trudeau described relations between the two countries as "more than excellent" (*Globe and Mail*, November 11).

GREECE

Visit of President to Canada

Greek President Constantine Karamanlis visited Canada from October 14 to 18. Accompanied by Greek Foreign Minister Yannis Haralambopoulos, Mr. Karamanlis met with Prime Minister Trudeau in Ottawa and the premiers of Quebec and Ontario in Montreal and Toronto.

GUATEMALA

Negative Vote on Loan Urged

NDP Members of Parliament urged the government to vote against a proposed loan to Guatemala during October. On October 12, NDP external affairs critic Pauline Jewett wrote to External Affairs Minister Allan MacEachen, stating, "It has come to my attention that the Inter-American Development Bank will soon consider a major loan to the government of Guatemala. The application is for a loan from the bank's Fund for Special Operations at an interest rate probably below 4 percent and over a twenty to forty-year term." The loan application was for the financing of a rural telephone system, which Miss Jewett said would be likely used mostly for the benefit of that government's security forces, not for the benefit of the rural population. A day earlier, Amnesty International, Canadian Section (English Speaking), had issued a press release in which it charged that Guatemalan forces had massacred more than 2,600 Indian and peasant farmers following a new counter-insurgency program launched in March. Miss Jewett said that although Canada bases its loan application decisions on "technical, social and economic grounds," this country should oppose the loan on human rights grounds. On October 27, this request was repeated in a motion by Bob Ogle (NDP, Saskatoon East) in the House of Commons.

GUINEA

Visit to Canada of President

His Excellency Ahmed Sékou Touré, President of the Popular Revolutionary Republic of Guinea, visited Canada from October 30 to November 6. He was accompanied by Mrs. Touré and a large ministerial delegation. An External Affairs press release (November 8) stated, "This first visit of the Guinean President to Canada marked a new and significant phase in relations between Guinea and Canada. The furthering of political relations brought about by the visit was a logical sequel to the excellent economic relations that have existed for many years. It is natural for two countries both having French as an official language to intensify their relations at all levels and in all fields." Talks held by Prime Minister Trudeau and Governor-General Schreyer with Mr. Touré were in a spirit of solidarity and mutual respect, and indicated that a considerable similarity of viewpoint existed on all the questions dealt with, such as North-South dialogue, Namibia, the South African apartheid policy, and trouble spots in the Middle East and elsewhere in the world. The leaders also agreed to increase relations in all sectors, especially development cooperation and economic exchanges. Several avenues of activity for development cooperation were outlined in the press release.

HONDURAS

Protection for Refugees

A representation was made by Canadians concerned

about the protection of Salvadoran refugees who have fled to Honduras, to the United Nations High Commissioner for Refugees (UNHCR) October 15 in Geneva. The Canadian Inter-Church Committee for Refugees urged the UNHCR to persuade Honduras to sign the International Refugee Convention and Protocol (*Globe and Mail*, October 15). Honduran military forces had been accused of attacking against refugees in Honduras. In the House of Commons November 25, Dan Heap (NDP, Spadina) asked the Canadian government to urge the UNHCR to send more representatives to Honduras to protect the Salvadoran refugees and asked Canada's External Affairs Minister to urge the government of Honduras, "which receives generous aid from Canada," to sign the UN refugee convention.

IRAQ

Cooperation Agreement

A bilateral Trade, Economic and Technical Cooperation Agreement was signed November 12 between Canada and Iraq. In Baghdad, External Relations Minister Charles Lapointe signed on behalf of Canada and Iraqi Minister of Trade, His Excellency Hassan Ali, signed on behalf of Iraq. "In addition to setting forth an agreed means of strengthening, expanding and diversifying trade, economic and technical cooperation between Canada and Iraq, the Agreement calls for the formation of a Joint Economic Commission," an External Affairs press release (November 12) stated.

JAPAN

Foreign Ministers Meet

Japanese Foreign Minister Yoshio Sakurauchi was in Ottawa October 6 to participate in the Third Annual Canada-Japan Foreign Ministers' Consultations. At a news conference that day, Mr. Sakurauchi said, "Greater efforts are needed to get rid of protectionism and promote free trade at a time when the world economy is facing severe problems . . . and Canada is suffering from unprecedented economic difficulties." He described his talk with External Affairs Minister Allan MacEachen as "frank, but very fruitful." Canadian exports to Japan had increased in the first half of this year over last year, he said, but Japanese exports to Canada had decreased. "We are fully aware that our volume of exports to Canada could be much better, but I did not raise this matter with Mr. MacEachen because Canada's economy is not in very good shape," the Minister told reporters (*The Citizen*, October 7).

Grain Mission

A "goodwill" visit to Japan in October by Senator Hazen Argue, Minister responsible for the Canadian Wheat Board, and a contingent of nine, was a tremendous success, according to the Minister. "The purpose of the visit was to gain first-hand information about the requirements of the Japanese market and to assure Japanese grain buyers that Canada places a great deal of impor-

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ance on trade with Japan," a press release from the Minister's office stated (October 8).

POLAND

Support of Solidarity

Canadians continued in October and November to protest against the Polish government's ban on the trade Solidarity. On October 12, the Polish Emergency Committee of Canadian Parliamentarians endorsed a statement made by the Canadian Polish Congress October 5 condemning the delegislation of the Solidarity Union in Poland, and the continuing blatant breach of all international agreements with respect to the human rights of the Polish people which could lead to tragic consequences." The Committee urged the Canadian government to express strong concern and indignation to the Polish government (Committee press release, October 12).

On October 13, the Canadian Labour Congress (CLC) announced that it would propose the suspension of Poland from membership in the UN agency, the International Labour Organization, and called on Western governments not to grant credits to the Polish military regime. On the same day, as on the thirteenth of every month (martial law was declared in Poland on December 13, 1981), demonstrations were held in several Canadian cities.

When the House of Commons resumed sitting on October 27, one of the first motions presented was, "That this House express its strong concern and indignation at the action of the Polish Government with regard to the legalizing of the Solidarity Union Movement." There was unanimous consent for this motion, and members of all three political parties addressed the Commons to demonstrate their concern for recent events in Poland. In addition, PC external affairs critic John Crosbie (St. John's West) asked External Affairs Minister Allan MacEachen whether the Canadian government was considering imposing sanctions against Poland, beyond the existing suspension of academic exchanges, the restriction of movement by Polish diplomats, and the refusal to extend commercial credits for goods other than food. Mr. MacEachen explained that the view of the government was that "the effect of additional sanctions in the field of exchanges would likely be very ineffective indeed." Mr. MacEachen also did not support Mr. Crosbie's specific requests that Canada not renew the credit terms on the sale of grain to Poland, and withdraw fishing quotas for Polish trawlers in Canadian waters.

In a separate announcement, Employment and Immigration Minister Lloyd Axworthy said that about 150 persons including former detainees who belong to Solidarity, and their families, would be admitted to Canada from Poland. "They are not being expelled from Poland but have voluntarily elected to immigrate to Canada to escape unrest and the persecution they and their families have experienced in their own country," Mr. Axworthy said (Minister of Employment and Immigration press release, October 26). The House of Commons again gave unanimous consent to a motion November 16 commending the Polish government for releasing Solidarity leader Lech Walesa,

wishing Mr. Walesa "successful re-entry into the public life of his country," and giving support to a liberalization of conditions in Poland, the release of all other people imprisoned since the imposition of martial law, and the lifting of martial law.

PORTUGAL

Visit of Prime Minister to Canada

The Prime Minister of Portugal, Francisco Pinto Balsemão, visited Canada between October 4 and 7. During the first-ever visit of a Portuguese head of state to Canada, bilateral relations, as well as relationships within NATO and other multilateral organizations were discussed by Mr. Balsemão, Prime Minister Trudeau and several cabinet ministers. It was also reported that better trade relations between the two countries were urged by Mr. Balsemão (*Globe and Mail*, October 6).

SOUTH AFRICA

IMF Loan

Despite some opposition in Canada, the Canadian delegation voted to support a loan from the International Monetary Fund (IMF) to South Africa on November 3. The \$US1.1 billion loan was requested by South Africa because of a serious recession brought on in part by a sharp drop in the price of gold, its major export (*Globe and Mail*, November 4). Among those urging a negative vote by Canada was NDP external affairs critic Pauline Jewett. An October 12 press release from Miss Jewett stated that this would be the first such loan to that country since 1976. "Canada must strenuously oppose this loan application . . . There is little point of imposing sport and cultural sanctions on South Africa if the international community then gives massive financial support to the apartheid regime there," she said.

At the United Nations General Assembly in late October, Canada had been one of twenty-three countries abstaining from a vote, which passed by 121 to three votes, to request that the IMF refuse the loan (*Globe and Mail*, October 22). At the IMF, countries such as Canada voted to approve the loan because the qualifications for receiving the international funds are based on technical and economic reasons only (*Globe and Mail*, November 4).

USSR

Grain Exports

It was announced by Senator Hazen Argue, Minister responsible for the Canadian Wheat Board, on October 13 that Canada and the Soviet Union had signed a record-breaking grain deal, expected to earn grain producers in Canada about 1.4 billion dollars. The contracts involved

7.6 million tonnes of red spring wheat, durum and barley. The export deal almost equalled total Wheat Board sales of 7.8 million tonnes in the previous crop year (Wheat Board press release, October 13).

Senator Argue said that part of the payments will be by cash, and part will be made under short term credits at the commercial rates of interest guaranteed by the Government of Canada.

Canadian farmers, grain companies and railways will be working at full capacity to meet the export commitments. The resulting continual cash flow to farmers will be "a stabilizing influence on the economy," according to the President of United Grain Growers (*The Citizen*, October 14). The Soviet Union is expected to buy more grain during the crop year ending in July 1983. Mr. Argue called the grain business "one of the bright lights in our Canadian economy" (*The Gazette*, October 14).

Following the announcement, Soviet Agriculture Minister Valentin Mesyats was in Canada for an eleven-day working visit and to co-chair the first meeting of the Canada-USSR Agricultural Commission. During the late-October sessions, both sides approved a long-term program of agricultural cooperation and the exchange of agricultural specialists in 1983-84. Mr. Mesyats also visited agricultural facilities in several provinces. Agriculture Minister Eugene Whelan said the "session was very constructive and I look forward to future meetings" (Agriculture Canada press release, October 19 and 28).

Death of President Brezhnev

Prime Minister Pierre Trudeau expressed condolences to Soviet presidium Chairman Tikhonov on the death of Soviet President Brezhnev. A message sent to Mr. Tikhonov November 11 from Mr. Trudeau, who was visiting West Germany at the time, said:

I am saddened at the death of Leonid Ilyich Brezhnev . . . a man who served his country in so many capacities over so many years. Mr. Brezhnev will be remembered as a strong and forthright leader who was motivated by a profound commitment to the welfare of the Soviet Union. I trust that relations between our two countries will develop in the spirit of detente with which Chairman Brezhnev was so closely associated.

Also on November 11, Mr. Trudeau made a further statement regarding past dealings with Mr. Brezhnev: Officially, we obviously had very significant areas of policy difference and that was particularly apparent in more recent years. But I think it was an advantage to Canada and to the western world that there was predictability and stability in the direction he gave to the policies of the Soviet Union . . . I sincerely believe he was a man who wanted peace and who went about seeking peace in ways which are obviously different from ours. I may disagree with his ideology, but I would think that in his heart he wanted peace for his people.

Mr. Trudeau also expressed the hope that Mr. Brezhnev's successor would be involved in strategic arms limitation talks "with renewed vigour." After learning that the new Communist party chief would be Yuri Andropov, Mr. Trudeau said that the leadership change could be a good chance for the West to "try to turn over a new leaf with the Soviet Union," and use the opportunity to work harder

towards nuclear disarmament and better East-West relations (*The Citizen*, November 15).

Mr. Trudeau and a delegation of about a dozen Canadians, including Wheat Board Minister Senator Hazen Argue, attended the funeral of Mr. Brezhnev November 15 (*The Citizen*, November 15).

While in Moscow, Mr. Trudeau met with Chairman Nikolai Tikhonov. According to the Soviet news agency Tass, the two men discussed bilateral issues, the arms race and ways of strengthening detente. The agency reported, "In the course of the conversation . . . they stressed the importance of a broad political dialogue between countries in the interests of strengthening detente, warding off the threat of nuclear war, curbing the arms race and effecting disarmament" (*Globe and Mail*, November 16).

Delegation to Moscow

Diplomatic negotiations took place in Moscow November 18 and 19 between a Canadian delegation headed by de Montigny Marchand, Deputy Minister of External Affairs, and a Soviet delegation headed by Nikita Ryzhov, the Soviet counterpart. These talks were called the "high-level, formal diplomatic negotiations between the two countries" since the Soviet invasion of Afghanistan in December 1979 (*Globe and Mail*, November 19). The meetings had been planned before the death of Soviet President Brezhnev a week earlier.

Through the talks, Canada was hoping for an improvement in relations with the Soviet Union. According to *Globe and Mail* (November 19), the resumption of scientific and other contacts relating to Arctic problems and academic exchanges were high priorities for the Canadian delegation.

External Affairs Minister Allan MacEachen was questioned by reporters November 19 regarding the renewed dialogue. He said that all Canada had done was to resume some contact where it was in the interest of Canada, and had not relinquished its chance to tell the Soviet Union where it disagrees. Issues such as Afghanistan, Poland, human rights and the arms race would not be overlooked, and western concern about these issues "is bound to have some impact but I don't think that the impact is going to be delivered or recognized as dramatic shifts," Mr. MacEachen said (*Globe and Mail*, November 20).

PC external affairs critic John Crosbie (St. John's West) questioned Prime Minister Trudeau in the House of Commons on November 23 about the purpose of the diplomatic exchange. He wanted to know whether the Canadian government had asked the delegation to impose conditions on the Soviet Union for the resumption of these contacts. The Prime Minister responded that he was not aware of the detailed mandate given to the high-level committee. Mr. Crosbie said that he considered conditions such as allowing emigration, withdrawing armed forces from Afghanistan and encouraging the revoking of martial law in Poland as essential before Canada should resume warmer relations with the Soviet Union.

Human Rights

A motion was given unanimous consent in the House of Commons November 19, "That this government condemn the actions of the Soviets in the case of Anatoly

October 22 informed the Soviet embassy in Canada of the government's strong opposition to the "intolerable negation of human rights."

A group of twenty-six Ontario legislators concerned over violations of human rights in the USSR had also been formed in October. On October 19, they had sent a telegram to then-President Brezhnev indicating that they had called on the Canadian government to take action to ensure Mr. Shcharansky's health, safety and immediate release (*The Citizen*, October 20).

Shcharansky, and that it urge that steps be taken to put an immediate end to this flagrant violation of human rights, which is in direct contravention of the Helsinki Accord." Several MPs representing all three political parties in the House to express concern for Mr. Shcharansky, others in the Soviet Union imprisoned "because of desire to leave the country." External Relations Minister Charles Lapointe told the House that the government several times in recent years made representations to the Soviet Union on behalf of Mr. Shcharansky, and had on

Multilateral Relations

UNITED NATIONS

37th Session — Canadian Parliamentarians

Several groups of five or six Canadian Members of Parliament were in New York in October and November as observers on the Canadian Delegation to the 37th Session of the United Nations General Assembly. Each group spent a week participating in a range of plenary and committee meetings to become familiar with the operations of the UN and with Canada's participation in the organization (Canadian Delegation to the United Nations press releases).

Canadian Support

On the occasion of United Nations Day, October 24, the thirty-seventh anniversary of the founding of the United Nations, External Affairs Minister Allan MacEachen sent a message to UN Secretary-General Javier Perez de Cuellar in support of the organization on behalf of Canadians. Mr. MacEachen said that the visit to the UN by Governor-General Schreyer on that occasion was a significant honor for Canadians. It was the first visit of a Canadian Governor-General to the United Nations. During Mr. Schreyer's visit, he presented a cheque to the Secretary-General for one million dollars for UNICEF programs, to be provided through the International Humanitarian Assistance (IHA) Program of the Canadian International Development Agency (CIDA) for health and relief supplies in Ethiopia and Lebanon (Canadian Delegation to the United Nations press releases, October 15, 22 and 25).

Namibian Contact Group

The Foreign Ministers of Canada, France, the United Kingdom, the US and Germany met in New York October 1

to "take stock of the progress made in the Namibian negotiations since their previous meeting in Luxembourg on May 17." The five-nation "contact" group is trying to negotiate with South Africa, the South-West Africa People's Organization and other African states for the peaceful transition to independence from South Africa for Namibia. Constitutional principles which had been recently agreed to during the negotiations with all parties were "welcomed" and "appreciated" by the members of the contact group (External Affairs press release, October 1). One problem facing the contact group has been the US bid to link Namibian independence to the withdrawal of Cuban troops from Angola. None of the other four partners has openly supported the US condition that the Cuban troops withdraw at the same time as South Africa relinquishes control, but during an African tour in November, US Vice-President George Bush maintained that the contact group supported the attempt to tie Namibian independence to the withdrawal of the troops, it was reported November 22 (*Globe and Mail*).

Response to Complaint to ILO

The Canadian government's response to a union's complaint to the International Labour Organization (ILO) was made public November 5. The Professional Institute of the Public Service had asked the ILO in September to support the union's charge that the *Public Sector Restraint Act* violates a 1978 Convention signed by Canada by limiting or eliminating workers' rights to bargain. The response was contained in a letter from Treasury Board President to Labour Minister Charles Caccia, and had been formally transmitted to the ILO in Geneva. Certain details of the federal government's restraint act were outlined in the letter. The letter argues that the Act meets ILO

conditions, being an exceptional measure for a limited period of time, as permitted by the ILO. And so, the letter states, "We respectfully submit that the ILO should consider the *Public Sector Compensation Restraint Act* as an act required by particular circumstances and also consider that, although bringing into force financial restrictions, it is not inconsistent with Canada's commitments under Convention No. 87 and the ILO's requirements related to its freedom of association principles."

On December 1 it was reported that the ILO would examine the wage-restraint program in March. If the Organization supports the union, "it can slap the government on the wrist and recommend legislative changes but it cannot apply sanctions" (*Globe and Mail*)

NATO

Meeting of Ministers

Canada hosted a meeting of the foreign ministers of NATO countries in early October at a retreat in Val David, Quebec. The meeting came after reported stresses in the alliance regarding economic relations with the Soviet Union, especially the US-imposed sanctions on supplies for the Soviet Union's natural gas pipeline to be constructed to carry natural gas from Siberia to Western Europe. The meeting of the sixteen foreign ministers was the first of its kind, consisting of informal sessions where no policy decisions were taken but pressing problems discussed. The ministers met without their staff and aides.

After the meeting, Canada's External Affairs Minister Allan MacEachen told the press that the meeting had been very positive, with all parties seeking a comprehensive global policy involving military, political and economic problems that affect the NATO alliance (*The Citizen*, October 4). The Ministers decided that NATO officials should conduct a series of studies, particularly on energy relations between Europe and the Soviet Union, and on the offering by the West of trade and financial credits to Soviet-bloc countries. Although the pipeline dispute was not the focus of discussion during the ten-hour meeting, the *Globe and Mail* (October 4) reported, "The blowup over the pipeline was clearly the impetus for the studies. If the differences that led to the pipeline dispute are not bridged through the development of a comprehensive NATO policy for the conduct of east-west relations, the alliance, which has primarily concerned itself with military and/or political matters in the past, will be strained each time a major economic issue emerges."

GATT

Ministerial Meeting

The Ministerial meeting of the General Agreement on Tariffs and Trade (GATT) was held in Geneva from November 24 to 27. The Chairman of the meeting was Canadian External Affairs Minister Allan MacEachen. It was the first meeting of the ministers of the eighty-eight GATT countries since the Tokyo meeting in 1973 that had launched the

multilateral trade negotiations, concluded in 1979, which lowered trade barriers around the world (*The Citizen*, November 19).

The role of GATT is to promote free trade by watching over and providing safeguard mechanisms and dispute procedures in cases of trade barriers imposed by member countries. Two weeks before the Ministerial meeting, GATT had issued what was called a "gloomy review of the world's shrinking trade," a report which said that the present situation parallels the Depression years of the 1930s. Protectionism is on the rise as countries try to protect domestic industries from foreign competition (*Globe and Mail*, November 13).

Canada had prepared to take an active role at the meeting. The health of the Canadian economy is particularly vulnerable to protectionist measures abroad because about 30 percent of Canada's GNP is generated by goods and services exported. Recent OECD statistics have shown that Canada's productivity performance was the "worst in the western world" (*The Citizen*, November 13). And so Canada's position at the meeting was firmly in support of measures aimed at ensuring more secure access for exports of products such as fish, agricultural and petrochemical primary products. Canada claims to impose fewer tariff and other barriers to imports than the US and European countries. That is why, according to federal officials, Canada must rely on the mechanisms, including penalties and compensation, that can be applied within GATT (*The Citizen*, November 16).

A preparatory committee laying the groundwork for the Canadian position had been headed by trade ambassador Donald McPhail. Despite this, hopes for the meeting had been called limited at best in the current climate. Trade officials had said that the most that could be expected was a "credible and realistic" declaration by governments in support of an open multilateral trading system, and some agreement on setting up working parties to look into trade irritants (*Globe and Mail*, November 20).

Canada's position was put forward by International Trade Minister Gerald Regan. In a statement delivered November 25, Mr. Regan outlined Canada's commitment to free trade and the principles of GATT, urging "firm resolution" of key issues. Canada wanted stronger, more effective and relevant measures addressing problems of tariff and non-tariff barriers, direct and indirect subsidies, and new areas such as trade in services, to achieve greater predictability in the access to markets. As Chairman, Allan MacEachen had also addressed these concerns in his opening statement a day earlier. He called it a "crucial meeting" at a critical time, and asked that despite present difficulties, the issues be dealt with with commitment and understanding.

It was widely reported over the course of the session that the talks were in danger of falling apart or being postponed for several months due to deadlocks brought on by "bitter disputes" among member countries (*The Citizen*, November 27). There was, at the end, a Ministerial Declaration produced and agreed to by the member countries. According to the *Globe and Mail* November 30, Canada was pleased with progress made in strengthening the dispute settlement procedure, and the agreement by the ministers to set up a work program covering trade in key

regrets." A Fisheries and Oceans press release that day said:

Mr. De Bané stated that the Commission's decision is irresponsible because it ignores the body of objective international scientific opinion which indicates that harp and hooded seals are not an endangered species. Moreover, the Commission's recommendation comes before the completion of a study by a working group of experts of the International Council for the Exploration of the Seas (ICES) on the status of the seal population. This study was commissioned jointly by the EEC and Canada earlier this year, and its results are expected in early November. "I find it incomprehensible that the European Commission has made a recommendation before it had the results of the joint study" said Mr. De Bané.

The press release also said that according to the Minister, an offer by Canada to co-sponsor a study on seal harvesting methods to determine whether they are any less humane than killing methods used in European abattoirs had been refused. As well, the Minister said that the recommendation is particularly hard to understand in view of the fact that it apparently did nothing to interfere with the seal hunts conducted in several EEC countries. Mr. De Bané said that Canada is hoping that member states "will take a rational position where the Commission has essentially bowed to pressure from a small but vocal sector of European public opinion . . . To introduce emotional and irrational criteria can only harm the interests of all responsible members of the world trade community."

The Commission's recommendation raises "serious questions" about the Commission's adherence to its obligations under the General Agreement on Tariffs and Trade (GATT), and Canada will urgently pursue consultations with the EEC under the GATT, the press release said. To justify the ban, the EEC had argued that it could be imposed under the so-called general exception clause in GATT which permits restrictions based on morality. This was disputed by Canada, which will protest the GATT's administrators if the ban is imposed, because the section specifies the restrictions "must be necessary to protect the public morals" in the importing countries. A Canadian fisheries official told reporters that Canada's protest to GATT would make it necessary for the European countries to show an appeal tribunal "how a few people wearing seal-skin coats can destroy public virtue" (*Globe and Mail*, October 14). A European delegate told reporters in Geneva that it is a question of public morality because, "Over five million signatures have poured into European capitals in the last six months encouraging action to stop the slaughter of baby seals in Canada" (*Globe and Mail*, October 22).

The Canadian lobby in Europe to prevent the ban had engaged Canadian officials, politicians and diplomats. Fisheries Minister Pierre De Bané explained in the House of Commons November 4 that he had personally met with MPs from each country in western Europe, with the President of the Common Market, with officials in Canada and Europe, and with Canada's ambassador to the European Community in Brussels, in addition to his offers to establish a joint commission with the Common Market to study every aspect of the seal hunt.

As well, it was suggested by Newfoundland politicians that Canada retaliate if a ban is imposed by barring Euro-

Canadian exports such as fish and fisheries products, forest products and non-ferrous metals and minerals. According to the same article, Canada was disappointed by the lack of progress made in defining safeguards, means that countries are allowed to take within GATT to give temporary protection to domestic industries. But, an External Affairs official said, "the will is there to try to reach an agreement on safeguards." Canadian officials described the common declaration as positive and realistic, given the economic times. The signatories agreed to a series of resolutions, and generally agreed that the contracting parties make a determined effort to refrain from taking or maintaining measures inconsistent with GATT's objective of trade liberalization and expansion.

In the House of Commons November 29, Flora MacDonald (PC, Kingston and the Islands) questioned Finance Minister Marc Lalonde about the impact of the talks, which she said had failed to create the conditions for an expansion of world trade, on the Canadian economy and the Minister's forecast for 1983. Mr. Lalonde responded, "It is very unfortunate that the GATT ministers meeting did not come up with more productive results. Canada . . . did everything it could to strengthen the cause of anti-protectionism at this conference. Unfortunately, it seems we were not very successful. The Canadian Government is going to continue its campaign to encourage a lessening of the protectionist tendencies existing everywhere, including Canada." He said that the GATT conference had not changed his forecasts for 1983. The government had also been criticized in the House of Commons November 25 by John Crosbie (PC, St. John's West) for maintaining some protective policies while trying to persuade others to lower their barriers. Prime Minister Trudeau said that although Canada can't, for economic reasons, remove quotas overnight on soft goods such as textiles, its policy is to try to phase out those protectionist measures.

EUROPEAN ECONOMIC COMMUNITY

Proposed Ban on Seal Products

The European campaign to ban the import of pelts and other seal products was countered by Canadian officials and politicians during October and November. The activity on both sides was in anticipation of a decision expected to be made December 3 in Brussels by the ten-nation EEC's executive on whether to ban the imports, as recommended by the European Parliament last March.

Canada lobbied to save the industry, which depends on export to Europe, and is responsible for the livelihood of several thousand Canadians from Newfoundland, the Maritimes and Quebec. The central issues disputed concerned the scientific data relating to the danger to the population of the Canadian seals, and the humanity and morality of the hunt. The conclusion of a report in October by the European Commission was to favor the ban, which the Canadian government found "deplorable."

Fisheries Minister Pierre De Bané responded on October 13 to the news reports about the recommended ban. He called the European Commission's decision "an irresponsible action which the Canadian government greatly

peans from Canada's 200-mile fishing zone (*Globe and Mail*, November 6 and 14). While in France in November, reporters asked Prime Minister Trudeau whether he had directly threatened the French government with such retaliation. He said he did not, but had "indicated that if our European friends were so misguided as to exclude Canadian products on an erroneous basis we would have to look at GATT and other treaties to see if there was any compensation or retaliation that could be necessary." Mr. Trudeau said that he had, during his visit, talked extensively with the French Prime Minister and other ministers about the hunt, and had found that not only was the European public misinformed, but members of the French government were misinformed (*The Citizen*, November 11).

Canada's arguments relating to the seal population were "confirmed" by the awaited report from the above-mentioned ICES, issued November 12. According to a Fisheries and Oceans press release November 12, the "report by a widely-respected body of international experts has confirmed the effectiveness of Canada's management policies aimed at increasing the Northwest Atlantic harp seal population." The ICES report was prepared by scientists from five European countries, Canada and the US. The Council had reviewed twenty-three studies and had concluded that the harp seal populations had increased. For hooded seals, the evidence, although inconclusive, did not indicate a decline, in the scientists' view.

In late November, the campaigns by both the Canadians and the European interest groups intensified. Full page advertisements appeared in British and French newspapers aimed at creating emotional reaction by graphically detailing the killing of the cute white seal pups,

and urging the public to write to heads of state in support of the ban. Canada continued to make representations to European governments. The European Parliament had November 19 reaffirmed its support of the ban. Another Canadian delegation including Newfoundland Premier Brian Peckford and Newfoundland Fisheries Minister James Morgan went to Europe from November 27 to December 2.

On November 27 it was reported that the ten environment ministers of the EEC could not agree on the ban, or on any other measure to stop the import of seal products. It was reported that at a Brussels meeting, Britain and West Germany had opposed it, worried about Canada's challenge at GATT. The *Globe and Mail* reported November 27 that, "When the member states came to look at the issue over the past ten days, more and more of them saw the legal impediments to the ban, and agreement to proceed within the next week is considered highly unlikely despite the expected presence of anti-hunt protesters in Brussels."

Also in Europe, Fisheries Minister Pierre De Bané and Mr. Peckford addressed a press conference on November 29 in Copenhagen, warning that a ban on seal products would force Canada to consider counter-moves affecting European fishery rights in Canadian waters. Arguments made by Mr. De Bané and Mr. Peckford at the press conference concerned the scientific evidence that the seal population was not threatened, and the fact that thousands of Canadians in isolated areas are totally dependent on seal hunting for their livelihood, as their ancestors were. The Canadian delegation also visited Bonn, Paris and Brussels (*Globe and Mail*, November 27, *The Citizen*, November 30).

Policy

FOREIGN

Middle East

As Israeli troops withdrew from Lebanon in October and November, and the fighting there had decreased, Canada's Middle East policy did not receive the attention that it had during the months of August and September, when daily fighting in Lebanon had dominated the media.

Former External Relations Minister Pierre De Bané and Quebec Intergovernmental Affairs Minister Jacques-Yvan Morin were asked, but refused, to boycott a gathering held by the Association of Arab-American University Graduates because it was also attended by Dr. Fathi Arafat, brother of PLO leader Yasser Arafat and president of the

Palestinian equivalent of the Red Cross. The Canadian Jewish Congress had asked the Ministers to boycott the convention because it would be used as a forum "to demand the destruction of the State of Israel." At the conference, Mr. De Bané said that Canada is "firmly committed to Israel's existence, legitimacy, security and well-being." He said that the only solution to the continuing crisis in the Middle East was for Arabs and Israel to sit down and negotiate (*The Citizen*, October 20 and 27). This position was also emphasized during talks between External Affairs Minister Allan MacEachen and Egyptian Foreign Minister Kamal Hassan Aly during a visit to Ottawa beginning November 8. Canada is in favor of such mutual recognition (*The Citizen*, November 9).

At a convention November 24, the Ontario Federation

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of Labor, the umbrella body for 800,000 union members in Ontario, agreed to a resolution which called for the recognition of Israel's right to live within secure borders based on 1967 boundaries, and the right of the Palestinian people to a secure and independent homeland. It also endorsed the PLO as the "legitimate representative of the Palestinian people." The intent of that resolution was debated, but the OFL executive board agreed to make recognition of the PLO conditional on its prior acceptance of Israel. Canadian Labor Congress president Dennis Dermott said the next day that he did not support the resolution (*Globe and Mail*, November 25 and 26).

Speaking at the International Day of Solidarity with the Palestinian People November 29, Liberal MP Ian Watson (Chateauguay) criticized the Canadian government for "pusy-footing" around the recognition of an independent Palestinian state. He said that all but two or three of the twenty-three members of the Liberal Party's Quebec caucus were sympathetic to the Palestinians, and between 60 and 70 percent of Ontario Liberal MPs felt the same way. "We must move now to support the establishment of an independent Palestinian state and not be reticent in so declaring to other countries that that is our position," the MP said. Another speaker was NDP MP Derek Blackburn (Brandon) who said that Palestinians must have a homeland on the West Bank and on the Gaza.

Latin America

On November 30, the Sub-committee on Canada's Relations with Latin America and the Caribbean of the House of Commons Standing Committee on External Affairs and National Defence released its report on South America and its final report, *New Directions for Canadian Foreign Policy*. These reports followed two previous reports prepared by the Sub-committee in the past year: *The Interim Report* of December 1981, and the *Report on the Caribbean and Central America*, submitted to the House of Commons in July 1982. The Final Report and the Report on South America completed eighteen months of work by the Sub-committee, composed of fifteen MPs from all three political parties.

The central recommendation of the Final Report was that the government of Canada give a much higher priority than it has in the past to Canada's relations with Latin America and the Caribbean. A press release from the Sub-committee November 30 said:

Throughout the course of its work, the Sub-committee has consistently identified and advanced a set of Canadian foreign policy concerns in relations with Latin America and the Caribbean: human rights, trade and investment, development and security. As our investigations proceeded we came to realize the importance of these concerns as elements within the central, medium-term objective of Canadian foreign policy — *the promotion of stability*. Respect for the rights of the individual, the development of mutual interests in bilateral and global economic relations, progress in solving the great problems of poverty and the amelioration of domestic and international conflict — each of these are vital elements in the promotion of stability in Latin America and the Caribbean.

The Sub-committee said that it was convinced that Canada has compelling economic and other interests in

Latin America and the Caribbean, as well as opportunities to promote those objectives. As a demonstration of Canada's willingness to enter the arena of inter-American debates and concerns, a majority of the members of the Sub-committee and the Standing Committee recommended that Canada should seek full membership in the Organization of the American States. The Sub-committee also stressed the importance of ongoing Parliamentary interest in the region, and recommended that "the government prepare a written response to the reports of the Sub-committee and that, at the time of tabling such a document, a day's debate on Canada's relations with Latin America and the Caribbean be scheduled in the House of Commons," and that the External Affairs Standing Committee be empowered to play a continuous role in the examination of Canadian foreign policy and conduct a periodic review of Canada's relations with Latin America and the Caribbean (Sub-committee press release, November 30).

DEFENCE

F-18 Purchase Questioned

Canada's plan to purchase 138 F-18 Hornet jet fighters was questioned in the House of Commons in November. The plane had received criticism by a US House of Representatives sub-committee which said that the fighter was excessively costly, a poor performer and hard to maintain. An analysis had shown that the Hornet would not be a viable, effective weapon against the Soviet Backfire or in its other function as a fighter escort. Similar charges against the Hornet had been made in the US previously.

In the House November 9, Defence Minister Gilles Lamontagne defended the F-18 as being suitable for Canadian purposes. In response to questions by NDP defence critic Terry Sargeant (Selkirk-Interlake) about the \$5.2 billion purchase, Mr. Lamontagne said that the negative US report was related to the performance of the F-18 during tests of landing on aircraft carriers, and Canada does not intend to buy an aircraft carrier. PC defence critic Allan B. McKinnon also questioned the Defence Minister about the range and cost of the aircraft. Again, Mr. Lamontagne said that for Canadian purposes, the plane has the proper and required range. Additional costs above the projected \$22.5 million per plane are because of spare parts, weaponry and maintenance, the Minister said. Canadian companies had been promised \$2.45 billion worth of work when Canada agreed to buy the fighters.

Security—Spy Trial in Britain

On November 29 and 30, at the beginning of the trial of Hugh Hambleton, a Canadian economics professor charged in Britain with passing top secret NATO information to the Soviet Union, MPs in the House of Commons questioned Solicitor General Robert Kaplan about the case. Some of the information-passing activity had taken place in Canada, and opposition MPs wanted to know why Mr. Hambleton had not been charged in Canada under the Official Secrets Act, in view of the fact that the RCMP had known about Mr. Hambleton's activities for two years. Mr. Kaplan told the Commons that it had been determined in

1980 by the Justice Department that prosecution under Canada's Official Secrets Act would not have been successful. Information obtained by the RCMP from Mr. Hambleton had been passed on to other friendly security services, leading to Mr. Hambleton's arrest in Britain earlier this year. Many questions about governmental knowledge of the case were not answered by Mr. Kaplan, who warned that statements made in the House of Commons could, if communicated to Britain, jeopardize a fair trial. Mr. Kaplan said that revisions to the Official Secrets Act were under consideration by the Justice Department.

Referendums on Disarmament

Canadians who voted in municipal referendums on disarmament in over one hundred municipalities in six provinces during October and November were 76.5 percent in favor of the pursuit of balanced general or nuclear disarmament, according to the promoter, "Operation Disarmament." After the results of the referendums in Saskatchewan October 27 (70 percent voted yes), and in Ontario (75 percent voted yes) were reported, NDP MPs presented motions in the House of Commons (October 29 and November 9) calling on the government to respond to the demands of the people by stopping the plans to test the US Cruise missile in Canada, and by urging in the United Nations and elsewhere, a global referendum on disarmament.

Ambassador for Disarmament

External Affairs Minister Allan MacEachen announced October 21 the appointment of J. Alan Beesley to the position of Canada's Ambassador for Disarmament. He will represent Canada at international meetings concerned with arms control and disarmament, and be the chief liaison point for Canadian non-governmental organizations and individuals interested in arms control and disarmament. Mr. Beesley replaced Arther Menzies in this position (External Affairs press release, October 21).

Mr. Beesley addressed the first Committee on Disarmament of the 37th Session of the United Nations General Assembly in New York November 3. He called arms control and disarmament, "the most pressing issue of our times." He praised the recent resumption of important talks between the US and the Soviet Union on strategic arms limitation and reduction and emphasized that Canada strongly supports these negotiations. He also reaffirmed Canada's commitment to the achievement of a comprehensive nuclear test ban treaty, a "strategy of suffocation," and urged forward movement in the negotiations for the prohibition of chemical weapons, and outer space weaponry (Canadian Delegation to the United Nations press release, November 3).

Cruise Missile Testing

Canada's plan to allow the US to test its unarmed cruise missile in Alberta did not change during October and November, despite escalated protest and opposition throughout Canada. The intended deal is part of an umbrella agreement covering weapons testing. In Canada, the proposed testing had become the "rallying point for the burgeoning peace movement" (The Citizen, October 28).

Protest over the proposed testing in Canada had been largely peaceful, but on October 14 a bomb composed of

500 pounds of dynamite exploded outside Litton Systems Canada Ltd.'s Etobicoke plant, causing damage and several injuries. A group called "Direct Action" claimed responsibility. Litton Systems produces the guidance systems for Cruise missiles, and had received government grants: \$26.4 million and a \$20 million interest-free loan (Globe and Mail, October 16). A group organizing a mass demonstration in Ottawa for October 30 disclaimed any knowledge or even moral support for the bombing incident.

On November 28 and 29, NDP MPs in the House of Commons called on the government to heed the "wishes of the majority" by not going ahead with the negotiations with the US to test the Cruise missile. Also on November 29, NDP external affairs Pauline Jewett asked External Affairs Minister Allan MacEachen what stage the negotiations for the umbrella agreement and the Cruise missile testing agreement were in. He answered that the negotiations were still under way with respect to the umbrella agreement. He was not sure when the negotiations would be completed, but until the umbrella agreement was completed and signed, he said, it would not be possible to enter into any particular project for the testing of any weapon system. Miss Jewett also wanted Mr. MacEachen to refer to the Standing Committee on External Affairs and National Defence "all the terms of the framework agreement, the letter from President Reagan to the Prime Minister asking for it in the first place, and the Prime Minister's reply, and all of the terms, before any negotiations for Cruise testing are undertaken." Mr. MacEachen said that the umbrella agreement negotiations may be completed within a few weeks but that "new items have been raised within the last short time which must be dealt with before any agreement can be signed." He told reporters later that day that public protest and opposition had "absolutely no relationship" to the delay (The Citizen, October 30).

A coalition of anti-nuclear groups, religious organizations, student and labor groups, and individuals gathered in Ottawa October 30 to stage a march and rally to "refuse the cruise." The protest attracted an estimated 15,000 people, and was claimed by organizers to be the largest peace demonstration ever held in Canada. Speakers at the peaceful demonstration vented their opposition to Canada's agreement to test the weapons, Canada's subsidization of Litton Systems, and the nuclear arms race. They believed that the development of missiles made nuclear war more, not less likely. Canada's role in allowing the testing had been defended by supporters as part of its commitment to NATO, but opponents believed that Canada's role, as a non-nuclear state, should be to take leadership role in the pursuit of peace. NDP MP Douglas Anguish read an anti-Cruise proclamation at the rally signed by all thirty-one MPs belonging to that Party. Smaller rallies were held the same day elsewhere in Canada (The Citizen, October 28, 29 and November 1; Globe and Mail, November 1).

On November 8, Terry Sargeant (NDP, Selkirk-Interlake) told the House of Commons that Prime Minister Trudeau had shown "surprising naivete on the nuclear arms race" when he had told a Liberal convention the previous weekend that the West needs to deploy the Cruise missile in order to force the Soviet Union to the arms reduction bargaining table. He said that "while the US had enjoyed overwhelming superiority in nuclear arsenal during the sixties and early seventies, the Soviet Union fe

compelled to do just the opposite and will now certainly
with the deployment of Cruise missiles with the deploy-
ment of their own." He called on the Prime Minister to not
allow the Cruise missile testing. At the Liberal Party con-
vention, a workshop had passed four resolutions urging the
government to oppose nuclear arms escalation without
reservation (*Globe and Mail*, November 6).

More public protest took place on November 11, Re-
membrance Day. A reported six hundred people demon-
strated close to the Litton Systems plant. At a rally there,
Darrin Heap (NDP, Spadina) said, "We are here to tell Litton
and to tell the government to stop the violence." The
protest was also backed by Toronto Mayor Arthur Eggleton,
who said that he would like Litton to cancel its contracts for
the Cruise missile parts. About seventy demonstrators
were arrested for sitting or lying on the road to block access
to the plant (*The Citizen, Globe and Mail*, November 12).

In the House of Commons November 17, Pauline Jew-
ett again questioned the Prime Minister about the weap-
ons testing agreement, and asked if Canada's agreement
with the US had been in return for a much larger share of
US defence contracts in the nuclear weapons field. Mr.
Trudeau said he knew of no relationship between Can-
ada's decision to carry out, as a member of NATO, the two-
track NATO decision, and increased defence contracts
from the US. He told the House that during a recent visit to
Moscow, Bonn and Paris, he had indicated to governments
the very serious concern of the Canadian people with the
problem of nuclear escalation and Canada's intention to
make sure that "both tracks, not only the re-arming track,
but the negotiation towards disarmament track, be followed
sincerely by the two super powers." Miss Jewett re-
peated her earlier request that the agreement details be
made available to the Standing Committee on External
Affairs, and the House of Commons. Mr. MacEachen said
that when the agreement is signed, "which may be in the
next month or so," he would be ready to make the details
available to MPs and members of the public in the fullest
possible way.

The delay in the signing of the agreement was re-
ported on November 24 by *The Citizen* to be because
Canada wanted the US to guarantee to pay all costs arising
from the Cruise missile testing. According to *The Cit-
izen*, Canadian sources had told reporters that Canada's
"user-pay" argument had been consistent through the re-
cent rounds of document exchanges.

MX Missiles

Prime Minister Pierre Trudeau was called upon in the
House of Commons November 23 to attempt to persuade
US President Reagan to reverse his decision to deploy 100
MX missiles in Wyoming. The US President had an-
nounced this plan, which had to be approved by Congress,
a day earlier. Because "the Prime Minister goes around the
world portraying himself as a man committed to peace,"
NDP leader Ed Broadbent told the Commons, he should
oppose such action by the United States. Although the
question had been directed to Mr. Trudeau, External Rela-
tions Minister Charles Lapointe answered on the govern-
ment's behalf. He said that Mr. Reagan's statement had
contained some encouraging signs, such as the mention-
ing of a "wide range of cases where advance notice would
be given of nuclear tests and all governments with nuclear
arms would be notified of potential accidents and also of

how the missiles would be deployed." Mr. Broadbent con-
tinued to ask the Prime Minister to "follow up on public
statements he had made outside this House calling for
disarmament, by getting out front here in the House of
Commons and saying he will appeal directly to President
Reagan to reverse this important decision." Mr. Trudeau
responded that the NDP leader was expressing a valid
concern, one that the government had expressed many
times. He repeated the government's policy, which was in
favor of NATO's two-track system: to achieve parity in
nuclear arms, and also to engage in de-escalation or re-
duction talks. The opinion of the NDP and, Mr. Broadbent
pointed out, many US politicians, was that a rough nuclear
parity already existed.

The next day, the subject was brought up again, this
time by PC defence critic Allan McKinnon. Mr. McKinnon
wanted to know whether Canada had been advised or
briefed on Mr. Reagan's decision prior to the US President's
announcement. He also asked what Canada's position
was concerning the feasibility of the proposed "dense-
pack" plan for the missiles. Mr. Lamontagne said that the
MX missile was a particular issue dealing with American
defence, but that he expected that US Defence Secretary
Weinberger would give his NATO colleagues information in
Brussels the next week at a Nuclear Planning Group and
Defence Planning Committee meeting.

The Canadian contribution to the construction of the
MX missiles was also brought up in the House of Com-
mons on November 29. NDP defence critic Terry Sargeant
revealed that one Canadian company, Boeing of Canada in
Winnipeg, was seeking a contract with the US Air Force to
build part of the re-entry system for the MX missile war-
head. He also said that under the Canadian Defence In-
dustry Productivity Program, Boeing had been granted a
\$120,000 contribution pending the contract award. Mr.
Sargeant asked Mr. Trudeau what "justification can he give
for involving Canada — whether through Canadian corpo-
rate involvement or through the use of taxpayers' money as
incentive — in this latest and ever more frightening step in
nuclear arms development . . ." Mr. Trudeau said that
although he had no knowledge of the potential Boeing
contract, the jobs involved and salaries paid to Canadian
workers would be more important than whatever tax incen-
tives there were. In a press release the same day, Mr.
Sargeant charged that the government should not be
spending taxpayers' money to put a "Made in Canada"
stamp on the MX missile. He said that through the Defence
Industry Productivity Program (DIPP), the government will
be spending almost \$160 million to "sweeten Canadian
defence contractors' bids on export contracts," mostly for
US weapons systems.

TRADE/ECONOMIC

Restrictions on Clothing Imports

Initiatives intended to restrict selected clothing im-
ports to Canada for 1983 were announced October 1 by
former International Trade Minister Ed Lumley. Because of
particularly difficult economic times, some 27,000 Canadi-
ans had lost their jobs last year in the Canadian garment
textile and clothing industry. Meanwhile, imported goods

were increasing. In order to aid the domestic industry, the government had decided to "invoke the consultative clauses in Canada's bilateral restraint arrangements with Hong Kong, the Republic of Korea, the People's Republic of China and the Taiwan Textile Federation. Discussions will begin on an urgent basis with a view to negotiating lower levels of clothing imports for selected product areas where the import competition facing the industry is particularly serious," a Government of Canada press release October 1 stated.

Several textile unions had asked Ottawa to tighten quotas for imports (*The Citizen*, October 2). In a letter October 13, MP Dan Heap (NDP, Spadina) also urged the government to act quickly to revise the existing quotas to ensure that Canadians maintain their traditional share of the Canadian market. He said that the recession had resulted in a drop in consumer demand for textile and clothing products of 35 percent, and that imports in 1981 had risen 22 percent.

FIRA Figures

Figures released in November showed that the Foreign Investment Review Agency (FIRA) had more than doubled the number of applications processed in the four months following the June budget over the same period a year earlier. The agency had processed 357 applications from July to the end of October compared with 176 in last year's corresponding period. As well, only 6 percent of those applications were rejected, while there had been a 14 percent rejection rate a year earlier. Measures had been announced in the June budget to expedite the review of applications (*The Citizen*, November 9).

Dollar

The Canadian dollar was worth 80.9 cents (US) on October 1, and "soared" in heavy trading as falling US interest rates gave the currency a boost, closing at 81.61 cents (US) on October 13. On November 1, the dollar registered 81.77 cents (US). It was worth 82.05 cents (US) November 9, its highest since early spring. It declined during November, and on November 25, closed at 80.97 cents (US). After further decline it rose again to 80.91 cents (US) on November 30 (*Globe and Mail*, October and November).

IMMIGRATION

Levels Cut

The Annual Report to Parliament on Immigration Levels, 1983 was tabled in the House of Commons November

1. Employment and Immigration Minister Lloyd Axworthy announced that for 1983, Canada plans to admit 105,000 to 110,000 immigrants, adjusted down from the 134,000 to 144,000 projected in the 1982 levels report. The government-assisted refugee intake for 1983 was set at 12,000 in the November report, down from 14,000 in 1982. Within the category, however, Latin American, African and Middle Eastern refugees were given higher quotas. The major reduction was in selected worker admissions, which were set in the report at 8,000 to 10,000 (Employment and Immigration press release, November 1) down from the 20,000 to 25,000 from the earlier projection (*Globe and Mail*, November 2).

In an October 7 interview in which Mr. Axworthy suggested that Canada might cut back on its immigrant intake next year, he had said that the gloomy unemployment picture was the "primary factor" in determining quotas. After the report was tabled November 1, PC immigration critic John McDermid said that he was disappointed at the cutback in refugees from Eastern Europe from 6,000 in 1982 to 3,000 in 1983, although in general he felt that the overall immigration figures for the next year should probably be even lower, given the economic times (*The Citizen*, November 2). NDP immigration critic Dan Heap called the new levels "inhumane" and said that the reduction was an "attempt to place the blame for the unemployment situation on prospective immigrants and displaced persons" (NDP press release, November 1).

AID

Refugee Relief

External Affairs Minister Allan MacEachen announced October 19 that Canada is providing \$12 million to the United Nations High Commissioner for Refugees (UNHCR), through the International Humanitarian Assistance (IHA) program of the Canadian International Development Agency: \$5 million to assist Afghan refugees in Pakistan; \$1 million for refugees in Thailand; \$2 million for refugees in Central America; and \$4 million to Ethiopia, Somalia and Sudan for refugees in the Horn of Africa. It was announced October 20 that a further \$2 million would be provided to the International Committee of the Red Cross for refugees in Thailand and Africa through the same program (CID press releases, October 19 and 20).

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| <p>No. 76 (May 10, 1982) Ministerial Trade Talks.</p> <p>No. 77 (May 11, 1982) Tallow Contract for Algeria Awarded to Alex Couture, Inc.</p> <p>No. 78 (May 12, 1982) Diplomatic Appointment. David M. Miller to be High Commissioner to Kenya, and concurrently accredited to Uganda; Permanent Representative to the United Nations Environment Programme and to the United Nations Centre for Human Settlements.</p> <p>No. 79 (May 14, 1982) North Atlantic Council Ministerial Meeting Luxembourg, May 17-18, 1982.</p> <p>No. 80 (May 14, 1982) Visit of the Secretary of State for External Affairs in Belgium, May 18-19, 1982.</p> <p>No. 81 (May 17, 1982) Canada and Egypt Sign Nuclear Cooperation Agreement.</p> <p>No. 82 (May 17, 1982) Montreal Firm Sells 910 Ambulances to Iraq.</p> <p>No. 83 (May 17, 1982) Communiqué on Namibia Issued by the Foreign Ministers of Canada, France, the Federal Republic of Germany, the United Kingdom and the United States, Luxembourg, May 17, 1982.</p> <p>No. 84 (May 18, 1982) Canadian Delegation to the Beatification of Brother André and Mother Marie-Rose in Rome on May 23.</p> <p>No. 85 (May 26, 1982) Vessel Traffic Management System for the Port of Hong Kong.</p> <p>No. 86 (May 28, 1982) Visit to Canada of the Foreign Minister of the Hungarian People's Republic, June 1-4, 1982.</p> <p>No. 87 (May 31, 1982) Federal-Provincial Trade Ministers Conference Ottawa, June 21, 1982.</p> <p>No. 88 (June 1, 1982) German Industrialists Tour Canadian Industry.</p> <p>No. 89 (June 2, 1982) Diplomatic Appointment. Roger B. Blake to be Consul General in Perth, Australia.</p> <p>No. 90 (June 3, 1982) Canadian Delegation to the Second United Nations Special Session on Disarmament.</p> <p>No. 91 (June 4, 1982) The Secretary of State for External Affairs to Attend ASEAN Meeting, Singapore, June 17-18, 1982.</p> <p>No. 92 (June 4, 1982) Visit to Thailand of Secretary of State for External Affairs, June 19-21, 1982.</p> <p>No. 93 (June 4, 1982) Visit to Canada of His Excellency Mr. Edouard Nzambimana, Minister of Foreign Affairs and Cooperation, Republic of Burundi (May 30 — June 2, 1982).</p> <p>No. 94 (June 4, 1982) Foreign Investment Insurance Agreement Between Canada and Malta.</p> <p>No. 95 (June 8, 1982) Delegation of Federal and Manitoba Legislators on the Garrison Diversion Project to Visit Washington, June 9-10, 1982.</p> | <p>No. 96 (June 15, 1982) New Program of Government Assistance to Industry.</p> <p>No. 97 (June 16, 1982) Fifth Canada-Japan Science and Technology Consultations, June 14-15, 1982.</p> <p>No. 98 (June 21, 1982) Alleged Use of Chemical Weapons in Southeast Asia.</p> <p>No. 98-A Federal-Provincial Trade Ministers Conference.</p> <p>No. 99 (June 22, 1982) Ending of Economic Sanctions Against Argentina.</p> <p>No. 100 (June 22, 1982) Appointments to the Board of Governors of International Development Research Centre.</p> <p>No. 101 (June 23, 1982) Foreign Investment Insurance Agreement Between Canada and Papua New Guinea.</p> <p>No. 102 (June 23, 1982) Foreign Investment Insurance Agreement Between Canada and Sri Lanka.</p> <p>No. 103 (June 25, 1982) Cooperation Agreement Between Canada and Venezuela.</p> <p>No. 104 (July 7, 1982) New Initiatives in Arms Control and Disarmament.</p> <p>No. 105 (July 9, 1982) Government Announces Changes in Footwear Import Policy.</p> <p>No. 106 (July 12, 1982) Canada and Indonesia Sign Nuclear Cooperation Agreement.</p> <p>No. 107 (July 13, 1982) Namibia.</p> <p>No. 108 (July 15, 1982) The Law of the Sea Convention.</p> <p>No. 109 (July 15, 1982) Civil Aviation Agreement Signed with Saudi Arabia.</p> <p>No. 110 (July 16, 1982) Secretary of State for External Affairs' Views on UNSSOD II.</p> <p>No. 111 (July 20, 1982) Canada's Export Development Plan for Brazil.</p> <p>No. 112 (July 22, 1982) Lebanon: Formal Protest to the Israeli Authorities.</p> <p>No. 113 (July 23, 1982) Canada Signs Two Memorandums of Understanding with Guinea.</p> <p>No. 114 (July 23, 1982) UNESCO — Conference on Cultural Policies.</p> <p>No. 115 (July 26, 1982) Canada Good Place to Invest, Says Japanese Report.</p> <p>No. 116 (July 26, 1982) Government of Italy Purchases Two CL-44 Water Bombers from Canadair.</p> <p>No. 117 (July 29, 1982) Chinese Earth Station Antenna Contracted to Spar Aerospace Limited.</p> <p>No. 118 (August 2, 1982) Closing of Canadian Embassy — Beirut.</p> <p>No. 119 (August 6, 1982) New Post in Munich.</p> | <p>No. 120</p> <p>No. 121</p> <p>No. 122</p> <p>No. 123</p> <p>No. 124</p> <p>No. 125</p> <p>No. 126</p> |
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No. 20 (August 6, 1982) Second United Nations Conference on the Exploration and Peaceful Uses of Outer Space, Vienna, Austria — August 9-21.

No. 21 (August 9, 1982) Investigation of Effect of US Export Regulations on Canadian Companies.

No. 22 (August 9, 1982) Diplomatic Appointments.
Théodore J. Arcand (48) originally from Bonnyville, Alberta, to be Ambassador to Hungary, replacing Ms. Dorothy Armstrong who will be a Foreign Service Visitor at the University of New Brunswick.

Joe B. Bissett (50) originally from Deloraine, Manitoba, to be High Commissioner to Trinidad and Tobago, replacing Mr. Paul Laberge who has been appointed as Ambassador to Algeria. Milton B. Blackwood (60) originally from Basswood, Manitoba, to be Consul General in Detroit, Michigan, replacing Mr. Frank Harris who is returning to Ottawa.

Francis Miles Filleul (44) born in Tangier, Morocco, to be Ambassador to Costa Rica, with concurrent accreditation to El Salvador, Nicaragua and Panama, replacing Mr. Douglas Sirrs. Jacques Gignac (53) originally from Shawinigan, Quebec, to be Ambassador and Head of Mission to the European Communities in Brussels, replacing Mr. Richard Tait who is returning to Ottawa.

Thomas C. Hammond (49) originally from Toronto, Ontario, to be head of Delegation and Ambassador to the Mutual and Balanced Force Reduction Talks in Vienna, replacing Mr. David C. Reece who has been appointed as High Commissioner to Jamaica.

Paul E. Laberge (47) originally from St. Boniface, Manitoba, to be Ambassador to Algeria, replacing Mr. Louis Delvoie who will be returning to Ottawa.

Franklin R. Petrie (52) originally from Grand Falls, Newfoundland, to be Consul General in Sydney, Australia, replacing Mr. M.B. Blackwood who has been appointed Consul General in Detroit.

David C. Reece (56) originally from Winnipeg, Manitoba, to be High Commissioner to Jamaica, with concurrent accreditation to the Bahamas, Belize, Cayman Islands and the Turks and Caicos Islands, replacing Mr. T.B. Sheehan who is returning to Ottawa.

George W. Seymour (51) originally from Vancouver, British Columbia, to be High Commissioner to Singapore, replacing Mr. Michael Berry who has been seconded to the Department of Energy, Mines and Resources.

James H. Taylor (52) originally from Hamilton, Ontario, to be Permanent Representative and Ambassador to the North Atlantic Council in Brussels, replacing Mr. J.G.H. Halstead who is retiring.

Jean Touchette (52) originally from Lachute, Quebec, to be Ambassador to Greece, replacing Mr. James Barker who is returning to Ottawa.

No. 123 (August 9, 1982) Carleton Place Company To Be Awarded Seven Million Dollar Contract by Canadian Commercial Corporation.

No. 124 (August 11, 1982) Japanese Motor Vehicle Exports to Canada.

No. 125 (August 18, 1982) Directory of Canadian Trading Houses.

No. 126 (August 23, 1982) Diplomatic Appointments.
William L. Clarke (37) originally from Rosetown, Saskatchewan, to be Consul General in Sao Paulo, Brazil, replacing Mr. V.G. Lotto who is returning to Ottawa.

D. Martin Collacott (49) originally from Ottawa, to be High Commissioner to Sri Lanka, with concurrent accreditation to the Maldives, replacing Mr. Robert Clark who has returned to Ottawa.

William J. Collett (51) originally from Brantford, Ontario, to be Consul General in Munich, Federal Republic of Germany, opening the post.

Edward G. Lee, Q.C. (50) originally from Vancouver, British Columbia, to be Ambassador to South Africa, with concurrent accreditation to Lesotho and Swaziland, replacing Mr. Robert

Middleton who is returning to Ottawa.
Paul A. Théberge (46) originally from St. Eleuthère, Québec, to be Ambassador to Ecuador, replacing Mr. S.C.H. Nutting who is returning to Canada.

No. 127 (August 23, 1982) Delegation of Canadian Parliamentarians on an Official Visit to Japan August 28-September 3.

No. 128 (August 27, 1982) Assassination of a Turkish Diplomat.

No. 129 (September 1, 1982) US Army Purchases Two De Havilland DHC-6 Twin Otter Aircraft.

No. 130 (September 1, 1982) The Winners of Royal Commonwealth Society (RCS) International Essay Competition.

No. 131 (September 2, 1982) Bristol Aerospace Wins NASA Contract Through CCC.

No. 132 (September 3, 1982) Diplomatic Appointments.
Marius J. Bujold (43) originally from Caplan, Quebec, to be Ambassador to Senegal, with concurrent accreditation to the Gambia, Cape Verde, Guinea, Guinea-Bissau and Mauritania, replacing Mr. Marc Perron who is returning to Ottawa.

Clayton G. Bullis (50) originally from Kingston, Ontario, to be Ambassador to Chile, replacing Mr. Glen Buick who has returned to Ottawa.

Lorne S. Clark (43) originally from Montreal, Quebec, to be Ambassador to Argentina, with concurrent accreditation to Uruguay, replacing Mr. Dwight Fulford.

Jean-Yves Grenon (56) originally from St-Jovite, Quebec, to be Consul General in Strasbourg, France, with responsibility for liaison with the Council of Europe, replacing Ms. Julie Loranger who has returned to Ottawa.

Garrett Lambert (41) originally from Toronto, Ontario, to be High Commissioner to Nigeria, with concurrent accreditation to Sierra Leone, replacing Mr. Clayton Bullis who has been appointed as Ambassador to Chile.

Keith W. MacLellan (61) from Montreal, Quebec, to be Ambassador to Jordan, opening the post.

Richard McKinnon (48) originally from St-Raymond, Quebec, to be Consul General to Marseille, replacing Mr. André Potvin who is returning to Ottawa.

Jacques S. Roy (47) originally from Ste. Anne des Monts, Quebec, to be Minister at the Canadian Embassy in Washington, D.C., replacing Mr. G.E. Shannon who is returning to Canada.

Claude St. Pierre (49) originally from Rimouski, Quebec, to be Ambassador to Cameroon, with concurrent accreditation to the Central African Republic, Chad, Gabon, Sao Tome and Principe, and Equatorial Guinea, replacing Mr. Jacques Denault who is returning to Ottawa.

R. Douglas Sirrs (52) originally from Toronto, Ontario, to be Consul General in Atlanta, Georgia, replacing Mr. Ralph Stewart.

Vernon G. Turner (52) originally from Toronto, Ontario, to be Ambassador to Israel, with concurrent accreditation to Cyprus, replacing Mr. Joseph Stanford who is returning to Ottawa.

Christopher Westdal (34) originally from Winnipeg, Manitoba, to be High Commissioner to Bangladesh, with concurrent accreditation to Burma, replacing Mr. A.R. Wright who is returning to Ottawa.

No. 133 (September 9, 1982) Diplomatic Appointment
The Honourable Edgar J. Benson (59) originally from Cobourg, Ontario, to be Ambassador to Ireland, replacing Mr. A.W. Sullivan.

No. 134 (September 10, 1982) Official Visit of the British Secretary of State for Foreign and Commonwealth Affairs and Minister of Overseas Development, the Right Honourable Francis Pym, MC, DL, MP.

No. 135 (September 13, 1982) Federal-Provincial Conference of Ministers of Trade.

- No. 136 (September 13, 1982) Department of External Affairs Participates at "Travel Expo-82".
- No. 137 (September 17, 1982) Canadian Representatives at the Funeral of Princess Grace of Monaco.
- No. 138 (September 21, 1982) Secretary of State for External Affairs to Lead the Canadian Delegation at the 37th Session of the United Nations General Assembly.
- No. 139 (September 24, 1982) Diplomatic Appointments. Earl G. Drake (54) originally from Saskatoon, Saskatchewan, to be Ambassador to Indonesia, replacing Mr. W.H. Montgomery who is returning to Ottawa. Pierre Tanguay (49) originally from Sherbrooke, Quebec, to be Ambassador to Guatemala, with concurrent accreditation to Honduras, opening the post.
- No. 140 (September 24, 1982) Transborder Trucking.

2. Statements and Speeches

- No. 82/12 Central America and Canadian Foreign Policy. Address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the University of Toronto Law Faculty, Toronto, March 31, 1982.
- No. 82/13 The Trade Challenge for Canada in the 1980s. Address by the Honourable Edward Lumley, Minister of State for International Trade, to the Toronto Chamber of Commerce, June 22, 1982.
- No. 82/14 The Urgent Need to Control Acid Rain. Address by the Honourable John Roberts, Minister of the Environment, to the Georgia Conservancy League, Atlanta, June 24, 1982.
- No. 82/15 Canada's Position on the UN Resolution Concerning the Palestine Question. Statement by the Canadian delegate Michael Kergin, to the Seventh Emergency Special Session of the United Nations General Assembly, New York, June 26, 1982.
- No. 82/16 Challenges in the International Economic Environment. Address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the Rotary Club, Charlottetown, Prince Edward Island, July 5, 1982.
- No. 82/17 Arms Control and Disarmament Agreements Essential to World Peace. Address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, at the twenty-fifth anniversary of the Pugwash Movement, Pugwash, Nova Scotia, July 16, 1982.
- No. 82/18 New Forms of Co-operation for Canada and ASEAN. Address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the Foreign Ministers of the Association of Southeast Asian Nations (ASEAN), Singapore, June 17, 1982.
- No. 82/19 Growing Canada-Asean Relations. An address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, (delivered by W.T. Delworth, Assistant Under-Secretary, Asian and Pacific Affairs) to the Joint International Conference of the Canadian Council for Southeast Asian Studies and the Institute of Southeast Asian Studies, Singapore, June 21, 1982.
- No. 82/20 Beyond Cancun: Canadian Perspectives on the North-South Dialogue. An address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the Society for International Development, Baltimore, July 21, 1982.

- No. 82/21 Canada-United States Trade Issues and Concerns. Address by the Honourable Edward Lumley, Minister of State for International Trade, to the National Foreign Trade Council, New York, July 22, 1982.
- No. 82/22 Culture, Technology and Foreign Policy. An address by Montigny Marchand, Deputy Minister (Foreign Policy), Department of External Affairs, at the Conference of the Canadian Association of Futures Studies, Vancouver, August 14, 1982.
- No. 82/23 The Canadian Approach to the International Promotion and Protection of Human Rights. An address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the Annual Meeting of the Canadian Section of the International Commission of Jurists, Toronto, August 31, 1982.

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

1. Bilateral

Egypt

Protocol between the Government of Canada and the Government of Arab Republic of Egypt on the establishment of the Canadian Institute in Egypt. Cairo, September 21, 1982.

Sudan

Agreement between the Government of Canada and the Government of the Democratic Republic of Sudan for the training in Canada of personnel of the armed forces of Sudan. Khartoum, October 31, 1982. in force October 31, 1982 with effect from April 1, 1978.

2. Multilateral

Protocol extending the Arrangement Regarding International Trade in Textiles to July 31, 1976. Adopted at Geneva, December 22, 1981. Entered into force January 1, 1982. Canada's Instrument of Acceptance deposited at Geneva, December 12, 1982. Entered into force for Canada July 12, 1982.

Acts of the XIIth Congress of the Postal Union of the Americas and the Caribbean. Done at Managua, Nicaragua, August 28, 1981. Signed by Canada August 28, 1981. The second Additional Protocol and General Regulations entered into force for Canada on January 1, 1982.

Constitution of the United Nations Industrial Development Organization. Done at Vienna, April 8, 1979. Signed by Canada August 31, 1982.

Extension of the International Coffee Agreement, 1976. Done at New York, January 31, 1976. Signed by Canada July 30, 1976. Canada's Instrument of Ratification deposited at New York, September 17, 1976. Entered into force provisionally October 1, 1976. Entered into force definitively August 1, 1977. Canada's notification of acceptance of extension of Agreement from October 1, 1982 to September 30, 1983, deposited at New York, September, 1982.



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Lobbyist or prophet?

stitutions. And yet, in a very real sense, these activities have a bearing on government policy, even if only an indirect one.

By virtue of their involvement in certain countries, private Canadian institutions help to sustain practices which the Canadian government itself has condemned. Whatever form the activities take, the result is inevitably

Over the past nine years Protestant and Catholic Churches have established a number of "coalitions" to channel their resources into programs to promote human rights. The most important of these include: **GATT-Fly**, set up in 1973 to assist the churches in their challenge to the existing unjust economic order; the **Interchurch Committee for Refugees**, formed in 1980, among other things, to coordinate ecumenical review and proposals for Canadian government policies related to refugees; the **Inter-Church Committee on Human Rights in Latin America**, developed in 1976 to focus attention on the ongoing struggle in that region of the world for a just order; the **Taskforce on the Churches and Corporate Responsibility** created in 1974 to express the churches' concern for the negative impact our corporations and financial institutions, as well as the governmental agencies that support them, have on disadvantaged groups in Canada and abroad; **Project Ploughshares**, set up in 1976, among other things, to awaken an interest in the social and economic effects of the arms race and militarism; and finally, the **Inter-Church Working Group on Africa**, founded in the fall of 1981 to assist the churches to see their own role and that of Canada more clearly.

the granting of financial assistance and the provision of moral legitimacy to regimes which openly violate human rights. In focussing attention on this adverse impact by Canadian businesses the churches endeavor to convince our corporate leaders that foreign investment does not necessarily ameliorate the human rights situation, that extending credit to repressive regimes may well help to keep them in power. The churches as a last resort often raise the issue at the public level by posing questions and introducing resolutions at annual shareholder meetings.

In sharp contrast with the government, the churches contend that the actions of the private sector cannot be treated in isolation from government policies and interstate relations. What our private institutions do abroad can strengthen, undermine or affect in other ways what the government's policies seek to achieve. The relationship may be entirely fortuitous but nonetheless significant. At the very least, the churches argue, the government must resolve any ambivalence that exists between its stated policies — of eliminating apartheid, for example — and the behavior of Canada's domestic institutions abroad.

Evaluating the product

How effective have these efforts been? Short of having the government's own evaluation the observer is reduced to attempting his or her own or to relying on the churches themselves to assess their impact. Although the churches' own evaluation may either belittle or exaggerate their influence on government, their views as expressed to me were remarkably similar. Firstly, most expressed open frustra-

implemented, but to initiate a shift in a long standing policy.

Whatever level or branch of government the churches address, they do so for a variety of reasons. In the first place, they are anxious to clarify what government policy actually is or is supposed to be and to open up the eyes of government to the day-to-day realities facing the majority of the world's population. Secondly, through submissions and direct consultation the churches propose alternative policies to those presently in practice. Thirdly, the churches are anxious to monitor what the Government actually does. Through attendance at sessions of various organs of the United Nations and at international conferences the churches can keep a close eye on the government's performance and report back to their support groups at home and to the media.

Reaching Members of Parliament

Sometimes as a substitute for, sometimes as a parallel instrument to, the direct approach to government, the churches have addressed their message to Parliament as a whole or to individual MPs. The most common method used is that of the brief — carefully drafted, well argued and usually presented by a select group of church leaders. However, the churches cannot simply submit their briefs and leave the results to chance. The ground must be properly cultivated beforehand and carefully maintained afterwards. When visitors from abroad go to Ottawa, they are taken to see Members of Parliament as well as government officials. Information is circulated to MPs too, though often on a selective basis. Church leaders and church staff do meet and communicate from time to time with a select group of MPs. Individual parliamentarians have also gone on fact-finding missions organized by the churches to see the situation at firsthand. The purpose of all these activities is to develop a well informed and sympathetic audience, limited in numbers but influential. These "friends in court," it is hoped, will give a favorable hearing to the churches when they submit their briefs and encourage the inclusion of the churches' point of view in the final report.

Creating a favorable climate of opinion may involve voicing aloud, through the holding of a press conference, for example, one's opposition to government policy and mobilizing public support for an alternative. In another sense this approach refers to the educational work of the churches. For most, though not all, of the inter-church coalitions education is their central task. By sending Canadians to observe at first hand the deprivation of human rights, by sponsoring conferences for educational purposes and strategy-building, by developing study guides for use by members of the church and by publishing regular reports, newsletters, pamphlets and books, it is hoped that the church constituency's understanding of the root causes of human rights violations can be broadened and the role that we in Canada play in that process better appreciated. Only indirectly, and by a very circuitous route, can these activities affect government policy.

Influencing the business community

The final set of church activities that can be described as part of advocacy relates to the private sector. At first glance, these activities appear to be entirely different from those referred to above. The target of church policy is not the government and its policies but private Canadian in-

Lobbyist or prophet?

tion with their past attempts at exercising direct influence on government and, as a result, considerable skepticism about the value of such an approach. The churches' record has certainly not been without success, but, as in the case of the government's shift in policy towards South Africa in 1977, these achievements are often symbolic rather than substantive in nature.

Secondly, despite this record of ineffectiveness, everyone emphasized the importance of maintaining direct contact with government and parliament. Even if their efforts had little effect on government policy, they still believed that it was important to express solidarity with the powerless, with those whose rights were violated, and to remain consistent with the churches' own values. It was realized also that if the churches chose to remain silent, the government could well interpret this as acquiescence or, even worse, consent. The churches have an obligation in this imperfect world to voice their beliefs, in effect to act as the "conscience of society." For many, then, the churches must

must continue to speak out to government, many argue that their principal role should lie in education. Accordingly, they should and do focus primarily on raising consciousness of their own constituency as to the nature and extent of human rights violations at home and abroad and as to the moral responsibility of all Christians to correct such situations. In undertaking this task their direct contact with government can often prove extremely useful. Illustrating clearly the issue at stake, the need for improvement and the inadequate performance of the Canadian government.

Modest results

If we accept that the church leaders are correct in the largely negative assessment of their lobbying activities, what factors help to explain that outcome? In my view, an adequate explanation of the churches' ineffectiveness must be multi-dimensional. *In the first place*, an answer must be sought in the specific issue of human rights and the anarch



remain faithful to their role as a prophetic voice in the world community. Acting as prophet the churches should not expect from government an immediate, favorable response to their demands. Often their proposals will be viewed by government as idealistic and therefore unattainable.

Although most accepted the fact that the churches

cal, international system within which human rights promotion takes place. Even if one were to accept the argument that the violation of human rights, particularly if it is flagrant and persistent, is of legitimate international concern, there remains considerable doubt as to what another state *should* and *can* do.

Secondly, the churches and the government view the

Lobbyist or prophet?

international forums and that prevents the government from totally ignoring their views.

Finally, the influence of interest groups is affected by the tactics they employ. The churches have pursued both direct tactics, that is to say, private, informal communications with government officials, and indirect tactics, or broad appeals to the public. While the indirect approach may be the tactics of those without much influence, the churches have tended to use such methods sparingly, usually in the context of an international conference or around a question already on the international agenda. Their ambivalence over their role as lobbyist or as prophet is in fact reflected in an ambiguity over the best tactics to adopt in their relations with government.

Within the constraints set by the realities of world politics the churches' effectiveness is thus curbed by the opposing views that the government and the churches hold on human rights. In the end, it is this clash of philosophies that prevents the achievement of anything but the most marginal victories for the churches. No one should dismiss those victories as unimportant, for often they may involve the saving of a life or the release of a political prisoner. However, the churches cannot expect government to change its ways, at least in the short run. Indeed, they should anticipate that their statements and protests will more often than not be dismissed by those in power as too idealistic, the words of a prophet rather than a political realist. At the very best such statements may contribute to the setting of the international agenda. Their real hope for the future must rest in the belief that eventually their ideals will become reality. □

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issue of human rights quite differently from one another. On one hand, the former perceive human rights violations as rooted in the structures of the society in which they occur. Any effort to promote human rights in a given society is fundamentally political in nature. By contrast, the government tends to see human rights as one, but only one, among several variables influencing the determination of its policies towards a given country. Other factors of importance usually mentioned in government statements are international trade and strategic considerations. In the last analysis, the government attributes significance to questions of human rights only in those instances in which it has virtually no other interests engaged or in which human rights considerations overlap or coincide with out commercial and security concerns.

Thirdly, access to the policy process is limited by a relatively closed, self-contained system of decision-making. The churches do maintain contact with middle and upper levels of the bureaucracy and, from time to time, communicate with members of the Cabinet. These advances towards government are, however, usually made in reaction to the announcement of a particular policy. Successful lobbying is more likely when done before decisions have been made or legislation drafted. Recognizing the validity of this argument, the churches and other interested groups have over the past three years met regularly with Canada's representative at the UN Commission on Human Rights. Through the provision of detailed and reliable information the churches have managed to exert some influence on the positions adopted by Canada at Geneva. Nonetheless, these discussions do not as yet amount to a genuine consultation and, even if they did, they are severely limited both by time and the number of items open for discussion.

Fourthly, the influence of a particular interest group is related to a number of its internal characteristics, most notably its legitimacy, the resources available to it and the tactics it employs. It is the group's legitimacy in the eyes of government decision-makers that is probably most important. Since Ottawa has so much difficulty in understanding the churches, viewing their spokesmen often as "radicals" and "idealists," their ability to obtain an open and fair hearing is clearly restricted and their influence reduced.

Prophet or lobbyist?

Thus, it has been argued, to be effective interest groups must conform to the values and standards of government politicians and officials. This obviously poses a special dilemma for the churches: if true to their beliefs, they risk being largely ineffective; while to be influential they are in danger of compromising their values. Put in a slightly different way, the churches are faced with deciding whether they wish to function as effective lobbyist, pressuring government to amend or alter its policies in conformity with church views, or whether they wish to act as prophets, adhering to their principles but finding themselves often alone in the wilderness.

Obviously, the effectiveness of the churches is weakened by the limited resources they can devote to lobbying activities. This essential poverty of resources is partly offset by the extensive and well documented information that the churches can bring to their discussions with government. Indeed, it is the breadth and accuracy of church documentation that have won Canadian churches so much acclaim in

The trade jungle of export credits

by T.M. Burns

One of the most intractable international trade issues over the last decade has been the question of officially supported export credits. Successive Summit meetings, including the most recent Versailles Summit, have all underlined the point that there is a need for international agreement on this subject. Progress in achieving such agreement has been slow; in fact those agreements which have emerged have not yet fully dealt with the principal problem — that is the distorting effect on international trade flows of export credits, carrying terms and conditions which are subsidized or concessionary.

In this discussion, the term "official export credits" will refer to financing in support of export sales of capital goods and associated services. This is the financing that is provided either directly or indirectly through the actions of official government agencies in the country of export of the goods and services in question. In practice, there is a wide variation in the techniques used by the industrialized countries in providing this financing support, but whatever the techniques, their common features are that they all provide relatively low fixed rates of interest and relatively long terms — five years or above. Official export credits are particularly important in sales of capital goods and services from the industrialized world to the developing countries, to countries in Eastern Europe and the USSR and to a lesser extent in trade between industrialized countries.

Origins of export credits

Official export credits, according to this definition, have only become an important element of international trade since the end of World War II. It is true that a few countries had official export credits agencies earlier than that, but their activities were essentially insurance-oriented, aimed at providing commercial and political risk cover for their exports. In the past thirty-five years, there has been a significant growth in international trade in capital goods. A substantial part of that growth has been in sales to the developing world. More capital goods have meant more and longer credit. The chronic shortage of capital and foreign exchange in developing countries has meant that buyers in those countries have had to rely increasingly on credit to finance their imports of capital goods. The increasing size of these transactions and the

financial status of the buyers have meant that these exports could be sold only on credit; but the private sector could not take on such credit, due to its length and the risk that it entailed.

As a result, government-supported agencies came more and more into a principal role in the provision of such credit, with terms and conditions typically of five years or longer, and with fixed rates of interest. Because the financial package is now recognized as one of the major elements to be taken into account in determining the overall competitiveness of offers of capital goods, buyers' demands have led to an increasing emphasis by industrialized countries on supplying "competitive" financing.

In the fifties and sixties, as this international system came into place, the relative stability of interest rates and modest inflation rates allowed it to continue with comparatively few problems. However, the onset of the 1970s introduced new elements that have successively brought the whole question of export financing into international controversy. Without listing them in order of importance or of chronology, those elements included the following:

1. Inflationary trends moved sharply upwards and crucially in this context, at different rates in different countries. This trend has put substantial upward pressure on domestic interest rates in many, but not all, industrialized countries. The resulting wide variation in market interest rates has meant that countries at the high end of the scale have had to take special action to maintain relatively low fixed rate export financing in order for their exports to remain competitive.

2. The adverse effect on the balance of payment position of industrialized countries imposed by sharply increased oil import bills put the promotion of exports much higher on the priority scale of most industrialized countries. As well, unsatisfactory rates of domestic economic growth sharpened the competition among industrialized countries for export business which might compensate for poor domestic performance.

3. The impact of oil prices on the non-oil developing countries imposed an ever greater demand for credit, if development programs in these countries were to continue.

4. Finally, the United States, which had been relatively uninterested in the subject of international export financing practices, became increasingly concerned, as it recog-

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ized that growth in exports had to become a higher national priority.

Problem grows

As the 1970s progressed, it was clear that governments of many industrialized countries had become committed to the provision of "internationally competitive" financing in support of exports, in some cases with little, if any, regard for the costs which this imposed. Indeed, by 1980, according to an Organization for Economic Cooperation and Development report, OECD member countries as a group expended \$5.5 billion in subsidizing official export credits. Besides the costs of subsidization, there was the further anomaly that levels of market interest rates in industrialized countries varied substantially, so that for considerable periods during the 1970s, at least three countries, West Germany, Switzerland and Japan, were able to provide export financing at relatively low interest rates without subsidies.

A series of attempts has been made to construct an internationally agreed framework for export credits. One of the first of these occurred in 1969 when there was an OECD agreement covering down payments, maximum length of credits, and interest rates applicable to exports of ships. At the IMF meeting of September, 1974, seven countries, including Canada, established, as a general principle, a minimum interest rate of 7.5 percent for officially supported export credits with a repayment term of over five years.

In the period between 1974 and 1976, there were intensive negotiations, not only on interest rates and length of terms, but also those related to down payments, the extent of coverage of local costs in the countries in which the capital goods concerned were to be used, *crédit-mixte*, cost escalation and exchange rate risk protection schemes, as well as special sectoral agreements (see Box). The complexity of these discussions was further complicated by international dissension, within the EEC, as to whether or not the EEC Commission had the authority to negotiate on export credits on behalf of the member countries of the Community. An international consensus emerged in 1976 which was strengthened in 1978 and known as the Arrange-

Crédit-mixte is a system under which aid funds are blended with regular official export credits to produce a very concessionary overall rate of interest. The process is usually referred to by its French nomenclature, because France was the originator of this practice. Other countries including Canada have, however, adopted variations of this technique to keep them "competitive."

"Cost escalation" insurance schemes have been adopted by some Western European countries. These are designed, in a period of differing inflation rates, to offset some of the risk which exporters assume in bidding firm prices for capital goods, the delivery period for which may be very lengthy.

"Exchange rate risk protection" programs, have also been introduced by some capital goods exporting countries to reduce risks to exporters.

ment on Guidelines for Officially Supported Export Credits. The 1978 agreement was signed by all OECD countries, except Iceland and Turkey.

Again in 1980, the OECD group addressed this subject. The result of these negotiations was an agreement that for credits over five years, the minimum interest rates would range from 10 percent for exports to "relatively poor" countries, to 11.25 percent for "relatively rich" countries. For each category of countries, a maximum length of term was also prescribed. Japan, because of the low level of its market interest rates was allowed a minimum of 9.25 percent and there was established a system of prior notification. This provided that when any agreement country proposed to offer *crédit-mixte* support with a grant aid element of from 15 to 25 percent, other member countries which might be competing for the same project would have a choice to consider matching the *crédit-mixte* offering.

Latest agreement

Early in 1982, further negotiations were held in the OECD which resulted in midyear in a new arrangement. The main elements in this arrangement were:

1. Agreement that while the minimum interest rate for export credits to "poor" countries would remain at 10 percent, the rate for "intermediate" countries would be raised to 11.6 percent from 11 percent and for "rich countries," the minimum rate would be 12.4 percent, up from 11.25 percent, all of these in the category of loans with terms from five to eight and a half years.

A qualification to this agreement on interest rates is that for the low interest rate currencies, principally Japan, the final blended interest rate, i.e. the average of commercial and official lending rates mixed together, should not be less than 0.3 percent above the current market rate in the country of origin of the funds. This had the further condition that Japan would provide reasonable access to its capital markets to other countries.

2. Agreement that a number of countries would be shifted among the three categories: Category I—relatively rich; Category II—intermediate, and Category III—relatively poor. The most important of these shifts is the move of the USSR, East Germany, Czechoslovakia, Spain and Israel from Category II to Category I, and the transfer of nearly a dozen newly-industrialized countries including Brazil, Algeria, Korea and Chile, from Category III to Category II.

3. Agreement among the participating countries that they would not offer export credits for terms longer than those included in the interest rate matrix, which for Category I and II countries is eight and a half years, and for Category III countries not longer than ten years.

4. Acceptance that no *crédit-mixte* financing be provided with a grant element of less than 20 percent. This increase, from 15 percent, makes the extension of *crédit-mixte* more expensive.

The elements of the arrangement noted above have been an important advance in efforts to reduce the trade distorting effects of officially supported financing in support of exports, with the principal benefit being the further increase of minimum interest rates. As well, if the current trend in commercial interest rates continues, this will be a further contribution towards the reduction of problems arising from export credits competition.

Canadian implications

In reviewing the impact of officially supported export

Export credit wars

credits on Canada, the following should be considered.

1. The international market for capital goods and services is heavily dependent on the provision of financing services. In trade between industrialized countries and the developing world, the provision of such financing support is particularly important, given the state of the balance of payments of developing countries. For Canada, there are a number of industrial sectors, in such fields as electricity generation and transmission, transportation, and communications, in which productive and technical capacity is recognized as internationally competitive, and where access to world markets is essential if Canadian potential is to be achieved. For such sectors, international market conditions which permit the full play of the normal commercial competitive factors of price, quality, service and the like, and which limit or prohibit the supply of concessionary or subsidized export credits by competitors in other countries are essential elements for success.

While exports of capital goods and services provide a relatively small proportion of total Canadian exports, they do have a particularly important significance. Firstly, the sector has the potential to play the leading role in the improvement of the mix of total Canadian exports. Secondly, because the demand for this sector is large in the countries of the developing world, Canadian capacity to establish closer trade and economic links with this large group of countries is heavily dependent on success in exports of capital goods and services.

2. In these circumstances it is very much in Canada's interests for the government to continue to press for comprehensive agreements on official export credits which would prevent the trade distorting effects of subsidization and which would link the terms and conditions of such financing more closely to market terms. International negotiation on this subject has so far been limited to OECD countries. Because a number of other countries (e.g. Brazil, Israel) have become active in capital goods exports supported by subsidized export financing, it is important that the participants in any international agreement on export credits should include such relatively new export countries.

3. Until agreements of the kind envisaged above are in place, Canadian policy should emphasize the importance of minimizing the competitive disadvantages to Canadian exporters of the terms and conditions of Canadian export financing. In a period of intense international competition for markets which are by no means as buoyant as they were earlier in the 1970s, all elements of Canadian bids for capital goods and services will have to be as sharply competitive as possible. This task is made no easier by the fact that the exchange rate of the Canadian dollar has appreciated remarkably against most European currencies and the Japanese yen. It is with those European and Japanese suppliers that Canadian exporters in these sectors are most regularly in competition.



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North-South or East-West

by Allan Gotlieb and Jeremy Kinsman

Policy issues in today's world are part of a complex architecture. This article does not propose an architectonic view of world affairs. However, it is increasingly difficult to keep sets of issues separate. International interdependence is conceptual as well as economic. So, in our architectural structure, we enter a North-South door, only to find ourselves travelling on an East-West corridor, and vice-versa. There is a risk of real confusion if we do not settle on what it is we are trying to deal with. This article cannot give a perfect shape to a world whose anxieties are often formless. But it does try to separate some of these issues from some of the others, so at least we can try to agree on what we in the West are trying to deal with.

For many years after the last war East-West issues dominated the foreign policy preoccupations of Canada and our Western allies. By the early 1970s, détente had permitted other emphases. The Third World and the North-South dialogue drew an increasing amount of our attention. More recently, détente has been replaced by strained and more adversarial East-West relations. The focus of some of the strain has been the security interests of the West in the Third World. For some, particularly in the US, North-South has become principally an East-West matter. For others in the West, this represents a dangerous misreading of what is really going on in the Third World: the North-South set of issues need less East-West coloring, not more.

There are differences on North-South, differences on East-West, and differences over the junction between the two sets of issues. Differences of view, primarily between the US and Europe, reside in differences in history, in world role, in preoccupation, and, to some extent, in purpose. Difference of assessment is not an unnatural or an unhealthy feature of the Western Alliance. Indeed, it is one of its strengths. But we need to make better use of instruments for discussing these differences frankly and for evaluating their impact on world events.

First, on North-South issues, we have always accepted the argument that it is in our self-interest that developing countries should get a fairer break from the international "system," that it is an act of the head as well as of the heart. Increasing economic interdependence is the framework for integrating developing countries more firmly into the international system on terms acceptable to them, so as to avoid extremes of political instability in the strategically key areas of the Third World.

For most practitioners and observers of Canadian for-

ign policy, these are basics, *idées reçues* in our policy repertoire, with considerable support in the public at large. This has been the case as well for several other Western countries, the "like-minded": the Scandinavians, the Netherlands, and often enough, Australia and New Zealand, countries who share Canada's middle-power commitment to the multilateral ethic, in part as an assessment of where we are politically most influential.

Heads versus hearts

While the larger European countries have not been quite as engaged by North-South issues, each has, on and off, been more or less supportive of most of the central propositions which have made up the consensus agenda for North-South relations over the years. The Italians have almost always been so; the French often enough, and while they have displayed traditional reticence about multilateral action, the Mitterrand government is activist on all fronts; the Federal Germans have been quite constructive in recent years, and the British have been promoters of the dialogue in starts and stops.

Moreover, the French and British in particular continue to have basic national interests at play in their former colonies. Some of these interests are in fact increasingly folded into the foreign personality of the European Economic Community, which is more and more of a political-economic weight in the major Third World countries, even though specific bilateral deals are still made with the Germans, the French or the British. The entry of Spain and Portugal into the Community and political changes in those countries will undoubtedly bring important parts of Latin America closer to the Community as well, making it a globally imposing factor in relations with developing countries everywhere. Japan is a case apart, but is determined to be a consensus player.

Thus, all of the countries in the industrialized West are committed to the North-South dialogue on terms which have developed in international discussion, though with

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The Third World and the Cold War

different emphases for each. They are the allies of the United States, with the qualification that Japan is not in law permitted to be an ally in any formal sense. The alliances in question, of course, are East-West, at least in the strategic context. But there is no doubt that many of the stakes in the East-West contest are located in the South. It is, after all, the fact or possibility of Soviet advances in such countries as Afghanistan, Angola, Ethiopia and South Yemen, which have been, along with the USSR arms build-ups, responsible for the freeze in East-West relations in the last several years. The fear of strategists is that a country which is really key to the vital interests of the West — such as Egypt, Saudi-Arabia, Iran, or even a major Latin-American country — could eventually go the same way.

What North-South dialogue?

It is primarily American thinking which drives others in this direction. The United States is more apt to see developments in the Third World as being relevant to Western interests in the East-West contest than virtually anyone else does. Yet, the US, as an act of the head, has been less enthusiastic than other Western countries to accommodate on a global and institutional level the aspirations of the developing countries. While maintaining that the North-South dialogue is an important part of American diplomacy, the US has been extremely wary of multilateral North-South activities and has increasingly channelled US development assistance toward strategic objectives. The broad American view is that private enterprise is the best tool of development there is and that there is little if any reason to distinguish developing countries from the developed in international institutions, and in the international "system."

The US conclusion is that it is primarily on the political-military level that the security of the Third World relates to the interests of Western governments. This is virtually a distinguishing feature of the Alliance. The diverging views on the North-South/East-West connection are especially divisive because of the range of values and issues which the divergence reflects — no less than one's view of the world.

Cold War isn't everything

Both Europeans and the US share a common assumption that East and West are joined in some sort of a contest in the "South," and that it is in some vital area of the South that there is most likely to be a conflagration whose escalation and extension could lead to World War. That Western interests are vitally engaged in the South is not debatable, though they are seen in different terms by the various players. Despite a deepening relationship of future Western economic expansion to Southern markets which provided the rationale for much of the higher intensity in the North-South dialogue a few years ago, the basically strategic approach the US takes to the regions of the Third World often seems related primarily to its global strategic concerns. Europeans — and Canadians — more easily see forces in Third World countries in their indigenous contexts. They fear that conflict and escalation can erupt not because Third World countries are East-West surrogates but because instability is by definition volatile and dangerous.

We consider that the ingredients of chronic instability in the Third World are many:

- the clash between new and foreign technology and traditional values;
- instabilities created both by rapid economic development and by the lack of it;
- the relative absence of stable political institutions for the sharing and succession of power, and the pursuit of legitimacy by unstable regimes;
- sometimes unstable borders, a legacy of the colonial era;
- rising social expectations;
- the high level of armaments disseminated throughout the world;
- the increasing danger posed by nuclear proliferation;
- imponderables such as a wave of religious indignation and other trans-national phenomena;
- and, possibly above all, a loss of superpower control over events in the world.

Many in the West recognize that since interests common to the industrialized world are going to be affected by instability and almost random crises occurring in the Third World, we need the mechanisms and the policies to deal with them. The differences are over the extent to which we can develop mechanisms if we in fact do not agree on essentials: how much of the West's effort needs to be preventive and prescriptive, more economic than military, and to what extent should events in the Third World be colored by the East-West contest.

That contest represents the other basic level of insecurity in the world. It has usually been seen as being the great foreign policy preoccupation of our time. Its key, of course, is in US-USSR relations. The quality of US-USSR relations will be determined by respective behavior internationally in the context of what is agreed or understood to be permissible. Much of this behavior relates to responsibilities for, and responses to, events in the Third World. This imparts to the US a greater tendency to evaluate Third World events through an East-West prism. Many in US foreign policy circles acknowledge that Third World instability has indigenous roots, that it is generally not imported, though it may be abetted. But they are also deeply preoccupied by the East-West implications of Third World events. Thus, while they may agree in principle that these East-West implications become greater when the indigenous roots of the problems of the area are ignored, and the tensions left unresolved, strategic preoccupations often predominate and drive policy to the point of placing most of the emphasis on considerations of military security. It is an emphasis which is not shared by many others in the West. It is related to differences of assessment of East-West relations themselves.

Concerting the West

Recent discussions have made great progress in attracting Western countries to the notion that they should concert their efforts not to let economic relations with Eastern Europe contribute to the enhancement of the Soviet Union's military capability, directly or even indirectly. But there is reluctance among most countries in the Alliance to go so far as to align economic relations with the USSR along the basically adversarial lines which govern our strategic stance toward the East.

These differences reflect different views as to where to place the emphases in East-West relations in what we now

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make the US more defensive about developments abroad when other countries can be more relaxed.

The rest of the West

It may be that the close involvement of European countries with countries in the Third World over a long period of time has given them a different perspective on events there — an ability to situate political trends and patterns in a longer-term historical context. Canada's own experience in the Commonwealth and la Francophonie has something of that effect. This view of the world is less concerned with ideological competition, for a variety of reasons: our countries share democratic ideals and belief in the primacy of the private sector; but they also are more relaxed and employ a broader mix of public-private policy instruments.

And even assessments of how the USSR has been doing in the Third World have varied. Europeans have considered that the Soviet Union has had at best only a mixed record of success. Of the three basic instruments of Soviet policy in the Third World — ideological, economic, and military — the ideological has become increasingly inapplicable to most Third World political situations and much less attractive to this generation of Third World leaders, particularly after the invasion of Afghanistan. The old notion that anti-colonialism is a natural bedfellow of Soviet "anti-imperialism" has lost the appeal it had in the 1950s except, perhaps, in Central America where repressive right-wing regimes have fostered armed resistance movements whose rhetoric often seems to resemble the independence movements of a generation ago.

Soviet economic involvement with the Third World is concentrated on rigidly administered and inefficient projects in heavy industry and an overloaded public sector. Their success records are not impressive.

Probably the only area in which the Soviet Union has been moderately successful has been in military aid and defence agreements. But even here, such partners in military procurement as Syria, Iraq, Egypt, Algeria and even Libya, have all maintained their independence from the USSR and have indeed often taken policy approaches directly inimical to Soviet interests. Some erstwhile allies — Egypt and Somalia — became active foes. In fact, it could be argued that the only two long-term successes the USSR has really shown to date are Cuba and Vietnam: close and powerful allies, to be sure, in the context of their potential for problem-making, but very atypical among nations.

So the overall view of most countries in the Alliance is that time is indeed on the side of the West, and that the important thing is to remain flexible as to what is going on in the Third World and not to side with reactionary forces there for the sake of short-term preoccupations about ideology or possible Soviet interests.

What's to be done?

This assessment is drawn from a considerable amount of common ground based on shared economic interests, democratic values, and recognition that the USSR has to be watched warily. The allies need to concentrate on the ground they have in common, so that differences of outlook do not infect other areas of West-West relations. The mood of growing unilateralism in the US Congress is ominous. It has its roots in the notion that the US is suffering from unfair economic competition, as well as from unfair bur-

recognize as the post-détente era. Indeed, some suggest they reflect different evaluations of détente itself. Détente was seen to have worked in the economic interests of Western Europe, as well as in the interests of divided families and people who live there. This was the "kleine détente" whose benefits were considered in Europe to be divisible from what was happening elsewhere in the world. Europeans were reluctant to see the Soviet Union wholly in adversarial terms. They were repelled by the invasion of Afghanistan but could not agree there was a need to link economic relations with the USSR, or arms control, which had their own objective criteria of success, to events elsewhere, outside Europe altogether.

The US has an easier time in making this linkage. In large part, this flows from the US global role. The United States is a superpower. In some ways, it is the only full superpower. While the Soviet Union may have reached a more or less equal superpower status militarily, depending on your point of view, it is not by any means on the same level as the United States in economic achievement or in its international presence.

It is clear to us, who are not superpowers, that superpowers do behave differently. They have to. First, each is conscious of its relative position on an issue vis-à-vis the other superpower. It is a sort of global role consciousness. It is mostly a function of the global contest which is going on, but it also flows from the unique responsibilities of the US for maintaining a credible deterrent. On the one hand, there is the strategic arms relationship. On the other, there is the wariness about the world role of the other superpower. In its activities and positions, the United States has to be careful about the signals it gives the Soviet Union in its response to developments in one part of the world or another. The wrong signal could lead to miscalculation and the ultimate tragedy.

Détente divided

From this emerges a view on the part of the United States that the Soviet Union cannot separate the quality of its relations with the US from its activities elsewhere in the world. In the language and prospects of a decade ago, the US position would be that détente was indivisible; what the Soviet Union does determines US confidence over the full range of relations, including most acutely the verifiability of arms control agreements.

Europeans tend to assess USSR behavior differently, or at least to limit its applicability to other areas and exercises in which they have an objective interest. This may reflect a genuine difference of view as to the width of international activities that détente was meant to cover in the first place. But the overall point is that the superpower role of the US in its relationship with the USSR tends to inform its view of local crises in the world. These East-West considerations are less apparent to its allies, which may also have world roles, but not the global strategic role of the superpower.

Another major distinguishing feature of the United States is the extent of its bilateral interests with almost every country of the world, based upon the wide-ranging economic activities of the US abroad and specifically on US-based multinational corporations. US investment abroad is central to US trade. There is nothing wrong with this. But the extent of American exposure in the world can

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dens for Western defence, but it is related to the differences in world view as well. These differences must be acknowledged and debated but cannot be allowed to dominate approaches to problems. A Western consensus is urgently needed.

What should the West do? Here are some thoughts.

1) We need to recognize the inevitability of crises affecting our interests and develop the mechanisms to deal with them.

2) We need instruments for rapid consultation. As many of these crises are going to occur outside the traditional NATO area, we must have effective means of consultation and crisis management.

3) Where vital strategic interests are engaged, the option of military cooperation among states principally affected has to be contemplated realistically. Military recourse would be necessary primarily if the Soviet Union were more or less directly involved itself. We hope this will not happen. But it is less likely to happen if countries in the West are equipped to respond to such an event politically as well as militarily.

4) We need to strengthen collective security to resist recourse to force in international relations. The use of force has become banal. Article II(4) of the UN Charter, which prohibits any use of force against the territorial integrity or political independence of a state, has to be enforced. The UN's peacemaking and peace-keeping machinery has to be strengthened, not weakened.

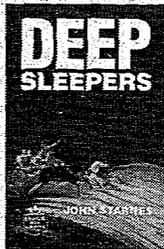
5) At the same time, we must be careful not to support with arms or other means regimes with no popular legit-

imacy, just because they are anti-communist. We need to immunize developments in the Third World from the East-West angle to the greatest extent possible. This is not only desirable in itself, but is related to the need for applying the right policies for promoting development in the Third World and for being on the right side of events there.

6) We need to support the legitimate aspirations of developing countries to achieve an international system more responsive to their needs, needs which are, in some respects, identifiably different. And we need to deal with world poverty, which is extensive, unacceptable and correctable. We have to try. There is a moral imperative, as well as basic self-interest.

7) A *modus vivendi* is needed with the Soviet Union for global activities which respects the legitimacy of their interest in world developments, but which also avoids destabilization of strategic Western interests. To achieve such an understanding, there is going to have to be a better relationship with the Soviet Union. This will depend to a large extent on USSR behavior but it can also only result from meeting with the USSR, from keeping that dialogue going.

If arms control and reductions were contemplated against the background of the above objectives, they would be a lot more obtainable. The world is a precarious place. There is not a great deal we can do to prevent violence from erupting in various parts of it, but we can try to limit those outbreaks, and also to insulate other developments in the Third World from East-West competition; their problems are surely severe enough.



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Book Reviews

Canada feels Reagan

by Anthony Westell

Canada and the Reagan Challenge by Stephen Clarkson. Ottawa: Canadian Institute for Economic Policy, 1982, 383 pages, \$12.95.

Professor Clarkson sets out to report and to analyze what he calls "the most acute crisis in the Canadian-American relationship in living memory," in essence the outraged reaction of the United States in 1981 to the National Energy Program and to the proposal to enlarge the role of FIRA, and the Canadian response. By interviewing some 200 persons and obtaining access to confidential records, he has done a splendid job of reporting which puts to shame most daily journalism. His analysis of what the facts mean is more questionable, but the book stands as an important contribution to the continuing debate on the Canada-US relationship.

Clarkson begins by describing the coincidence of two events, the return of the Liberals to power in Ottawa in 1980 with a nationalistic program, and the accession to power in the United States of the Reagan government committed to a more aggressive foreign policy asserting US interests abroad. The result was an angry confrontation, and Clarkson documents the public recriminations, private arguments and written exchanges.

His conclusion is that Canada quailed before empty US threats, dropped the plans to expand FIRA and promised there would be no more NEPs.

But Clarkson goes further to argue that the crisis, as he carefully defines the word, was not a passing phase but confirmation that the two countries are on diverging courses in many areas of policy. He supports this opinion with detailed descriptions of the problems of trade policy, the Alaska pipeline, cultural sovereignty, defence issues and other matters. This leads him to the conclusion that in order to assert and defend its national interests in future, Canada will need a deliberate strategy for dealing with the United States, and probably a powerful new agency outside External Affairs to implement the strategy. Unfortunately, Clarkson does not make clear just what strategy might work.

An alternative way of viewing the events of 1980 and 1981 is that they were merely a temporary disruption in what is normally a cooperative relationship, and that both governments have since recoiled in alarm from the path of

confrontation. There has certainly been a concerted effort to oil the waters. It is obvious that the Canadian government has retreated from some of its nationalist positions, but it was probably bowing as much to domestic politics and to economic recession as it was to US protests. It is doubtful, in fact, that there was ever a majority in Cabinet for any proposition to extend the NEP formula to other sectors. The Americans, for their part, concede that on coming to power, the Reagan administration was inexperienced in dealing with Canada, and at times quite undiplomatic. It was a matter of style, they say, rather than substance; they were merely clumsy in pushing the protests against Canadian policies which the Carter administration had in fact initiated. But all is now well, the relationship is back to its normal friendly state, and to quiet diplomacy.

If Clarkson's view that there has been a fundamental change in the relationship is too dramatic — the wish of a Canadian nationalist may be the father to that analysis — the US view that all will be well in future is too optimistic. The relationship is so complex and intense that there are bound to be rows, and often in the areas Clarkson has described. But on the other hand, the outcome of the 1981 affair seems to show that neither country is willing to push differences too far. We are too vulnerable to each other to dismantle the famous special relationship.

Anthony Westell is Professor of Journalism at Carleton University in Ottawa.

How war could happen

by John R. Walker

Risks of Unintentional Nuclear War by Daniel Frei with Christina Catrina. Geneva: UN Institute for Disarmament Research.

This sobering survey of the risks of unintentional nuclear war makes clear that the Dr. Strangelove syndrome — war by accident or by mad colonel — is the least likely risk. "Minute and negligible," as Professor Frei puts it, provided there is strategic stability.

But strategic instability grows with the arms race, as the two superpowers build up their retaliatory capacity and

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their command and communications systems, trying to avoid being caught in the "window of vulnerability." And that instability can become "utterly alarming in the long run," a time which the professor — one notes with thanks — indicates is not yet quite here.

When the two major powers have strategic doctrines, whether MAD or NUTS, that differ widely this can lead to miscalculation and can fuel the arms race. And when the credibility of the deterrence system each is adopting becomes unstable or evaporates, then low-key crises can be



generated, leading to international ones. It is here, the authors claim, that the real risks lie, in an international crisis that acts as a catalyst to trigger nuclear war unintended by their governments. Such wars, based on false assumptions, start from the cumulative effect of misperceptions, of erratic behavior of leaders under stress, of improper handling of information or from the hazards of "group think," of organizational bottlenecks or operational procedures, and of failure to implement decisions due to their complex nature.

War is never efficient or by the book, any more than crises leading to it are, and Professor Frei details and assesses the unhappy scenarios and notes the urgent need for disarmament negotiations.

An interesting notion is argued by the authors: that nuclear proliferation is unlikely to trigger all-out nuclear war. It is more likely to start local wars, and even then possession of nuclear arms may breed caution in the possessor. Let's hope so.

John R. Walker is foreign affairs analyst for Southam News in Ottawa.

Developing the right way

by Keith A.J. Hay

Development Strategies in Semi-industrial Economies by Bela Balassa and associates. Baltimore: World Bank Research Publication, Johns Hopkins University Press, 1982, 394 pages, \$32.50 (US).

In the first nine months of 1982, we have witnessed a new and unsettling global trend towards international pro-

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tectionism, stressing "fair trade" not "free trade," and arguing that trade barriers can sustain national employment and incomes. That argument is widely refuted by the most careful analysis and case studies presented in the volume, whose recurring theme is that barriers to imports impede economic progress, whereas export incentives promote economic growth.

As its title suggests, this very substantial World Bank study examines policies to promote economic development in those countries which are at an adolescent stage of industrial maturity. The particular economies chosen for a detailed study are Argentina, Colombia, Israel, Singapore, South Korea and Taiwan. This is a country-group sufficiently spatially separated, ethnically diverse, and mixed in endowments of land, labor and capital to provide a relatively unbiased sample base. Each one of these countries can be classed as newly-industrialized (NICs), but none of them has yet achieved a well-balanced industrial base. Their policies and achievements are evaluated and compared using, from time to time, the experience of Brazil, Chile, Mexico, India and Yugoslavia as counterpoints.

Each of the six countries chosen for examination has an important international trading sector. Thus, the main thrust of the volume is to examine the interaction between policies that have supported import-substitution and/or export-promotion, with strategies for industrial development. It is well known from previous work on these and other NICs that links between commercial policy and industrial strategy are of vital importance since they may well determine which industries prosper and which perish, while also pushing resources out of one use and pulling them into another economic activity. What is surprising is that economic planners in many NICs have not always sought to use the tariff and foreign trade related subsidies and incentives as integrated elements in their overall industrial strategies. Moreover, there have been contradictory commercial policies in which countries have simultaneously promoted inward and outward oriented policies, sometimes even for the same industry. As with the NICs, it behooves Canada to carefully contemplate a set of trade policies that integrate rationally with monetary, fiscal and regional economic development policies.

Formula for success

The first part of this volume presents a methodological outline and overview of key issues. Bela Balassa gives a comprehensive review of techniques of estimating effective protection and effective subsidy. This latter draws on credit and tax preferences to widen the measures of resource reallocation and distortion. With these in hand the structure of incentives in the six NICs is examined, carefully revealing the inter-industry pattern of incentives and the effects they have on foreign trade. Balassa then looks at development strategies in a wider group of eleven countries (which incorporates the key six), whose candidacy for study rests on their having exceeded \$3,000 million (US) in manufacturing valued-added in 1970. Together they accounted for more than two-thirds of manufactured exports from the developing world. He concludes that by avoiding a bias against exports and against primary industries, Far Eastern economies (Taiwan, South Korean and Hong Kong) have achieved the best export performance. Adoption of incen-

project on *Canada/Pacific Rim trade and development policy for the Institute for Research on Public Policy*. He contributed an article on *Canadian trade policy in the 1980s to the July/August issue of International Perspectives*.

A Pacific Community?

by Iain Wallace

Region Building in the Pacific edited by Gavin Boyd.
New York: Pergamon Press, 1982, 282 pages,
\$US30.00.

"The greatest blank on the map" has become "a nexus of global commercial and strategic relations." Thus has one recent author (Oscar Spate) summarized the revolution in perceptions of the Pacific Ocean which has been greatly accelerated in recent years by the emergence of Japan as an economic superpower. To what extent have the states bordering the Pacific taken stock of this change? Does the shared geographical orientation which has achieved explicit recognition in the increasing use of the term "Pacific Rim" in itself provide the basis of a durable community of interest among the circumferential nations? If the potential for an institutionalized regional community exists in the Pacific, on what functional bases would it rest, and what problems and opportunities face those interest groups concerned to promote and shape its development? These are the fundamental questions addressed in this addition to the Pergamon monograph series in Policy Studies on International Politics, edited by Gavin Boyd of Saint Mary's University in Halifax.

Boyd and his four collaborators agree that geography alone does not define the actors on the Pacific stage. Canada, the United States and Mexico are included, but the rest of the Western hemisphere is not, to any degree. Japan, Australia and the market economies of East and Southeast Asia are also principals, whereas the Soviet Union and China project their presence from offstage. What is new about the Pacific arena, as Sours's perceptive contribution brings out, is the absence for the first time in many centuries of a dominant hegemonic order, and the presence among the principal actors of a common lack of enthusiasm for a replacement. Hence if Japan and the United States are indisputably the core powers, their respective dependent peripheries have potentially much to gain from a multilateral regional grouping which could increase their policy options and leverage. In the economic sphere there is a buoyant regional trading system to build on. But are there adequate cultural and political commonalities to support the creation of a Pacific equivalent of the European Community, the scenario which Boyd elaborates in his final paper? Surely not.

Although not afforded the chapter-length treatment of those of some other actors, Canadian interests are well documented in Doran's chapter on US and Canadian perspectives. Ottawa's efforts at policy formation are ham-

aided exports of several Latin American countries, increasing such incentives held back Israel and Yugoslavia, while stressing import substitution impaired the export performance of India and Chile. Moreover, export expansion seems highly correlated to economic growth in these seven economies and suggests that outward-oriented approaches which expect domestic resources to be reallocated according to comparative advantage, capacity utilization and scale economies are most beneficial in the medium term. In the final chapter of Part I, Balassa recommends a system of appropriate incentive schemes which, since as much interest to *developed* as they do to *developing* economies, since they aim to reduce distortions in factor prices, and markets, improve resource allocation, and thereby accelerate productivity and stimulate growth.

Six case studies

The second part of this volume contains the case studies on the chosen sample of six countries, each authored by internationally-recognized experts with established knowledge of local policies. Since a similar methodology is used, more or less, in examining each country's incentive system, it is possible for the reader to follow fairly complex analysis readily. Each case study warrants a separate review, but three are representative. Berlinski and Schydrowski argue that Argentina's stop-go cycle of growth, inflation and devaluation is a consequence of the import-substituting emphasis in its trade policy and the anti-export bias in its incentive system. Israel's trade liberalization of the 1950s stalled and reversed in the 1960s, and Sussman suggests that failure to return to an outward-orientation in the 1970s can explain export growth slowdown, weak export diversification, and moderate overall economic expansion. Israel's incentive system needs to be rationalized and biases against both traditional (e.g., agriculture) and non-traditional (e.g., machinery) exports eliminated.

By the early 1960s, Korea had exhausted the scope for its import substitution strategy for non-durable consumer goods. Rather than adopting widespread protection of intermediate and durable goods, the Koreans opted in large measure for an export promotion strategy. Nevertheless, as Westphal and Kim point out, incentive policies have discriminated in favor of agriculture and those manufacturing sectors where import substitution retained some potential, but overall Korean effective protection has been low by international standards. Factor utilization and allocative efficiency are shown to have increased as a result of export growth, and this in turn has contributed markedly to Korea's outstanding overall economic performance through the 1960s and 1970s.

At a time when Canadian trade policy for the eighties is under review, this landmark World Bank volume underscores two key considerations. The record of protectionism and import substitution in the developing world shows clearly that this leads to factor misallocation, underemployment and hardening of the economic arteries. Whereas a balanced approach to export incentives, or at least removing anti-export biases, fosters foreign sales which in turn promotes efficiency, productivity and prosperity.

Keith Hay is Professor of Economics at Carleton University in Ottawa. He is director of a five-volume

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pered by the significant regional differentiation in the domestic impacts of the trade and investment which are at the heart of Canadian interests in the Pacific. If the private sector is left to pioneer and promote Canada's participation in the region's development, one wonders how successful these efforts will be in the face of stronger and more coordinated competitors based elsewhere. The implications of the book's common theme, "that Pacific cooperation must be fostered by nongovernmental groups," should promote concern and attention in Canada.

Iain Wallace is an Associate Professor of Geography at Carleton University in Ottawa.

Avoiding beastliness with South Africa

by Douglas Anglin

Canadian Relations with South Africa: A Diplomatic History by Brian Douglas Tennyson. Washington: University Press of America, 1982, 237 pages, \$26.95 (hard), \$12.95 (soft).

The steady deterioration in Canada's relations with South Africa over the past two decades makes it easy to overlook the degree of personal and political intimacy that characterized the intergovernmental relationship during the opening two decades of this century. The delineation of this "special relationship" between Laurier and Botha, Borden and Smuts and, to a limited extent, Mackenzie King and Hertzog constitutes the most interesting and revealing contribution of this painstaking recital of the uneven course of diplomatic interaction between the two "least-British" dominions. Professor Tennyson's study begins with the conquest of the two South African republics in the Anglo-Boer War, and carries the story up to 1961 with the reincarnation of the Republic of South Africa — and its departure from the Commonwealth. A brief Epilogue traces developments in subsequent years, especially Canada's agonizing efforts to avoid facing up to the realities of the South African situation.

For much of the period covered, the substance of the liaison was not so much bilateral as a shared interest in transforming the imperial relationship. Even after the struggle for dominion status had been won, constitutional issues, such as the protracted controversy over the status of their respective diplomatic representatives, continued to dominate what little remained of the relationship. Even the final confrontation in 1961, when Prime Minister Diefenbaker's courage and vision overruled the inbred caution of the Department of External Affairs, centred on the nature of the modern Commonwealth and, significantly, had only a limited impact on subsequent Canadian policy towards South African racialism in the United Nations and elsewhere.

The author has been assiduous in seeking extensive interviews and mining numerous private papers in archives in Canada, Britain and South Africa. He also had access to

confidential files in the Department of External Affairs. As a result, his account not only carries conviction but includes many fascinating little revelations. We are told, for instance, how wartime censors exposed a conspiracy between Albert Herzog (since 1969, leader of the ultra-right *Herstigte Nasionale Party*) and the South African representative in Ottawa to promote Nazi propaganda in the United States. Even more disturbing is the assessment of South African blacks by the Canadian High Commissioner in Pretoria in 1944; they were, he claimed, "perfectly dumb and appear to have little brain capacity" (p. 116).

This book is explicitly a diplomatic history. Accordingly, it confines its discussion of economic relations with South Africa largely to an Appendix on the grounds that "they have never been an important factor in determining Canadian policy" (p. 193). Nor is there any mention of the pervasive and sustained disinformation campaigns conducted in Canada by the South African Foundation (which assisted the author financially in his research) and the South African Embassy (whose misleading advertisements help support this journal).^{*} Despite these limitations, the monograph is greatly to be welcomed as an authoritative and informative study of a significant and neglected theme in Canadian external relations.

^{*} Reference is to advertisement appearing in the July/August, 1982, issue of *International Perspectives*; Ed.

Douglas Anglin is Professor of Political Science at Carleton University in Ottawa specializing in African affairs.

A peacekeeping success

by Brian M. Murphy

From Rhodesia to Zimbabwe: The Politics of Transition by Henry Wiseman and Alastair Taylor. New York: Pergamon Press for the International Peace Academy, 1981, 171 pages, \$US20.00 (hard) \$US9.95 (paper).

International peacekeeping is a messy and thankless business. Since the United Nations adopted Lester Pearson's suggestion there have been many failures. The bright spots have been tinged with bitterness or lost to public scrutiny in the folds of face-saving diplomacy.

Now Henry Wiseman and Alastair Taylor say they have found an unmitigated success. The settlement which brought about Zimbabwe fulfills all the requirements. Conducted before an audience of invited foreign observers, it was well planned, enjoyed the support of all parties, took a strident pace pushing controversy before it, allowed real authority to peacekeeping forces, and concluded with elections which, say the authors, were "free and fair under the circumstances."

The whole process confirmed the efficacy of the peacekeeping concept and showed that the international com-

community has made it a permanent instrument by developing variations on the UN theme.

The Rhodesia-Zimbabwe transition was a unique variation. These two Canadians are in a good position to judge. Wiseman is Director of Peacekeeping programs of the International Peace Academy, a position achieved after years in the world peace business. Taylor has moved between the United Nations and universities in Canada, Scotland, United States and the West Indies, while producing books on peacekeeping and other international issues. He is currently Professor of Geography and Political Science at Queen's University in Kingston. Wiseman was an accredited observer at the election which capped the last thirty-three hectic days in the life of British Rhodesia. Taylor has helped put his report together.

They look in detail at the Lancaster House agreement, the composition and activities of the Peace Monitoring Force and the role of the observers. Peacemakers at other world flash points would do well to study the troop deployment described in this book. The Commonwealth Monitoring Force, multinational in name only, had an advantage over most UN units. Its strong British component allowed detailed and knowledgeable forward planning during the London peace talks, speedy deployment once the cease-fire agreement had been signed, and clear lines of communication to the power-brokers while the election proceeded. The force was not limited to guarding cease-fire lines. It could move freely throughout the country while the combatants went to designated Assembly Points away from the front.

Wiseman and Taylor say the key lesson to learn from this unique exercise is that future UN initiatives must not allow bias or bureaucratic flatulence to compromise pragmatic initiatives tailored for complex and multidimensional situations. At the top of the list for likely beneficiaries from the Zimbabwe experience is Namibia.

Brian Murphy spent several years as a journalist in Africa. He is now Ottawa correspondent for the Third World news service *Interpress* and for the magazine *New African*.

Canada on record

by Robert Jackson

Canadian Annual Review of Politics and Public Affairs, 1980 edited by R.B. Byers. Toronto: University of Toronto Press, 1982, 378 pages, \$48.50.

It is a rare and delightful occasion when a reference book of this quality and utility appears on Canadian bookshelves. *The Canadian Annual Review* has appeared for twenty consecutive years, and has consistently maintained its reputation for accuracy and comprehensiveness. This volume, edited by R.B. Byers with contributions by seventeen scholars and experts, is no exception.

The combined articles offer a concise résumé of political and policy developments from both federal and provin-

cial perspectives. Federal concerns are discussed under three headings: parliament and politics; the national economy; and external affairs and defence. Provincial concerns are discussed province by province under basically similar formats, all including politics and the economy.

This particular volume had the advantage of an unusually eventful and exciting year. 1980 opened with an unanticipated general election which abruptly ended the short, fragile life of Joe Clark's Conservative government, and moved quickly on to the Quebec referendum on Sovereignty Association.

The beginning of the new decade also saw such high profile events on the domestic front as the launching of the national energy policy and a fruitless summit on the constitution, and foreign initiatives were crowned by the daring "Canadian caper" in Iran. The detailed reports make entertaining reading as well as a valuable reference for research and informed opinion.

A few of the policy issues under national discussion in 1980 have come to fruition, but most have merely evolved to different stages. The same thorns in Canadian-American relations are still festering, and a few new local ones have been added. Policy initiatives that were taken to expand relations in Latin America have still not been put into concrete form. The National Energy Policy remains one of the most controversial issues of the decade.

The Canadian Annual Review gives continuity and perspective to these and other key issues in Canadian politics and society by following and updating them year by year with insightful appraisals. This volume maintains that tradition.

Robert Jackson is Professor and Chairman of the Department of Political Science at Carleton University in Ottawa.

Measuring R&D

by Barry Nanne

Approaches to an International Comparison of Canada's R&R Expenditures by Kristan S. Palda and Bohumir Pazderka, for the Economic Council of Canada. Ottawa: Canadian Government Publishing Centre, 1982, 57 pages, \$5.95.

This study suggests more accurate information is required when comparing Canada's industrial research effort to the efforts of other countries belonging to the Organization for Economic Cooperation and Development (OECD).

The authors focus on research and development activity within seven major OECD manufacturing industries. A detailed econometric model is applied to this examination combining observations, statistics and economic theories. The results offer a realistic industry-by-industry assessment of Canada's research performance within an international economic context. For example, when mea-

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sured by sales, it is found that foreign subsidiaries involved in the paper-making industry conduct more research than their Canadian counterparts. Other findings, while not as conclusive, are nonetheless far from invalid, unlike current macroeconomic comparisons which contribute heavily to watered-down R&D policies for Canada.

Palda and Pazderka provide a workable option, but are our policy makers prepared for such detailed measurements?

Barry Nanne is a free lance journalist in Ottawa.

Letters to the Editor

Letters to the Editor

Tilting at Lyon

Sir,

Professor Peyton Lyon's argument ("Canada's Middle East tilt," September/October 1982) that if Canada would only cease its ignorant and domestically politically opportunistic "tilt" towards Israel, then Ottawa's stature abroad would rise, it would be able to contribute more effectively to the peace process and, as an added benefit, Canada would be able to trade more with the Arabs and the Third World, betrays an incredible overestimation of Canada's influence in the current international setting. He also shows how easy it is for an otherwise sage observer of Canadian foreign policy and international relations to come under the trendy spell of the global exercise in hypocrisy directed against Israel.

Of all the nations in the world, the country with the most influence in the Middle East and the one which has done the most to encourage realistic approaches to peace, is Israel's ally, the United States. Far from being a liability, America's friendship with Israel is regarded in the Arab world as key to any settlement. No Arab leader understood this more than Sadat. If Canada were to tilt away from Israel, it would hardly encourage Jerusalem to heed Ottawa's advice. Canada would simply become yet another country ritually protesting Israeli policies, while courting Arab money. Nor is a tilt towards the Arabs likely to increase Canada's standing in the Arab world.

For what could Canada offer the Arabs in the way of substantial benefits? To be sure, the Arab governments will

praise Ottawa's new "even-handedness." But they will know, as every other government concerned knows, that Canada has little to contribute to the peace process. The best hope for peace in the Middle East rests with the Camp David process begun by President Carter and given new life by President Reagan's September proposals. The best contribution that Canada can make to this process is to support the United States and avoid loud and meaningless declarations of even-handedness, self-satisfying as those declarations might be.

As to Canada's standing in the Third World, here again Professor Lyon offers no solid evidence that Canada's stature in the Third World would rise because governments in Africa or Latin America would be won over by the position Canada takes on the Arab-Israeli dispute. Does he really believe that these nations care about Canada's stand? Does he really believe that they calculate their global self-interest so exclusively on the basis of what is happening in the Middle East? Moreover, every Arab state and most of those nations which condemn Israel find no difficulty in trading with the United States.

Midway through his article, Professor Lyon reveals what could be the only real benefit for Canada of a tilting away from Israel — not peace and justice in the Middle East, but trade with the Arab oil producers and energy security. How much trade? He cannot say. But it would be a good idea if Canada dropped legislation making it illegal to discriminate against Jews when Arab oil money is at stake. On energy security one can only point out that those so eager to reduce Canadian dependence on its major ally and

trading partner, the United States, also seem willing to tie Canada's energy security to the volatile politics of the oil-producing Arab countries.

Professor Lyon is well enough versed in the language of international politics to know that a declaration of "evenhandedness" by Canada would be taken by all parties concerned as a pro-Arab stance. While not affecting the politics of the Middle East dispute in any significant way, such a decision by Ottawa would only further increase Israel's sense of isolation and desperation.

In their overwhelmingly positive response to the Sadat initiatives, and in their reaction to the Beirut killings, the people of Israel have shown themselves both willing to make real sacrifices for peace and to be a nation with a high moral standard. The issue now before Canada is whether it is going to encourage Israel along the road to peace or discredit itself entirely by joining those who can see evil nowhere else in the world except in the streets of Jerusalem.

A solution to the Middle East dispute, including a solution to the tragedy of the Palestinians, requires wisdom and courage by those, including the United States, who have a direct responsibility for the future of those troubled lands. What it does not require is self-interested commercialism hiding under self-righteous moralism by those nations who do not share the burdens of peace and war.

Joel J. Sokolsky
Center of Canadian Studies
The Johns Hopkins University
Washington, DC

Sir,

It is surprising that Professor Peyton Lyon would seek to advance his thesis by making the unsupported allegation that "Justice Ivan Rand and Lester Pearson played a decisive role in the creation of the state of Israel, and frequently displayed an anti-Arab bias." (My italics.)

That they played a decisive role in the creation of the state of Israel by their support of the partition of Palestine is, of course, correct. That in doing so, or at any other time, they displayed "anti-Arab" bias is surely quite unwarranted; I happened to serve during the period in question at Canada's Permanent Mission to the United Nations, and I can recall nothing either from their public statements or from private deliberations at the Mission that in any way could be construed as supporting Professor Lyon's allegation.

Mr. Justice Rand, Canada's member of the original eleven-nation UN Special Committee on Palestine (UNSCOP), joined in its seven-member majority recommendation of partition in 1947 — but doing so surely did not make them anti-Arab. Mr. Pearson chaired the First Committee at the UN Special Session of the General Assembly in 1947, which established UNSCOP, and he was a member — with the USA, UK, USSR and Guatemala — of the Working Group established at the 1947 Regular Session of the Assembly to consider partition. He too supported partition, but that did not make him anti-Arab.

Although the Zionist movement and the Jewish Agency for Palestine supported what for them was the painful compromise of partition, and although the Arab nations bitterly opposed it, that does not make a proponent

anti-Arab, or a supporter pro-Zionist. At the General Assembly's culminating vote on November 29, 1947, thirty-three states favored partition, thirteen opposed and ten abstained. That did not make the thirty-three supporting members "anti-Arab" any more than were the authors of Britain's famous (Peel) Royal Commission report who, a decade earlier, made the original recommendation for partition. Would it not be more reasonable to assume that Messrs. Pearson and Rand, in supporting partition, honestly believed it to be not the best of all possible worlds but the lesser of evils, and the only way they could devise at that time towards solving a complex and intractable problem? It is worth recalling, in the retrospect of today, that it did provide in 1947 for an independent Palestinian state — quite in addition to Jordan — but this was rejected totally by the Arabs.

Sidney A. Freifeld
Ottawa, Ont.

Falklands interpretation challenged

Sir,

I was really disappointed to see in such an authoritative journal an article such as the one on the Falklands war, under the title "Reflections on the Anglo-Argentinian War" by J. Nef and F. Hallman.

The authors are certainly entitled to their opinions, but this report is clearly inadequately researched from many points of fact. I am not an expert on Argentina and, indeed, I have never met a real expert on this very complex country. However, I have travelled South America extensively, aided by a better than average working knowledge of Spanish; I also have a son-in-law who was born and reared in Argentina and who still has many connections and close friends living there. Furthermore, in late June I took part in a discussion, led by a senior member of the British government, on Britain's strategy in seeking to protect this remote piece of land in the south-western Atlantic.

I first take issue with the authors over their emphasis on the fact that the motivation in both countries was political opportunism to divert attention from domestic difficulties. It is possible that General Galtieri wanted some diversion from the national economic crisis, but when you are bankrupt it is hardly the time to engage in a very expensive war. The truth is that Argentinians are taught from infancy that the Malvinas is Argentine territory, stolen from them by successive nations, including Britain. Indeed, until my son-in-law went to school in England, he firmly believed this, and was considerably disturbed to find that it was not the truth. The Malvinas is an emotional issue in Argentina. It has no economic significance to them. They have tremendous resources of fertile lands and pampas, minerals, etc. They have extensive sedimentary areas that are prospective for oil, which they have consistently messed up by poor government policies. To say that they were looking for the potential underwater oil resources near the Falklands is ridiculous. As one who spent forty years in that business, that area has been known during my entire experience and nobody has ever thought it was worthwhile exploring. Argentina has on other emotional

Letters to the Editor

grounds been in constant battles or semi-battles with its neighbors in Chile, Brazil, Paraguay and Uruguay.

Lastly, one should remember that during World War II Argentina strongly supported the Nazis and, in fact, sheltered their Atlantic fleet.

On the British side the authors are also off-base. Margaret Thatcher took a tremendous gamble in deciding to fight Argentina. First there is tremendous anti-nuclear and anti-trident missile sentiment in Britain, which is against any military role for the UK. Secondly, British naval and air strength has been seriously undermined by inadequate budgets in recent years, and thirdly, the logistics problems of mounting this type of operation are horrendous.

Why then, did Thatcher go to war, with inadequate military and shortage of money? The compelling reasons were strategic, such as protection of the Straits of Magellan against possible closing of the Panama Canal. One might note that the Americans were the first foreign invaders in the Falklands, in order to clean out pirates who were raiding the China clipper fleet. There was also the fact that leaving Argentina in the Falklands might trip similar situations in Panama, the Malay Straits, etc. Britain also wanted to protect its position in the Antarctic.

Finally, even though the Falklands were an economic burden to the UK, its people were British citizens. The victory accomplished much more for Britain than the popularity of Thatcher. It showed up the serious weaknesses and some surprising strengths in its military preparedness. It demonstrated the ability, with the assistance of the Americans, to fight a remote war, something that is clearly possible in the Arabian Gulf today.

William O. Twaits
Toronto, Ont.

Sir,

I am very surprised that a magazine of your aspirations should have published so superficial an article as that of

Professor Nef and Miss Hallman entitled "Reflections on the Anglo-Argentinian War" in your September/October edition.

It is hardly penetrating to ascribe the Argentine invasion of the Falklands to the junta's internal crisis but it is facile to suggest the British government's prompt action to recover the islands was to direct attention from "the myriad of social ills and tensions associated with its generally unsuccessful domestic program." If Mrs. Thatcher's political survival was at stake at this juncture, it was because her defence economies had left this colony unprotected. What else, in any case, was she to do? Can anyone argue that the "kelpers" should have been abandoned to the regime these authors brand with "the worst human rights record in Latin America?" Does anyone believe the UN would have ousted the Argentines by now?

As to the speculation that this war promoted a "potential for multiplying and accelerating conflicts" in Latin America on the 1914 model, it is more likely that it had the opposite effect. The junta's success in the Falklands, like Hitler's in the Rhineland, could well have been the prelude to further adventures to distract attention from later domestic reverses: the Beagle Channel islands come readily to mind and who knows where next? Uruguay? The swift and decisive British challenge may have averted a repeat performance of 1939.

I believe I discern in J. Nef and F. Hallman, and in your sub-editor who sub-titled the article "Britain and Argentina — alike under the skin," an ivory tower desire to castigate even-handedly. It is certainly their privilege to like Margaret Thatcher's politics no better than General Galtieri's but in the real world nations have to take a position, if necessary on the basis of the lesser evil. I am delighted the governance of Canada was not in their hands on this issue.

Richard Donaldson
Victoria, BC

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Editor's Note:

*Even periodical journalism, as this bimonthly frequently reveals, seems to be dominated by stories that are bleak and black as is the daily press. Things look terrible for disarmament, worse for world trade, Arab unity still struggles to get off the ground, the old free press doesn't trust the new Third World press; and Papandreou is having difficulty getting Greece to support his original program. Those are all subjects dealt with in this issue of **International Perspectives**, and they are all sobering contacts with reality. Perhaps it is only at the personal level that problems are hopeless; but not serious.*

Then there are some exceptions here — individual accounts of national experience which reassure the reassuring that all is not lost. The Prime Minister of New Zealand is pretty positive, but then national leaders are supposed to be. You will find though, that Mr. Muldoon's story is too full of solid information, exciting plans and bold proposals to be classified so easily. Another country which one can view without alarm is Cameroon, where Brian Murphy finds a complicated nation flourishing and at peace — and that has been going on (more or less) since its national state began about twenty-five years ago. Now there is a new President — only the second — and that took place smoothly.

At the back of the issue — beyond the Book Reviews — are the Letters to the Editor. Sometimes authors trouble readers; sometimes those letter-writing readers trouble the authors. There are some of each here.

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GATT and the new trade world

by Gilbert G. Winham

In November 1982 a Ministerial-level meeting was held in Geneva of the eighty-eight Contracting Parties to the General Agreement of Tariffs and Trade (GATT). This was the first meeting at this level since the Tokyo meeting in 1973 which launched the Tokyo Round trade negotiation. The purpose of this meeting was to take stock of world trade relations at a critical time in the international economy, and to set a liberal tone for commercial relations for the remainder of the decade. This was a harder task than it appeared. The exchange at the Ministerial session was sharp and prolonged, and the meeting only narrowly managed to produce a joint document acceptable to the GATT members.

The meeting coincided with a global recession that has reawakened memories of the 1930s' depression. Global production levels are down, and unemployment figures are the highest recorded in industrial nations since the mid-1930s. The current downturn has jolted international trade. Since the 1950s world production has grown on average about 5 percent per annum, while world trade has grown at about 7 percent. By 1981 trade growth had fallen to nearly zero, and it remained at that level through 1982. It is well known that trade protectionism increases during straitened times, hence the Ministerial meeting was initiated to head off a protectionist response that has in fact been increasing since the late 1970s.

The result of the meeting was a sixteen-page Ministerial Declaration committing the members "to reduce trade frictions, overcome protectionist pressures, avoid using export subsidies inconsistent with Article XVI of the GATT and promote the liberalization and expansion of trade." It is tempting to view the Declaration as empty posturing, particularly when compared to the concrete protectionist actions that nations have taken recently, for example on steel products or automobiles. The meeting was not posturing, however, and the significance of the Declaration can be seen on at least two levels. Most immediately, the United States, which initiated the Ministerial meeting, had raised a series of new and old trade problems on which some international action was likely necessary. These problems, such as agricultural subsidies, trade in services, and investment performance requirements, were intensely divisive, and the meeting provided an opportunity to explore common approaches to these difficult policy areas.

Protectionism versus liberalism

The second level of significance bears on the nature of protectionism and liberalism in the modern trade system.

Protectionism in industrialized countries is a grassroots phenomenon. Its roots are national, and it is initiated through many discrete policy actions, sector by sector, even product by product. It responds to specific domestic pressures, and it is often not accompanied by any governmental plan or guiding economic theory. Liberalism, on the other hand, is a broad-scale phenomenon. Its roots are international, and it is initiated in great spasms centred around multilateral negotiations attended by many nations. The effective pressure for freer commercial relations comes from outside a nation's domestic structure, and an action to liberalize trade typically takes the form of a general plan which is to be implemented over time. In the struggle between protectionism and liberalism, the 1982 Ministerial Declaration could be considered a passable result achieved under exceptionally adverse circumstances. At least it gave trade ministers ammunition to confront their protectionist lobbies with the argument that international cooperation was not dead.

The Ministerial meeting was significant because it tackled tough questions and it avoided a breakdown. To appreciate this result it is useful to compare international processes of the GATT to the exigencies of cabinet government in a parliamentary democracy. Appearances of division within cabinet are assiduously avoided in the conduct of parliamentary affairs, because division weakens the capacity of cabinet to manage the government. Similarly in GATT, irreconcilable divisions among the members weakens the capacity of the collective organization to manage the trade system, and particularly to maintain the momentum of freer trade. The greatest danger in today's economic climate is that a desperate nation might take protective measures that seriously jeopardize the interests of others, and thus pave the way for retaliatory action. By maintaining some modicum of international accord, the GATT meeting probably forestalled for the moment the threat of competitive protectionism that so gravely worsened the economic conditions of the 1930s.

Agriculture — most divisive issue

The Ministerial Declaration was not long on specifics, but the outlines of several important battles are clearly evident. Of these the most important was agriculture, in

*Gilbert R. Winham is Professor of Political Science at Dalhousie University in Halifax. He was formerly Director of that University's Centre for Foreign Policy Studies, and has previously contributed to **International Perspectives on trade negotiating.***

Trade Ministers' meeting

which the main plaintiff was the United States, supported by other agricultural exporters such as Canada and Australia. The crux of the problem is the Common Agricultural Policy (CAP) of the European Community (EC). Agricultural exporters claim its price support programs and export subsidies have undercut sales from efficient producers, not only to the EC countries themselves but in third-country markets as well.

Agriculture is a long-standing problem in trade relations. Agricultural protectionism became firmly established in Central Europe in the late nineteenth century as a response to falling grain prices resulting from expanding production in the new world. A later movement to protect farm products occurred during the 1930s. The most recent round of agricultural protectionism in Europe has occurred as part of the efforts of the EC to integrate farm support policies in the member countries. From a standpoint of the goals of European integration the CAP has been one of the most successful initiatives of the EC, which makes the current American offensive against European agricultural subsidies appear indistinguishable from an attack on the EC itself.

Although the EC is clearly the worst offender, the fact is no nation is currently without some restrictions on agriculture. There are two reasons for this. First, although nations differ sharply on this dimension, agriculture has not done well relatively in any country, and hence all have taken policy actions to raise or stabilize farm incomes. Second, because agricultural production has implications for the geographical distribution of population, virtually all countries handle agriculture more as a matter of social policy than as trade policy. They have been willing to bear the economic costs of an inefficient agricultural policy in order to avoid the social destabilization caused by a too-rapid deterioration of farm employment. Furthermore, economic research would suggest that in fact the economic costs of farm support policies have not been excessive in comparison with other social costs.

The United States has a key position in the agricultural trade problem. As the largest agricultural exporter, it has since the 1960s pressed the Europeans to adopt a more liberal position on agricultural trade. This pressure has become especially insistent after 1970, as the US government recognized the effect agriculture could have on the US trade deficit. Unfortunately for Washington, however, the US position in the GATT is badly compromised on agriculture. US farm support legislation has never been consistent with the GATT obligations, and in 1955 the United States took advantage of its preeminent position to obtain a waiver of the GATT rules for its agricultural policies. The waiver has been officially condemned as probably causing more damage to GATT objectives than any other factor, but it nevertheless continues unaltered. The upshot today is that American protectionism in agriculture is in fact far less extensive than the European variety, but the US case against the EC is neither morally nor legally convincing within the GATT framework.

The specific charges on agriculture at the Ministerial meeting was a new run at a very old target. This issue was previously aired in the Kennedy and Tokyo Rounds of trade talks, and it caused a lengthy blockage in each negotiation. The European response to American pressure has been to interpret the criticism as an attack on the CAP and the EC itself, and to elevate the issue to one of principle. In

the preliminary negotiations before this Ministerial Meeting, an agreement was reached to conduct an "examination" of "all measures" affecting trade in agricultural products. However, this agreement proved to be an insufficient basis for a quick conclusion at the Ministerial session where the EC came under renewed pressure to make a commitment to phase out its export subsidies.

This issue was concluded after hard bargaining at the Ministerial Meeting with little further change by the EC. The result was wholly unsatisfactory to Australia, which refused to sign the declaration. For the United States and Canada, agriculture was not so important in the end as to overthrow other aspects of the agreement, but the outcome was clearly less than satisfactory. As a result, agriculture continues as one of the more intractable problems of international trade. If one issue had the potential to cause the present GATT system to come unstuck, it is probably trade in agricultural products.

Trade in services growing

Another major issue before the Ministerial session was trade in services. Again the United States was the principal demander, with the developing countries in the position of parrying demands for unwelcome changes. Canada found itself on both sides on this issue.

The main component of international trade is goods, for example machinery, wheat or transistor radios. However, the service sector, which includes such activities as banking, computer software, shipping, and communications, has seen the most dynamic growth since the 1960s. World trade in services is now about one-third of total international trade, and has grown at about 17 percent annually during the past decade. The service sector is relatively more important for the developed countries. The United States has the most advanced service sector, and it is estimated that two-thirds of the GNP and approximately 70 percent of American jobs depend on services. In US trade, exports of services (including interest paid to US banks) have posted a healthy surplus which has offset a substantial deficit in merchandise trade. In Europe and Japan, the service sector is also growing and it now accounts for about one-half of the total work force. Canada has a service profile that resembles the United States', but it has a sharp deficit on its trade balance on services, mostly caused by interest payments on foreign loans.

There are many national barriers that now impede further international exchanges in services. The GATT, which regulates mainly trade in goods, says very little about services. Service-exporting nations obviously want to put this subject on the future agenda of GATT discussions. The main resistance has come from developing countries like Brazil, who fear that liberalization of trade in services could interfere with national development plans that give preferences on services to local business. At a more profound level, developing countries view some services such as transportation or banking as critical in the development of a national culture, and they are unwilling to tolerate foreign activities even though this policy may create a loss in economic terms. Clearly, this is also a position that Canada, and other developed nations, have adopted as part of their own national economic strategies.

The Ministerial Declaration included in the end a statement on trade in services. The statement invited members to conduct "national examinations" of this issue and to

exchange information within the GATT. The position of Canada, as stated by Trade Minister Gerald Regan, was to study the complexities of this area within the GATT, "without commitment as to what might follow." Canada's position probably reflects the middle ground on this issue. The GATT will not move quickly in this area, but in the long run it cannot afford to ignore the matter entirely. At this juncture the GATT Ministerial action appears similar to the early actions taken in the GATT on the whole subject of non-tariff barriers to international trade.

Investment control controversy

A third major concern of the Ministerial Meeting was investment. Since World War II, trade patterns have been increasingly influenced by the investment activities of multinational corporations, particularly American corporations. Largely as a result of market competition, there has been an enormous outpouring of international investment which by 1971 had produced a value of international production (i.e., the worldwide production of branch plants) that had surpassed the value of world exports in the same year. An important result of this investment is that a growing proportion of international trade is carried out between parent firms and their subsidiaries in foreign countries. Such intra-firm trade creates problems for trade policy, because the prices set on goods being traded across national boundaries may not conform to real values, but may simply be artificial prices (i.e., "transfer prices") manipulated to minimize the corporation's exposure to host country tariffs and other taxes.

The response of host governments has been to control foreign investment, not only to safeguard certain sensitive areas of the national economy from foreign domination, but also to insure that the host country receives a fair share of the benefits of the investment. One policy tool that is increasingly used by host governments is the "performance" requirement. Performance requirements are restrictions on the trading or other economic activities of foreign firms placed as a condition of foreign investment. For example, a firm seeking to establish a subsidiary in a foreign country might be required by the host government to purchase a certain proportion of raw material inputs for that subsidiary from host country suppliers. The United States, with some support from the EC, has been in the vanguard in opposing the use of performance requirements. On the other side, capital importers such as the developing countries and Canada, have resolutely defended the practice.

The "FIRA" case

Performance requirements are now an important issue in Canadian-American relations. They are the crux of the matter in the formal complaint the United States has lodged in GATT against Canada's foreign investment re-

view procedures (i.e., FIRA). The FIRA case has great importance for international trade and investment policy. The United States contends that performance requirements are a trade issue because they can shift international trading patterns as effectively as tariffs or quotas. Indeed, they can be used to nullify previous actions taken to liberalize trade, actions which may have been paid for in concessions received from other governments. Furthermore, American officials argue that performance requirements contravene GATT Article III requiring governments to extend equivalent "national treatment" to the foreign entities operating within their jurisdictions. For its part, Canada contends that foreign investment is a larger issue than international trade, and that controls over investment are a legitimate defence of economic sovereignty by a small nation in dealing with large international firms. From this viewpoint performance requirements are needed to insure that foreign investment operates to further host country interests. The Canadian Government has gone to great lengths to demonstrate that FIRA's screening procedures have not in fact turned back much foreign investment, but while this argument may have been useful in domestic politics, it has not been convincing to the US government. The latter is more concerned with performance requirements, and on this point the Canadian government has been unyielding.

In the preparations for the Ministerial Meeting, the United States had sought to commit the GATT to launch a formal study of trade-related performance requirements. This initiative was sharply resisted by the developing countries. The position of these countries, and Canada, is that international talks on investment policy should be broader than those the United States contemplated under the GATT. Furthermore, such talks should represent more fully the concerns of host countries, such as the transfer pricing practices of foreign firms. The Ministerial Meeting produced no resolution of this issue, and the subject of performance requirements was dropped from the final Declaration.

It is likely now that the GATT will do nothing further on investment until the report from the FIRA panel is received. In this regard, it is fortunate that the Declaration from the Ministerial Meeting contained a section strengthening and reaffirming the dispute settlement procedures of the GATT.

Large multilateral meetings of the sort held in November can only go so far in creating an orderly world trading system. The rest must be done through a step-by-step resolution of specific problems. One would hope that national governments will use the opportunity presented by the FIRA panel to narrow the differences between the exporters and importers of foreign direct investment in the future. □

How New Zealand does it

by The Rt. Hon. Robert D. Muldoon

Over the last decade or so western countries have tended to react to events, rather than to seek to shape them. There has been loose talk about the loss of confidence in national institutions. People have been mesmerized by the apparent complexity of current problems. If the term "paralysis by analysis" has become a cliché, it is only because it so accurately describes the predicament so many have created for themselves. Electorates have responded predictably by rotating their governments with regularity.

In New Zealand, my government has taken a simpler view. We have looked first to our traditional strengths in agriculture and pursued policies to build on those strengths. We have looked at areas where we have been less strong, areas where we have been dependent — energy in particular — and adopted policies to change that. We have looked at our critical external interests in the Pacific, in Asia, and our economic relationship with Australia and built on those.

In taking these practical steps we have not been guided much by ideology. Our approach is this: if it seems to make sense, if it seems to contribute to the growth of New Zealand, we'll do it. Nor have we developed an elegant conceptual phrase to describe this approach. We just call it our growth strategy.

Let me sketch the international environment in which a small country like New Zealand finds itself. After the Second World War, the West established the framework for a relatively liberal international trade and payments system. Against the background of a global war and, before that, a global depression of frightening proportions, world leaders were in a unique position to utilize the political will to make major reforms to international economic and political institutions. The Bretton Woods system (IMF and World Bank), the General Agreement on Tariffs and Trade (GATT), a new regime to govern international civil aviation and the United Nations itself, were among the direct results. We had stable exchange rates and steady growth as one country after another embraced what we loosely called "Keynesian economics."

Good old days

New Zealand in those days had a simple economy and a simple recipe for economic success: we could produce

The Rt. Hon. Robert D. Muldoon has been Prime Minister of New Zealand since 1975 as leader of the National Party. This article is based on a speech delivered to the Canadian Club of Ottawa in September 1982.

certain high quality foodstuffs cheaper than anyone else and we had a ready market for them — Britain. As late as 1960 over 50 percent of our total exports went to that one market. We had a phrase for it — "living off the sheep's back."

What we did not realize — and we were far from alone in this — was the extent to which this system depended upon unrivalled United States economic power and ready access to cheap energy. Nor did we fully appreciate the significance of creeping protectionism in international agricultural trade. When in the 1970s the climate changed profoundly for the worse, New Zealand found itself badly exposed. As the pressure mounted on the American domestic economy, and the primacy of the US dollar in the international payments system declined, a system of floating currencies, managed country by country, replaced the internationally-managed fixed parity system.

I believe the world economy is now in a critical situation. The balance of payments and debt problems of many developing countries are approaching a crisis point. The cumulative deficit over the period 1979 to 1981 of the non-oil developing countries was almost 250 billion dollars, equivalent to over 20 percent of their export earnings. But within these aggregate figures, bad as they may be, are concealed individual stories of misery. Oil today costs Tanzania 80 percent of its export income, and interest on external debt is 19 percent. Eighty plus nineteen is a simple enough sum. It implies that the remaining 1 percent of Tanzania's export earnings is available for general imports. It means a massive dependence on further borrowed money, which increases their debt service ration, or a dependence on aid funds if they wish to finance essential imports. Clearly deficits on this scale cannot be sustained. The investments that might service these deficits are not being created.

What are the risks?

From the West's point of view, the risks are considerable. Many of our private banks are dangerously over-exposed. The strange thing about this aspect is that the situation these banks now face had been eminently foreseeable for some years. The ultimate risk for the West, however, is the political instability that will arise if the position of some of these countries deteriorates further.

World needs new financial system

I have come to the conclusion that the approach to the question of international economic cooperation needs to be reviewed, and I question whether the calendar of inter-

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national meetings is adequate for this purpose. The Economic Summits are too exclusive and in any event have shown little evidence of an ability to make progress on difficult issues. Over the past decade the IMF's Interim Committee has likewise achieved very little, other than the 1976 agreement to amend the Articles.

So we need to meet again, as we did at Bretton Woods, in a full-scale conference to review the state of the international financial system and the role of the Fund and the World Bank in managing that system. We should also reexamine the GATT which has all but completed its historic and important task of reducing tariffs on industrial goods, but which seems incapable of dealing with agricultural protectionism and all the new and virulent forms of non-tariff barriers on industrial goods and services.

Effective international economic cooperation is not an alternative to sensible domestic economic management. The two go hand-in-hand. New Zealand has not and will not wait for the painful process of international consensus to emerge. Over the past four or five years the outline of the domestic economic program we have needed to follow — our growth strategy — has become reasonably clear. In the first place we needed to reduce our oil import bill, given that we imported 90 percent of our oil requirements. The second oil shock of 1978 increased our import energy bill from less than 500 million dollars to over 1,500 million dollars — another billion dollars a year for slightly less oil.

Our traditional markets for agricultural products suffered a number of reverses as Britain progressively harmonized its policies with those of the European Community. Over a five-year period our key market for cheese virtually disappeared and our butter market halved. In 1974 New Zealand's terms of trade tumbled by one-third — no country among the twenty-four developed countries of the OECD suffered a more dramatic decline. There was no longer any question of "living off the sheep's back" — we now had to export four sheep instead of three to pay for the same volume of imports, and accomplish the difficult task of finding new markets for them.

New Zealand's response

The classic response — and one still urged on my country by certain academic economists — was to subject New Zealand to the most stringent fiscal and monetary policies, devalue the currency, and let market forces take over. That policy mix would not have worked for two reasons. First, the arithmetic was against it. To correct the external current account deficit brought about by these international circumstances would have required a massive devaluation. That would have fed through into our domestic price system long before it would have induced an increase in the supply of our main agricultural exports, which were in any case, constrained by protectionist legislation in our markets. Second, it would not have worked politically. Any democratically-elected government that followed such policies would have lasted no longer than the next election.

I am interested in economic policies that satisfy two conditions. First, they must take us in the right economic direction. Second, they must command sufficient electoral support to enable the government to sustain such policies. If they don't, we're thrown out, our policies are reversed, and we achieved nothing. It is said that the art of politics is

knowing how much of the future to introduce into the present. I like that approach.

I have talked about these political realities quite openly in New Zealand, but this has not dampened the enthusiasm of some of my critics who are philosophically attracted to economic baptism by fire. Superficially, such ideas have their attractions. But we have rejected such sudden shock treatment for the economy, and in so doing, we have also rejected old-fashioned pump-priming.

When my government took office in 1975 we inherited an external trade deficit that represented 52.5 percent of New Zealand's total annual exports. That could not con-

COURTESY NEW ZEALAND HIGH COMMISSION



Prime Minister Robert D. Muldoon

tinue. That gave us very little freedom to manoeuvre. What we tried to do — and we have been quite successful in this since unemployment in New Zealand is about one-third of the OECD average — is to maintain a reasonable level of economic activity while undertaking the difficult task of restructuring the economy so that it became more export oriented, increasingly internationally competitive, and less dependent on imported fuel.

In agriculture, we have implemented policies designed to build up livestock numbers in New Zealand's traditionally strong pastoral industries. We have developed new markets for these products in the Middle East, the Pacific and Asia.

Over the past three or four years we have also witnessed what some observers call the beginning of a horticultural revolution in New Zealand. We have found that the same factors that lie behind our strengths in dairy, meat and wool — namely, a highly favorable climate, efficient management practices, and the rigorous application of the latest agricultural technology — are combining to produce similar results for a diverse collection of fruits, vegetables and flowers. Horticultural exports are already worth about the same as New Zealand's total cheese exports. Based on planting now underway and prices prevailing in 1980, one of these products alone — kiwifruit, the star performer — is

Economic challenges down under

likely to earn New Zealand some 400 million dollars a year by the end of the decade.

Forestry has always been important to New Zealand. We have forestry companies that are large and efficient by international standards. Vigorous planting programs in the past will mean that by the end of the decade there will be enormous quantities of softwoods available for exploitation which will give New Zealand a substantial place in world forestry trade.

In fishing, we have one of the largest exclusive zones in the world. Until recently few New Zealand fishery companies were in a position to exploit this valuable deepwater resource, but that is changing rapidly.

Manufactured exports from New Zealand have increased greatly in volume and value. The annual rate of growth in manufactured exports from New Zealand has

investment package of capital, management and technology. It is natural that New Zealand should look to Canada, with its considerable experience in resource-based projects, and with technology that is often appropriate for New Zealand conditions. In some cases Canadian companies have taken up what is essentially US technology and refined it to an operating scale we can cope with. We also find it easy and natural to do business with Canadians. The involvement of Alberta Gas Chemicals, one of the Nova group of companies, in New Zealand's methanol plant is the best example. The methanol plant was an investment proposition that attracted great interest from a number of large multinational corporations. In the end, the Canadian company won over its much larger competitors because we thought the Canadian package was better suited to our needs. This methanol project is a big one: by late 1983 it will produce 1,200 tonnes of methanol a day.

There are certain risks in these big, long-term projects, particularly in an economy the size of New Zealand's, but the plain alternative we faced was to sit back in a state of shock as a result of the very adverse turn of events in the 1970s which I described earlier. We have faith in New Zealand's future.

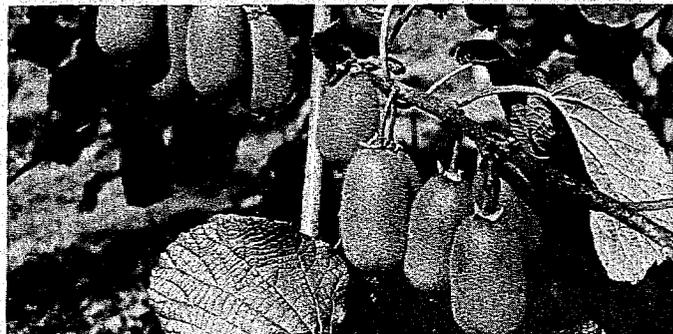
Free trade with Australia

On the trade side, we are very near to concluding what we call a closer economic relationship with Australia. We have had an agreement called the New Zealand-Australia Free Trade Agreement (NAFTA), for over fifteen years. But towards the end of the 1970s, as we tried to redirect our economy in the face of current economic difficulties, towards a more competitive environment, both countries realized that something more far-reaching was required for the 1980s and beyond. We have developed a plan and schedule for eliminating all remaining barriers to trade between our countries. We will, in effect, create a single market of some importance in the Pacific region. It is pretty much the same concept as the European Community, but I hope it will not turn out to be so protective. We will remain two sovereign countries — political union is not even a serious subject for debate — but we will gain the economic advantages of an integrated trading area.

That means increased trading opportunities for others, and we hope they will take advantage of them. Few countries know as well as we and the Australians the perils of trying to create a regional grouping by erecting barriers to trade with the rest of the world. Both Australia and New Zealand have had first-hand experience of this through having to cope with the effects of the European common agricultural policy. On many occasions I have called the common agricultural policy "economic lunacy." Australians tend to be much less polite.

When I first became Prime Minister I was asked whether I had any long-term ambition for New Zealand. I replied that my goal was to leave New Zealand no worse than I found it. Had I been a politician from some great continental power perhaps I would have subscribed to a rather grander vision. In fact, given the external shocks we have had to cope with, even this modest goal of mine has proved difficult enough. However, the policies we have implemented are designed to take New Zealand back on its accustomed path of steady economic growth and social progress. I have no doubt we will achieve that objective. □

NEW ZEALAND HIGH COMMISSION



Kiwifruit growing in New Zealand

been around 30 percent since 1972. It is estimated that by 1990 around 50 percent of New Zealand's export earnings will be derived from manufactured exports — a very considerable shift in the structure of an economy that up to now has been based on pastoral industries.

Meeting the energy challenge

The greatest changes are occurring in the energy field. In some respects, New Zealand is in a curious position. On the one hand, in spite of excellent prospects, little oil has been so far discovered in New Zealand or its offshore areas. But we have large commercial gas fields, plenty of hydro-electric power, and extensive geothermal reserves. Developing these energy resources into a balanced energy plan has been a major preoccupation of my government over the last few years. Our biggest energy project is a synthetic petrol plant, utilizing New Zealand's considerable natural gas resources. We estimate that by 1988 this single plant will provide one-third of New Zealand's gasoline requirements. We have just completed the complex task of arranging a loan of 1,700 million dollars to finance the project, and this has been filled without government guarantees. The project is, in a word, bankable.

In a short space of time, we have taken a whole range of decisions covering compressed natural gas, liquified petroleum gas, refinery processing, methanol and synthetic petrol that will completely change the thrust of New Zealand's energy dependence. With the possible exception of Brazil, New Zealand's search for alternative transport fuels to replace imported petroleum is as intense as any in the world. By about the end of the decade we will have moved from a position of being less than 10 percent self-sufficient in fuels to about 50 percent.

When we look for investment partners for our resource-based projects, we are looking for the right direct

Arab unity: myth and reality

by Tareq Y. Ismael

What impact has the Arab nationalist movement had on the Middle East? In its origin, Arab nationalism represented diverse and segmented ideologies emerging from the equally diverse and segmented Arab world as new classes rose to the fore in the nineteenth century with visions of a new Arab reality. These visions were shaped by the specific historical experiences within the great cultural expanse of that world, and reflected the diversity of experience and potentials for change within that world. Religious, petit bourgeois and tribal ideologies and many others, have all been part of the "Arab Awakening," and have provided the dominant ideology in various places at various historical periods. Underriding all these ideologies, however, was the view of an Arab world — of a world bound together by language and history and destined to achieve a new political reality. It is the consistency of this vision that we identify as Arab nationalism.

At the same time that different classes all over the Arab world were emerging to compete for the dominance of their particular vision of the Arab world, another ideology, encompassing a more technologically advanced economic system and a more cohesive class structure — the ideology of imperialism — was also actively asserting its vision of reality on the Arab world. Each region of the Arab world has had its own experience with imperialism over the nineteenth and twentieth centuries. From these experiences has emerged an ideology of Arab nationalism — a more cohesive vision of an Arab reality. This ideology has taken shape under the impact of imperialist exploitation which has, in effect, progressively homogenized the Arab experience.

Threat of destabilization

In the context of the contemporary Middle East, the concept of Arab unity appears an empty phrase at best, a threat to peace and stability at worst. To the casual observer, the Arab world appears to be moving towards chaos rather than unity. Daily headlines suggest that the Middle East is destabilized by the increasingly bitter rivalries in the region precipitated by greedy, irrational Arab governments. The images of the Arab people as brutalized and ignorant masses or marauding, uncivilized tribesmen are presented in the Western media against a background of opulence, religious fanaticism, political corruption and deep-seated racial hatreds. The inference to be drawn seems to be that unity is neither desirable nor possible.

The trend toward destabilization is real enough, not only in the Middle East but all over the world. Contempo-

rary Arab nationalism, contrary to the popular western myths, however, represents the manifest resistance of the Arab people to the destabilization of their world. Ideologically, this is symbolized by the centrality of the Palestinian struggle in Arab politics. This is because imperialist exploitation in the Arab world had its profoundest impact on Palestine. As a result, Palestine developed as the central political issue in the Arab world during the twentieth century. Not only does Palestine manifest the failure of Arab nationalism to meet the supreme challenge — the challenge of national survival — but it also signifies the necessity of Arab unity in a hostile world. Ideologically, the struggle for Palestine symbolizes the quest for Arab unity. This was expressed by Michael Aflaq, founder and philosopher of the Arab Ba'ath Socialist Party, when he observed that "the road to unity passes through Palestine."

The Palestine glue

The obliteration of Palestine as an historical, cultural, social and political entity, and the ensuing plight of the Palestinian people, initiated a profound reappraisal of all aspects of Arab society — social, political, economic and religious. Manif al-Razzaz, an eminent Arab intellectual, described the impact of Palestine on Arab nationalist ideology:

A crisis — a total catastrophe — to completely overwhelm us and threaten our very existence was necessary, in order to open our eyes to the reality of our existence. A catastrophe was needed to teach us the true difference between facade and reality and to make us aware that the rottenness and corruption of the past were still with us. Instead of altering our society at its very base, we had tried to cover up the unhealthy core by a thin, attractive but brittle veneer, which, although pleasing to the uncritical eye, did not alter reality. A disaster was necessary to strip off this deceptive veneer and to lay bare our desperate need for facts, not illusions, for changes in the very fundamentals of our society, for a revolution in means and techniques — in short, for a total rejection of

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Moslems, Jews and geography

all those elements which had led to weakness and dissension in the past in order to bring about a true revival.

The struggle for political independence, a struggle spearheaded by early Arab nationalists, had neither unified the Arabs nor made them masters of their own houses. Control of Arab destiny had merely shifted from Istanbul to Western capitals. It appeared then that those Arab nationalists had betrayed the essence of Arab nationalism — the struggle for freedom and unity — for a superficial

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political independence that protected their power and privilege behind facades of Western democratic institutions. Within a decade of the Palestine defeat, these facades were dismantled by coups in Egypt (1952), Syria (1954) and Iraq (1958), and were severely challenged in every other Arab country where they existed.

Ideologically then, Palestine symbolizes the outcome of processes that are externally controlled and directed against the Arab people. Practically, the movement toward Arab unity has been the consistent defence against destabilization. This is reflected in the concrete patterns of interaction that have emerged in the region in the post-World War II era.

Decline of the West

In the period after the Second World War Britain and the USA were the two dominant external powers in the Middle East. The American presence was exercised through two channels — its bilateral relations with individual countries in the region, and its informal, though powerful, role in the Baghdad Pact alliance. British influence was more direct. Not only was Britain a member of the Baghdad Pact; it was also involved in the Saadabad Entente (a British-sponsored alliance of Iraq, Iran and Afghanistan organized in 1937 against the Soviet Union). This alliance was essentially superseded by the Baghdad Pact as the West's answer to Soviet competition in the region.

The shift from Britain to the United States as the dominant external power in the region had been an ongoing process since the end of the Second World War. The declaration of the Eisenhower Doctrine in 1957 signaled two important changes:

1. The transfer of dominance from Britain to the USA in the Middle East; and
2. The increasing exercise of regional strategy through bilateral relations with national governments, which were, in effect, American client states in the Middle East.

Besides the system of external powers there were two spheres of highly patterned political interaction in the region. These may be referred to as the Arab cooperative system and the Arab-Israeli conflict system. During the fifties and sixties, the Arab cooperative system was composed of the Arab League and pan-Arab political groups and parties. All of the independent Arab states of the region participated directly in this system.

The Arab-Israeli conflict system, the other sphere of highly patterned political interaction, directly involved only four states in the region: Egypt, Jordan, Syria and Israel. The profound regional magnitude of the Arab-Israeli conflict can be explained by the linkage between the Arab cooperative system and this conflict system. Three of the states involved directly in the conflict were also members of the cooperative system. Furthermore, by 1958 Egypt (involved in both regional systems) was the undisputed leader of the pan-Arab movement and had in fact forged a union with Syria and created the United Arab Republic (UAR) on February 1, 1958, achieving — if only temporarily — the major goal of Arab nationalism. In reaction to the nationalist challenge symbolized by the creation of the UAR, the Hashemite monarchies of Iraq and Jordan united to form the Arab Federation on February 14, 1958.

The 1958 Iraqi revolution in fact directly effected a major change in the structure of systemic links. With Iraqi withdrawal from the Baghdad Pact as one of the first acts of the revolutionary government, the alliance fell apart. The other members remained allied under the CENTO agreement, but with no Arab member, a key linkage with the Arab cooperative system was lost. Thereafter, American strategy emphasized bilateral arrangements with the remaining CENTO members for military and economic aid. Furthermore, the Iraqi revolution highlighted the increasing alienation of the members of the Arab cooperative system from the dominant external powers, and the emerging role of the USSR as a significant competitor for external influence.

Enter USSR

These changes in Iraq — the toppling of the pro-British government, withdrawal from the Baghdad Pact, and development of relations with the Soviet bloc — corresponded to increasing external influence in Iran, reflected in increasing bilateral arrangements between Iran and the USA. The reduction of influence in Iraq was part of the larger process of declining Western influence that was ongoing in the Arab world. While the external powers had no direct linkages with the Arab cooperative system, linkages were indirect through bilateral relations with states which were members of that system. However, the Soviet bloc was increasing bilateral relations with members of the

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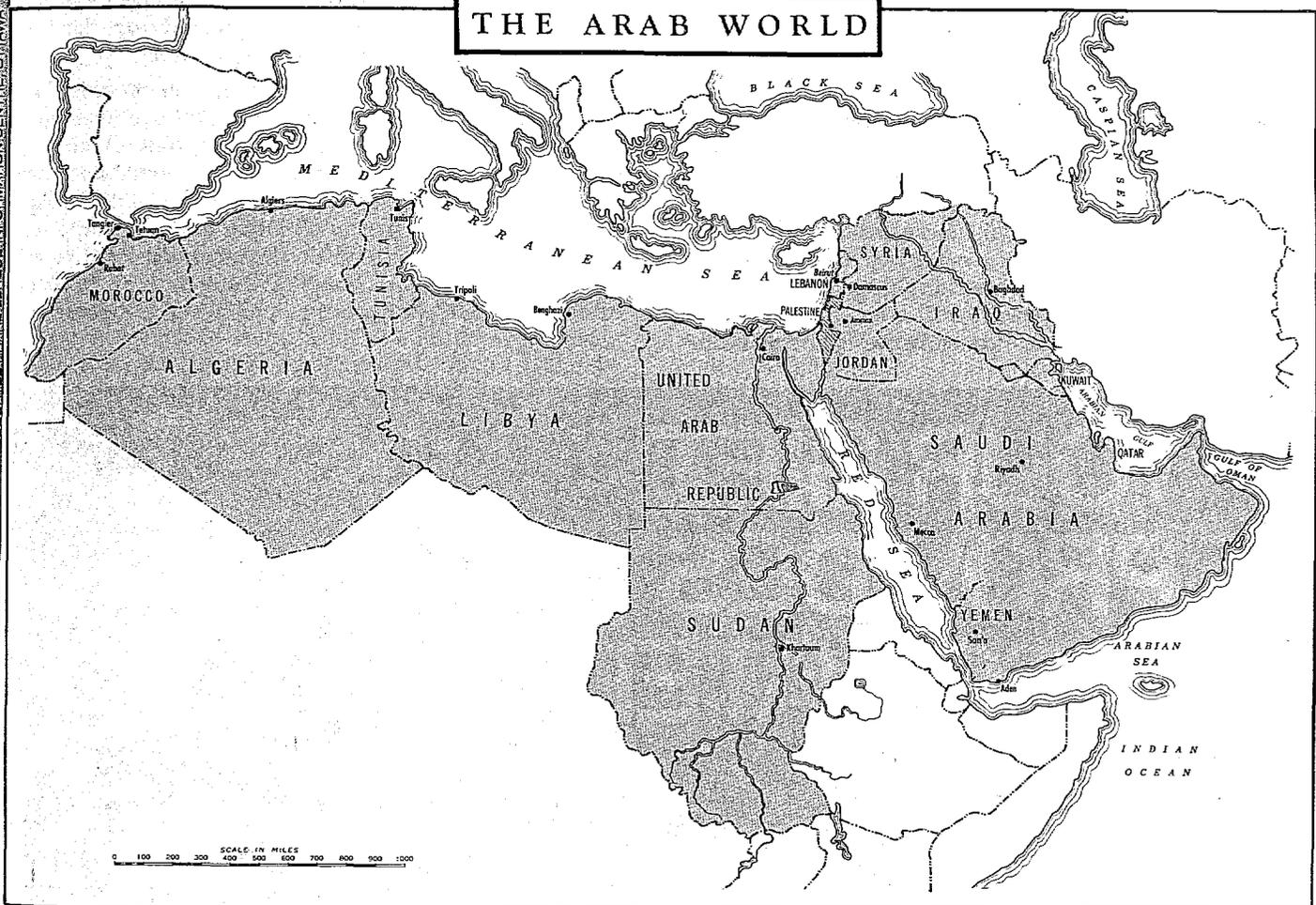
Arab cooperative system in this period in direct competition with the United States. Soviet and American competition to influence the Arab cooperative system through bilateral relations with member states in effect nullified each other. It was in this period that the United States intensified bilateral arrangements with Saudi Arabia and Jordan, along the same lines, but not the same scale, as with Iran. Any influence on the Arab cooperative system that may have been effected through these client states, however, was offset by American support for Israel in the Arab-Israeli conflict. The drift of the Arab cooperative system toward reducing the role of external influence in the Arab world was in fact enhanced by Soviet-American competition, and the American role in the Arab-Israeli conflict.

One of the most profound changes in the Middle East during the sixties was in the size and scope of the Arab cooperative system. Not only did the number of Arab

had existed in the fifties, there were the following new elements:

1. The PLO, created by the first summit conference of Arab heads of state in January 1964 as the official representative of the Palestinians. By 1969, the PLO had become the umbrella organization of the Palestine resistance movement, a force which became powerful in the Arab world in the aftermath of the 1967 Arab-Israeli war.
2. Arab unity experiments, initiated with the formation of the UAR in 1958, were an important manifestation of cooperative system interaction in the sixties. The tripartite federal union of Egypt, Iraq and Syria in 1963 and the Iraq-Egypt union of 1964 reflected the ideological commitment to unity and a level of interaction that constituted a significant systemic feature.
3. Heads-of-State summit conferences were initi-

THE ARAB WORLD



states increase by 50 percent, but also the number of Arab League agencies. The political parties and groupings that made up the system had also changed. The focus of these movements had become the Palestine resistance struggle. Reflecting this, between 1961 and 1963 about forty Arab Palestinian organizations appeared. These were closely aligned and often directly associated with the pan-Arab parties and groups. Furthermore, a pan-Arab party (Ba'ath) was in control of Syria and Iraq.

Changes of the sixties

In addition to these two components of the system that

ated in January 1964 and convened three more times in the decade—September 1964, September 1965 and August 1967. They reflect the regional approach to major issues. The major issue, of course, was the Arab-Israeli conflict. Except for the September 1965 meeting which was convened over the Yemen civil war, all the meetings were focussed on the Arab-Israeli conflict.

4. The Organization of Arab Petroleum Exporting Countries, organized in 1968.

What the growth of the Arab cooperative system indicates is that linkages have developed among the Arab

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countries that reflect a consistent perception among Arab leaders of common problems that cannot be resolved independently, and a consistent push toward cooperation in solving these problems. This commonality of interest is real in spite of the significant ideological, economic, political and social differences among the Arab states. One of the most significant objectives of the cooperative system has been to bring under control external influences, and hence to reduce the impact of external powers on the course of Arab destiny.

This has paralleled the tide of political transformation within Arab states that has swept out traditionalist regimes set up by colonial administrations as puppet or client governments and swept in nationalist regimes strongly opposed to foreign interference. In fact, by the late sixties, half of the Arab states were governed by revolutionary nationalist regimes and there were only five states left with traditional monarchies — Saudi Arabia, Jordan, Morocco, Kuwait and Oman. These monarchies fear for their own survival against the nationalist tide — a fear that both makes them more dependent on external alignments and forces them to compromise with nationalist sentiment.

Paramount issue — Arabs versus Israelis

The overriding common problem facing the Arab world has been the Arab-Israeli conflict. The Arab-Israeli conflict system has also experienced expansion since 1958. The emergence of the Palestinian resistance movement and of the PLO as significant forces in the two regional systems were direct outcomes of the centrality of the Palestine issue to Arab political development.

In spite of the strains of conservative-nationalist com-

petition that mark Arab cooperation, the common problems of continued Israeli occupation of Arab territory, Israel's annexation of Jerusalem in 1967 and the plight of the Palestinians maintain a central cohesiveness. The 1973 Arab-Israeli war served to heighten the centrality of the problem to all Arab governments and served to deepen the feeling in the Arab world of external influence as the root of the problem. Even the conservative regimes closely allied to the United States regard American support of Israel as the central problem in the Arab-Israeli dispute. Egypt's isolation from the Arab cooperative system as a result of its withdrawal from the Arab-Israeli conflict through the Camp David accord reflects the commonality of orientation on the Arab-Israeli dispute.

The Arab-Israeli conflict cuts across ideological divisions within the Arab world. Demonstrating this is the support given throughout the Arab world to the PLO. In 1974, the PLO achieved observer status at the UN and in 1974 the UN passed a resolution condemning Zionism as racism. Israel has been effectively isolated from the Third World through concerted Arab cooperation.

Israel's invasion of Lebanon in the summer of 1982 and the massacre of the Palestinian people in the refugee camps are regional issues of common concern to the Arab world irrespective of ideological, political, economic and social divisions. These events heighten the concern in the Arab world over the role of external forces in fomenting attacks against the Arab world. Even the most conservative governments of the Arab cooperative system seek to reduce external dependence by strengthening Arab cooperation. □

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Papandreou's Dilemmas

by Constantine Melakopides

Greek Socialism was catapulted to power in October 1981, when Andreas Papandreou and the Panhellenic Socialist Movement (Pasok) received 48 percent of the popular vote. But with their precise intentions all but inscrutable, curiosity about their domestic policies meshed with concern about the coherence of NATO's southern flank and the prospects for an expanding European Economic Community. Compared with Pasok's unequivocal anti-West theses in the electoral platforms of 1974 and 1977, its 1981 designs were premised on sustained ambiguity. The promised severing of ties with the Western alliance, withdrawal from the Common Market and the removal of American bases from Greek soil were now subjected to "transition periods" and serious qualifications. The confident enunciation of "socializing" the economy as part of "the building of socialism" lacked any definition, while the party's alternatives on security and defence bordered on calculated evasion.

With a year of his government now complete, it is safe to say that Papandreou's policies, especially in recent months, have been marked by impressive moderation and responsible caution. However, instead of solidifying its credibility and expanding its popular base, his party, despite its alliance with the Greek Eurocommunists, was considerably eroded in the politicized local elections of October 1982. For in the first round of these elections, the swing away from Pasok was between 8 and 15 percent in the major cities of Athens, Piraeus, Patras and Salonika, where nearly half the Greek population resides. Since the principal beneficiary of this erosion was the Moscow-linked Communist Party of Greece (KKE), the probability arises of their assuming a decisive role even before the next general elections.

Would Papandreou be forced (or inclined) to a future collaboration with the KKE? Is he capable of preventing the Communist Party's holding the balance of power in an inconclusive general election? And if not, could Greek politics enter another adventurous phase, so soon after the 1974 restoration of democracy? The reply hinges, I think, on appreciating Papandreou's dilemmas. But to understand their dynamics we need some assessment of his first year in power, after some remarks on Pasok's emergence and ideological identity.

Pasok's rise

Pasok was born in 1974 to fight in Greece's first post-dictatorship elections. It had its roots in Papandreou's Toronto-based PAK, a "liberation movement" that envi-

sioned armed insurrection against the junta and the Greek establishment, passionately convinced that the latter sustained the former under the delighted tolerance of the United States. Pasok itself was Papandreou's brainchild, drawing on his prestige as distinguished economist and charismatic politician. But his entourage consisted primarily of a few politicians, many well-meaning but mediocre adolescents and a few utopian intellectuals at the extreme left of the ideological spectrum. Unclear or evasive on concrete proposals, Pasok's 1974 profile proudly exhibited Marxist-Leninist tenets. It did not compromise on ambitions of pure Greek sovereignty, hatred for the multinationals, and unbounded admiration for Libya, Maoist China, Cuba, Cambodia and Third World liberation struggles. The party received 13.6 percent of the vote in the 1974 elections.

Fears of new tanks in the streets and respect for Constantine Karamanlis (whose "New Democracy" received 54.4 percent) should also account for Pasok's modest showing. Intense organization, the suppression of its hysterical fringes and the gradual absorption of the left wing of the old Centre, allowed Papandreou to double his following (25.3 percent) in 1977. It was New Left rhetoric that now defined Pasok's tone and affected its emergent principles: national sovereignty, decentralization, socialization, dissociation from the West, including from NATO and from the EEC.

The transformation for the 1981 elections capitalized on the ambiguity already mentioned. For instance, in 1974 Pasok had urged explicitly: "All bilateral agreements that have allowed the Pentagon to convert Greece into a springboard for its expansionist policy must be abolished." In 1981 the party's statement on the American bases "recognizes that there will most probably be, within the procedures for the removal of the bases, a transition period." While Pasok's opposition to EEC membership had been vehement for seven years, a referendum was now proposed on this issue — although it was common knowledge that the relevant prerogative rests with the President, who was the architect and staunch supporter of Greece's becoming the tenth member of the Common Market. And even though a cold shoulder was given to NATO, if only for its inability to prevent the Turkish invasion of Cyprus, no time constraints were set on Greece's withdrawal from the Alliance. Thus,

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with Karamanlis by now President of the Republic, the "New Democracy" plagued by seven years of fatigue (and suspicions of recent corruption, dried-up inspiration on means to revitalize a stagnant economy, and lack of moral purpose) Papandreou won the 1981 elections by a landslide.

Whatever might be said about Pasok's electoral promises, its politics were essentially populist: primarily negative (anti-Right, anti-West, anti- "Dependence"), its banner of *Alaghi* (Change) attracted an assortment of confused and skeptical voters. On the eve of these elections, 20 percent of the Greeks were stubbornly undecided and it seems certain that their bulk belonged to the old (liberal) Centre. But Papandreou's pre-election ambiguity helped to temper their fears that Pasok was still radical or potentially adventurist. With the Right now at 35 percent, the Communists at their traditional 11 percent, and the Centre all but extinct, Pasok embarked enthusiastically on ruling Greece.

First six months

On the domestic front, the first six months seemed like an exercise in problem recognition, not an application of solutions. Confusion and blunders (such as contradictory statements at the highest levels on property taxes) were attributed to the inexperience and lack of brilliance of the new administrators. But the government's new labor law, clearly biased on the side of labor, and its substantial increases of salaries and wages, suggested that Pasok would not betray the expectations of its working class constituency. It also suggested that the inherited inflation rate of 25 percent would be hard to combat. Higher direct and indirect taxation was aimed at democratizing burdens but threatened to alienate those who had assumed that better (consumerist) days were here at last. Noteworthy was the legalization of civil marriage, which caused serious friction with the Greek Orthodox Church, since this undermined its hold on the state (marriages until now had to be blessed by the priests, else they were void). A new law on higher education, essentially prepared by the previous government, abolished entrance examinations for the universities, replaced the "chair-system" of a single professorial overlord, and secured liberal student participation in decision-making.

Papandreou's focus, however, rested on international relations. An aggressive policy was launched in the forums of NATO and the EEC. Aiming at fulfilling the pledge to revise the country's perceived dependence on the West and to establish "national dignity," Pasok began vetoing most decisions in these forums, including the European sanctions against Jaruzelski's Poland and the Spanish entry into EEC. Combining substance with drama, Papandreou dismissed his deputy foreign minister by telephone for signing a Common Market document asserting Soviet responsibility for the Polish crackdown. An invitation to Libya's Gaddafi and the establishment of a PLO diplomatic mission in Athens underlined Pasok's pro-Third World affiliations, as did Papandreou's refusal to receive Alexander Haig because of a prior engagement with Yasser Arafat. The government insisted on explicit NATO guarantees of the Greek borders against any Turkish threat. It intimated that if, as the Turkish invasion of Cyprus in 1974 had shown, the Alliance could not safeguard vital Greek interests, Greece's participation in NATO would be counter-productive, if not self-contradictory.

In sum, the first six months of socialist rule produced modest measures domestically, a far cry from initially radical "change." Pasok's foreign stance, however, paralleled pre-election intimations but seemed to irritate and confuse Greece's western friends, without benefits for other (such as Arab) quarters.

Second six months

In the second six months, the domestic picture saw profound changes. Predicated on more private investment incentives and hopes for more public spending, Pasok's proposals on Greek stagflation seemed unoriginal and ineffectual. But Pasok avoided confrontations with any productive sector, opting for realism and compromise. For instance, last summer's strike by wholesale distributors of agricultural products who were insisting on a 12 percent rate of profit, led some imaginative observers to expect a revolt of Greek housewives reminiscent of what preceded Allende's downfall. Instead, distributors and government settled for 6 percent profit, and the threat of employing the army in the circulation of farm products did not materialize. Although it was transpiring that investors' confidence was still lacking and the shipping industry was in crisis, tourism, one of Greece's major industries, remained vibrant. The government attracted notoriety by recognizing the Greek Resistance against Nazism, a recognition previously resisted because of the communist uprising which had followed. It also began taking measures to rationalize agricultural cooperatives. And it is studying the creation of comprehensive medical care, lamentably lacking in Greece, the formation of a state-run system of pharmaceutical distribution, and a requirement for doctors to begin by serving in small provincial hospitals.

Most important in the second six months was the socialists' change of course in international relations. Without minimizing the pro-Arab stance, the confrontational posture in NATO and the Common Market was abandoned, with no further vetoes issued. By agreement with Turkey, a moratorium on "mutual provocations" was enforced last August, resulting in a temporary improvement in the climate. Gaddafi's visit did not take place, but Haig's did. And the talk of leaving the Western Alliance and the EEC was replaced by eloquent gestures signaling a decision to remain in both.

Papandreou's personal popularity exceeded 60 percent last summer. In addition, it now appeared as though Greece's more imaginative foreign policy had enforced Papandreou's claims to European statesmanship and the country's aspirations to quasi-autonomy. Moreover, the government was discovering a new profit from the Common Market budget: \$140 million in 1981 and \$800 million in 1982. Finally, there was some effort to raise the quality of Greek life through cultural and environmental initiatives, including pollution controls in industry, experimenting with a ban on private cars from the centre of Athens, decentralizing cultural amenities and civilizing Greek television programming.

If this picture, then, cannot amount to a failure of policy, what caused the decline in support revealed in last October's municipal elections? The answer begins to be seen by recognizing the distance between the results achieved and the expectations cultivated by Pasok itself. The "movement" had persuaded many Greeks that it possessed untried formulas for the Good Society, predicated

on a new moral direction and a healthy economy. But the economy seems now worse off: investment incentives proved uninspiring, the inflation rate barely changed from 25 percent and the 1982 unemployment of 8 percent doubled last year's figure. Planning for the "socialist future" of an impatient nation had produced effects seen as symbolic or peripheral. Moreover, the promise of a meritocratic society was contradicted by the suspicion that Pasok had politicized the state apparatus, precluding non-Pasokers from influence and power. Papandreou was seen as ruling with a centralized fist, intolerant of internal opposition in a party defined by conflicting ideological elements, from mild liberalism to old-fashioned Marxism. Also, a sense of amateurist improvisation has often characterized the socialist administration.

Pasok and opposition

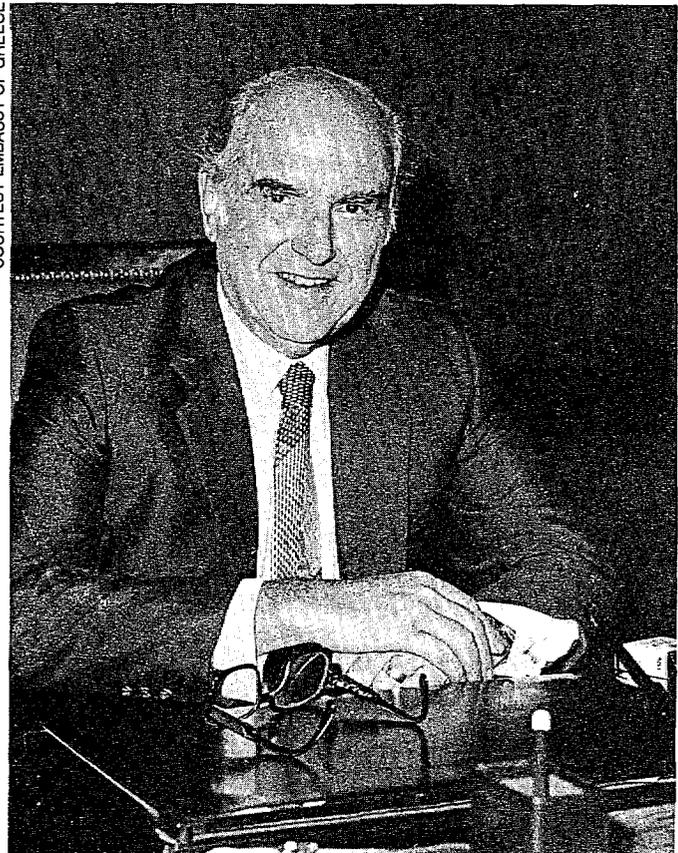
"New Democracy" held to its 1981 strength despite its own internal problems, such as the insecure leadership of Evangelos Averoff (Karamanlis' successor), and prospects of dissension. Pasok's loss was the KKE's gain. It also seems as if Pasok could not count on the new electors who emerged after lowering the voting age to eighteen. Amounting to 450,000 in an electorate of 7,000,000, these voters might facilitate the Communist Party's drive to hold the balance of power in the future, if the election pattern in Greek universities is any guide and if the career prospects of high school graduates remain what they now are. In any event, Papandreou's policies did not make any electoral inroads in the right and caused problems with his left. Thus while no grand failure can reasonably be ascribed to his first year in power — especially in view of international circumstances and the length of his rule — the voters' response may amount to a call for Pasok to show its real colors: reformist or radical? Socialist or social-democratic? Pro-West or not?

To be sure, while the youths' leftist political inclinations may be emphasized, the Communists' strength need not be exaggerated. Similar performances are not atypical for the Communist Party of Greece in most local elections. But Papandreou's first dilemma has already emerged: should he attempt to appease the left, including the radicalized youth, or could he afford to see them under the Communist aegis? Put another way, should Papandreou attempt to enforce his presumed vision of "change" in an environment of productive hesitation (tantamount to stagnation), or should he follow his present moderate course?

It would seem obvious that a lot depends on the precise nature of Papandreou's vision and on his capacity to resist the temptations of short-run political expediency. His 1981 electoral success must be attributed to his ability to avoid the specification of concrete policy, which entailed the attraction of the Centrist vote beyond that of the moderate left. It now seems that, in a framework of political volatility, any serious deterioration of the economy, to be placed at Pasok's doorstep, will inflate the support for both the Right and the Communist Left. In such a case, it will follow that neither major party (Pasok or New Democracy) could produce an independent majority, hence the Communists will hold the balance of power. Had general elections been held at the time of the recent municipal results, the Right would have received around 125 seats, Pasok would have dropped to around 125, and the KKE could have reached 50 seats in a 300-seat parliament. (This would compare with 115, 172 and 13 respectively in the present

chamber.) In the local voting Papandreou had collaborated widely with the KKE to gain 173 of the 276 cities and towns. A similar collaboration in the national elections has been resisted in the past: by him on ideological grounds, and by the Communist Party of Greece, because of their distrust of him personally and his role in undermining Communist support. (Hence a Communist folk story has it that Papandreou is "an American [perhaps CIA] agent.") And yet, as the recent local elections demonstrate, the Communist left can orchestrate "democratic alliances" with Pasok,

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Prime Minister Andreas Papandreou

whenever threatened by the Right. Under future economic failure or pressure from his party's rank and file (clearly more anti-Right than anti-Left), Papandreou might be forced to form a popular front, introducing adventurous polarization in the country.

Papandreou's options

And yet, if only from the standpoint of strategic prudence, it seems wiser for Papandreou to "sacrifice" his left, in order to solidify his centrist and moderate socialist supporters. On the assumption that the core of the 1981 "undecided" did not belong to Pasok ideologically but were attracted to it by its newly-found realism and moderation, any other course would certainly entail sending these voters to the arms of the Right. This likelihood is increased by the fact that a new Centrist party seems in the offing, as indicated by widespread discussions in Athens last summer. Such a formation would draw on the disaffected Pasok parliamentarians and the "left" of "New Democracy." It could also collaborate with the party of Democratic Socialism (Kodeso), whose popular support seems to hover around 4 percent. In an inconclusive general election (which must be held in the next three years), this new party could well emerge the largest party, ahead of the old "New

Greece turns left

Democracy" and of a shrunken, left-based Pasok. By winning the support of the Right, it would take power away from Papandreou's socialists. If Papandreou is to prevent this, he will have to stay his present course, since only this would seem to promise fewer losses to either side, besides blocking the country's slide to national adventure.

It seems that, given his unpredictability, none of Papandreou's options can be precluded a priori. But it must be emphasized that, just as his recent losses could well be temporary, his first-year policies may be said to be consistent with his pre-election posture. This, at least, is the argument of his party's young spokesmen. A visit to Pasok's headquarters last August convinced me of the deep faith of its young ideologists in Papandreou's skill and commitment. This commitment was said to be steadfast on the "eventual" withdrawal of the American bases from Greece, on the country's "ultimate" disentanglement from NATO, and on the future joining of the non-aligned movement. It presupposes, of course, both economic recovery (the present crisis is squarely attributed to the international syndrome) and the eventual establishment of an indigenous military industry. It involves improved relations with the Arab countries and the Eastern bloc, including the USSR. And it is premised on an anti-superpower doctrine, national disappointment with NATO, fear of the EEC, and so on. Now if even part of this is true, Papandreou could indeed be tempted to play for time: he could keep Greece in the West, as long as its interests are served or not opposed. He would then try to persuade the Greeks that their country does not "belong" to the West, if this implies loss of national autonomy, that is, economic and political dependence. On this assumption, Papandreou will hope to make a case for the irrationality of remaining in NATO, and of remaining in the EEC, for a country incapable of competing with Europe's industrial giants which threaten to swallow up its developing potential. If Papandreou succeeds, the voters could well entrust him with a new mandate, and Pasok may return to power with its strength reinforced.

Needless to say, Papandreou may not be endorsing the picture as just given. It seems true that his policies have already contradicted the romanticism of his party's youthful intellectuals. And it is not cynical to suppose that, if the present course bears fruit, the doctrinal discrepancies between Pasok's factions will disappear. Indeed, an upturn in the economy would go a long way toward establishing Pasok, autonomously and on the present moderate pattern, as the best of all Greek political worlds. By cultivating a balanced mixed economy, introducing medical care, improving education and environment and by enriching the moral purpose of a society in transition, Pasok could fulfill a variety of needs without recourse to authoritarian experiments.

The crucial dilemma

This framework, however, presupposes the solution to yet another dilemma. Traditionally, the share of the Greek budget allocated to defence has been equal to the amount allocated to health, social welfare and education combined. The central reason is the deep-rooted crisis in Greek-Turkish relations. There is a widespread sense of

threat to Greek security from Greece's eastern neighbor, a sense now shared by government and opposition. Turkey's challenge to Greek sovereignty over the Aegean airspace and the continental shelf of the Greek islands is clearly regarded as unfounded and provocative (and perhaps not unrelated to the continued Turkish occupation of 40 percent of Cyprus ever since the 1974 invasion). It follows that by strengthening Greek defence, social services might stagnating near present levels despite prospects of rationalized planning. But a reduction of defence expenditures might make Turkey's posture more aggressive.

It is arguable that Pasok exaggerated the possibility of Turkish adventurism partly in order to appease the military. But it is also arguable that Papandreou needed a firm Western commitment on Greece's borders and on sovereignty rights, in order to begin his social services program unimpeded. In the absence of NATO guarantees, Pasok's recent shift in foreign policy signals the decision to deal with Turkey from within the Alliance instead of from the position of an alienated ex-ally. Now this very shift might have disappointed Papandreou's left, although they would be hard-put to spell out their alternatives. In any case, just as Papandreou's stance towards NATO may be inherently problematic, the attitudes of many Greeks themselves towards the Alliance are equivocal.

These attitudes can be explained as a function of the idiosyncrasies and vicissitudes of Greek history (including its recent phases), which account for the sensitivity of the nation's self-perception. This image — which involves the notion that the Greeks have consistently stood by the common Western causes — is currently determined in great measure by the country's relations with Turkey. It follows that Greeks expect a lot from the Alliance in the prevention of an absurd conflict between two fellow-members.

A number of components, therefore, seem to define Papandreou's dilemmas and to make Greece's long-term development one of passionate fluidity and indeterminacy. Although it is hard to tell which faction in his party will win the upper hand, Papandreou must decide whether he will choose concrete and moderate principles over "utilitarian" or pragmatic politics. Otherwise, he risks losing the decisive support of centrists and democratic socialists. Second, the country's economic performance is plagued, beyond the current world crisis, by parasitism, untapped agricultural and mineral potential, incomplete industrialization and lopsided (centralized) development. If Papandreou succeeds in combining "structural" changes with overcoming stagflation (for instance, by convincing domestic and foreign investors about Greece's considerable attractiveness), then he will no doubt receive a further mandate. Third, strained relations with Turkey presently cause the country's budget imbalance in favor of defence expenditure. If, however, Greece's and Turkey's friends manage to effect a compelling improvement of these relations or if Papandreou himself (with political imagination as rich as his political charisma) were to initiate a comprehensive bilateral compromise with Turkey, then his crucial dilemmas can evaporate, and Greece, anchored in the West, could reach a euphoric period of prosperity and peace. □

MAD or NUTS?

by Carl G. Jacobsen

President Reagan's defence plans have been subjected to a barrage of criticism from many of the giants of past national security policy councils, Republican as well as Democratic. But the recriminating rhetoric may have confused the issue instead of clarifying it.

The early days of the administration saw a concerted effort to portray Moscow as militarily superior. The image served to oil Congressional passage of an enormous defence budget increase (defence expenditures are scheduled to jump from 144 billion dollars in 1981 to 343 billion in 1986). Public acceptance of the image led to resigned acceptance of consequent deficits, and social security cutbacks.

The image was always flawed. The "evidence" was one-sided, selective and often wrong. That is the judgment of former Secretaries of Defense McNamara and Brown, as well as an overwhelming majority of nuclear scientists, arms controllers and (established) strategists. The judgment was backed by Pentagon Chief Scientist Dr. W.J. Perry in his testimony to Congress a couple of years ago. As concerns the twenty most important areas of basic technology he acknowledged that the US was superior in twelve, and fully as capable as the USSR in the remaining eight.

Moscow does today enjoy a crude quantitative lead in certain categories. But the US remains ahead in the more important areas, namely warhead numbers (American warheads add up to 60 percent of the world nuclear arsenal), and accuracy technologies (the Pershing II missile has six times the "kill probability against hardened targets" of the SS20). Accuracy is far more important than megatonnage: a 50 percent improvement in accuracy has the same target effect as an eight-fold increase in yield. Moscow was forced to seek improved target effect through yield increases, because she did not possess the accuracy technologies that might have allowed her to choose a more cost-effective route; the US did. The US also leads in warhead miniaturization technologies (allowing more warheads on smaller missiles), vulnerability (70 percent of Moscow's strategic force conglomerate is land-based, and hence theoretically vulnerable, as opposed to 21 percent of America's) and readiness (typically, well over 60 percent of America's strategic missile subs are ready at their firing locales at any one time, compared to 14 percent of Moscow's).

The administration image of Soviet superiority was a political device designed to secure passage of its strategic program. It was not a statement of fact. The Pentagon's

current five-year plan confirms that on-going programs are intended to "render the accumulated Soviet equipment stocks obsolescent."

US seek superiority

The administration's strategic design is further revealed in its "1983 Defense Authorization Act." The most important element concerns the procurement of new super-carriers, core units of new exceptionally potent naval squadrons. These are designed to go for the jugular, and strike directly at the heart of Soviet defences, namely Moscow's second strike and withholding sanctuary in the Barents Sea and adjacent Arctic waters. The Congressional Budget Office (CBO) explains: "The specifics of these plans are based upon a maritime offensive strategy that emphasizes strikes against enemy forces and their supporting base structure, including strikes in enemy waters against its home territory."

The CBO report notes the widespread criticism: "Critics of this position view the strategy as fundamentally unworkable and likely to provoke Soviet use of nuclear weapons against the (carrier) battle groups"; the strategy is considered "dangerously provocative in a nuclear-armed world and very hazardous to US carrier forces even if a nuclear exchange is avoided."

The past five US administrations all based their defence policies on acceptance of the thesis that "mutual assured destruction" (MAD) had become a fact of life, and that it was likely to remain so for the foreseeable future (a judgment dictated by the nature of current and evolving technologies). Although Soviet forces lacked sophistication, it seemed clear that Moscow nevertheless now had sufficient invulnerable strike potential to destroy US society. This established the basic precondition for arms negotiations. Both parties acknowledged that true superiority was impossible. It therefore made sense to try to stabilize the existing balance, and to slow the escalatory momentum. This furthermore meant that both parties desist from action that might jeopardize the other's retaliatory capacity, because the scientific consensus that the ultimate ambition was futile, and because it was realized that the very

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Assuring mutual destruction

attempt would be provocative, destabilizing, and hence exceedingly dangerous.

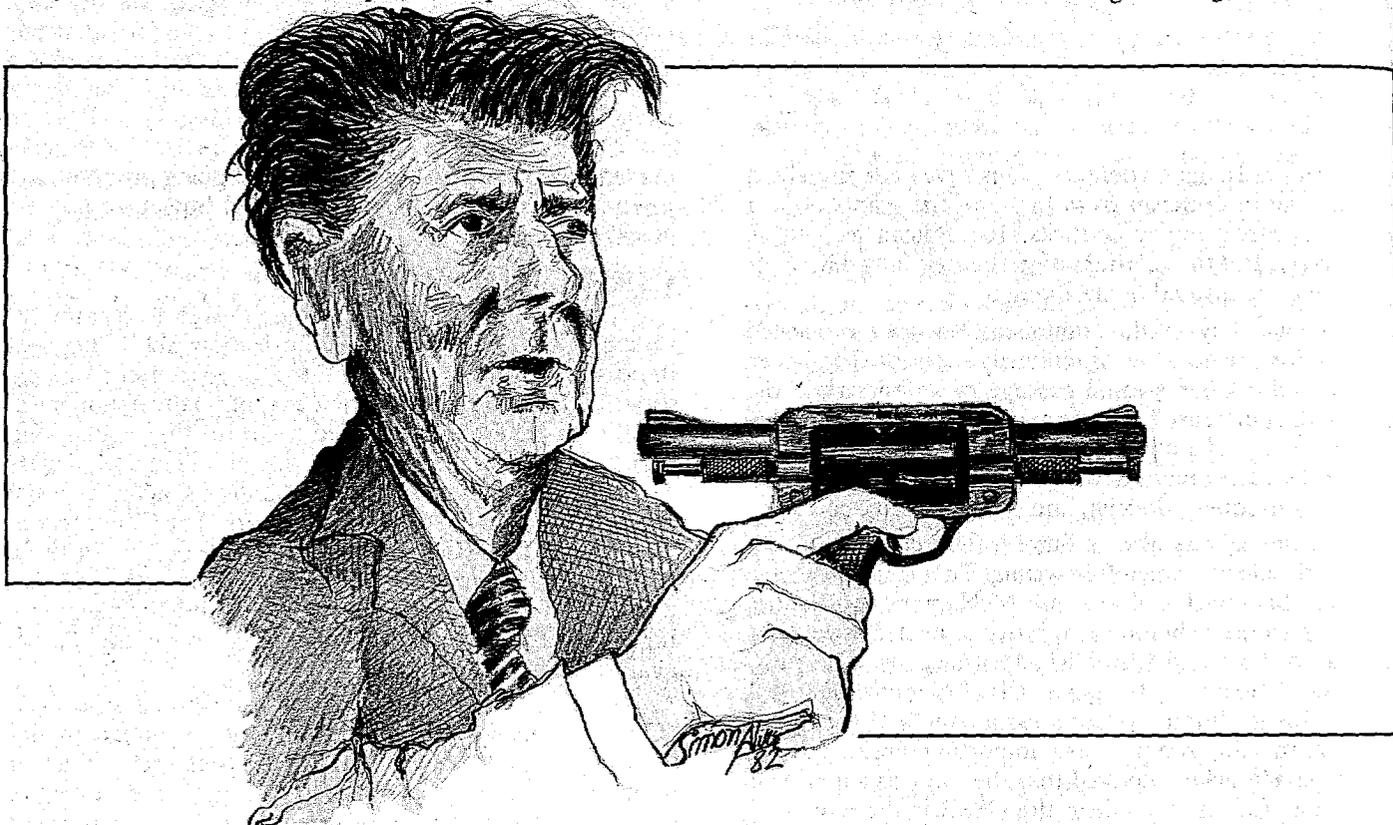
Reagan administration members have charted a new, perhaps perilous course. They have asserted that MAD is avoidable (disregarding the fact that most experts continue to view their scientific arguments with marked skepticism), and that arms agreements predicated on MAD (such as SALT I and II) ought to be set aside. The President and his Defense Secretary have both supported the promulgation of "nuclear utilization theories" (NUTS). This is why so many authorities now feel compelled to speak out. Scien-

soil of Moscow's Caribbean ally in 1962, but Moscow informed she may not even count French and British missiles as forces warranting a response.

The search for superiority is not immoral. Moscow would of course do the same, if it thought it could be achieved. But to chart a provocative, destabilizing course in the face of expert counsel that the sought-after holy grail is a mirage suggests ideology rather than pragmatism, stubbornness rather than reason.

The USSR may be able to threaten America's land-based missile silos, as Washington long has threatened

SIMON ALVES



tific consternation centres on the fact that government nuclear war survival analyses tend to be extraordinarily superficial: the analyses do not consider the full spectrum of immediate and short-term nuclear casualty-inducing agents; they ignore long-term casualty-inducing effects.

Unless the Reagan administration is forced — by Congress, or by the near-unanimous critique from the professional community — to return to acceptance of MAD, there can be no arms control of substance.

New negotiating position

There are, of course, today no arms control negotiations of substance. America's position demands that Moscow relegate itself to second-class status. In the strategic arena bombers and cruise missiles, areas of marked US advantage, are to be ignored in any talks; reductions are to focus on missiles only, and in particular on land-based rockets (on which, as previously noted, Moscow is disproportionately dependent). As concerns "theatre" nuclear weapons, America is to be allowed to station medium-range missiles in Europe, from where they can strike Soviet command and control centres with little or no warning, but Soviet contemplation of analagous deployment patterns in Cuba (or Nicaragua) is impermissible. America could demand the withdrawal of missiles from the

Moscow's (although both threats are theoretical, since the required accuracy assumptions derive from the peacetime calibration of gyros and accelerometers, to counter gravitational and atmospheric phenomena affecting test trajectories, phenomena that differ from those of wartime flight paths — and satellite data cannot fully compensate). The important point is that Moscow has no on-going program that threatens the core of America's retaliatory capabilities. Washington, on the other hand, has now set in motion a procurement program that appears to aim a dagger at Soviet force survival prospects. Even if the dagger proves blunt, it threatens to make Soviet fingers near the button rather more jittery than in the past. If the critical chorus is right, then there is reason for concern.

In Europe worries that Washington's course is both ill-advised and dangerous, have nurtured a continent-wide European Nuclear Disarmament movement. Britain's respected *The Guardian* newspaper has now suggested it may be time to leave NATO. This is unprecedented. America's friends want a strong America, as NATO's solid backbone. But NATO solidarity is predicated on the assumption that it is a defensive alliance, defending western interests. The growing fear that Washington has switched into offensive gear, in pursuit of unilateral ambitions, is sapping cohesion and undermining support. □

The events of December 1982 and January 1983

international canada

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Bilateral Relations

USA

Natural Gas Export Prices

Dissatisfaction on the part of some US politicians about the price of Canadian natural gas exports to the US increased during December. Quoted in the digest *Inside Energy*, a US Republican Congressman, Tom Corcoran of Illinois, claimed that Canada had been "ripping off" US natural gas users for years and shouldn't be surprised that the Reagan administration wants gas export prices lowered. "The US government is finally getting serious and dealing with the natural gas problem," he said (*The Citizen*, December 15). Mr. Corcoran had made legislative proposals which would compel Canada to lower prices within six months or lose the contracts. There is no fear of jeopardizing future supplies of Canadian gas because Canada has nowhere else to sell it, he said. Also contained in the digest article was a quote from an unnamed Reagan administration official, who said that unless Ottawa voluntarily agrees to more flexible prices, Congress will "ram something down the throats" of Canadian officials. *The Citizen* December 15 reported that there were forty separate legislative proposals before Congress for dealing with natural gas prices.

Further US intentions were revealed in the House of Commons December 16 by Ian Waddell (NDP, Vancouver-Kingsway). He said, "I have before me the text of a letter from the Reagan White House, specifically from the assistant to the President, to seventy-five Congressmen, revealing plans to intensify pressure on Canada to reduce the price of natural gas which we export to the United States." Mr. Waddell pointed out to Energy Minister Jean Chrétien that Congressman Corcoran's bill to cut off Canadian gas imports had been introduced in the House of Representatives the day before. Mr. Chrétien assured Mr. Waddell that the government had been consulting with industry and the provinces about the problem. He said that an earlier statement he had made to an Energy Committee meeting remained. That statement was: "So should we have a more flexible approach for prices? I say 'no' for the time being because I want to make sure the Canadian

producers get the maximum possible price, maximum possible income."

In Washington on January 18, about thirty officials representing US customers and Canadian suppliers of natural gas attended a one-day conference organized by the US Energy Department's Economic Regulatory Administration, which is responsible for authorizing gas imports. The *Globe and Mail* reported January 19, "Representatives of Canadian gas producers agreed the export price must be flexible, but defended the take-or-pay system that commits US pipeline companies to buy certain volumes under long-term contracts even though much cheaper gas may be available." It was also argued that Canada's export price was so high that it had produced inequities in the US market and had encouraged many large industrial users to switch to other fuel. (Canada charges \$4.94 [US] a thousand cubic feet for exported gas now under a formula the United States agreed to in 1980 when fuel prices were rising; that price is now about double the average rate for domestic gas in the US, according to the *Globe and Mail* report.)

Also at the Washington conference, a group of twenty-seven Republican Congressmen filed a statement calling on the Reagan administration to revoke import authorization for Canadian gas unless Canada agreed to renegotiate existing contracts with US companies. In the statement, the Congressmen called their threat "a Draconian prod." Marshall Crowe, former Chairman of the Canadian National Energy Board, now representing Canadian producers and the Alberta government, agreed that there should be some flexibility in pricing, but cautioned the panel against "short-term expedients" which would undermine long-term trade (*The Citizen*, *Globe and Mail*, January 19).

Later the same week, Congressman Corcoran and three other members of the US House of Representatives were in Ottawa for talks with Energy Minister Chrétien. Mr. Chrétien said after the meeting that he was receptive to their ideas for lower and more flexible border prices. But at a January 24 news conference in Washington, the Congressmen claimed that they had persuaded Canadian officials that the export price of gas must come down in

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response to market forces. One Congressman told reporters, "There was a clear understanding that market forces must determine prices in the future" (*The Citizen*, January 25).

The statements made by the Congressmen concerned Ray Skelly (NDP, Comox-Powell River), who issued a press release January 26. "Does this mean the government is now prepared to sell natural gas to the US at bargain basement prices?" he asked. "There seems to be a view that Canada is the banana republic of the north, prepared to lower its prices at the whims of the market . . . A reduction in the price of our natural gas exports to the US will mean reduced revenues and drastic cuts in federal and provincial government programs . . . Any change in the pricing agreement at this time will only play into the hands of the US in any future energy negotiations between the two countries." In the House of Commons that day, Mr. Skelly asked Energy Minister Chrétien for assurance that he would not cave in to the US pressure.

The Energy Minister responded: "In terms of the price for future exports, I am waiting for the report of the National Energy Board which is supposed to be published tomorrow in which they will decide if there is surplus and to whom they will give the licence for export. It is only after that that we will have to decide about the price."

The NEB report determined that there was a surplus of natural gas, and that currently authorized export volumes could safely be doubled to 11.5 trillion cubic feet over fifteen years. The US had previously been the only market for Canadian natural gas, but the NEB also authorized the sale of about twenty percent of the surplus in the form of liquified gas to Japan by Dome Petroleum. The granting of the licence must be approved by the Canadian Cabinet. The diversification of Canadian markets was officially welcomed by the US State Department, which said that the proposed sale to Japan would serve its interest that friends and allies should have secure energy supplies. Privately, though, the NEB approval of the supply of gas to Japan was reportedly viewed by US officials as providing Canada with more leverage against the US pressure to reduce gas export prices (*The Citizen, Globe and Mail*, January 19). Canadian and US energy officials were scheduled to meet in Washington on February 1 for further consultation.

Subsidization of US Wheat Exports

A US program which gives indirect subsidies to US grain producers contradicts the US position at the recent General Agreement on Tariffs and Trade (GATT) meeting. Lorne Nystrom (NDP, Yorkton-Melville) told the House of Commons December 2. "Last month the United States announced a blended credit program, which is a new export program for subsidizing the exportation of wheat from that country. It is worth about \$1.5 billion over the next three years," Mr. Nystrom said. External Affairs Minister Allan MacEachen responded that although one of the problems not solved at the GATT meeting was the question of ceasing subsidies, a work program had been established to deal with trade in agricultural products.

The following day, Mr. Nystrom sent a letter to International Trade Minister Gerald Regan expressing his party's concern about the US Blended Credit Program. A major component of the program is an interest-free direct government export credit which would make it next to impossible for Canadian grain producers to export to the countries

offered the US credits, he said. Mr. Nystrom also suggested in the letter that Canada create a similar program if the US does not withdraw the Blended Credit Program.

Canadian Lumber Exports

During December hearings were being held in the United States into alleged unfair subsidies to Canadian lumber exporters. In November, the US International Trade Commission (ITC) decided that imported lumber from Canada appeared to be injuring the US lumber industry. The ITC was expected to make its final ruling by March 7, 1983 after investigations into the alleged subsidy and injury. If it upheld the US lumber industry's claims, countervailing duty against Canadian lumber imports would be imposed. The November preliminary decision, and the later hearings caused serious concern to the Canadian lumber industry and to politicians who had been making representations in the United States.

MPs in the House of Commons expressed their concerns about the US investigation in December. On December 16, Frank Oberle (PC, Prince George-Peace River) asked the government what it was doing to represent Canadian interests. Prime Minister Trudeau responded, "In sum, what we are doing is cooperating with the industry and the Province [British Columbia] in presenting our case to the United States tribunal to indicate that this is not a question of hidden subsidy or of dumping, and that the complaints by the United States lumber industry are unjustified in this particular case." Mr. Oberle then asked if, because an imposition of a 65 percent countervailing duty would spell the demise of the lumber industry in Canada, the government had considered any reciprocal action if this duty were to be imposed. Mr. Trudeau said that he thought that, as in other recent cases, "sound reasoning" would prevail in the United States. External Affairs Minister Allan MacEachen said that he had discussed the matter fully with US Secretary of State Shultz during a meeting in Ottawa in October, and again in Brussels in December.

The next day, Lyle Kristiansen (NDP, Kootenay West) also expressed his concern. He was assured by International Trade Minister Gerald Regan that Canada had made very strong, appropriate representations in the United States. The Trade Minister explained that the lumber action in the US was difficult to come to grips with because it was not an action by the US administration or Congress, but action taken by a part of the US lumber industry under existing statutes. British Columbia government officials also campaigned in Washington against the threat to the two billion dollar industry by engaging Washington lawyers to prepare written rebuttals to the arguments of the US lumber companies (*The Citizen*, January 7).

"Buy American" Law

New protectionist legislation in the US was signed into law by President Reagan January 6. It was part of the Surface Transportation Assistance Act Authorization legislation, which effectively excludes Canadian concrete and steel from US-funded highway and bridge projects. Canadian officials in Washington told reporters that they were unable to calculate how much the "Buy American" measure would cost Canadian cement and steel companies,

but one official said that the loss would run into the tens of millions of dollars annually (*The Citizen*, January 25).

Just before the bill was made law, Canada had sent a diplomatic note to the US State Department protesting the "Buy American" provisions as a violation of US obligations under the General Agreement on Tariffs and Trade.

Also protesting the law was Pauline Jewett (NDP, New Westminster-Coquitlam), who told the House of Commons January 26, "Perhaps our government should remind the President that his country's trade practices are not so free as he would have Americans and Canadians believe." Mr. Reagan had a day earlier given his State of the Union Address, in which he had reaffirmed his commitment to free trade. As well as the "Buy American" measures, Miss Jewett claimed that recent grain credit measures and US efforts to impose duty on Canadian lumber exports into that country also showed that the US was not committed to free trade.

Oil Rig Workers Compensation Abolished

A bill passed by the US Congress December 10 prevents Canadians from filing compensation claims in the US for injury or death on US-owned offshore oil rigs operating in Canadian waters, if compensation in Canada is available. The law applies to other countries as well. The bill had been opposed by the Canadian and Newfoundland governments, and some US politicians.

The circumstances under which the bill was passed annoyed both Canadian and US politicians. "It was really sleazy," said Brian O'Malley, an aide to Michigan Democratic Representative Dennis Hertel, who had opposed the bill. The legislation reportedly slid through both the Senate and the House of Representatives late on December 10 as a "miscellaneous provision" to a commercial fisheries bill enforcing a Pacific fisheries agreement with Japan. "We were victims of an incredible sucker punch and an abuse of procedure," Mr. O'Malley said. US opponents had believed that they had fought the bill to a standstill, and Representative Hertel had recently written to Newfoundland Liberal Leader Stephen Neary saying the bill had been shelved. The measures had been lobbied for by US oil rig owners and insurance companies, and the enactment was "orchestrated quietly" by Louisiana Democrats Russell Long in the Senate and John Breaux in the House of Representatives. Major oil rig companies are based in Louisiana, including the Ocean Drilling and Exploration Co. Ltd. (ODECO), which had leased the oil rig *Ocean Ranger*, whose sinking off the coast of Newfoundland had claimed sixty-seven Canadian lives. Thirty-one lawsuits totalling \$226 million had been filed in US federal courts seeking damages from the *Ocean Ranger's* operators. The new law does not affect these claims (*Globe and Mail*, December 14).

John Crosbie (PC, St. John's West) described the US "abuse of procedure" to the House of Commons December 16. He wanted unanimous consent to a motion:

That the Government of Canada protest in most vigorous terms to the President of the US and to the US Congress with respect to the enactment of the said legislation and that the Government request President Reagan to veto the legislation, and that if such a Canadian protest is ineffective and the legislation becomes law, that Canada take

the necessary steps to refuse permission for US-owned drilling rigs to operate within Canadian territorial waters and the Canadian 200-mile economic zone until such time as the legislation is revoked.

On December 14, Rod Murphy (NDP, Churchill) had issued a press release which said that Canada should require owners of US oil rigs operating in Canadian waters to post bonds to protect the interests of their Canadian workers. "We were led to believe this bill would never make it through Congress. Now that it has, we must take steps to insure that Canadians working on these rigs will have the protection of compensation if and when there are accidents."

In Newfoundland, Energy Minister William Marshall said that in approving the legislation, the US politicians "might be cutting off their nose to spite their face," because Newfoundland would now reconsider the need for US-owned ships and drilling rigs to work in its offshore areas (*Globe and Mail*, December 16).

IJC Appointment

Prime Minister Trudeau announced December 3 the appointment of J. Blair Seaborn as Canadian Chairman of the International Joint Commission (IJC), effective December 20. Mr. Seaborn had been Deputy Minister of Environment since 1974. There had been a Canadian vacancy on the Canada-US commission, which investigates and helps settle boundary, lake and river disputes between the two countries, since January 1981. This had caused concern that Canadian interests were not being fully represented.

Great Lakes Area Chemical Pollution

Concern over the flow of chemical contaminants into the Niagara River-Lake Ontario basin from chemical dumps near Niagara Falls, New York increased during this two month period, as new studies revealed the extent of the problem. In the US, governments and companies are fighting over who should have to clean up the toxic dumps, which have been leaking toxic waste through rock into waterways with the potential of contaminating water supplies for millions of people on both sides of the border. The New York State Department of Health issued a report in December which said that the contamination of the Lake Ontario-Niagara River basin was increasing rather than decreasing. In the House of Commons December 7, Joe Reid (PC, St. Catharines) wanted to know what Environment Minister John Roberts was doing about it. The Minister responded that his department had helped by providing assistance to Canadians who wished to present their concerns in US court cases, had undertaken studies to monitor and assess the situation, and had made vigorous representations to the United States. He also said that the information he had received from his officials was there was no pollution danger to water supply.

The next month, Mr. Roberts stated that toxic chemicals leaking from one waste dump near Niagara Falls, NY, was threatening the drinking-water of four million Canadian and one million US residents. The "S-Area" dump contains 57,000 tonnes of chemical waste which is leaking toward Canada through cracks in the rock into the Niagara River and thus into Lake Ontario. Mr. Roberts called this "a

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greater threat to Canadian waters than any other US landfill uncovered to date." The chemical brew contains substances known to cause cancer, mutations and birth defects. According to a statement released by the US government, these chemicals have already leaked into the Niagara Falls (NY) water treatment system which supplies water to 86,000 Americans (*Globe and Mail*, January 25).

The S-Area is one of four major chemical dumps polluting the Niagara River. The *Globe and Mail* (January 25) explained that the cleanup of the S-Area is tied up in a lawsuit by the US and New York State governments against the Occidental Chemical Corp. (formerly Hooker Chemicals and Plastics Corp. of Niagara Falls, NY), its related companies, and the City of Niagara Falls, NY. Between 1947 and 1975 Hooker dumped the chemicals into porous rock less than 200 meters from the river to create the S-Area dump.

On January 25, Joe Reid again questioned the Environment Minister about his position in light of his statements the day before, and about the December 7 statement that the S-Area leakage did not pose a threat to drinking-water. Mr. Roberts told the House that Canada would continue diplomatic representations in the US; deal with the International Joint Commission and the Niagara Toxics Committee; and increase spending in several related departments to examine the problem for Canada. Jim Fulton (NDP, Skeena) also challenged the government's approach. "Will the Minister tell the House whether or not he has received one shred of evidence from the US administration that they intend to spend one dollar in the coming year on cleaning up S-Site, or are we once again doing all kinds of scientific work on behalf of a bankrupt administration in the United States?" he asked. Mr. Roberts responded that he thought that the US government was taking the issue very seriously.

Another recommendation made by Mr. Fulton was for the government to send an official delegation to the US and "tell Congress how we feel about being poisoned." Mr. Fulton repeated this request January 27 during a lengthy debate on the protection of the environment. He had moved: "That this House condemn the Government for its failure to adequately protect the Canadian environment from toxic and hazardous waste and for its subservience to the vested interests of the chemical and industrial waste producers and, in particular to expedite the cleanup of the Great Lakes." Mr. Fulton also argued that the United States was not living up to the Great Lakes Water Quality Agreement of 1978.

The same day, Ontario Environment Minister Keith Norton said in an interview that Ontario would attempt to seek US permission to intervene in the US lawsuit against Occidental Chemical Corp., to press its views about how the dump could be cleaned up, unless federal officials get assurances within a week from the US about Canadian concerns (*Globe and Mail*, January 28). Girve Fretz (P.C., Erie) asked Mr. Roberts in the House on January 31 if the government had received such assurances. Mr. Roberts had not, but said he was a little bit confused about the Ontario statement referred to, because the negotiations underway were a court-ordered process in the US, not a negotiation between Canadian and US governments. He said that he hoped Ontario would get in touch with other

interested groups, to see whether the actions would be considered useful.

Garrison Diversion Project

US funds to continue construction of the Garrison Diversion Unit in North Dakota were refused by the House of Representatives in mid-December, but approved a week later by both Houses of Congress. The House's denial of four million dollars for the project was briefly hailed as a victory for Canada. The Garrison project, already one fifth completed, is an elaborate plan to irrigate North Dakota farmland by joining two incompatible water systems: the Missouri River drainage basin, and the Hudson Bay basin, through the Red River. Opponents have said that predatory Missouri River fish would enter the Red and Souris rivers and swim into Manitoba, damaging that province's fishing commercial industry, and that Manitoba's drinking water would become polluted. Canada had lobbied vigorously against the project, arguing that it violates the Boundary Waters Treaty of 1909. On December 14, the House of Representatives voted 252-152 against the continuation of funds. It was the first time in the project's seventeen year history that Congress had registered a negative vote for Garrison funds (*The Citizen*, December 16; *MacLean's Magazine*, December 27; *Globe and Mail*, December 21).

The resolution restoring the funds was passed December 20 as one of the compromises made by a House-Senate committee to achieve agreement on an omnibus government resolution. The resolution as passed included a clause preventing the money from being used on features of the project that could affect Canadian waters. The *Globe and Mail* reported December 21 that despite the clause, Canadian officials were worried that it would be harder to stop the project after more money was committed to it. About \$160 million had so far been spent on the project.

The next day in the House of Commons, MPs gave unanimous consent of a motion moved by Jack Murta (PC, Lisgar): "That this House reaffirm its commitment to oppose the construction of the Garrison Diversion Unit as originally authorized, and direct our ambassador in Washington to convey to the United States Government our dismay and disappointment that this project is still proceeding."

In answer to later questions in the House from Dan McKenzie (PC, Winnipeg-Assiniboine), External Affairs Minister Allan MacEachen said that the stipulation in the resolution preventing the money's being used in ways affecting Canada had been the aim of the Canadian government, although the government would have been happier if there had been no reappropriation of funds.

Acid Rain

Some of the funds for acid rain research slashed in December by the US Environmental Protection Agency (EPA) were restored in January after protests by researchers, some Congressmen and environmental groups. The 1983 financing for an on-going acid rain research project designed to measure the cost and effectiveness of pollution control on coal-burning generating plants had been cut from \$650,000 to \$150,000. An official at the Canadian Embassy saw the restoration of \$400,000 as an indication that US public perception of the problem had

changed because the cutting of the funds had resulted in a public outcry (*Globe and Mail*, January 14).

FIRA and NEP

The opinion of US diplomats in Canada is that the Foreign Investment Review Agency (FIRA) is being modified to address US complaints, but that the National Energy Program (NEP) continues to disturb foreign investors. In a speech to petroleum industry businessmen at a Calgary luncheon December 20, US Ambassador Paul Robinson told the group that he was encouraged by recent modifications in FIRA administrative procedures, and what he viewed as a redefining of FIRA's role. The *Globe and Mail* (December 21) reported that "Mr. Robinson was not so optimistic about the future of the NEP . . . and considers the program discriminatory in its treatment of foreign-owned oil companies and in the provision that allows Petro-Canada to retroactively take an interest in frontier oil discoveries." He called the provision "confiscatory and unworthy of Canada."

In a speech to a business conference in Toronto January 6, US diplomat Richard Smith from the US Embassy in Ottawa also talked about these two programs. He noted "a welcome increase in FIRA's efficiency in handling investment proposals that has resulted in a marked reduction of the existing backlog of pending cases," but criticized the "retroactive back-in feature" of NEP. "This has become a significant issue for foreign investors in general, not just in the energy sector, raising questions regarding the dependability of undertakings made to investors. Canadian explanations . . . have only served to heighten investor uncertainty and uneasiness about the future," he said.

EL SALVADOR

Canadian Delegation

An all-party trio of MPs which had visited El Salvador and Mexico in November issued a report in December which made recommendations to the Canadian government on its policy regarding El Salvador. The fact-finding mission had been organized by the Inter-Church Committee on Human Rights in Latin America. Dr. Stanley Hudecki (Lib., Hamilton West), Rev. Walter McLean (PC, Waterloo), and Father Bob Ogle (NDP, Saskatoon East) presented their formal report to church leaders and to External Affairs Minister Allan MacEachen on December 17.

During their five-day mission, the MPs investigated the state of human rights in El Salvador and evaluated the possibility of a negotiated settlement to end the fighting in that country. The final report dealt with the human rights situation, the social and economic situation and the political situation and prognosis.

The report made recommendations to the Canadian Christian community, and to the Canadian government. It urged the government to:

- take diplomatic action by supporting political negotiations, and joining other hemispheric part-

ners such as Mexico and Venezuela in proposing the political negotiations; supporting the report and recommendations of the UN Human Rights Commission and other subsequent UN resolutions on El Salvador; and publicly expressing strong opposition to the US policy of military and economic aid to the current government of El Salvador.

— cut all financial aid to the government of El Salvador, including bilateral aid for such projects as the pipeline, and multilateral funding (i.e., International Monetary Fund, World Bank, Inter-American Development Bank and the Central American Bank for Economic Integration) until a post-conflict period of effective reconstruction has begun.

— take humanitarian action by facilitating a special immigration program for a portion of the five to six hundred political prisoners in El Salvador's jails.

The group issued a press release on December 21 which outlined the results of their discussion with External Affairs Minister Allan MacEachen. They reported that:

— the Minister reaffirmed that Canada remains open to positive actions to settle the conflict in El Salvador, such as offering the use of Canadian facilities to support a comprehensive, negotiated political settlement;

— Immigration Minister Lloyd Axworthy would be visiting Central America during the upcoming House of Commons recess to review the refugee situation;

— the government is preparing for the visit of the Nicaraguan foreign minister, and it is expected that talks would involve discussion about the situation in El Salvador;

— Mr. MacEachen indicated that he would give serious consideration to a request that he visit Central America;

— the Minister expressed his openness to reviewing the possibility of increased Canadian government support for humanitarian aid to the people of El Salvador to be channeled through Church and other non-governmental agencies.

The press release said that the MPs had drawn Mr. MacEachen's attention to Canada's voting record at the United Nations in the previous two weeks. "On December 10, Canada introduced amendments to a UN resolution dealing with the situation of human rights in El Salvador

The final result of the one Canadian amendment adopted in the Third Committee was to delete the Assembly's appeal to the government and other political forces in El Salvador to work together for a comprehensive, negotiated political solution. Before the final vote on the El Salvador resolution by the General Assembly on December 17, Mexico successfully introduced an amendment which re-inserted this appeal into the resolution which was finally adopted. Canada abstained in the final vote."

On December 21 the MPs talked to reporters about their findings and about Canadian policy on El Salvador. Mr. Hudecki said about the above-mentioned United Nations vote: "We have tied ourselves to US policy whether we like it or not It appears as though we have been in

favor of the election (in El Salvador) and the government in power. There is no military solution to the problem."

HUNGARY

Visit of Canadian Trade Minister

International Trade Minister Gerald Regan met with Hungarian Deputy Prime Minister Marjai and other senior ministers in Hungary during a trip in January which also took him to several countries in the Middle East. "The main objectives of this mission include furthering Canadian trade relations, promoting Canadian products and expertise and developing technical cooperation with various government ministries," an External Affairs press release (December 31) stated. Mr. Regan discussed with the Hungarian ministers Canada's desire to increase the level of trade between the two countries. Negotiations also centred on future trade missions involving the exchange of expertise by Canadian and Hungarian businessmen (External Affairs press release, January 7).

JAPAN

Exports

Canada's exports to Japan continued to increase in the third quarter of 1982, trade figures released by the Canadian Embassy in Tokyo showed. Canada exported \$3.57 billion worth of goods to Japan, while importing \$2.79 billion in goods. The gains were especially notable in sales of manufactured goods, such as industrial machinery and parts, whose sales were up \$39.6 million. Still, the manufactured goods accounted for only about 4.6 percent of the total (*Globe and Mail*, December 15). Canada mainly exports raw and semi-finished material to Japan, and would like to export more manufactured goods. On December 3, International Trade Minister Gerald Regan announced the release of Canada's Export Development Plan for Japan, prepared to assist public and private sectors to expand business to Japan. An External Affairs press release (December 3) pointed out that the resource sectors would probably continue to account for an important portion of Canada's exports to Japan during the 1980s, but that a key priority of the export plan was to increase Canadian exports of fully manufactured goods. (Also see POLICY — FOREIGN — Asia: Prime Minister's Visit.)

Auto Import Quotas

MPs called on the government in December to ensure that the Japanese share of the Canadian car market be limited for 1983. In August, a quota arrangement was negotiated between Canada and Japan for 1982. On December 2, because "despite two years of controls on Japanese cars imported into Canada, their share of our sales market has risen from 22 percent to 30 percent," Neil Young (NDP, Beaches) moved that the House of Commons direct Canada's trade minister to "introduce measures immediately to ensure that Japanese automotive imports be limited to 15 percent."

The matter was brought up again on December 7.

Derek Blackburn (NDP, Brant) asked the government what it was doing to cut back on the car imports, which he said had resulted in unemployment for thousands of Canadians in that sector. International Trade Minister Gerald Regan responded that he recognized that sales of all types of cars had fallen off as a result of the downturn in the economy. He said that discussions were taking place with Japanese officials, and, "As well, representations in relation to the utilization of parts from Canadian parts manufacturers in Japanese cars is another very topical and, in my view, important subject."

Natural Gas Exports

Canada will, for the first time, export natural gas to Japan in liquified form as the result of a National Energy Board (NEB) decision on surplus natural gas. The NEB reported January 27 that Canada had enough surplus to safely double its exports over the next fifteen years. Eighty percent of the surplus will be licenced for export to the US, and the remaining 20 percent of the 11.5 trillion cubic feet will be licenced for sale to Japan (*Globe and Mail*, January 29).

LIBYA

Ambassador to Canada

Canada accepted the accreditation of an ambassador from Libya on December 20. Ali Treiki, the head of Libya's United Nations mission in New York, became Libya's non-resident ambassador to Canada, the first time there has been a Libyan ambassador to Canada. The *Globe and Mail* (December 25) said that trade figures between Canada and Libya suggest the reason for the strengthening of diplomatic ties. Canada has a trade deficit with Libya, whose major exports to this country include crude petroleum and condensates.

NICARAGUA

Canadian Policy

Government ministers were asked in the House of Commons about Canada's policy regarding the situation in Nicaragua by Bob Ogle (NDP, Saskatoon East) in December and January. On December 1, Mr. Ogle questioned External Relations Minister Charles Lapointe about what actions Canada was taking to protest interference in Nicaragua by the US and Honduran governments, which he claimed were aiding supporters of former Nicaraguan Dictator Somoza by trying to destabilize the legitimate government of Nicaragua. Mr. Lapointe replied that Canada had expressed its concern several times about foreign interference in Nicaragua's domestic affairs to the US government through the US Embassy in Ottawa and through Canadian diplomats in Washington. In answer to a further question by Mr. Ogle about Canadian support for an initiative by Mexico and Venezuela to resolve the conflict through peace talks, Mr. Lapointe said that the Canadian Prime Minister had given the Heads of State of Mexico and

Venezuela the assurance that Canada fully supports the peace initiative. He also said that Nicaraguan Foreign Minister Miguel D'Escoto would visit Canada when a date agreeable to both him and External Affairs Minister Allan MacEachen was found. The Nicaraguan minister was to have paid an official visit to Canada last spring, but had to cancel.

On December 13, MP Dan Heap (NDP, Spadina) welcomed a delegation from his riding back to Canada after an eighteen day fact-finding tour of Nicaragua. While in Nicaragua, the delegation visited an area bordering Honduras which had recently been the scene of raids by supporters of the deposed Somoza regime; met with officials from various government ministries and organizations; visited flood victim settlements newspaper offices, factories, housing projects and plantations (NDP press release, December 10).

In an interview December 13, Mr. Ogle, who had also been recently in Nicaragua, said that he was optimistic that Canada was moving in a direction that could enable it to play a positive mediation role in Nicaragua, because of the expressed support for the Mexico-Venezuelan initiative, and the expected visit of the Nicaraguan foreign minister. He also said that Canada and other democratic nations should send a fact-finding team to Honduras to confirm that US-backed Somoza regime supporters were attacking Nicaragua from across the Honduran border. "Honduras does not have a right to let that happen to a neighboring country. There must be some pressure that can be brought to bear against Honduras by Venezuela, Mexico, Canada and other countries challenging them and their right to support the Somicistas on their borders," he said (*Globe and Mail*, December 14).

Mr. Ogle also "sharply attacked" the Reagan administration's Central American policy. Their "clear black-and-white interpretation of 'Communists against free enterprise' is an improper way of looking at Central America," he said. The people of Central America "are seriously trying to get hold of their own history and build up their own countries and they don't want American interference." Mr. Ogle had been in Washington a week earlier to discuss his views with senior State Department officials (*Globe and Mail*, December 14).

In the House of Commons January 21, Mr. Ogle referred to recent US magazine reports which detailed the aid given by the US to the Somoza regime supporters in Honduras. "In view of the fact that the US is sending 1,600 troops to Honduras next month to compete in military exercises within fifteen kilometers of the Nicaraguan border, and that the conclusions of the subcommittee on Latin America recommended that the maintenance of stability in the area be the number one priority of the government of Canada," he urged External Affairs Minister Allan MacEachen to visit Washington and all countries of Central America to aid in bringing about a peaceful solution to the problem.

PAKISTAN

Visit to Canada of President

Pakistani President Mohammad Zia-ul-Haq visited Canada from December 14 to 19. He arrived in Montreal on

December 14 and met with businessmen, diplomats, federal External Relations Minister Charles Lapointe and Quebec External Trade Minister Bernard Landry before arriving in Ottawa December 16.

Opposition Members of Parliament questioned the government in the House of Commons December 15 and 16 about Canada's policy toward Pakistan. PC external affairs critic John Crosbie (St. John's West) expressed "a great deal of fear that Pakistan is a country determined to develop a nuclear weapon." On December 15, Mr. Crosbie asked Prime Minister Pierre Trudeau whether the government would, during the visit, urge the Pakistani President to sign full-scope safeguards and the nuclear non-proliferation treaty. Mr. Trudeau replied that Canada would continue its policy not to supply nuclear fuel or other nuclear implements to Pakistan until Pakistan signs the non-proliferation treaty. The Prime Minister also said that talks with General Zia would include discussion of the problems for Pakistan arising from the Soviet invasion of Afghanistan.

A motion in the House of Commons by Dan Heap (NDP, Spadina) on December 16 that the Prime Minister ask General Zia "to end martial law in Pakistan, to release political prisoners and to restore diplomatic elections and an independent judiciary" did not receive the required unanimous consent of the House. Mr. Heap was concerned about the "massive violations of human rights, including arbitrary arrests, floggings and execution of political opponents" in Pakistan, as reported by Amnesty International. Mr. Heap said in a press release the same day, "The Prime Minister and the other members of Cabinet who are entertaining General Zia while he is in Canada have a responsibility to let him know that the cruelty and ruthlessness of his regime offends the standards of decency and the principles of justice of the people of Canada. Canadians who have angrily opposed the imposition of martial law in Poland will find it difficult to understand how our government leaders can now entertain the head of the martial law regime of Pakistan." NDP MPs also boycotted a state dinner for President Zia at Government House, and a special meeting of the House of Commons External Affairs Committee during the visit.

Also protesting Pakistan's human rights record was Amnesty International, which sent letters to the Prime Minister and External Affairs Minister Allan MacEachen asking the Canadian leaders to address these concerns during the visit, and staged a demonstration outside the Pakistani Embassy in Ottawa December 16 (*The Citizen*, December 17).

On December 17, at a press conference, President Zia told reporters that Canada had pledged to attach no strings to continued economic and humanitarian assistance, regardless of political or human rights conditions in his country. Senior Canadian government officials confirmed this to reporters, and said that human rights was not a question raised with the Pakistani President by Prime Minister Trudeau, according to *The Citizen*, December 18. The officials defended the government's decision to receive him and to continue to provide Pakistan with aid. One official said, "We do appreciate they have a major and extremely destabilizing situation on their northern border," and it was argued that Canada was not propping up General Zia but was providing aid to a very poor country. This was counter to arguments presented by the exiled Secretary-general of the Pakistan People's Party, which had been overthrown by

General Zia in 1977. At a press conference earlier in the week, Ghulam Hussain called General Zia "a usurper, a dictator, a traitor." He said that by providing aid to Pakistan, Western nations were creating in him another Shah of Iran, upon whose eventual downfall the people of Pakistan would turn against the West for supporting him (*Globe and Mail*, December 18).

Prime Minister Trudeau and President Zia discussed Pakistan's refusal to agree to tighter international safeguards on nuclear non-proliferation. It was reported that although both sides laid out their positions on nuclear cooperation, neither country changed its view and there was no immediate prospect of an agreement. The two leaders also discussed the political situation in Pakistan and the prospects for future political development in that country. Mr. Zia told reporters that he did not foresee holding elections for at least two or three years, but did not intend to perpetuate military rule (*The Citizen; Globe and Mail*, December 18).

PHILIPPINES

Human Rights

Dan Heap (NDP, Spadina) told the House of Commons December 21 that President Ferdinand Marcos of the Philippines had asked Canada for an extradition treaty "so that he can bring back residents of Canada to the Philippines to be arrested for opposing him." Mr. Heap said that many producers of opposition newspapers, clergy and lay leaders of the Churches, and officers of labor unions, have been intimidated, arrested and held without trial in the Philippines even though martial law was supposedly lifted. He introduced a motion (which did not receive the required unanimous consent of the House): "That the Prime Minister assure this Parliament that when he visits President Marcos [in January] he will refuse to discuss the extradition treaty and will ask President Marcos to release political prisoners and cease intimidation of church leaders, union leaders and opposition leaders."

POLAND

Martial Law

On December 13, on the anniversary of the imposition of martial law in Poland, Ron Stewart (PC, Simcoe South) presented a motion to the House of Commons (which did not receive the required unanimous consent):

That this House urge the Polish authorities to end quickly martial law in that country, to agree to Lech Walesa's demand for a general amnesty of those who have been imprisoned for political reasons, and to resume negotiations with the Solidarity Trade Union and the Roman Catholic Church in Poland on reform which would allow for economic, social and political freedom and progress in Poland.

External Affairs Minister Allan MacEachen announced January 31 the Canadian pledge of another

\$200,000 in aid to the Polish people. The money was in response to a joint appeal by the League of Red Cross Societies and the International Committee of the Red Cross. The funds will be used for relief programs (CIDA press release, January 31).

SOUTH AFRICA

Condemnation of Lesotho Massacre

After South African defence forces raided and massacred people in Lesotho, Canada's External Affairs Department advised the South African Ambassador in Ottawa that Canada condemned the raid and consequent loss of life. "Canada deplored such action because it undermined the security of the southern African region as a whole. The Canadian government hoped that South Africa would refrain from further incursions into Lesotho territory and would respect the sovereignty and territorial integrity of its neighbors," an External Affairs press release December 10 stated.

On December 31, it was reported that nineteen Canadian doctors working in Lesotho had written to External Affairs Minister Allan MacEachen regarding the incursion. The doctors asked the press for anonymity because they feared reprisals from South Africa that could endanger Canadian aid programs in the black nation of Lesotho, which is surrounded by South African territory. In the letter, the doctors gave their account of the raid, because they felt that "certain aspects have been inaccurately portrayed to the rest of the world." They outlined the circumstances of the "barbaric action," claiming that the so-called terrorists shot had been South African refugees including men, women and children who were asleep when attacked. The South African soldiers killed forty-two people. The doctors urged a United Nations inquiry into the massacre. They asked the Canadian government to reconsider sanctions against South Africa and to recall its ambassador.

SOVIET UNION

Appeal for Dissident

Avital Shcharansky, wife of imprisoned Soviet dissident Anatoly Shcharansky, was in Ottawa in late January to meet with her husband's legal counsel, Irwin Cotler of Montreal, and with senior Canadian politicians, including Prime Minister Trudeau. Mrs. Shcharansky, who lives in Israel, told a press conference in Ottawa January 27 about her husband's incarceration in Soviet prisons. Mr. Shcharansky's Canadian lawyer said that he had written and sent a forty-six page brief to Soviet leader Yuri Andropov arguing his client's case under Soviet law.

In the House of Commons January 27, David Smith (Parliamentary Secretary to President of the Privy Council) called for the release of Mr. Shcharansky. In 1978, he said, Soviet authorities decided to silence the human rights and Jewish activist by sentencing him to thirteen years of imprisonment on a trumped-up charge of espionage. "Since

that time he has become a world-wide symbol of resistance to Soviet efforts to stamp out fundamental human rights." Another MP, David Orlikow (NDP, Winnipeg North), the same day urged Prime Minister Trudeau to appeal on behalf of the government, Parliament, and the people of Canada, directly to Mr. Andropov for Mr. Shcharansky's case to be reconsidered on humanitarian grounds to allow him his freedom and permission to join his wife.

URUGUAY

Demand for Release of Prisoner

In the House of Commons December 15, Dan McKenzie (PC, Winnipeg-Assiniboine) moved a motion

(which did not receive the required unanimous consent of the House under Standing Order 43), that the government demand the release of an imprisoned professor in Uruguay. Mr. McKenzie said that Professor Jose Luis Massera of Uruguay had been imprisoned for expressing political opinions. He has been tortured and held in conditions which are likely to lead to physical and mental illness and possibly death, Mr. McKenzie said. He moved:

That the Canadian government condemn the actions of the Uruguayan government and demand the release of Professor Massera. These flagrant violations of human rights are in direct contravention of the Helsinki Accord, and steps must be taken to have Professor Massera released and to put an end to acts such as he has suffered.

Multilateral Relations

UNITED NATIONS

Law of the Sea

Canada was one of the 119 nations to sign the UN Law of the Sea Convention on December 10. Fisheries Minister Pierre De Bané signed the pact on behalf of Canada at the final session of the Third United Nations Conference on the Law of the Sea, held in Jamaica from December 6 to 10. The Convention consists of 320 articles and nine annexes and is the result of the longest, most complex conference in diplomatic history. A decade in the making, the Convention was called "possibly the most significant legal instrument this century" by the UN Secretary General (External Affairs press release, November 22). Twenty-four nations which had participated in the Law of the Sea conference did not sign the pact. These included the US, West Germany, Belgium and Britain. Japan did not sign, but indicated it would do so at a later date (*Globe and Mail*, December 11). The US refusal to sign was based largely on objections to provisions which regulate deep seabed mining. The Reagan administration regarded the regulations as a breach of free enterprise (*Globe and Mail*, December 10). The US rejection of the treaty was considered the largest obstacle to a meaningful convention. Canada had protested officially to Washington in July about the US decision not to sign.

As well as setting up a global authority for the regulation of deep seabed mining, the Convention provides,

among other things, that: nations are sovereign over waters twelve miles from their coasts; countries enjoy exclusive rights to the fish and other marine resources from within 200 miles of their coast; nations also own all the oil and gas on their continental shelves for 350 miles; and ships and planes can pass freely through narrow straits like Gibraltar and Hormuz, critical for the big military powers (*Globe and Mail*, December 10).

Canada had played an active role in the formulation of the Convention text. Many of its provisions were considered beneficial to Canada. Mr. De Bané said that benefits included the enshrinement of the 200-mile economic zone, freedom of navigation, greater environmental control, recognition of Canada's Arctic Waters Pollution Prevention Act, the protection of salmon stocks and the establishment of the 350-mile continental shelf zone. As well, the provisions regulating deep seabed mining will protect land-based nickel production (*Globe and Mail*, December 11).

In the House of Commons December 13, MPs unanimously agreed to a motion: "That this House recognize the contribution of the Ambassador, His Excellency Mr. Alan Beesley, and his team of the Law of the Sea Conference negotiations and congratulate them for the enormous work they have accomplished and the success they obtained for Canada and the international community."

While in Asia during January, Prime Minister Pierre Trudeau also hailed the conclusion of the Law of the Sea Conference. At a dinner given by Indonesian President

Suharto, Mr. Trudeau said that the treaty was a victory for the rule of law and the principle of the peaceful settlement of disputes. He said that Canada regarded the treaty as a basis for global equity and the development of a new international economic order (*Globe and Mail*, January 12).

Declaration Against Torture

The Canadian government made a unilateral declaration of its continued compliance with the UN "Declaration on the Protection of All Persons from Being Subjected to Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment." Canada solemnly declared its intention to continue to act in conformity with the Declaration, which was adopted by the UN General Assembly of December 9, 1975. The Declaration does not include legally binding obligations for states. An External Affairs press release December 17 said that Canada intends, in addition, to continue to work within the UN Commission on Human Rights for the early completion of the drafting of an international convention on torture. Canada believes it is important to have the legal instruments necessary for the effective suppression of the practice of torture in the world.

NATO

Defence Planning Committee

The Defence Planning Committee of the North Atlantic Treaty Organization met in ministerial session in Brussels on December 1 and 2. At this meeting, defence ministers endorsed and reiterated previous declarations, including the NATO "two-track" policy. "This programme rests equally on the imperatives of maintaining strong deterrence through defence modernization and the need to achieve, through constructive negotiation, agreements on militarily significant, equitable and verifiable arms reductions. . . . The Allies expressed their collective determination both to maintain adequate military strength and political solidarity and to seek more constructive East-West relations whenever Soviet behaviour makes this possible," the final communiqué from the meeting said. In the communiqué, concern was expressed about the "continuing numerical superiority of Soviet conventional forces and the growing applications of advanced technologies.

The Ministers also reaffirmed their conviction that "over and above the importance of reinforcements, the continuing and undiminished presence of the US and Canadian forces in Europe is essential to NATO's defence and deterrence strategy and serves the interests of all the members of the Alliance.

Foreign Ministers Meet

NATO foreign ministers met in Brussels December 9 and 10. At the close of the semi-annual meeting, the ministers issued a final communiqué which said:

The Allies will maintain a firm, realistic and constructive attitude towards the Soviet Union on the basis of mutual acceptance of the principles of restraint and responsibility in the conduct of international affairs. . . . The Allies look to the Soviet

leadership for tangible evidence that it shares their readiness to act in this spirit. . . . The Allies are open to all opportunities for dialogue, will welcome any positive move to reduce tension, and desire, if Soviet attitudes allow, to cooperate in rebuilding international trust.

External Affairs Minister Allan MacEachen told reporters that the general view at the meeting was "that we ought to be quite firm in our attitudes, preparations and posture, but open to gestures, alive to opportunities that could lead to more positive relations" with the Soviet Union (*Globe and Mail*, December 11). The foreign ministers also reaffirmed their decision to begin to deploy US Cruise and Pershing-II nuclear missiles in Europe next year unless the Soviet Union and the US reach an agreement to reduce medium-range nuclear missiles in Europe.

Mr. MacEachen was asked in the House of Commons by Paul McRae (Lib, Thunder Bay-Atikokan) on January 20 what efforts Canada was making to persuade the US government to get down to serious bargaining before the deployment of the 108 Pershing-II missiles in West Germany. He answered that it was his wish and the attitude of the NATO ministers that the deployment would not take place. He said, "That is why the NATO Alliance has offered to enter into negotiations with the Soviet Union, in order to ensure that the Pershing-II would not be deployed and in order to remove the SS-20," the Soviet missiles pointed at Western Europe.

Warsaw Pact Declaration

The Czechoslovak Ambassador to Canada officially presented to External Affairs Minister Allan MacEachen the text of the *Prague Declaration* on January 21. It contained a proposal directed to member countries of the NATO Alliance by Warsaw Treaty member states to conclude an agreement on "the mutual non-use of military force and on the maintenance of relations of peace." Mr. MacEachen assured the Ambassador that the proposal would be given serious consideration. He observed that it may be useful from time to time to reaffirm obligations which have been assumed in the past, provided such statements are not treated as a substitute for balanced verifiable agreements on arms control and disarmament. Included in the text was a renunciation of the first use of conventional weapons, and components related to arms control and confidence building measures which Mr. MacEachen said would receive serious and careful study. He "gave the assurance that any aspect of these proposals which would lead to progress toward concrete and verifiable arms control and disarmament agreements will receive full Canadian support" (External Affairs press release, January 21). (See POLICY — DEFENCE.)

EUROPEAN ECONOMIC COMMUNITY

Proposed Ban on Seal Products

The European Economic Community (EEC) did not agree to ban the importation of seal products from Canada on December 3. The vote came after intense lobbying in Europe by Canadian government representatives in sup-

port of the industry, and an equally intense lobby promoting the proposed ban. Only the Netherlands and Italy firmly supported the community-wide ban, endorsed by the European Commission and the European Parliament. The French and West German governments said that the proposal was not legally sound. According to news reports, the West Germans feared retaliation from Canada regarding fishing rights in Canadian waters (*The Citizen*, December 4). Canada had argued that the annual seal hunt in Newfoundland, the Maritimes and Quebec does not threaten the seal population, that the killing methods are not inhumane, and that the traditional life of the sealers should be maintained. European groups have argued the opposite. Public outcry against the hunt in Europe had been extensive. In Britain alone, more than two million signatures had been collected on a petition calling for the import ban (*The Citizen*, December 4).

After the December 3 decision, Canadian Fisheries Minister Pierre De Bané expressed his satisfaction about the outcome. A Fisheries and Oceans press release December 6 quoted Mr. De Bané: "The results of the December 3 meeting in Brussels indicate that European ministers are reluctant to act in the irrational and unreasonable manner demanded by a small fraction of the European Parliament and a vocal minority of Europeans . . . Their reluctance to take the politically-expedient route and bow to the pressure exerted by ill-informed sectors of public opinion does them considerable credit." While in Europe at the end of November, the press release said, Mr. De Bané had proposed to the European ministers the establishment of an international commission to review and expand all the aspects of the hunt including the method of slaughter, "to ensure it is as humane as all the experts to date have attested, and to manage the hunt on an international basis."

On December 17, the ten countries of the EEC again met, and again failed to agree on a community-wide ban. Instead, they adopted resolutions which pledged member countries to "take all necessary and possible measures within the limits of their national competence" to stop imports of the harp and hooded seal skins. They also agreed to sponsor with Canada, a scientific study of the seal hunt and to report back these findings by March 1. At that time, it was agreed, they would consider the possibility of proposing an evaluation of national measures, and possibly additional action by the Community itself.

Fish Pact Review

Under an agreement between Canada and the European Economic Community (EEC), signed in January 1982, European countries were allowed to take 15,000 tonnes of fish from Canadian waters a year for six years in return for tariff reductions on frozen Canadian fish going to Europe. On December 6, Fisheries Minister Pierre De Bané called the pact "a great disappointment," and said that Canada may have to break the treaty. According to the *Globe and Mail* December 7, the problem was that when signed, "Canadian officials were under the impression that the tariff reductions would be applied in Britain, where Canada sends much of its two billion dollars in annual fish exports. Instead, the EEC decided to allocate the fishing rights to West Germany, which buys almost no Canadian fish." Breaking the fish treaty would be a last resort if other

remedies could not be found, Mr. De Bané told reporters (*Globe and Mail*, December 7).

The question of the agreement was brought up in the House of Commons on December 17 by John Crosbie (PC, St. John's West). He insisted that the failure of the agreement be followed up with disciplinary action against those in Canada responsible for its negotiation, as well as the dismissal of the former Fisheries Minister from his new post as Minister of Public Works and the dismissal of "the officials whose negligence and incompetence caused this great disappointment and caused Canada to be burned at the same time Canada suffered a snow job from the negotiators for the European Economic Community." Mr. Crosbie said that the agreement had been signed over the objections of the Newfoundland government and the Canadian fishing industry.

In late January, External Affairs Minister Allan MacEachen said in Brussels that Canada was unhappy about the EEC administration of the treaty. He said Canada was compiling statistics on how much Canadian fish was sold under the agreement in 1982, before deciding what allocations to offer EEC fishermen in 1983. "We are prepared to give reduced allocations for 1983," he said (*Globe and Mail*, January 28).

A Fisheries and Oceans press release January 28 said that the EEC had been granted an interim allocation of 2,000 tonnes of northern cod off northeastern Newfoundland and Labrador. Mr. De Bané said that Canada was currently reviewing the degree of EEC compliance with the Agreement in 1982. "Following completion of that review, additional fishing permits will be issued for smaller allocations than the EEC expects because the Community did not live up to its terms of the Agreement last year, and has already indicated that its obligations will not be fulfilled this year," Mr. De Bané said. He also called the 2,000 tonne allocation — which will be fished by vessels from West Germany — a "goodwill gesture" on Canada's part. "Some may say that we should not have granted this interim allocation, since the EEC failed to honor the Agreement last year. But I am still willing to show the Europeans we want the Agreement to continue," the Fisheries Minister said.

BRANDT COMMISSION

Ottawa Meeting

The Independent Commission on International Development Issues met in Ottawa from December 12 to 15, to discuss North-South relations. Commission Chairman Willy Brandt, former West German Chancellor, told reporters December 12 that the Commission was meeting at a time of "seriously growing difficulties for the world economy as a whole." The purpose of the three-day talks was to come up with recommendations in major international problem areas — finance and trade, food and agriculture, energy, and reform of international agencies.

Members of the Commission addressed about one hundred members of the House of Commons and Senate, and observers December 14. The end of the current economic crisis depends on improving the economic health of developing countries so they can buy more goods, said

Commonwealth secretary-general Shridath Ramphal. "There may be no better times for the North unless there are better times for the South," he said. Mr. Ramphal also told the audience that Canada was one of too many countries that have "slipped rather badly" in their recognition of the interdependence of nations. At the same time, he praised Canada's record as "a symbol of internationalism" (*The Citizen*, December 15).

The recommendations contained in a report at the conclusion of the talks stressed emergency programs for helping developing countries through the current economic crisis. Economic collapse was seen as a very real possibility for many cash-starved nations. The Brandt Commission called on the International Monetary Fund (IMF) to give immediate attention to the proposals in its emergency program, including:

- Authorization of a major new allocation of IMF funds, known as special drawing rights. The funds should be distributed according to the needs of developing countries, with the poorest of these getting special consideration;
- Increased borrowing by the IMF from capital markets and countries with a foreign exchange surplus;
- Increasing the resources of the IMF through at least a doubling of IMF quotas, these being the amounts of money individual countries contribute to the fund. A doubling of quotas would provide \$32 billion for IMF use over three years;
- Urging governments to waive the debts owed them by the world's least developed countries.

The Commission also recommended a world economic conference. Other recommendations on the broader issues of trade, energy and food, as well as new proposals on North-South negotiations would be issued in February in a paper, Mr. Brandt told reporters (*The Citizen*, December 16).

In the House of Commons December 15, Bob Ogle (NDP, Saskatoon East) asked Prime Minister Trudeau about the government response to the Brandt Commission recommendations. Mr. Trudeau answered that Canada has been responding and has been taking positions which the Brandt Commission recognizes as showing the proper

kind of leadership. "Naturally they would want us to do more," he said. "Mr. Brandt and his colleagues suggested the convening of a Cancun-type conference and were very profuse in their congratulations to Canada for having played a leading role in the Cancun Conference . . . We have been saying for a long while that the North-South problems are very grave and that they are linked not only to the peace of the world but to economic recovery. We have been saying that. We believe that, but it does not mean that we can give Mr. Brandt or any other organization a blank cheque on the future," the Prime Minister stated.

OECD

December Report

The Organization for Economic Cooperation and Development (OECD) issued its economic outlook report on December 22. The report was not optimistic about an end to the global recession, predicting that unemployment in its twenty-four member countries would soon rise to a record of nearly thirty-five million. "There is little evidence to suggest that this mood of pessimism will dissipate soon," the report said. It observed that the Canadian economy is unlikely to recover significantly in the next eighteen months. Canada's seasonally-adjusted gross national product will show a drop of 5 percent for 1982, before recovering slightly to grow 1.25 percent in 1983. The report estimated Canada's unemployment rate will remain one of the highest. Inflation, though, will continue to fall more rapidly than expected earlier (*Globe and Mail*, December 23).

Canada's poor economic performance was the subject of questions in the House of Commons December 22 by Sinclair Stevens (PC, York-Peel). He told Finance Minister Marc Lalonde that the forecast showed that Canada's performance was the worst of any OECD country. Canada's predicted unemployment rate for the beginning of 1983 was 13.25 percent, compared with the OECD average of 9.5 percent, he said. Mr. Lalonde responded that the figures were just a forecast, and that he was more optimistic about Canada's economy.

Policy

FOREIGN

Asia: Prime Minister's Trip

Prime Minister Pierre Trudeau promoted trade between Canada and Asian countries during his eighteen-day trip in January to the five countries of the Association of Southeast Asian Nations (ASEAN), and to Brunei and Japan. Because the Canadian economy is dependent on export industries, the development of new markets in the ASEAN countries was seen by the government as one cure for the ailing economy. Annual Canadian trade with the ASEAN countries had tripled since 1975, but was still at less than one billion dollars, or 0.6 percent of Canada's total annual trade. Because these countries — Thailand, Malaysia, Singapore, the Philippines and Indonesia — have fared better than most in the present global recession, Canadian government and business people have been encouraging increased trade with that region (*The Citizen*, December 31). Mr. Trudeau's visit was not designed to negotiate specific agreements, but to give Canada a higher profile in the countries by meeting political and business leaders and Canadian representatives in the area.

Before departing to the Asian countries, the Prime Minister spent two days in Vancouver meeting business representatives from across Canada who have commercial dealings in "Pacific Rim" nations.

Thailand

The Asian trip began in Thailand, where the Prime Minister arrived January 5. He was greeted in Bangkok by Thai Premier Prem Tinsulanond. One of the first items on Mr. Trudeau's agenda was a ninety-minute meeting with ten Canadian businessmen based in Bangkok. Canada's trade with Thailand had only totalled \$149 million in 1981. Ambassador Fred Bild explained that Canada's late start meant that it would take a long time to develop the trade potential. He told reporters that he believed that increased Canadian investment in the area would be followed by increased trade (*Globe and Mail*, January 5).

Trade between the two countries was a major topic of discussion between Mr. Trudeau and General Prem on January 5. Also discussed was the topic of the resettlement of refugees from Viet Nam, Cambodia and Laos who are living in Thai refugee camps. It is estimated that up to

200,000 refugees remain in Thailand, while other countries, including Canada, have cut their quotas of refugees because of poor economic health. Canada slashed its quota for 1983 to 3,000, which is 1,000 less than 1982. Mr. Trudeau was questioned by reporters in Bangkok about the representation made to the Thai Premier on Canada's position. Mr. Trudeau explained that he had made it clear to Premier Prem that Canada was presently restricted or hampered in its capacity by the high number of unemployed in Canada.

At the news conference January 6, Mr. Trudeau also discussed the opportunities for Canadian business in the area. He said that in the Canadian business community in Thailand, he had found much enthusiasm about the potential there. "Thai people and governments seem to be deliberately following a policy of diversification to make sure that they don't have all their eggs in one basket, whether it be trading or foreign investment. And this is a bonanza for Canada because we can be one supplier of many, and though we are not the largest of the industrial nations, because we have the technology, the know-how in specific areas, and astute businessmen in other areas, I think it is a great opportunity for us," Mr. Trudeau told reporters.

Three agreements, negotiated earlier, were signed by the two countries during the visit — a prisoner exchange pact; an assistance agreement called the General Agreement on Development Cooperation; and an investment guarantee for Canadian businessmen which would allow them to claim damages at home for any harm done them by the Thai government (*Globe and Mail*, January 5). On January 6, Mr. Trudeau opened a joint Canada-ASEAN forest tree-seed centre, a project to provide badly-needed seeds for reforestation in rural Thailand.

Singapore

On January 7, Mr. Trudeau arrived in Singapore, Canada's number one trading partner in Southeast Asia. Export possibilities to Singapore include a share of a three-to-five billion dollar rapid transit project for that city. There are at least twenty-five Canadian companies planning to bid on the huge project. Some Canadian businessmen were invited to Prime Minister Trudeau's meeting with Singaporean Prime Minister Lee Kuan Yew on January 7. Bombardier Co. executive Raymond Royer told reporters later that in sectors of excellence, like the mass transit sector, Canada

should provide subsidized financing rates to be competitive with bidders from other countries. Much of the meeting was reportedly dominated by the subject of subsidized financing by exporting countries.

Reporters asked Mr. Trudeau the next day about the outcome of these talks. Mr. Trudeau said that Mr. Lee had made it quite clear that concessional financing was something to be looked at later in the process, and that there were other considerations, such as regional employment, transfer of technology and transfer of investment, which would be considered in the package. He said that Canada would consider concessional financing if it were to make a difference in a very important contract. Calling the current practice of some countries, including Canada, to lower interest rates below their market value to obtain contracts "a mug's game," Mr. Trudeau said that it would be preferable if competitors reached an agreement amongst themselves to put an end to the practice.

At the news conference, Mr. Trudeau was also asked what impact he thought his visit would make on Canadian export possibilities to Singapore. He said, "Singaporean businessmen will want to look at the best possible product at the best possible prices, and my coming here has only the effect, maybe, of only jogging the memory of businessmen and officials in Singapore who are courted daily by much more numerous businessmen and politicians from the United States, or Britain or Germany or France whose presence in this part of the world pre-dates Canadian presence by a long shot."

The Prime Minister also discussed Canadian support for the ASEAN initiative for the stabilization of Kampuchea (Cambodia). He said that he did not think that the main players in the settlement of the problem would be Canada, or even the ASEAN countries, but Peking and Moscow. The ASEAN countries want to ensure that a withdrawal of Vietnamese forces from Kampuchea would not create a vacuum to be filled by the Khmer Rouge. They want the establishment of a coalition government not dominated by the Khmer Rouge. "Canada does not intend to be, nor can it be, a major player in that game. We will continue to support the ASEAN initiative which we think is the right one, including the strengthening of the non-Communist forces in the coalition, and we are saying so, but not by supplying arms or anything like that," Mr. Trudeau said.

Malaysia

At the Singapore news conference January 8, the day before the Prime Minister's arrival in Malaysia, reporters asked question regarding the detention and execution of suspected "subversives" in Malaysia. In that country there exists a vaguely-worded Internal Security Act, enacted in 1960, which permits hearsay evidence, the suspension of normal judicial procedure, arbitrary detention and the death penalty for juvenile offenders. Nearly 400 people are believed to be held under this act. Amnesty International had sent Prime Minister Trudeau a detailed report on Malaysia, claiming that some prisoners of conscience have been held without trial since 1968 (*Globe and Mail*, January 10).

It was asked whether Mr. Trudeau intended to express concern to his hosts in Kuala Lumpur. Because the Prime Minister would be visiting other countries, such as the Philippines and Indonesia, where groups such as Amnesty International and international legal bodies have docu-

mented human rights violations, the Prime Minister said he would "try and standardize his answer." He explained, "I don't visit other countries with the intention of telling them how they should run their own affairs. I don't have the authority to do so and, in many cases, I don't have the knowledge to do so. I often seek occasions, and find them, for telling leaders of those countries that relations with Canada would be better and their reputation in the democratic world, with whom they want to maintain good relations, would be improved if they did such and so . . . but I always do it under the guise of saying, 'Look, my suggestions are humanitarian; they're not based on any desire to tell you how to run your country. I just want to tell you that from a humanitarian point of view we would like it if you could do such and so and our friendship would be enhanced.'"

Mr. Trudeau arrived in Kuala Lumpur on January 9, and on January 10, met with a dozen business leaders and also with Malaysian Prime Minister Mahathir Mohamad. It was reported that trade officials from both Malaysia and Canada viewed the Prime Minister's visit to Kuala Lumpur as an opportunity to break the pattern of stagnation in trade between the two countries that had set in last year. The visit was also expected to raise the profile of Canadian engineering consulting firms, whose staffs will be bidding for development contracts in the forestry, urban development and mining sectors during the next few years (*Globe and Mail*, January 10).

Asked at the press conference January 10 about the trade discussions, Mr. Trudeau said that he had conveyed to Malaysian leaders that Canadians don't ask for any special treatment, but just want to be recognized as being advanced in many areas of development and invited to bid and submit offers on many projects. Mr. Trudeau said that he had mentioned some specific projects, such as forestry, urban development and energy projects, pipelines, thermal electrical production, communication and transportation. He said Canada was able to give a general guarantee that it would not see projects lost because of concessional financing from its competitors.

Mr. Trudeau was also asked if he had raised the human rights question with Prime Minister Mohamad. He replied that the general situation in Southeast Asia had been discussed at great length, and that he had briefly raised the question of internal security measures, "but I won't pretend that a great discussion ensued on that."

At this press conference, Mr. Trudeau admitted that his aides were concerned about the image at home that coverage of his leisure activities in Asia would inspire. Prime Minister Trudeau had twice earlier cancelled the Asian trip when it was decided that because of the poor performance of the Canadian economy, he should stay in Canada instead of touring around. In the past, as on this trip, the Canadian press had given much attention to the Prime Minister's free-time activities, often photographing him dancing in local garb.

Indonesia

On January 11, Mr. Trudeau flew to Jakarta, Indonesia, where he again met with Canadian businessmen. They had been involved in an issue about counter-trade with Indonesia over the Canadian share of the Bukit Asam rail, port and coal-handling project. Two hundred million dollars were owed to Canadian firms. Indonesia had demanded

that payment be in specified trade items, rather than cash. In effect, one Canadian trade official told reporters, "that means they want to pay for steel with palm oil. And our businessmen really don't want any part of that" (*Globe and Mail*, January 12). During his meeting with the eighteen businessmen, Mr. Trudeau was briefed on the problem, and asked to discuss it with President Suharto and his ministers. The Canadian deals should be exempt from the counter-trade requirement introduced in January 1982, they said, because of a condition in the regulation which exempts contracts with low-interest or subsidized loans attached to them. "Our argument is basically that the project is being financed by EDC and some mixed financing from CIDA . . . Therefore it should be considered as concessional financing and not subject to the counter-trade provisions," said one businessman (*Globe and Mail*, January 12).

Reporters asked Mr. Trudeau January 12 to sum up the negotiations with the Indonesian President. He said that he had indicated that Canada accepted and recognized the counter-trade policy, but that in the particular case of the Bukit Asam power project, the packaging had taken place before the policy had been introduced, and had very heavy concessional financing. "I argued further that if it were to be affected, it would mean re-opening the whole package with certainly considerable delays in the implementation of it. The Indonesian representatives argued the counter point of view, but I made a proposal at the end which I hope they will look into, and I think it's fair to say that, from our point of view, the matter is still under study," he said. The Canadian embassy was to follow up with facts and figures which, Mr. Trudeau thought, would support Canada's representations. News reports in Canada interpreted Mr. Trudeau's remarks about re-opening the package as "polite threats of cancellation" (*Globe and Mail*, January 13). One newspaper reported, "Sources said Trudeau basically offered the Indonesians a trade-off. He would endorse the principle of the counter-trade laws if they bought his argument that Canada should be exempt. The Indonesians have indicated they are looking for a way to exempt Canada without provoking demands for similar treatment from more major trading partners, particularly the Japanese and the Americans" (*The Citizen*, January 13).

At the January 12 press conference, as at the others, the Prime Minister answered a variety of questions from both local and Canadian reporters ranging from North-South issues, to Canadian domestic affairs. He was asked about the transfer of technology which has been part of some agreements signed between Canada and other countries. In Indonesia, he said, Canada is making proposals for a transfer of technology in the field of nuclear energy. Mr. Trudeau said that the expansion of Canadian trade is much greater in Asia than it is in Europe.

Brunei

Next on the Prime Minister's itinerary was Brunei, a little sultanate on the north coast of Borneo. Canada has no trade with that country. Mr. Trudeau was the first western leader to visit it. Brunei will gain official independence from Great Britain on December 31, 1983, and plans to join ASEAN, the Commonwealth and the United Nations, Sul-

tan Hassanal Bolkiah Waddaulah told Mr. Trudeau (*Globe and Mail*, January 14).

Philippines

The Prime Minister proceeded to the Philippines on January 14. Surrounding the visit again was the question of human rights violations in that country. Journalists accompanying the Prime Minister engaged in a "heated exchange" with his entourage officials in Manila whom they accused of reticence about human rights issues during press briefings. Amnesty International had recently issued a "scathing indictment" of the government of President Ferdinand Marcos. Officials told the journalists that Canada should not "cause unemployment in Sudbury to free a nun in the Philippines" (*Globe and Mail*, January 15). At the Prime Minister's press conference January 15, reporters asked Mr. Trudeau if that was, in fact, the Canadian position. Mr. Trudeau answered that he had not brought up the human rights issue with President Marcos and that, if he had, talking to the press about it would be counter-productive. He repeated arguments in favor of "discretion" already outlined at his press conference in Bangkok. And, he said, he hadn't examined the situation in the Philippines, and had not gone there with the intention of doing so.

On January 14, Mr. Trudeau met with officials of the Asian Development Bank (ADB) and "delivered a blunt warning" that Canada was contributing more to the fund than had been reflected in contracts awarded. Basically, a newspaper stated, Canada has pledged about 6 percent of the bank's capital and received about 2 percent of its business. According to newspaper reports, Mr. Trudeau said that "public support in Canada for a high level of contributions . . . is ultimately linked to the perception that Canadians are able to participate fully" (*Globe and Mail*, January 14).

ADB project chief Wolf Kluber responded "immediately," telling a press briefing that Canada's poor sales record was a result of limited strength and the absence of a Canadian industrial sales strategy. He said that Canadians were inexperienced in Asian business practices, and were only now "slowly waking up that there are opportunities here" (*Globe and Mail*, January 15).

The Prime Minister was naturally asked about this at the January 15 press conference. A reporter wanted to know whether Canada would pursue long-range opportunities in Asia or, after some economic recovery at home, again rely on US markets. Mr. Trudeau responded that it would be unwise to rely on old markets, and that the Canadian businessmen he had met during his tour had been enthusiastic and delighted with the potential for Canadian trade and joint ventures and other forms of development in Asia. He also said that his meetings about trade with President Marcos and Prime Minister Virata had been very encouraging.

During the meetings between leaders, one agreement reached was for the Philippines to ratify an agreement with Canada about safeguards for the peaceful use of nuclear energy, and cooperation in nuclear areas. As a result, Mr. Trudeau said, the Canadian industry would be ready to start shipping uranium within a matter of weeks.

Japan

The Prime Minister wound up his Asian tour with a three-day visit to Japan. One current area of concern be-

tween the countries was that Japan was under pressure from the US and Europe to accept more exports from those countries because Japanese exports exceeded imports from those countries, by billions of dollars. Canada is one of the few nations which has a trade surplus with Japan — about \$1.5 billion in \$9 billion in two-way trade. Most of what Japan imports from Canada is in raw or semi-finished material, and only about 2 percent had been in manufactured products (*Globe and Mail*, January 17). Canada was afraid that Japan would begin to import more from the US and Europe at the expense of Canadian goods (*The Citizen*, January 17). After two meetings with Japanese Prime Minister Yasuhiro Nakasone, Mr. Trudeau told the press that Mr. Nakasone was aware of Canadian fears, and "It's fair to say he gave me assurances there would be no such diversions."

Mr. Trudeau was questioned by local and Canadian journalists on January 17 about a range of issues, mostly trade-related. He said that both Japan and Canada are firm believers in international trade and open markets, as expressed in recent GATT talks. Mr. Trudeau answered questions by local journalists about Canadian export restrictions. Only the export of energy resources and uranium are conditional, the Prime Minister answered. And about foreign investment in Canada, he said that he had specifically told the Japanese government that Canada encourages additional Japanese capital investment in Canada, and that 90 or 95 percent of applications for foreign investment are regarded as being "to the benefit of the Canadian economy," as the Foreign Investment Review Act stipulates.

The next day, in a speech to members of the Canada-Japan Society and the Canadian Chamber of Commerce in Japan, Mr. Trudeau urged the Japanese businessmen to engage in the kind of investment in Canada which would give Canadians jobs. He told the group of six hundred, "To maintain harmony in our relationship, I ask Japan to bear constantly in mind Canada's strong manufacturing sector and our own imperative need to produce and export." He also made assurances that Canada is "the most secure source of untapped resource potential on the face of the planet." In trade, Japan and Canada should seek a "long-term commitment" and a "sense of partnership," he said (*Globe and Mail*, *The Citizen*, January 19). After meeting about twenty prominent businessmen on January 19, Mr. Trudeau and his aides left Tokyo for Ottawa.

Back Home

Parliament had not been sitting during most of the time the Prime Minister was away (it resumed January 17), and so MPs did not have much chance to comment in the House about the Asian activities. On January 18 and 20 there were requests for a Canadian "economic strategy," and a full report on the trip. On January 20, upon Mr. Trudeau's return to the House of Commons, Pat Carney (PC, Vancouver Centre) told the MPs that the Asian tour had enhanced the Prime Minister's reputation as "an international globe-trotter and fun kind of guy." She wanted to know what concrete results and commitments he had won abroad that would create jobs in Canada. The Prime Minister explained that it had not been the intention of the trip to sign trade agreements. "I think that the tour was mainly conceived to make Canadians and members of the ASEAN aware of the vast trading possibilities potential

between us. In that sense, I think it will be up to the House and the public to judge whether the trip will have been worth while," he said.

Also on January 20 in the House of Commons, the Prime Minister was asked about the statement made by the official in Manila about not wanting to cause unemployment in Sudbury to free a nun in the Philippines, an attitude the press had referred to as the "nickel-or-nuns" position (*Globe and Mail*, January 20). Bob Ogle (NDP, Saskatoon East) asked what the government's position was on the relationship between trade and human rights. Mr. Trudeau replied that the two matters were not in the same category, and that they should be pursued for their own merits in effective ways.

Asia: Bruk Study on Asia Pacific Foundation

A study by John Bruk of Vancouver on the feasibility of the establishment of an Asia Pacific Foundation was released by External Affairs Minister Allan MacEachen December 2. Mr. Bruk had consulted provincial governments, representatives of business, labor, the universities and others with experience in relations with Asia and the Pacific about the idea to create an Asia Pacific Foundation as a means of enhancing the relationship between Canada and the countries of Asia and the Pacific.

The report's Summary of Recommendations stated that there had been broad, general support across Canada for the immediate establishment of an Asia Pacific Foundation. It was recommended that the federal government commit approximately twenty million dollars over three years as its share of an endowment fund for the Foundation, and that provincial and territorial governments be asked to match the total federal contribution.

Prime Minister Trudeau, in Vancouver December 2, said that he had not yet seen the report, but that International Trade Minister Gerald Regan and two Senators were very enthusiastic about it. He said that there was "a very favorable inclination towards something of that nature."

In the House of Commons, PC Members of Parliament supported the establishment of the foundation. On December 8, Robert Wenman (PC, Fraser Valley West) presented a motion, because of Canada's ailing economy and over-reliance on resource exports and trade with the United States:

That the government move as quickly as possible to implement the recommendations of the Bruk study to establish an Asia Pacific Foundation Headquarters in Vancouver to exploit and expand Canada's trade relations with Asian Pacific countries in order to open up new markets for Canadian producers and thereby revitalize Canadian export trade and create new employment opportunities for Canadians.

In the House December 10, Pat Carney (PC, Vancouver Centre) also expressed support for the report, and asked Prime Minister Trudeau about plans for the establishment of the foundation. He replied that a group had been set up in the External Affairs Department to study the proposals.

While in Asia in January, Mr. Trudeau was asked about government preparations to earmark funds for the purpose of establishing the foundation. At the Thailand news conference January 6, Mr. Trudeau told reporters that his

enthusiasm for the idea was somewhat tempered by the question of funds. It was not conceived to be essentially a government initiative, he said, but "It will exist and be successful if we can get governments at different levels, the provincial as well as the national government, if we can get business and labor and the academics interested in this idea, and if they are prepared to assist in the establishment of it" (*Globe and Mail*, December 3).

Central America

Immigration Minister Lloyd Axworthy was in Central America in December and January for a ten-day tour of that region. He visited El Salvador, Honduras, Costa Rica and Mexico. At the end of the trip, he told reporters in Mexico City that the human tragedy he had seen during visits to refugee camps convinced him that Canada should adopt a more prominent diplomatic, political and economic role in Central America. He also accused the Honduran military of mistreating displaced Salvadoreans, and complained about a lack of cooperation from the US in dealing with the plight of Central American refugees. Mr. Axworthy said that he would report to his Cabinet colleagues on the broader political and economic issues. His visit was the first time a Canadian Cabinet minister had visited El Salvador or Honduras (*Globe and Mail*, January 8).

At the press conference, Mr. Axworthy endorsed the efforts of Mexico and Venezuela to find grounds for a negotiated peace settlement in El Salvador. He also endorsed the policy of the UN Commission for Refugees, which favors local settlement of refugees wherever possible. Canada may be able to develop aid projects in some Central American countries that would benefit both the refugees and the local population, he said. For this year, Canada's target for refugees from Central America is two thousand, double what it was in 1982. (See BILATERAL — EL SALVADOR and NICARAGUA.)

Arab-Israeli Conflict

Canada's position regarding the conflict in the Middle East was questioned in the House of Commons in December. On December 1, John Crosbie (PC, St. John's West) asked Prime Minister Trudeau whether recent statements made by a Liberal MP were, or would become, government policy. He quoted Ian Watson (Lib, Châteauguay) who had reportedly proposed that the government stop "pussyfooting" around the recognition of an independent Palestinian state, and had said that the Liberal caucus was "overwhelmingly sympathetic" to the Palestinian cause. Mr. Watson had also said that he favored high-level contacts with the Palestinian Liberation Organization (PLO), according to Mr. Crosbie. Mr. Trudeau responded that "there is no attempt on the part of the government to prevent Members from developing their thoughts on any future events." Mr. Trudeau said that a statement by a caucus member does not become government policy.

Another issue regarding Canada's Middle East policy was brought up on December 7. David Orlikow (NDP, Winnipeg North) told the House of Commons that "it was recently revealed that the Canadian Dairy Commission willfully broke government rules forbidding government agencies to support the Arab boycott of Israeli goods and services. The Canadian Dairy Commission admits having entered into agreements that clearly accepted the principle

of the Arab blacklist against Israel, in order to get contracts from Libya." He presented a motion that the government take action to ensure that its [1976] anti-boycott policy be respected by all government agencies, departments and Crown corporations.

On December 8, Ian Watson (Lib, Châteauguay) asked further policy questions in the House of Commons. He said that in a recent meeting he had had with Yassar Arafat, the PLO leader had indicated that he would favor the idea of a UN-administered referendum of Palestinians living on the West Bank, in Gaza and East Jerusalem, to determine whom the Palestinians wanted to negotiate secure boundaries for them. Mr. Trudeau responded that, "on the principle of the choice by the inhabitants of the area of who should represent them, the government is in accord Whether having the United Nations supervising the electoral process is the correct method or not, I am not prepared to say at this time."

Another MP inquired about Canadian policy on December 14. Louis Duclos (Lib, Montmorency-Orléans) asked the Prime Minister why Canada had, a week earlier, with the US, Costa Rica and Israel, voted against a resolution in the UN in favor of the establishment of an Arab State in Palestine. The motion had passed with a sweeping majority, Mr. Duclos said. Mr. Trudeau said that he had not read the resolution in question, and therefore was unable to answer the question.

Trade Minister's Visit to the Middle East

International Trade Minister Gerald Regan visited Middle Eastern countries in January. "The main objectives of this mission include furthering Canadian trade relations, promoting Canadian products and expertise and developing technical cooperation with various government ministries," an External Affairs press release December 31 stated. The countries visited were Oman, Kuwait, Saudi Arabia, the United Arab Emirates and Cyprus.

DEFENCE

Cruise Missile Testing

Negotiations between Canada and the US regarding a proposed weapons testing agreement continued in December and January, as did protest by Canadians about an agreement which was to follow the umbrella agreement and regulate the testing of unarmed Cruise missiles by the US in northern Alberta. Canadians had been registering opposition to the Cruise missile testing plans since last spring, when it was revealed that such talks with the US were underway. There have been several delays in the signing of the umbrella agreement. Cabinet Ministers had said that the delays had nothing to do with public opinion, which had taken the form of mass demonstrations, referendums and petitions to Parliament since the spring.

In the House of Commons since the spring, MPs had demanded that the government reveal the details of the agreement, but the government had stood firmly behind a decision not to make the details public until after signing. The US government had sought permission from the Ca-

Canadian government to test the Cruise missile in Alberta because officials considered the climate and terrain comparable to conditions the missile would encounter in the Soviet Union. The Cruise missiles fly at speeds approaching 1,000 kilometres an hour over distances up to 2,500 kilometres, following the contours of the ground at an altitude of about thirty metres to duck detection or interception (*Globe and Mail*, December 10).

Among Canadian groups in support of an alternative role for Canada to play in the pursuit of world peace were the Canadian Parliamentarians for World Order. The group of 140 MPs from all parties and all provinces issued a Statement of Concern on Nuclear Arms in early December. In it the MPs appealed to the Canadian government "to support the new global call to the Soviet Union and the United States — the two major nuclear weapon countries — to stop any further increase in their awesome nuclear arsenals, which already have ample retaliatory power and a frightening overkill capacity . . . The Canadian government should take every step, in cooperation with other governments, to advance nuclear disarmament and world peace, and specifically, to press the governments of both the USSR and US to hold a Soviet-American Summit. Canada should withhold an agreement to test the cruise missile delivery system in Canada until such a summit is held."

On December 10, the *Globe and Mail* reported that Canada and the US had successfully concluded negotiations on the weapons testing agreement, paving the way for the separate pact allowing the Cruise missile testing in Canada. A government official told reporters that both sides were satisfied with the text and that final approval may be reached by the end of the year. (It wasn't.)

In the House of Commons December 14, Doug Anguish (NDP, The Battlefords-Meadow Lake) asked Prime Minister Trudeau about the details of the agreement, and when he expected the final signing. Mr. Trudeau said that he did not know of any date for the signing. Mr. Anguish also asked the Prime Minister for assurance that there will be "some debate in this House on the whole umbrella agreement, specifically on the use of the Cruise missile over Canadian territory, before the agreement is finally signed, so that we can voice the concerns of our constituents who have been writing to us about the Cruise missile question." Mr. Trudeau suggested that the NDP give over one of its opposition days to debate the subject.

The same day, leaders of Canada's major churches met with federal officials, and attended a luncheon with Mr. Trudeau. At the luncheon, they spoke against the plans for the Cruise missile testing, and against federal incentives that encourage Canadian industry to produce component parts for nuclear weapons. In a brief to the Prime Minister, the church leaders suggested peace-promoting alternatives including: "continuation of Canadian efforts to achieve a comprehensive nuclear test ban treaty; insistence upon a no-first-use policy within NATO; support for a strategy of nuclear suffocation and a nuclear freeze; a declaration that Canada will be a nuclear-free zone with a specific time; increased efforts to strengthen peace-keeping; and allocation of public funds for peace research and public education" (*The Citizen*, December 15). Federal officials said that Mr. Trudeau pointed out to the Church leaders that the government is already committed to the

Cruise testing and that it must keep its obligations as a partner in NATO (*The Citizen*, December 15).

In the House of Commons December 15 Dan Heap (NDP, Spadina) presented a motion, "That the Prime Minister now publicly respond to the request of millions of Canadians that the Church leaders presented to him yesterday." Ted Miller (NDP, Nanaimo-Alberni) moved that Parliament instruct the government to abandon the missile testing plans and "redirect its foreign policy toward policies that will promote international peace, and that Canada be declared a nuclear-free zone as well." Lorne Nystrom (NDP, Yorkton-Melville) also presented a motion that the government turn down US requests to test the missiles. Another motion was put forward by Sid Parker (NDP, Kootenay East-Revelstoke) that the government provide one day's House business for a debate on the testing. All of these motions under Standing Order 43 failed to get the required unanimous consent of the House.

Later, during Question Period, NDP external affairs critic Pauline Jewett asked Prime Minister Trudeau for a debate and free vote on the Cruise missile testing and the ensuing vote. She asked the Prime Minister whether he would allow free expression of opinion by government MPs, "and not use this issue as a confidence measure." The Prime Minister pointed out that under House of Commons rules, any vote on an opposition-allotted day is a non-confidence vote. Miss Jewett also said that there was not an NDP opposition day left.

The same day, Terry Sargeant (NDP, Selkirk-Interlake) questioned the Prime Minister about the proposed tests. He said that Mr. Trudeau had three or four times in the House in recent weeks said that he viewed the Cruise missile matter as serious, but had tried to defend his government's position to permit the testing. Mr. Trudeau responded that he did indeed understand the concern shown by Mr. Sargeant and by many Canadians on the Cruise missile testing, "if that is indeed to happen and which has not been decided yet." He said that Canada must participate in the NATO alliance. But, he said, the Cruise missile is not a first strike weapon because it has a delivery time of two to three hours. "It can only be a retaliatory weapon, used in cases where someone else started a nuclear war, or a war that we feel is going to mightily destroy the alliance," he said.

A motion under Standing Order 26 to adjourn the House of Commons was made by Ed Broadbent on December 21, "to discuss a special and important matter requiring urgent consideration, namely, the advisability of the government of Canada concluding agreement with the government of the United States of America to test Cruise missile weaponry in Canada." The Speaker of the House ruled that the condition of "genuine emergency" needed for the adjournment was not met in this case.

It was reported in January that the Canadian Cabinet had signed an Order-in-Council December 23 authorizing Canada's ambassador in Washington, Allan Gotlieb, to sign the umbrella agreement. *The Citizen* (January 12) reported that, "The order also clears the way for the signing ceremony to be held in Washington rather than in Ottawa where it could be marred by embarrassing demonstrations on Parliament Hill from anti-cruise protesters."

A survey of Canadians published January 17 showed that a slim majority of Canadians opposed the cruise missile testing. The Gallup poll showed that 52 percent of the

people interviewed in December opposed the tests, 37 percent were in favor, and 11 percent were non-committal (*The Citizen*, January 17). It was also reported that a coalition of disarmament groups in Canada was preparing a court challenge of Ottawa's decision to test the Cruise missile. The legal test will cite Article 7 of the Canadian Charter of Rights and Freedoms, which says that "everyone has the right to life, liberty, and the security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice" (*Globe and Mail*, January 20).

The results of the Gallup poll were discussed in the House of Commons January 20. Miss Jewett claimed that both the External Affairs Minister and the Defence Minister had, after the results were published, called the Canadian public ignorant of the complexities involved. She asked Mr. MacEachen why, "if he is so anxious for the Canadian public to be knowledgeable on this matter, that it should know nothing about it, and that the agreement would be signed in Washington and not in Ottawa?" Mr. MacEachen denied calling the Canadian public ignorant on the question. "What I have said was that with respect to a specific question that was put in the Gallup poll, namely, that it was an incomplete question and did not include all the factors that had to be taken into account in reaching a judgment on the Cruise missile." The External Affairs Minister also said that when the umbrella agreement is signed, it will be tabled in the House and all its contents will be made known to the Canadian public.

Among groups protesting the nuclear Cruise testing in January were a group of about eighty war veterans called the Veterans for Multilateral Disarmament (*Globe and Mail*, January 21), a dozen young protesters who were forcibly ejected from the Public Gallery of the House of Commons on January 25 after yelling "Refuse the Cruise" (*Globe and Mail*, January 26), and the BC Chapter of the Physicians for Social Responsibility, which has 260 members. This group had written to the editor of the *Globe and Mail* (January 26) calling the Cruise missile a first-strike, unverifiable weapon, the testing of which would violate Canada's commitment to the "suffocating of the arms race."

On January 25 it was reported that the umbrella agreement for weapons testing would not be signed for at least another ten days. Mr. MacEachen, on his way to meetings in Europe for eight days, told reporters that he wanted to be in Ottawa when the agreement was signed to answer for the government's decision (*The Citizen*, January 25).

Security: Spy Trial in Britain

The trial of Canadian professor Hugh Hambleton, which had begun in late November, ended on December 7 when Mr. Hambleton pleaded guilty in Britain to passing on top-secret NATO documents to the Soviet Union between 1956 and 1961. Another charge against Mr. Hambleton, that he had passed useful information to an enemy from 1956 to 1979, was left to "lie on the file" after Mr. Hambleton pleaded guilty to the first count. He was sentenced to ten years in a British prison.

• Among the complicated aspects of the case was the fact that the RCMP Security Service had known of some of Mr. Hambleton's activities since 1980 when Mr. Hambleton was still in Canada. However, it had been revealed in the House that the Justice Department had determined that

there was not the right kind of evidence about Mr. Hambleton's activities to prosecute him successfully in Canada under the Official Secrets Act. He was, however, warned that he would be prosecuted if he went to Britain, which is what happened.

The whole issue, including statements at the trial by Mr. Hambleton's lawyer that his client had been a double agent working for Canada and France to infiltrate the KGB, was repeatedly brought up in the House of Commons (December 1, 3, 6, 7, 8, 10, 13). The major line of questioning concerned why Mr. Hambleton could not have been prosecuted in Canada after he had admitted breaches of national security (passing on the NATO secrets) to the RCMP. On December 6, Ray Hnatyshyn (PC, Saskatoon) said that Canada had become the "laughing stock of the world" because it was unable to prosecute a spy in the country. The Justice Minister repeated earlier government statements that it had been established that there were deficiencies in the Official Secrets Act, and that he was planning to bring forward amendments to remedy them.

TRADE/ECONOMIC

Canagrex

Debate on Bill C-85, the Act to establish Canagrex, was limited to two days after Parties could not agree on the allocation of time on report stage and third reading stage in December. Canagrex is the proposed Crown corporation to promote, facilitate and engage in the export of agricultural and food products from Canada. The PC Party had recently been in opposition to the establishment of the Crown corporation, as had many farm and business groups. They believed that the establishment of a new Crown corporation was not the way to aid agricultural exports. On December 13, Agriculture Minister Eugene Whelan introduced a motion to limit debate on the report and third reading stages of the Bill to one hour for each stage. This use of "closure" prompted Conservative leader Joe Clark the next day to accuse the government of holding in contempt the spirit of parliamentary reform by refusing to allow Canagrex to be discussed in the House of Commons. Acting Prime Minister Yvon Pinard replied that it was the Conservative Party's lack of parliamentary cooperation (required to conclude an agreement on a reasonable length of time for ending the debate) that forced the government to limit debate.

The next day Vic Althouse (NDP, Humboldt-Lake Centre) presented a motion, which did not receive the required unanimous consent, that the House "cease the impasse over Canagrex and revert to its initial assessment of the Bill which was highlighted by enthusiastic support" from the Conservative leader and PC MPs at the first reading in December 1981. On December 16 the time allocation motion was passed by the Liberal majority.

In a press release December 17, Stan Hovdebo (NDP, Prince Albert) also noted that the Conservative caucus had reversed its position since the introduction of the Bill. "Mr. Clark is responding to intense pressures from his party to adopt positions matching those of Reaganite conservatism in the US," Mr. Hovdebo said. He added that the vast

majority of Canadian farmers wanted their marketing system extended.

On January 25, the Canadian Export Association presented a brief to the Senate Standing Committee on Agriculture. They believed that the Canagrex Bill should not be proceeded with. In a letter to MPs, endorsed by thirty-one groups including farm, business and export groups and the governments of Alberta, Ontario and Saskatchewan, Export Association President T.M. Burns said that the Canagrex Bill was proceeding despite overwhelming evidence that many farming and other interested groups have opposed the establishment of Canagrex as "redundant, inappropriate and misdirected." He suggested that "attention should be focussed on areas of major importance — export financing, credit guarantees, market intelligence and most importantly, research and development. Advances in these areas could be made through existing government mechanisms without creating another Crown corporation — a saving of scarce government resources."

Support for the Canagrex bill was also registered in January. A Canadian Press story (January 10) said that Agriculture Minister Whelan had the support of both national farm groups, the Alberta and Saskatchewan Wheat Pools and most groups in Ontario, Quebec and the Maritimes. In the House of Commons January 25 George Henderson (Lib, Egmont) outlined the outstanding support for the Bill shown in his province of Prince Edward Island. "It is my sincere hope that the Members of this House will show their support of the agricultural industry on PEI through strong support of Bill C-85 when it again returns to this House," he said.

Dollar

The Canadian dollar was worth 80.74 cents (US) on December 1. It declined and rose slightly in December, and ended the year "on a strong note," closing at 81.38 cents on December 31. By January 13 it had increased to 81.90 cents. Later in January it declined and at the end of the month it closed at 80.86 cents (*Globe and Mail* reports).

HUMAN RIGHTS

Parliamentary Support

On December 10, the thirty-fourth anniversary of the United Nations Universal Declaration of Human Rights, Members of Parliament gave unanimous consent to a motion, introduced by NDP external affairs critic Pauline Jewett, that the House "express its appreciation of and support for the important work being done by the UN Human Rights Commission, Amnesty International, and the Helsinki monitoring groups and urge all nations to adhere to the spirit and the substance of the UN Declaration of Human Rights." Following this, MPs from all three political parties rose in the House of Commons and spoke briefly about the importance of Canada's commitment to human rights. Flora MacDonald (PC, Kingston and the Islands) endorsed a recent recommendation that a Parliamentary Association on Human Rights be established.

This had been a recommendation of the House of

Commons Sub-Committee on Latin America and the Caribbean. It was proposed that a Canadian Parliamentary Human Rights Association could serve as a forum for discussion and promotion of international human rights. On January 24, Stanley Hudecki (Lib., Hamilton West) urged the House and the government to seriously consider the formation of such an association as a sub-committee of the Standing Committee on External Affairs and National Defence, with additional researchers and funding to assist the proposed sub-committee. (For Human Rights Policy, see BILATERAL — PAKISTAN; POLICY — FOREIGN — Asia: Prime Minister's Trip.)

IMMIGRATION

Report on Illegal Immigrants

A study of illegal immigrants in Canada conducted by the Canada employment and Immigration Advisory Council was released on December 7. The Advisory Council found that illegal immigration into Canada is a "major problem." It was unable to arrive at an exact figure regarding the number of illegal immigrants in Canada, but said that it believed "that the number 200,000, often used as an estimate, is conservative." Among other things, a press release from the Council proposed that to deal with the problem:

Illegals presently in Canada should be given legal resident status after a phased, six-year probationary program administered by the government with the help of non-governmental community agencies. The Council feels that such measures would be the most realistic and humane way to deal with illegal aliens in Canada. However, the Council has made a clear distinction between this program and an unconditional amnesty, which it feels is ineffective and counter productive.

The government's position was questioned in the House of Commons December 21. D.M. Collenette (Lib., York East) asked Immigration Minister Lloyd Axworthy, "In view of the concern which this recommendation has generated in the country, especially in Metropolitan Toronto, can he assure the House that the government will not accept this recommendation?" Mr. Axworthy responded that he had appointed a special adviser who would consult various groups and report back to him in April. The Minister said that it was simply a recommendation, and the government had no plans for amnesty.

AID

CIDA Programs

Aid programs, with funds being provided for by the Canadian International Development Agency (CIDA), were announced in December and January. These commitments included \$450,000 to aid Ugandan refugees in Rwanda (CIDA press release, December 7), \$60,000 to aid

Tunisian flood victims (December 8), \$2.5 million to supply emergency food aid to drought-stricken Botswana (December 10), \$400,000 to aid earthquake victims in North

Yemen (January 17), and \$120,000 to provide relief and emergency supplies to flood victims in Ecuador (January 28).

For the Record

(supplied by External Affairs Canada)

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- No. 141 (September 24, 1982) Third Annual Canada-Japan Foreign Ministers' Consultations.
- No. 142 (September 27, 1982) Canada Files Written Arguments in Gulf of Maine Boundary Case.
- No. 143 (September 27, 1982) Bombardier Inc. Has Been Awarded a \$26 Million Order by the Société nationale des chemins de fer tunisiens.
- No. 144 (September 28, 1982) Beef and Veal Trade.
- No. 145 (September 29, 1982) Canadian Commercial Corporation Awards \$82 Million Order to DAF Indal Ltd.
- No. 146 (October 1, 1982) Government to Initiate Consultations on Clothing Imports.
- No. 147 (October 1, 1982) Communique on Namibia Issued by the Foreign Ministers of Canada, France, the United Kingdom, the United States and the State Secretary of the Foreign Office of the Federal Republic of Germany, New York, October 1, 1982.
- No. 148 (October 4, 1982) Official Visit of the Minister for External Relations to Senegal, Gabon and Togo from October 3-11, 1982.
- No. 149 (October 5, 1982) Minister Announces Awards Program for Exporters.
- No. 150 (October 8, 1982) Nova Scotia Company Wins \$1.1 Million Contract for Germany.
- No. 151 (October 12, 1982) U.S. Countervailing Duty Investigation on Lumber Products from Canada.
- No. 152 (October 12, 1982) Diplomatic Appointments.
R. David Jackson (47) originally from Vancouver, B.C., to be Ambassador to Lebanon, with concurrent accreditation to Syria, replacing Mr. Theodore Arcand who has been appointed as Ambassador to Hungary.
Frederick G. Livingston (50) originally from Montreal, Quebec, to be High Commissioner to Ghana, with concurrent accreditation to Togo, replacing Mr. Marc Faguy who has returned to Canada.
- No. 153 (October 18, 1982) Official Visit to Canada of U.S. Secretary of State.
- No. 154 (October 21, 1982) Alan Beesley takes up his appointment as Ambassador for Disarmament.
- No. 155 (October 26, 1982) Passport Fee Increase.
- No. 156 (October 28, 1982) Canadian Delegation to the Canonization Ceremonies of Mother Marguerite Bourgeoys Rome, October 31.
- No. 157 (October 29, 1982) Diplomatic Appointment.
Dwight W. Fulford (51) originally from Brockville, Ontario, to be Ambassador to Saudi Arabia, with concurrent accreditation to the Yemen Arab Republic, replacing Mr. Jacques Roy who has taken up a new assignment in Washington.
- No. 158 (November 4, 1982) Official Visit to Canada of Egypt's Deputy Prime Minister and Foreign Minister.
- No. 159 (November 5, 1982) Executive Director of UN Centre for Human Settlements to Visit Ottawa.
- No. 160 (November 8, 1982) Joint Press Release issued at the Conclusion of the Visit to Canada of the President of the Revolutionary People's Republic of Guinea.
- No. 161 (November 10, 1982) Joint Communiqué issued at the Conclusion of the Visit to Canada of the Deputy Prime Minister and Foreign Minister of Egypt.
- No. 162 (November 12, 1982) Trade, Economic and Technical Cooperation Agreement Between Canada and Iraq.
- No. 163 (November 12, 1982) Executive Director of U.N. Institute for Training and Research to Visit Ottawa.
- No. 164 (November 15, 1982) Appointment of Jean Charpentier as Official Spokesman and Director of Media Relations.
- No. 165 (November 18, 1982) Export Trade Development Board Annual Report.
- No. 166 (November 18, 1982) Official Visit of the Minister of State (External Relations) to Algeria.
- No. 167 (November 18, 1982) Memorandum of Understanding Signed by Canada and Algeria.
- No. 168 (November 19, 1982) Dorval Manufacturer Obtains Record-Setting Order Through Canadian Commercial Corporation.

International Canada, December 1982 and January 1983

- No. 169 (November 22, 1982) Diplomatic Appointments. Gilles J. Durocher (49) originally from Montreal, Quebec, to be Consul in Glasgow, Scotland, replacing Miss H.O. Viggi Ring who is retiring. Alan W. Sullivan (44) from Cornwall, Ontario, to be Ambassador to Austria, replacing Mr. M.D. Copithorne who has returned to Ottawa.
- No. 170 (November 22, 1982) Official Opening of the Canadian Embassy in Jordan.
- No. 171 (November 22, 1982) Canada to Sign the Law of the Sea Convention.
- No. 172 (November 30, 1982) Transborder Trucking.
- No. 173 (December 2, 1982) Asia Pacific Foundation: Bruk Study.
- No. 174 (December 3, 1982) Canada's Export Development Plan for Japan.
- No. 175 (December 6, 1982) Canadian Commercial Corporation Announces Further Significant U.S. Defense Orders to Canadian Marconi Company.
- No. 176 (December 7, 1982) Seminars to Promote Market Opportunities in Africa.
- No. 177 (December 10, 1982) Canada Signs the Law of the Sea Convention.
- No. 178 (December 10, 1982) South African Attack in Lesotho.
- No. 179 (December 15, 1982) Canadian Commercial Corporation Announces \$5.7 Million Emergency Food Orders From World Food Programme, Rome, Italy.
- No. 180 (December 17, 1982) Unilateral Declaration of Canada Against Torture.
- No. 181 (December 22, 1982) Canadian Commercial Corporation Awards Contract to Renwick of Canada Inc.
- No. 182 (December 31, 1982) Ministerial Trade Visit to Hungary and the Middle East.
- No. 1 (January 7, 1983) Minister Regan Has Completed Visit to Hungary.
- No. 2 (January 12, 1983) CCC Announces \$3.4 Million UNICEF Award to Assist in Establishment of Measles Vaccine Plant in Pakistan.
- No. 3 (January 12, 1983) Minister Regan's Visit to the Sultanate of Oman.
- No. 4 (January 14, 1983) Québec 1534-1984.
- No. 5 (January 13, 1983) Minister Regan's Visit to Kuwait.
- No. 6 (January 14, 1983) Major Trade Initiative to Develop New Exports to Western Europe.
- No. 7 (January 14, 1983) Minister Regan's Visit to Saudi Arabia.
- No. 8 (January 21, 1983) The Secretary of State for External Affairs Receives the Warsaw Pact Declaration.
- No. 9 (January 24, 1983) Visit of the Secretary of State for External Affairs to Belgium and Switzerland.
- No. 10 (January 27, 1983) DAF Indal Ltd. Awarded \$60 Million Contract Through Canadian Commercial Corporation.
- No. 11 (January 27, 1983) Canada-European Communities Joint Cooperation Committee Meeting, Brussels, January 27, 1983.
- No. 12 (January 31, 1983) Canadian Cooperation with the Southern African Development Coordination Conference.

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UNESCO and the press

by William Heine

*In the May/June issue of **International Perspectives**, Thomas L. McPhail strongly endorsed the financial support of the Canadian government for UNESCO's New World Information and Communication Order, to be administered through a third world news agency, also a UNESCO organization, the International Program for the Development of Communication. The Editor-in-Chief of **The London Free Press**, William Heine, has strong contrary views. He is on the executive boards of both International Press Institute, an organization of free world journalists based in London, England, and World Press Freedom Committee, a comparable organization of free world journalism organizations, based in Washington. This article is based on an article which appeared in **The London Free Press**.*

There is only one effective way left to prevent the world's dictatorships from putting a United Nations stamp of approval on controlling the free flow of information around the globe. That's to cut off free world funding. The UN is involved through the United Nations Educational, Scientific and Cultural Organization (UNESCO). UNESCO is determined to introduce a New World Information and Communications Order (NWICO). To complete the mishmash of initials, NWICO is now trying to establish the International Program for the Development of Communication.

The need to prevent knowing

UNESCO, NWICO and IPDC. Those initials have been bandied about for a decade, as Communist and Third World nations made determined, even desperate, efforts to control, directly if possible, indirectly if not, the most precious commodity in our complex world, information.

The pattern is clear and evident at every turn. Argentina tries to prevent the rest of the world knowing about the thousands of its people who have disappeared under right-wing military dictatorships. Russia doesn't want news of its psychiatric prisons circulating in the Third World or anywhere else. South Africa tries to prevent knowledge of the plight of its black majority from reaching anyone else. Iraq is desperately anxious that no one knows an entire village was wiped out because an assassination attempt was made there on President Saddam Hassan. Libya carries on a war in Chad about which little is known anywhere.

Attempts to control information and its sources aren't

restricted to dictatorships. Elected governments try to do it all the time; in Ottawa it is epidemic. The difference is that in the free world newspapers, radio, television, magazines, books, letters and word-of-mouth pass information around rather quickly. Citizens who talk or write letters, and media which print and broadcast what they learn, don't end up in jail or dead.

In only about 30 of the 158 nations which occupy chairs at UNESCO sessions are people free to say and write what they think about their governments. Journalists from those 30-odd free nations have an undoubted tilt toward free expression. That is inherent in the Western news agencies (Associated Press, Reuters and the like) which dominate almost totally the information networks of the world.

Communist and Third World nations, understandably, resent that domination, particularly as their concept of information and of freedom is so far removed from free world concepts. Basically, the rulers of the majority of nations in UNESCO believe that journalists should be licensed, that they should write only what best serves society as that is defined by their governments, that plural views cannot be tolerated — basically that governments, not people, know best.

At the fourth extraordinary session of UNESCO in Paris last fall, the tone of preliminary agenda for the organization's five-year plan were relatively muted on media control compared to previous drafts. There's a reason. UNESCO's bureaucrats are fully aware of a US congressional move called the Beard amendment, which warns that US funding would end if UNESCO took steps to control news media. As the US pays about a quarter of all UNESCO costs, and the jobs of a vast array of international civil servants would be at risk, UNESCO wisely decided to mute its language.

The press as policy tool

The basic intent is still there, however. Leonard Sussman, of the International Communication Center for Strategic and International Studies at Washington's Georgetown University, sees no change in the "decade-old commitment of UNESCO to 'use' news and information media as wheelhorses of governmental and intergovernmental policy making." *The Economist* reported a typical example; during the UNESCO conference Amadou-Mahtar M'Bow, UNESCO Director-General, protested to the French news agency over coverage of a row between M'Bow and the chief Swiss delegate on human rights. M'Bow didn't say the agency was inaccurate. He objected

Another view on world information

to the prominence the news agency gave to the delegate's criticism of UNESCO.

Sussman is right; control of information is the name of the game. That showed up when western delegates objected to the word "content" appearing in a sentence which gave governments control over information networks. It's bad enough for governments to control access to telephone, telegraph, satellite and all other means of moving information. For governments also to control content, i.e., what's said, is intolerable to any free people. Faced with western opposition, the committee involved adjourned for closed sessions, and came back with a new version they argued should be acceptable. Governments should have control of news messages "and what they say." What's more, these perverters of the meaning of words insisted that phrase doesn't include content.

After weeks, months and years of that kind of debate, Western delegates understandably get a little paranoid.

Many Western journalists, government delegates and politicians believe it is possible to "hang in there" and fight effectively for modification of UNESCO efforts to establish the NWICO and IPDC. They argue that many modifications have been made. Sussman accurately understands that the wording is incidental. The intent is to exercise control and to do so, in weasel words but still doing so, with full, formal UN approval. When that happens, and in embryonic form it is reality now, the free world will be the losers.

Western journalism isn't perfect, not by any means. But in it plural views are heard. Out of a multitude of opinions, free citizens of democracies can make up their own minds and vote policies reflecting their views.

IPDC gets going

At Acapulco last winter, UNESCO asked member governments for \$20 million to start IPDC. The US, at first, refused to contribute (though \$500,000 has now been allocated) as did many other Western nations. Canada contributed \$250,000 toward the \$7 million eventually raised. That a long way from the \$80 million originally asked, but IPDC is beginning to function. Funds are coming from somewhere.

The free world can't afford to appear to be giving approval to control over the means of circulating information around the world. Cutting off UNESCO funds for both NWICO and IPDC is the only effective answer. The Third World, funded in part by the Communist world, i.e., Russia, will still go ahead with IPDC. If Western funds are cut off, however, it will be seen for what it is, a propaganda vehicle endorsed by dictatorships, not by the free world. Western journalists will have no more difficulty in obtaining the news out of Argentina, Chad, Libya, Cambodia and the other trouble spots of the world than they do now. At least the world will understand the basis on which IPDC will function as a new press agency. It would then have roughly the same credibility as Pravda and Tass. □

For Canadians abroad



Radio Canada International
P.O. Box/C.P. 6000
Montréal, Canada
H3C 3A8

North America

	Frequencies Mar. 6-May 1			*CBC Domestic Network
Monday to Friday: 1300-1325 UTC (From Apr. 25-29 1200-1225 UTC)	9575	11955		World Report* Sports, weather, stockmarket
2300-0100 UTC (From Apr. 25-29 2200-0000 UTC)	5960	9755		World at Six* As It Happens*
Saturday only: 2300-2330 UTC (Apr. 30 2200-2230 UTC)	5960	9755		Canada This Week
Sunday only: 1400-1700 UTC (Apr. 24 1300-1600 UTC)	11955			Sunday Morning*
2300-0000 UTC (Apr. 24 2200-2300 UTC)	5960	9755		The House*

Africa

Monday to Friday: 0615-0630 UTC 0645-0700 UTC	6045 6045	11775 11775	11825 11825	News, weather, sports Stockmarket
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Middle East

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Europe

Monday to Friday: 0615-0630 UTC	6140 11960	7155	9760	News, weather, sports Stockmarket
0645-0700 UTC	6140 11960	7155	9760	
2200-2300 UTC (Apr. 25-29 2100-2200 UTC)	9760	11925	15325	World at Six* As It Happens*

Caribbean

Monday to Friday: 1300-1325 UTC (Apr. 25-29 1200-1225 UTC)	11855	15440	17820	World Report* Sports, weather, stockmarket
Sunday only: 1400-1700 UTC (Apr. 24 1300-1600 UTC)	17820			Sunday Morning*

Cameroon — Africa's happy exception

by Brian Murphy

President Amadou "Al Haji" Ahidjo left as he had ruled for twenty-two years. Without warning he announced his resignation to a stunned populace during a radio broadcast on the evening of November 4, 1982, as the tropical nation emerged from another steamy rainy season. The next day Prime Minister, and long-time designated successor, Paul Biya was installed at the presidential palace in the capital, Yaoundé.

The whole operation was over in a flash. Like so many other political, military and economic manoeuvres carried out by Ahidjo during his long reign, it was fast, efficient and unquestioned. There was no rancorous public debate, no snubbed alternative candidate swearing undying opposition. There was, in fact, little to be said beyond some speculation on the unnamed illness that had driven one of Africa's few universally-acclaimed post-colonial leaders from the pinnacle at the early age of fifty-eight.

There would be no dramatic revelations, no political upheaval, no violent secession, no series of reports chronicling drought, debt, disease and disaster. This was generally expected by all who knew this nation of eight million. If there are any success stories on this sad continent, Cameroon is one.

An unlikely prospect

Yet in 1960 few would have predicted anything but disaster when Britain and France cut loose the Cameroonian protectorates they had managed since taking them from Germany during World War I.

Ahidjo was installed by the French in 1958, and faced a rebellion in three regions organized by the Union des Populations du Cameroun (UPC). That party had been fighting for independence since 1948. The country itself was inside an artificial border drawn around the cultural shatter-zone between the Niger and Congo river basins. Two hundred ethnic groups speaking at least six major languages in more than one hundred dialects lived in rural communities little touched by modern institutions.

The northern Islamic population (21 percent) herding their livestock on the Sahelian plains straddling ancient trade routes across the desert had little in common with the farmers and coastal traders living on central mountain plateaus and southern equatorial forests who were either Christian (36 percent) or followed various animist beliefs.

The smaller British-run western area, approximately 20 percent of the country, had been administered as part of Nigeria for years. The local plantation economy was quite

well developed by colonial standards. A useful educational system produced good literacy rates and a small but vibrant intellectual environment. There was an active community development department which sponsored various cooperative ventures.

The eastern area featured small European enclaves dotted through a dense hinterland of isolated villages. A torpid colonial administration managed the export of surplus foodstuffs and processed bauxite from Gabon. Any social development was due to the activities of Catholic missionaries, many from Quebec. Very little had changed since the Germans left.

Ahidjo sets course

With five battalions of French troops, a squadron of fighter bombers and the blessings of those multinational corporations with interests in the western plantations or in trade facilities at the eastern port of Douala, Ahidjo set out in the early sixties with a policy of unity at any cost. It seemed like an outline for the sort of strife-torn saga which came to afflict Cameroon's neighbors, particularly Nigeria, Zaire, Chad and the Central African Republic.

But Ahidjo turned out to be just right for the job. He had a respect for traditional elites, toleration for religions, and a deft hand with the purse strings of patronage. This created well-balanced regional and national administrations, in which allegiance to the bureaucratic machine was encouraged by placing administrators outside their region of origin.

The enigmatic President, always a private person, had a penchant for constitution-building and a Gaullist notion of "La Patrie," coupled with a knack for image-making he used to promote himself as "first citizen, arbitrator and custodian of the keys," rather than as "immortal father of the nation."

Finally, Ahidjo showed a ruthless antipathy to anyone clouding his vision of the new Cameroon. This led to a series of assassinations and mass killings during the campaign against the UPC. Two population groups, the Bamiléké and the Bassa, were virtually quarantined away

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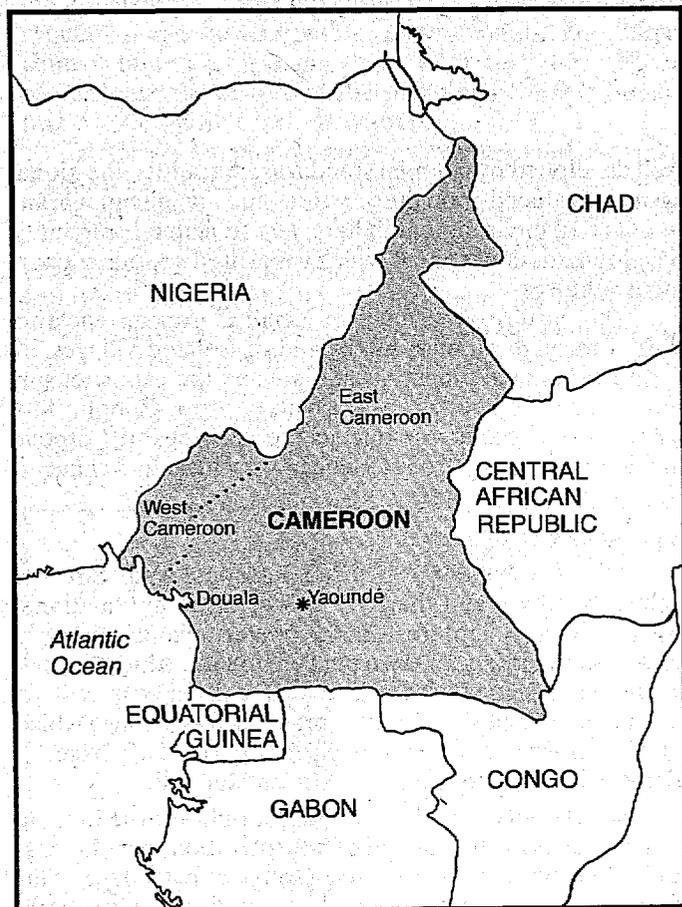
A country with manageable troubles

from routes to power and the fruits of development for years after harboring a few UPC guerrillas.

The past hangs on

One legacy from this period is a many-tiered paramilitary police force, including an intrusive security service which has wide-ranging powers and is known to use them regularly.

Another legacy is an official paranoid fear of the media. Electronic media are completely state controlled to the point where each news program must have personal



sanction from the Minister of Information. Newspapers have been effectively muzzled by a series of press laws. The most recent, passed at the end of 1981, gives provincial and national administrators the power to view editions of newspapers before they are published, to ban sections or whole issues, and to seize publications after distribution is in process—all this without prior notice or explanation. It is a law used frequently and some papers now run censored editions with part of their pages blank to indicate suppression of news.

Cameroonian intellectual life has become stilted, cautious and watchful. But even in English Cameroon, where the practice of critical reappraisal is still openly practiced, most people are quick to say the cost of unification has been small compared to the benefits. For unification has been achieved. First East and West were federated, then united, under one party and constitution to the universal acclaim of the population in all areas.

No economic backsliding

There has been no war. Development, real improvement in the living conditions of the vast majority, has

progressed at an orderly steady pace. In 1978 Cameroon balanced its budget. Since 1977 the nation has grown at an annual rate of 6 percent.

Local agriculture provides 90 percent of the nation's food needs. There is no poverty-stricken landless rural wage-laboring class. Land is owned by families or cooperatives. These farmers, with market gardens and diversified cash crops, have long been the engine of the economy. Exports of cocoa (fourth largest in the world) coffee, tea, bananas, rubber, palm oil, cotton, ground nuts and tobacco act as a hedge against fluctuating international commodity prices while earning 70 percent of Cameroon's foreign exchange.

In the early seventies oil was discovered off the coast of West Cameroon. By 1981 production was at 80,000 barrels per day. Although Ahidjo has said, "I have no intention of basing Cameroon's economy on oil" (*Le Monde*, February 1979), most oil analysts say that by 1986 the country should be producing six million tons a year, making it second only to Nigeria south of the Sahara.

There are two major hydro-electric installations and more on the drawing board. Cameroon is energy self-sufficient.

Yet most of the mineral resources held by Cameroon remain untapped. Prospectors are sure the country is rich in gold, diamonds and iron ore. Accordingly the nation now tops the league of African creditworthiness with a triple-A rating.

New government's heritage

But Ahidjo had charted a conservative financial course. As he hands over the economy to Biya, who has a cabinet filled with old politicians and young technocrats, he leaves behind a low foreign debt.

There is a prevailing notion in Cameroon that development is the responsibility of families and individuals committed to community self-help. As one Canadian aid official in Yaounde put it during an evaluation of local community development programs in 1979, "The fact is the people here really are enterprising. Of course it helps to be lucky. In the south food almost grows itself. Minerals are there for the taking. It is a bounteous place. But despite a byzantine public sector that seems to get in the way as often as it helps, people are constantly coming up with new initiatives."

All this does not mean Paul Biya can close the shutters and head for the beach. Cameroon is still very much a developing country. It is far from being ranked with the "Newly Industrialized Nations." Average annual income per person is only \$500. And this masks pockets of extreme poverty. Fueled by the growing petroleum industry, inflation rose to 15 percent last year, putting some basic food stuffs out of the reach of many people for the first time.

There is a quickening drift from the country to the city. The gap between the young unskilled unemployed and those growing rich on the influx of oil service industries continues to widen. Douala, the largest city, has become too expensive for most of its citizens. In the north fuelwood shortages are reaching crisis proportions. In the south rapacious rain forest cuttings are pushing the fragile boundaries of ecological balance.

Although statisticians boast a 75 percent literacy rate this conceals serious regional disparities, from 100 percent

in the south to less than 40 percent in some areas of the north. For newly certified and degreed Cameroonians, the first generation of professionals trained in their own country, career options seem limited. Many go overseas or to Nigeria.

Biya's challenges

In the bars of Yaoundé, where young civil servants and public administration students gather there is an air of cynicism. They say corruption is rife. Ahidjo himself agreed during his 1982 new year message. He noted "a lack of duty consciousness" and "embezzlement of public property" and called for "a grim fight against corruption and tax evasion."

The Fifth Development Plan, written in 1981 and set to run until 1986, acknowledged the need to develop almost non-existent off-shore fisheries, improve village living conditions, promote food alternatives like rice in the south and a broader mix of livestock in the north, while directing more capital into industrial projects.

The new President is expected to pursue these objectives with vigor. At 49 Biya, a Christian, has spent all his 23 years in public service in the office of the President, rising to secretary-general at the presidency in 1972.

In 1975 a revised constitution recreated the position of Prime Minister — second only to the President — and Biya was appointed. In this period of close association with Ahidjo, Biya became well acquainted with most of the national development plans and was the first to head the national oil corporation.

Now, as he takes over for the last two years of Ahidjo's fifth five-year mandate, Biya's presidency is expected to bring changes in style rather than content. In the words of one Cameroonian economist, "After many years of political prudence the technocrats around Biya feel they have

been given the chance to forge dynamic growth from oil and agriculture."

A good country to help

There will be no shortage of foreign friends willing to help. Cameroon, a non-aligned nation with a low profile, has good relations with everyone. Development workers from eastern and western nations jostle together along the red clay laterite roads in their Jeeps, Ladas and Land Rovers.

Cameroon tops the list of African nations funded by CIDA. Canadians are active in most sectors. "This is often attributed to a shared bilingual experience," says one Cameroonian journalist, "but that view can be misleading. Of course there is an emphasis on both English and French in public administration and at the University of Yaoundé where students must take their courses in the language used by their lecturers. Yet for Cameroonians the politically significant axis is north-south, between the minority Moslems and the majority Christians. Ahidjo's toleration of religious differences and scrupulous attention to equality in public appointments has headed off confrontation. This legacy of internal stability has as much to do with the attraction of Canadian and other foreign aid initiatives as bilingualism."

But no matter what the justification for going into Cameroon, once at work there is always an uneasy feeling that all development is crafted by the state for political, rather than economic and social, ends. This is also part of the Ahidjo legacy. It is the result of putting consolidation and unification before other considerations.

The challenge for Paul Biya, as the nation experiences the first real pressures of an oil economy, will be to keep regional, religious and linguistic tensions balanced, while replacing the politics of unification with the more open and self-critical logic of economic need. □

Book Reviews

The Commonwealth Secretariat

by John R. Maybee

Stitches in Time: The Commonwealth in World Politics
by Arnold Smith with Clyde Sanger. Don Mills: General Publishing Co., 1981, 322 pages, \$24.95.

Ten or twelve years ago Arnold Smith attended a training seminar for foreign service officers in External Affairs. Participants were discussing the role of the foreign service officer abroad, and much was said about political

reporting, traditionally regarded in the Department as the quintessential function of the diplomat. Smith intervened to say that it was, of course, important to keep one's government well briefed, but that the primary duty of the diplomat was to try to mold the international environment in the interests of one's country. *Stitches in Time* is Smith's record of how he sought to apply this activist philosophy of creative politics in his role as Secretary General of the Commonwealth, when he was responsible not to one but to a large and growing group of governments.

Though subtitled "The Commonwealth in World Politics," the book might more accurately have been called "The Commonwealth Secretariat in Commonwealth Poli-

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tics," as it is basically an account of the part played by the Secretariat (and particularly by the Secretary General) in those events from 1965 to 1980 which involved countries of the Commonwealth. Alternatively it could have been subtitled "Memoirs of a Secretary General." In fact it is all these things. Many of the events the book traces were of first importance in world affairs in the fifteen years covered; the primary political activity described, however, is within the Commonwealth context and as seen by the Secretary General of the Commonwealth.

Stitches in Time is a well-disciplined book, outlining the Commonwealth Secretariat's part in such events as the Rhodesian rebellion and the liberation of Zimbabwe, the Nigerian civil war, the India-Pakistan wars of 1965 and 1971, the emergence of Bangladesh and many less dramatic occurrences within the space of 300 pages. Perhaps owing to the advice and help of his collaborator Clyde Sanger, Smith has stuck close to his topics and screened out much non-essential detail. This has, of course, cost something: occasionally, for lack of verbal portraiture, some of the leading personalities one would like to have known better remain rather wooden. In other cases the effort to honor brevity seems counter-productive, particularly for readers not already acquainted with the subject in hand. For this reviewer — a non-economist — the account of the Secretariat's efforts to help the developing countries of the Commonwealth gain the best possible terms of association with the European Community after Britain's entry into the EEC was too elliptical to be enlightening.

From the moment when, at the January 1965 Commonwealth Heads of Government meeting in London, Prime Minister Harold Wilson informed him that he had been elected Secretary General, Smith perceived himself as an "elected international politician" rather than an "officer in charge of a common services organization" which the Australians had wanted and the British would probably have preferred. He recalls the advice which Milton Obote gave him on that occasion: "Decide what you can do for yourself, and do it." After receiving his original terms of reference Smith never sought to have his masters, the heads of government, clarify his status, but chose rather to act first and dispose of challenges to his authority after the event. His accounts of how he headed off efforts to trim him down to a more manageable size and gradually gained acceptance for an activist Secretary General with executive powers in some fields make interesting reading.

One of the tasks which Smith took up energetically was to persuade the newer members that the Commonwealth as an institution belonged to all of them, and that it was not an appendage attached in a special way to Britain. In 1965, after Rhodesia's Unilateral Declaration of Independence, President Nyerere of Tanzania was speaking openly about leaving the Commonwealth if Britain acquiesced in the Rhodesian move. "I put my arguments to him in a robust way," writes Smith.

The book records other occasions when Smith remonstrated with heads of government and foreign ministers on this subject. By misadventure he was too late to put his case to President Bhutto in January 1972, and Pakistan became the last Commonwealth country to withdraw from membership. Thanks in good part to Smith's energetic lobbying, the Commonwealth lost no more members after Pakistan (not even Uganda during Idi Amin's time) and the

numbers increased from twenty when the Secretariat was established to forty-four today.

A valuable part of *Stitches in Time* is its description of the Secretariat's work in functional cooperation — the establishment of the Fund for Technical Cooperation ("the part of the Secretariat's work of which we can perhaps be most proud"), the special assistance given by the Secretariat to the new members, particularly Papua-New Guinea and Zimbabwe, and the Secretariat's cooperation with non-governmental organizations. The book demonstrates that the low-visibility fabric which fundamental cooperation provides is at least as effective in binding the Commonwealth together as the high-profile consultations at Heads of Government meetings.

Smith's activist approach to the Secretary Generalship moved him to make strenuous efforts to play a good offices role in the civil war in Nigeria and in the India-Pakistan conflict in 1971. While these efforts did not attain their principal objectives, they did yield secondary benefits and Smith's account provides interesting sidelights on the events concerned.

Smith also records courses of action which he urged upon the British to forestall (and later nip in the bud) Rhodesia's UDI, and to reverse Sampson's overthrow of President Makarios of Cyprus in 1974. These might-have-beens are not the stuff of history, but they are instructive examples of imaginative political thinking.

There are nuggets of incidents planted throughout the book that will intrigue the reader: Smith's disposal of a draft "letter of appointment" for the Secretary General, prepared for Prime Minister Wilson's signature by CRO officials; feelers for reentry into the Commonwealth from Ireland and Pakistan; Smith's involvement in events leading up to Mozambique's independence; the development of the Commonwealth's multi-faith service of worship.

Those features of the book which may please the general reader may disappoint the scholars: there are few footnotes, sources of many quotations and other items of information are often not identified, and information on the organization and staffing of the Secretariat is sparse. Nevertheless, *Stitches in Time* should be an indispensable source book for students of international organization.

John R. Maybee is a former member of the Department of External Affairs. His last posting was as High Commissioner to India. He is now a freelance writer in Ottawa.

Learning about refugees . . . slowly

by J.J. Moskau

None is too many. Canada and the Jews of Europe 1933-1948 by Irving Abella and Harold Troper. Toronto: Lester and Orpen Dennys, 1982, 336 pages, \$19.95.

We cannot tell whether Hitler . . . will go down in history as the man who restored honour and peace of mind to the great Germanic nation and brought it

back serene, helpful and strong, to the forefront of the European family circle.

(Winston S. Churchill, 1935)

To err is human. Right alongside Winston Churchill there was Canada's indefatigable W.L. Mackenzie King, who, as late as September 1938 — that is even after the Austrian Anschluss — still felt the Führer "might come to be thought of as one of the saviours of the world."

It is gratuitous, of course, to single out fallacious character evaluations by lofty leaders, but that evaluation must have been helpful at the time. It was notably helpful to officials of Canada's then Immigration Branch, charged with the administration and processing of thousands of applications for urgent entry into Canada of European Jews — Jews fearful of imminent persecution.

The record shows two things: that Nazi Germany more than "made good" its wildest threats concerning the treatment of Jews; and that the Western powers, very much including Canada, undertook next to nothing to offer safe haven for the few Jews who, immediately before and during the war, managed to elude the German annihilation machine.

Worse yet, as authors Irving Abella and Harold Troper in their painfully wrenching assessment of Canada's lamentable performance demonstrate, official Ottawa seems never to have publicly acknowledged that a crisis of paramount magnitude was at hand. And still worse, where the plain facts could not be denied, they were ignored. They were denied or ignored not just because the country was — at the end of the Great Depression — hardly in a position to promote massive immigration; not least because official Ottawa regarded the matter with almost breathtaking indifference; not because of cynical benign neglect; but — so authors Abella and Troper convincingly argue — because Jewish Immigration to Canada was regarded as a politically inexpedient irritant where Liberal Party votes mattered most — then as now — in the Province of Quebec.

The hand on the closed door

And to enforce this most odious Canadian cop-out, Ottawa found a compliant, even eager, civil servant, the director of the then Immigration Branch, Frederick Charles Blair, born in 1874 of Scottish parents, a devout church-going man, a church elder even. But unfortunately also, as Abella and Troper argue credibly, an unreconstructed anti-Semite, who went to extraordinary lengths personally to bar even eligible Jewish immigrants.

Although pressure to admit Jews grew as the European crisis clearly drifted toward war, Mr. Blair was "glad to report" that access to Canada "was never so well controlled." Unless Canada adopted "safeguards," Blair warned his Minister, Thomas Crerar, the country would be "flooded with Jewish people." And why that was undesirable is spelled out in a confidential letter Blair wrote to a known opponent of Jewish immigration: "I suggested recently to three Jewish gentlemen . . . that it might be a very good thing if they would call a conference and have a day of humiliation and prayer, which might profitably be extended for a week or more, where they would honestly try to answer the question of why they are so unpopular everywhere . . . If they would divest themselves of certain of their habits I am sure they could be just as popular in Canada as our Scandinavians . . ."

Against such formidable odds it is hardly surprising that Canadian Jewish organizations — not initially particularly well-prepared to deal with the emergency — failed largely in penetrating Ottawa's and specifically the Immigration Branch's obtuse stonewalling.

While the bare facts as set out in the well-researched Abella-Troper volume are depressing in themselves, it is appalling to note that the horror story of Jewish refugees being denied entrance never seems to have troubled the country's leadership. Although in London at the height of the crisis from 1935 to 1941, Lester B. Pearson seems to have been oblivious of the tragedy. And there is more than a strong hint that High Commissioner, later Governor General, Vincent Massey could become quite vehement on the need to help British boys and girls survive the war safely in Canada as evacuees, but never, apparently extended his concern to Jewish refugees. And one searches J.W. Pickersgill's Mackenzie King biography in vain for any reference to that particular problem.

In retrospect, much of Ottawa's indifference is probably attributable to the then-felt need to stay as aloof as possible from European problems — a reaction due to the recently gained stature of full sovereignty. Why — Ottawa thinking may have been — volunteer aid to help solve a crisis of European — including British — making?

The humanitarian dimension, so much a part of Canada's self-congratulatory postwar stance, was lost sight of. It was instead a case of narrowminded and hamfisted application of discretionary bureaucratic rules. Compassion became expendable. As that great constitutional authority A.V. Dicey has pointed out, "Wherever there is discretion, there is room for arbitrariness." An arbitrariness with indeed fatal consequences.

Josh Moskau is a reporter with Radio Canada International in Ottawa.

Canadian-American relations

by Jack H. Shellenberger

Life with Uncle. The Canadian-American Relationship
by John W. Holmes. Toronto: University of Toronto Press, 1981, 144 pages, \$6.95.

The cover of *Life with Uncle* shows a stern, finger-pointing Uncle Sam, and one opens its pages anticipating combat. Instead, there is a prologue by *Life with Father* author Clarence Day describing his puzzling relationship with his Creator: "Both his wrath and affection were fitful, they came and they went, and I couldn't count on either to continue . . ."

The metaphor of the United States as the Creator, and Canada, the buffeted and, in turn, bolstered, neighbor depending on the "Creator's" whim, is a fresh device for an old concept (in a recent article on the US-Canadian relationship, Margaret Atwood used Rome and Gaul).

The essays of Ralph Waldo Emerson have a notable attribute. His sentences resonate in or out of an essay's context. Something similar can be said of John Holmes's

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writing. He is eminently quotable, but also a master at plucking from a century or more of US-Canada dialogue, apt quotes of others. "As Adlai Stevenson once said," he writes, "the technological instrument Americans most need is a hearing aid."

Life with Uncle consists of six essays including a sort of coda on "The Continuing Relationship."

The first, "Present at the Creation," discusses Canadian and US involvement in such international institutions as the UN and NATO. In this mostly historical section, Mr. Holmes makes the point that Canada has been a serious competitor in the game of international politics and by no means a US surrogate. As he points out, being "right minded" *vis-a-vis* US policies and "like minded" are very different things. "Contemporary diplomacy had need of Canada the middle power, and the Americans helped invent that phenomenon."

"Shaping the Continent," is basically an assessment of the bilateral security relationship. We are reminded that the pressure for the North American Air Defence Agreement of 1957 came more from the Canadians than from the American military; that Canada's defence agreements with the US are "an essential form of resistance to a fate which might not be worse than death, but certainly a kind of euthanasia."

Discussing "Rational Management," Mr. Holmes takes up a theme which is common to much Canadian thinking as to what is at the root of the tensions in the current US-Canadian relationship. "Canadian tradition, both Liberal and Conservative, of governmental support of essential national services" makes present day Washington "furious," he asserts.

Of course, what may be termed "essential" has a way of spilling well beyond Canada's much admired medical, housing, urban transport services and into the marketplace. Mr. Holmes's contention that such is merely aimed at giving Canada "adequate control of our own economy," invites semantic dispute as to the meaning of "adequate."

It is the vaunted role of the US Congress which Mr. Holmes finds most worrisome in the bilateral relationship. Its "captious actions," he argues, through the words of former White House Counsel Lloyd Cutler, make the US an unreliable partner: "It paralyzes US policy on the supply of nuclear fuel or tuna fishing and becomes a sort of legislative imperialism."

It is the vaunted role of the US Congress which Mr. Holmes finds most worrisome in the bilateral relationship. Its "captious actions," he argues, through the words of former White House Counsel Lloyd Cutler, make the U.S. an unreliable partner: "It paralyzes US policy on the supply of nuclear fuel or tuna fishing and becomes a sort of legislative imperialism."

Mr. Cutler came to Washington with Jimmy Carter in 1976 and may have counted the wrong noses. His personal efforts in negotiating the East Coast fisheries treaty was, by many accounts, done in a near vacuum, overlooking a truism in both contemporary and historical American politics. An outspoken Thaddeus Stevens doubtlessly overstated the case when he asserted over a century ago, "If the President is Commander in Chief, Congress is his com-

mander, and, God-willing, he shall obey — this is not a sovereign of kings and satraps, but a government of the people, and Congress is the people."

If unreliability is the issue, Mr. Holmes might consider the High Ross Dam controversy in lower BC. Whatever the merits of the case for conservation, and the passage of time, an agreement *was* made with Washington State authorities which the BC government unilaterally considered inoperative. The matter is being renegotiated.

The US-Canadian propinquity, in the essay "On Being an Ally," means that Canadians tend to identify with American policy to the extent that "they lose their Canadian perspective." Yet Mr. Holmes argues, "It is even more foolish to insist on simple opposition to prove our manhood."

In this essay, Mr. Holmes gives a nod in the direction of a variation on the "Third Option." Canada, he writes "could consider a declared policy of shifting our role in world security to the economic front . . . if we relieved ourselves of the burden of defence expenditures." But he acknowledges that there is "no glib way out of this puzzle," and denies advocacy of any *single* course of action. This is one of the most appealing features of *Life with Uncle*. Unlike many who have examined the US-Canadian relationship and provided snap prescriptions of what Canada or the US should do, Mr. Holmes asserts, "Our first priority should be the seeking of compromise, that old smoothie role so much deplored in recent years."

The essay discussing "Canada's Roots," is philosophic and hopeful about this neighborly relationship. Quoting a number and variety of thinkers, contemporary and historical, Holmes takes aim at a score of shibboleths (Americanization of Canada, multinationals, morality). "Our self-destructive obsession with the United States is notable, for example, in our habit of calculating our exchange rates in terms only of the US dollar. The fact that our currency has risen prodigiously in value against the mark, the yen and the pound was obscured while we enjoyed in the summer of 1981 an orgy of despair about our economic future in the world."

The final essay "The Continuing Relationship" is an appeal for Canadians to take pride in what they are, what they stand for, and to speak up to its southern neighbor as the need arises. Americans resent condescending talk, he writes but "they need best friends to tell them when their breath is bad." All well and good. But I think such telling will register best when the "friend" is, as Nils Orvik puts it, "walking tall." He writes "Although most Canadians still seem unaware of it, we have come of age and 'walking tall' involves having a strong Canadian armed forces capable of contributing effectively to North American security."

"Life with Uncle will always be strenuous," Mr. Holmes sums up, "but it can be reasonably comfortable and profitable if we take it calmly and pragmatically." As a United States diplomat in Ottawa, I subscribe fully to this theme with a slight modification. Substitute Johnny Canuck for "Uncle Sam."

Jack Shellenberger is Counselor for Public Affairs at the US Embassy in Ottawa.

Focus on France

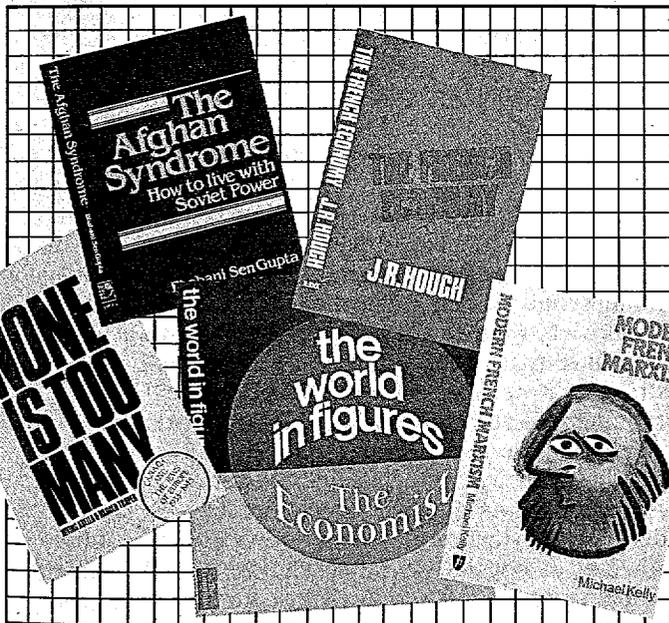
by Harvey G. Simmons

Modern French Marxism by Michael Kelly. Baltimore: Johns Hopkins University Press, 1982, 240 pages, \$US24.50.

The French Economy by J.R. Hough. London: Holmes & Meier, 1982, 226 pages, \$US29.50.

A friend of mine who is a Professor of Philosophy once told me the following story. While on sabbatical leave in France he encountered a problem with drainage in the cellar of the home he was renting in Provence. When the repairman came he and the professor entered into a conversation. At one point the repairman said: "What is your profession?" "I'm in philosophy," said my friend. "That's interesting," said the repairman, "you're in philosophy, and I'm in concrete."

This is by way of a long introduction to the two books under review, one floating far above in the higher reaches of



philosophy, the other secured firmly to the concrete facts of the French economy.

The title of Kelly's book is misleading since he is interested not in French Marxism broadly conceived, but rather in the Marxism of the French Communist movement, and even more specifically in the various conceptions of dialectical materialism. Kelly begins with a discussion of the degree to which Marx's ideas on dialectical materialism were influenced by Hegel, and then he summarizes the debate over this issue that has taken place among such theoreticians as Henri Lefebvre, Georges Politzer, Roger Garaudy and Louis Althusser. Those who are familiar with the terms of this debate will find Kelly's discussion helpful, but non-specialists will find the book very tough going.

Since the coming to power of a Socialist President and a Socialist majority in the National Assembly in 1981, the French economy has undergone a series of major changes. The Socialists embarked upon a program of widescale nationalization of industry and of banking, an increase in expenditure on social programs, and a redirection of the

economy toward reducing unemployment, even at the risk of increasing inflation.

J.R. Hough's little book is an extremely useful introduction to the contemporary French economy, especially since the author includes material as recent as the first few months of the Socialist government. Roughly the first half of the book is devoted to a review of developments in industry, agriculture and labor, while the remaining half describes the mechanisms of the "French Plan" as well as government economic policymaking towards the EEC, and policymaking at the regional and national levels of the French economy.

Once known as the "sick man of Europe," France's postwar economic recovery has been truly remarkable, with the annual growth rate from 1947 to 1958 averaging 5 percent. How much of this is due to the unique French planning system is hard to say, although Hough does conclude that: "The weight of evidence seems to fall in favour of planning having significant successes to its credit, particularly regarding the creation and maintenance of a psychological climate favourable to high rates of growth." Hough also points out that "until recently the development of economic policy in France ignored Keynes completely." Ironically, the Mitterrand regime seems to be following a modified Keynesian approach just at the time when both the UK and the USA have shifted toward a monetarist policy.

I have just two criticisms of Hough's book. First, he might have included more charts and graphs illustrating the changes in the French economy since 1945. Most of his information tends to concentrate on the period from 1970 to 1980. Second, and most depressing, is his use of the word "mitigate" when he means "militate" as in "militate against." Once the British begin to join in the general slaughter of the English language, then the End cannot be far away.

Harvey G. Simmons is in the Department of Political Science at York University in Toronto. He contributed an article on "The Mitterrand Revolution?" to the September/October, 1982, issue of *International Perspectives*.

The Brezhnev years

by J.L. Black

Resolutions and Decisions of the Communist Party of the Soviet Union. Vol. 5 edited by Donald V. Schwartz. Toronto: University of Toronto Press, 1982, 289 pages, \$37.50.

The most important policies decided upon by the Communist Party of the Soviet Union have been embodied since 1917 in documents called "Resolutions and Decisions." Together these documents provide readers with a continuous history of the CPSU specifically, and of the Soviet Union generally. The book under review here is the fifth in a series which began in 1974. It covers the Brezhnev years, 1964-1981, thereby omitting the last year-and-a-half of his term as General-Secretary (First Secretary, 1964-66). This is unfortunate, but is hardly damaging to the needs of

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researchers. Indeed, in spite of the rather bizarre Soviet campaign to lionize (one hesitates to use the word "cult") Brezhnev over the last few years by printing and reprinting in many languages his speeches and reminiscences, by placing his picture on the cover of a myriad of magazines, and by awarding him further honors, there is evidence to suggest that his practical authority had slipped during the two years which preceded his death on November 10, 1982.

Party decisions (*rezhenie*) encompassed by this series are those made by the central agencies of the CPSU, that is, its Congress, Conference and Central Committee. The great majority of the decisions were taken by the Central Committee and were drafted mainly by its standing executive apparatus: Politburo (called Presidium 1952-65), Orgburo and Secretariat. The resolutions (*rezoliutsii*) were issued by Party Congresses. The material in the series corresponds generally with that contained in the Soviet publication, *Kommunisticheskaia Partia Sovetskogo Soiuza v rezoliutsiakh i resheniakh s'ezdov, konferentsii i plenumov TsK* (Communist Party of the Soviet Union in Resolutions and Decisions of Congresses, Conferences, and Plenums of the Central Committee).

The sixty-seven documents in the volume under review reflect the consolidation of power by Brezhnev and the evolution of his policy, important reforms in agriculture and industry, and his attempts to make the Soviet economy efficient. Fully one-third of the documents deal with techniques of recruitment, and the training and management of party membership. Associated with these are questions of party-cadre education, the quality of membership, and the Komsomol program. Throughout, in fact, one can discern the degree to which Brezhnev was concerned over the (perceived) chaos in which Khrushchev left the party organization. Some social issues, e.g., alcoholism and corruption, are also touched upon. In keeping with a principle established in earlier volumes, material relating to foreign affairs is not included here. The book contains appendices in which members of the Politburo and Secretariat are listed, and an index.

The editor, Donald V. Schwartz of the University of Toronto, has prepared a very useful thirty-page introduction and he also provides incisive explanatory comments throughout the volume. All in all, this book is a worthy addition to the series. It is to be hoped that its General Editor, Robert H. McNeal, already has someone preparing to accomplish the same for the "Andropov Years."

J.L. Black is Director of The Institute of Soviet and East European Studies at Carleton University in Ottawa.

Capering in Afghanistan

by Karen Erickson Ørvik

The Afghan Syndrome: How to Live with Soviet Power by Bhabani Sen Gupta. New York: Advent Books, Inc., 1982, \$US37.50.

The Afghan Syndrome, according to its author, is not a book on Afghanistan. It is primarily concerned with how

the nations of the world will learn to live with the Soviet Union as a "functional global superpower." To illustrate, the author discusses in detail the responses made by the US, India, Pakistan and China to the Soviet intervention in Afghanistan. His own answer as to how to live with Soviet power suggests that the middle powers of the world (Germany, France, Japan, Canada, Australia, Brazil, Mexico, Nigeria, Indonesia and India) defuse the confrontation politics of the US and USSR. Only the middle powers can "ensure that the globe's future is not hostage to superpower confrontation."

In proposing a middle power panacea, the author falls into what has become a fashionable trap in thinking that the two lonely goliaths of the planet stalk each other in a deadly game that other nations should ignore, thereby saving the world from destruction. If international politics were made of good intentions and intended consequences, the optimistic view of middle power possibilities might prevail. Unfortunately, the proved strength and obvious potential of the US and Soviet Union dominate the international arena and demonstrate that wishful thinking does not change nation-state behavior.

The major value of this book lies in a number of incisive and astute observations on Soviet-American relations. In the first instance, Mr. Gupta is particularly convincing when he questions the "doom" theories of Soviet societal development. He points out that "the CPSU has built a modern leviathan in an astonishingly short period of time on the ruins of a largely feudal empire that was trailing far behind Britain and France in the industrial revolution." He therefore concludes that: (1) the Soviets want to be recognized as an "equal partner in the settlement of major conflicts and in the management of the global order"; (2) the Soviets want to preserve what they have achieved — they have not reached superpower status only to self-destruct in a nuclear confrontation; (3) the US policy of containment and confrontation did not work when American power was much greater than Soviet power; the policy will be even less effective in the period of diminished American power and growing Soviet strength; and (4) the decision on the next Soviet intervention depends on whether or not the US recognizes the USSR as an equal global power.

Second, Mr. Gupta is persuasive when he predicts that the Soviet leadership will respond to the Reagan administration's policy of confrontation by waging a strategy of peace as sweeping in its objectives as the use of instruments of force. The prediction is more valid today under a new Soviet regime than it was when it was written with Mr. Brezhnev in office. The Moscow "peace strategy" is, in Mr. Gupta's view, aimed at (1) consolidating gains in the third world, and (2) nurturing cleavages between the US and its allies, as well as within the US itself.

Finally, the author assesses the Afghan affair. The intervention was not intended to provoke the US to a head-on collision. Mr. Gupta believes that the Russians intervened because neither the insurgency against the Marxist regime of Hafizullah Amin nor Amin himself could be put down without Soviet military force. The Soviet leadership also saw in Afghanistan the opportunity "to plant the flag of Soviet power" in "one of the most unstable geostrategic areas of the planet." The intent was to legitimize the Soviet's role in determining war and peace in the Persian Gulf where they, in fact, possess the overwhelming military and

geographic edge. The author foresees the Soviets as working to extricate themselves from Afghanistan, although some Russian troops would remain to stabilize any political settlement. The tradeoff for alleviating the pressure on Afghanistan will be some "reincarnation of detente," an arrangement that would allow the Russians to impress the West Europeans, and to ameliorate relations with China.

Several weaknesses detract from the potential of this work. Articles from the *New York Times* or English-language newspapers of India are massively transmitted to the reader without evaluation. The style tends toward the ornate, with the meaning often obscured (e.g., "With the feather of non-alignment in his turban, Gen. Zia visited Kabul in September 1978," or "The perfumes of Arabia that sweetened Gen. Zia-ul-Huq's hands and prompted America to grasp them blew in with the planeloads of Soviet forces landing in Kabul on 27 December, 1979"). Typographical/spelling errors abound. Perhaps the greatest barrier to reading the book is the way my copy, at least, is put together. Blocks of thirty to forty pages are out of order. Unless you can find a better copy, I cannot recommend that you forge your way through this work. It is unfortunate because the book is, in general, engaging and analytically penetrating.

Karen Ørvik is in the Department of Political Science at the University of Western Ontario in London, where her specialties include the study of the Soviet periphery and international security.

Judging socialism's maturity

by A. Podgorecki

Developed Socialism in the Soviet Bloc: Political Theory and Political Reality edited by J. Seroka and M.D. Simon. Boulder, Colorado: Westview Press, 1982, 198 pages, \$US18.00.

Sometimes even a simplified anecdote tells more about social reality than the key chapters of an elaborate volume. Carter, the former President of the USA, wrote in his diary, "At the Cabinet meeting this morning Zbig made an interesting comment that under Lenin, the Soviet Union was like a religious revival, under Stalin like a prison, under Khrushchev like a circus, and under Brezhnev like the US Post Office" (November 7, 1977). Certainly this anecdote reveals more about the so-called developed socialism of the Brezhnev Era than the opening chapter of the book under review.

The central concept of this volume "the theory of developed socialism" is the most unfortunate one; it does not pertain either to socialism or to developed socialism. In any case, it does not deal with the theory! In the subsequent chapters various authors painfully try to find this concept in the existing social reality (J.W. Hahn, J. Bielasiak, M.D. Simon), in other chapters authors use it in an operational sense (D.W. Paul, D.N. Nelson, J. Seroka).

In one of the chapters this concept is obviously misused (M.D. Simon), and finally, at the end of the volume, it is shown that the concept is just spurious! (C. Clark and J.M. Echols III).

The chapter on Poland is shocking. Its author, M.D. Simon — apparently an ardent scholar of Polish affairs who reflects some familiarity with professional literature in the Polish language, is evidently "seduced" by Polish officials. ("S. Zawadzki, a noted expert on state and law" and "a respected analyst of state and law" became the Minister of Justice after the introduction of martial law. "J. Szczepanski, the highly respected sociologist" is the member of the Council of State which introduced martial law. He voted in favor of it. "Both Zawadzki and Wiatr are prominent Party sociologists." Wiatr after the introduction of martial law became the mouthpiece of the military junta. And so on.) Simon takes enunciations of these eulogizers or "clowns" — as they are called by most Polish sociologists — as the reality itself! This reliance on party loyalty is strange since Polish sociology as a whole, as known in the world, is penetrating, independent and reliable. As far as party goals are concerned, the author says: "Such goals undoubtedly had considerable mass appeal," but he selected, as far as the social structure is concerned, from Polish inquiries those which did not take into consideration privileged (or over-privileged) social strata; neither did he take into consideration those inquiries which dealt with social strata living on, or below, the subsistence level (see, for example, the studies of A. Tymowski).

The authors of this volume, after reading or recalling the basic ideas of Vilfredo Pareto (Marx would also be helpful), would quickly realize that the analysis of the "language reality" does not necessarily reach its social basis. They would also find that the realm of "derivations" (justifications, pseudo-descriptions, semi-explanations, such as theories of developed socialism), is designed not only to hide social reality but to mystify it. Only the realm of "residua" (the basic motivations underlying these justifications) deals with the real interests of people. Knowledge of residua is therefore crucial to the understanding of social reality.

Since the chapter on "Party Leadership and Mass Participation in Developed Socialism" by J. Bielasiak treats derivations too seriously, it is constantly involved in insoluble contradictions. Furthermore, the reliability of this chapter's sources is highly questionable (reliance on the "official figures as reported by the East and Soviet Press").

The chapters on Hungary and Czechoslovakia by D.V. Paul, on Romania by D.N. Nelson, and on Yugoslavia by J. Seroka, with various degrees of accuracy, tackle the residua — the real objectives of the societies in question. But the highly descriptive value of these chapters is not connected with the concept of "developed socialism." If this concept is used it only clouds their diagnostic value.

One may summarize the reflections on this volume in this way: the closer it approaches the social reality of a given society, the better; the more seriously it treats the official "theory," the worse.

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Russia and the West

by John Hannigan

Soviet Foreign Policy and East-West Relations edited by Roger E. Kanet. New York: Pergamon Press, 1982, 212 pages, \$US25.00.

This book is a collection of ten papers presented at the Second World Congress for Soviet and East European Studies held at Garmisch-Partenkirchen in September-October 1980. Because the volume has been a long time in coming to press, prospective readers should note that the papers were written before the imposition of martial law in Poland, before the election of Ronald Reagan as President of the United States, and before Poland and Romania declared that they were unable to meet scheduled repayment of their debt to Western creditors. If one is looking for a collection of studies which analyzes these major political and economic events of 1981 and their effect on East-West relations, then this book is not the answer. What the collection of papers does, however, is remind analysts and spectators of Soviet affairs of the state of East-West relations just prior to those major events of 1981.

Writing in the year following the Soviet invasion of Afghanistan, the authors trace the deterioration in East-West relations during the late 1970s. The tenor of the situation is unabashedly set by George F. Kennan in his keynote address to the Congress, reproduced as Chapter 2 of the book: "Not for thirty years has the political tension reached so high and dangerous a point as it has attained

today. Not in all this time has there been so high a degree of misunderstanding, of suspicion, of bewilderment, of sheer military fear." Separate articles then underline the specific problems of East-West relations in the political sphere (Roger Kanet), security (Gerhard Wettig) and economics (Zbigniew Fallenchuchl). Hiroshi Kimura's paper, one of the best in the book, looks specifically at the impact of the Soviet invasion of Afghanistan on Soviet-Japanese relations. The remaining papers examine Soviet foreign policy decision-making, Eurocommunism, integration in Eastern Europe, and Soviet views on guerrilla warfare and terrorism.

For the most part, the papers are adequate, not stimulating. They cover some well-trodden analytical territory, without adding new perspectives, or viewpoints contrary to conventional wisdom. The book does, however, give the English-speaking audience a chance to read articles by certain scholars who generally do not publish in the English language. This being the case, praise must go to Roger Kanet for a fine job of editing. As a final remark, it is unfortunate that there is no introductory chapter which ties together the various, albeit related, threads of the ten papers. This would have been particularly appreciated if at the same time a more up-to-date introduction could have presented the subject matter of the papers as a backdrop to at least some of the post-1980 events which further deteriorated the state of East-West relations.

John Hannigan is a Research Associate in the Institute of Soviet and East European Studies at Carleton University in Ottawa.

Letters to the Editor

Authors reply

Sir,

Mr. Joel Sokolsky is far off base when he insinuates [letter to *International Perspectives*, November/December 1982] that "self-interested commercialism" underlies the demand for balance in Canada's approach to the Middle East. It may be the primary motive of some of the advocates, but I have yet to meet one. While trade is a valid reason for correcting our pro-Israel tilt, I would attribute far less weight to this consideration than to Canada's reputation for objectivity and independence, and its capacity to contribute to peace, however modest. Indeed, I would support greater balance even at the cost of Canada's commercial interest.

Mr. Sokolsky accuses me of betraying "an incredible

overestimation of Canada's influence." In fact, I ventured no estimate of our current or potential influence in the Middle East, and conceded that loss of our reputation for impartiality is not the only reason for its decline. Determining influence is a well nigh impossible task. The moral nation, like the moral individual, can only ensure that whatever influence it does possess is employed in a responsible manner.

Just conceivably Mr. Sokolsky is right in suggesting that Canada could do most for peace by suppressing its abhorrence of recent Israeli aggression and confining its diplomacy to quiet persuasion in Jerusalem. One must be skeptical, however, when the Begin regime so rudely re-

jects the advice of the United States, its closest supporter not only in votes but also in the weaponry essential to Israeli expansion.

I agree that "loud and meaningless declarations of even-handedness" would not be helpful. But has Mr. Sokolsky really failed to notice that "even-handedness" has always been Canada's professed position? It is the discrepancy between that claim and Canada's actual performance that has been so blatant and embarrassing. And it is almost always attributed, quite wrongly, to our alleged subservience to Washington. (As to the harm done Canada's position at the UN, Mr. Sokolsky should refer to the testimony of Canada's former Ambassador, William Barton, given to the Senate Foreign Affairs Committee on November 16.)

I am not suggesting that our pro-Israel tilt be replaced by one towards the Arabs, or that Canada join "those who can see evil no where else in the world except in the streets of Jerusalem." Balance means balance, and Mr. Sokolsky adds nothing to rational discussion when he so grossly distorts views with which he disagrees.

Peyton V. Lyon

Sir,

Mr. Twait's disappointment at your publishing our article ["Reflections on the Anglo-Argentinian war" by J. Nef and F. Hallman, September/October 1982] is based upon what he claims to be inadequate research "from many points of fact." Unfortunately he offers no proof, not even an example. All his objections are based not on "points of fact," but on impressions and perceptions (e.g., a son-in-law in Argentina, an "inside line" to senior British officials).

Mr. Twait's statement that one is entitled to one's opinion is one nobody could question. However, Mr. Twait contradicts himself in subsequent paragraphs where he engages in a debate — or rather diatribe — against these authors' opinions. The main thrust of his argument appears to be that we used "political opportunism" as the one single explanation for the Anglo-Argentinian conflict. If he read the article again, he would realize that we do not attribute the tragic outcome to any one single cause, but on the contrary, we try to emphasize the complexity of a situation requiring many layers of explanation: international, national and motivational. Moreover even if we accept the criticism for something we did not say, Mr. Twait himself uses "opportunism to divert attention" as a likely explanation for Argentina's actions: "It is possible that general Galtieri wanted some diversion from the national economic crisis." As the central explanation for the crisis he seems to prefer, however, a purely psychocultural factor: the oft-repeated theme that "Argies" are irrational and emotional. We find this kind of generalization utterly biased and useless as a tool in comprehending what the war was about. Such chauvinistic emotions run high not only amongst Argentinians but also amongst Britons and their cultural fans. The Falklands/Malvinas conflict is living proof of this.

Contrary to Mr. Twait's assertion, we did not argue that the Argentinians — or the English — were looking for oil, let alone that this was the cause of the war. In this matter we do not claim expertise and probably Mr. Twait, as former president of Imperial Oil, knows infinitely more

than we do. At any rate, the oil issue was very, very peripheral to the conflict and we said so. All we said was that "rumors of oil off the coast persist." Mr. Twait should be aware that rumors of this nature (about non-existent oil) have sometimes been important in the region, having fueled the bloody Chaco War between Bolivia and Paraguay in the 1930s.

Certainly Mr. Twait's contention is not on points of fact: what he seems to resent is our equating the General's behavior with that of Mrs. Thatcher's government. It seems that the real emotional issue amongst many anglophiles is our drawing a parallel between the behavior of "savages" and that of "civilized" people. We sincerely feel that such a distorted optic clouds the understanding of complex international phenomena.

Finally, we strongly suggested in the article that wars are nowadays poor mechanisms for the management of international conflict. Contrary to Mr. Twait — who seems to see the world with heroic eyes — we suggested that the Falklands War solved nothing. In fact, it created serious problems for international stability; it damaged hemispheric relations; it was costly and dysfunctional for all those involved. Mr. Twait's letter is a reminder that there are serious and educated people who still view the world in nineteenth century terms. We respect their opinion. We just do not agree with it.

J. Nef

Associate Professor of Political Studies and
President the Canadian Association of
Latin American and Caribbean Studies,
University of Guelph

Government initiative challenged

Sir,

As one of your faithful readers, I regret having to write to draw to your attention an inaccuracy — to us, an important one, in Cranford Pratt's article in your November/December issue. For some reason, he discussed our Institute in a wide-ranging section on "Government-sponsored non-governmental organizations," a group for which the government "by taking the initiative to launch a new body . . . is able to influence both the choice of its board and the choice of the executive director." More specifically with regard to the origins of our Institute he stated that "it [the government] also largely financed the North-South Institute." He then added that the Institute seemed not "adequately to meet the political need for a seemingly-independent body which would however not challenge significantly official views."

First, on the founding initiative and on initial financing: the North-South Institute was established in 1976 as a strictly non-governmental initiative, with invaluable "seed money" and the largest initial contribution from the Donner Canadian Foundation. Over the first five years of the Institute's life, the Foundation's contributions, contracts, interest income and book sales made up some 52 percent of our total revenue. In that period, the International Development Research Centre, the next after Donner to provide support, contributed nearly 24 percent and the Federal

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Government directly contributed a fraction over 24 percent.

After five years of operation on this basis, the Institute last year secured assurance of an unconditional five-year grant from the Government, a grant which will raise the share of official funding, but which will in no way be permitted to affect our independence. The Federal Government has played no role whatsoever in the selection of directors, staff or activities and the Secretary of State for External Affairs in January 1982 publicly reaffirmed the Government's own unequivocal commitment to the Institute's independence.

From Professor Pratt's second comment, it is not possible to know whether we have not "seemed" independent enough, or on the other hand, have challenged official views too much to serve as the consultative organization he believes the government has sought. For our part, as a policy-research institute which sets its own program and publishes all its findings, we must leave these judgments of independence and integrity in the hands of those who use our work.

Bernard Wood

Director, North-South Institute, Ottawa

Sir,

It was with great interest that some of my colleagues and myself read the leading article in the November/December issue of *International Perspectives*. It was written by Professor Pratt on "Canadian Foreign Policy: Bias to Business." I have had a great deal to do with the formation of the Canadian Business Group on Multilateral Trade Negotiations, of which I was Chairman throughout its existence. Subsequently I had a lot to do with the formation of the Canadian Business and Industry International Advisory Committee in 1977 and became its Chairman in 1981. In the paragraph dealing with these two organizations, Professor Pratt states, "that the Canadian Business Group on Multilateral Trade Negotiations was created on the instigation of government to work closely with the officials who were developing the Canadian position for the 1975 GATT meetings." Further, Professor Pratt goes on to say, "some five years ago under direct stimulus from the Department of External Affairs, the Canadian Business and Industry International Advisory Committee was established."

The writer was president of the Canadian Chamber of Commerce in 1955/56 and at that time, there were discussions as to the advisability of an amalgamation between the larger Canadian business organizations. In the 1960s, Mr. Gordon Hawkins made a trip to Europe to examine how business organizations cooperated with each other, particularly in labor relations. Mr. Leonard Hynes, when he was President of CIL, and myself worked closely together on these matters in the early 1970s. In 1973, Mr. David Bumstead of Noranda Mines and myself visited eleven European countries and Japan, to examine in depth their national business organizations and how they worked with

each other and their own governments. Yet a start had been made in Canada in 1960 when the OECD was formed and Canada became a member. Largely due to the efforts of the Swedish industrialist and financier, the later Marcus Wallenberg, the preceding group, namely, the Organization for European Economic Cooperation, had officially recognized a business advisory group. This concept was incorporated into the treaty setting up the OECD, and the Business and Industry Advisory Committee to it was established by international treaty. The Canadian Chamber of Commerce, The Canadian Council of the International Chamber of Commerce and The Canadian Manufacturers' Association accordingly formed Canadian BIAC.

The investigations of Mr. Bumstead and myself emphasized that the level of cooperation, both nationally and internationally, in Europe and Japan was much higher than that existing in Canada. Canadian business organizations realized there was much more needed to be done and got on with the job. Two of the results were the formation of the two organizations referred to by Professor Pratt. The initiative originated within the Canadian business community and not with the Canadian government, although they were welcomed by the latter. At the close of the Tokyo Round, the Canadian Business Group on Multilateral Trade Negotiations was absorbed into the Steering Committee on Trade under the aegis of CBIAC and its functions were assumed by this committee.

Under CBIAC there are twelve other Steering Committees. Of these, the government was implicated in the formation of only two. First, when the ILO was brought into being by the Treaty of Versailles in 1919, the Canadian Manufacturers' Association was designated by the Canadian government to coordinate Canadian employer representation in the employer groups of the tripartite organization of the ILO. This function it still performs as the Steering Committee of the CBIAC dealing with labor, manpower, and social affairs. The second had its origin as a result of the 1974 report on Transnational Corporations by the group of Twenty Eminent Persons for the United Nations. The Department of Industry, Trade and Commerce (at that time) approached the Canadian Business and Industry Advisory Committee to the OECD (not to be confused with CBIAC) to set up a consultative committee whose membership was drawn from large Canadian corporations: CBIAC complied and the writer became the first Chairman. On the formation of the CBIAC, it became its Steering Committee on Multinationals.

It is my understanding that the history of this development within the Canadian business community is becoming more and more interesting to sections of the academic fraternity. My colleagues and myself welcome this development and are sure that a more detailed and sensitive appreciation of the cooperation between government and business will be one of the results.

J.G. Crean

Chairman, Canadian Business and Industry
International Advisory Council, Ottawa

The uncertain future of Africa's pastoral peoples

by Michelle Hibler

"As the dry season scathes you, the wet season consoles you." So says an old Somali proverb. But there was little consolation for Somalia's population in the early 1970s as the "drought with the long tail" tightened its grip on sub-Saharan Africa — the Sahel — from the Atlantic coast to Ethiopia and Somalia.

The failure of the rains brought famine and misery to millions of people in Africa's arid lands. It also threatened the existence of age-old cultures and means of livelihood; many nomadic pastoralists set out on what was possibly their last migration.

The drought was perhaps only the most publicized threat to the existence of pastoral societies that include West Africa's Fulani, Tuareg and Moors, and East Africa's Maasai, Kamba and Turkana. Despite their differences, the pastoral people share many common traits and many of the same problems. All face an uncertain future.

Climate has always made the pastoralist's life tenuous. But the nomadic people were able to maintain a precarious balance among themselves, their animals and their environment. The essence of their life is movement and this life is markedly seasonal. During the rainy season, the pastoralists move their herds from pasture to pasture. The herds consist of different types of animals — goats, sheep, cattle and sometimes camels. Each species has a different value as food, means of transport and as stored wealth. They make use of different types of pasture and at varying distances from the camps. They also have different levels of survival in hard times, and of increase in good times, thus increasing the odds for the survival and prosperity of their owners.

The nomads are not ranchers, but subsistence-level livestock producers. They live chiefly off the milk of their animals and off grain secured by selling milk — or, less often, animals — to settled farmers.

As temperatures rise at the beginning of the dry season, the Sahel's nomads retreat to the wetter southern farm lands or settle temporarily around water holes. Families will often break up, the men taking cattle to the south to graze on flood-retreat pastures along rivers or on stubble in farmers' fields, while the women and children stay behind. Some young men leave the community to seek seasonal work in towns. But they return to the northern range-lands

with the rains, leaving the fields — and the tsetse flies — to the sedentary farmers.

Traditionally, nomadic movements were not random. The time spent at each well on migration routes was regulated by tribal leaders. This is all the more important because, although animals are individually owned, the grazing lands and natural water sources are considered to be public resources available to all stock owners in the community. Overgrazing was carefully avoided.

Various changes occurred in the past decades to upset this precarious balance. In West Africa, the travels of nomadic tribes became increasingly circumscribed during colonial times by the French, who restricted movement to specific territories. The establishment of independent countries then set boundaries across migration routes. Farming spread northward from the south into marginal territories, pushing the pastoralists into ever drier regions.

A similar process occurred in East Africa. In Kenya, for example, the fertile well-watered lands of the Rift Valley were opened up for freehold title during the colonial era. The Maasai, who used the lands for grazing, were given individual titles to lands previously used by all. As land values escalated, much of it was sold to outside cultivators, denying pastoral use.

While the rangelands were shrinking, human and animal populations were increasing drastically. Veterinary advances and vaccination campaigns meant fewer animal deaths. Unusually good rains in the 1950s and 1960s and newly drilled deep borehole wells provided year-round water and rich pastures. The Food and Agriculture Organization of the United Nations (FAO) estimates that, between 1960 and 1971, the number of cattle in the Sahel rose from eighteen to twenty-five million, although studies of the carrying capacity of the region consider it cannot support more than fifteen million.

Social as well as economic motives prompted the herd increases. The pastoralists accumulate large numbers of animals for security. Having animals to lend to others earns the owners a high credit rating — being able to borrow from others in hard times. Animals are also a mark of prestige and a social currency needed to create and strengthen social ties of all kinds — bride payments, for example. Animals are sold or slaughtered only when necessary to

buy grain and food or other necessities, and for celebrations.

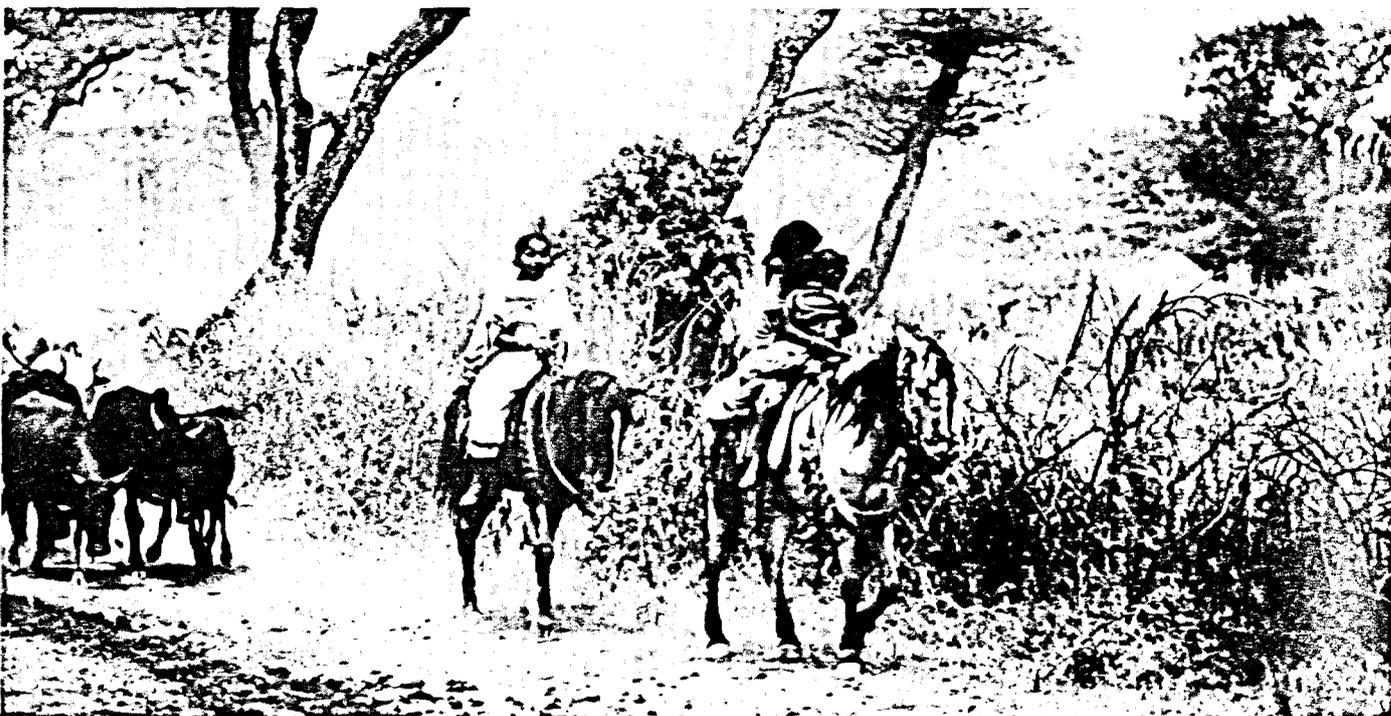
As the herds expanded, more forage was needed. Trees and grass cover were damaged, particularly around water holes where large numbers of animals congregated. The process of environmental degradation thus begun led to desertification during the drought. In the process, some 30 percent of the herds were lost.

The nomads' response to the drought was movement, but movement of a type not known before. West Africa's nomads migrated south earlier in the season than previously. Many did not return to the northern pastures. Others, particularly those who had lost their herds, came to the

Nomadic peoples, they say, have often been viewed by authorities as fundamentally opposed to the state, which has difficulty in both exercising control over them and delivering services.

Most governments have also considered pastoralism to be an uneconomic and archaic way of life that should be discouraged in favor of more intense, productive means of food production. The FAO in fact estimates that less than 10 percent of Africa's more than 100 million cattle are slaughtered each year and carcass weights are low. Various schemes have been attempted therefore to increase the production and sale of cattle to supply urban markets.

As Walter Goldschmidt, an anthropologist from the



Cattle are the most precious possession of the Ethiopian nomads.

cities in search of work. Entire families appeared where only men had come before. International migration also occurred on a large scale. Streams of migrants poured into drought-relief camps set up in a number of countries.

Demographers and anthropologists consider that these movements may be permanent as the nomads adjust to life in the cities. They also feel that they may be an indication of future trends. Other movements have also accelerated, they say. For example, whole communities in Mauritania have left inaccessible areas for regions along roads and other modern facilities.

The upheaval of the 1970s drew world attention to the latest plight of Africa's pastoralists, but they have been losing ground for decades. Settlement programs, wage policies favoring migrant labor, and forced commercialization have been implemented in order to absorb them into the nonpastoral economy. Changes in traditional land tenure patterns, the expansion of agriculture, and destocking programs have reduced their share of economic and political life.

* Researchers participating in a 1980 conference on the future of pastoral peoples, held in Nairobi*, point to the governments of the countries concerned as the major source of pressure and constraint on pastoral systems.

University of California at Los Angeles, stressed during the conference, most programs aimed at "solving the pastoral problem" have failed. Attempts to improve environmental conditions by measures such as the provision of wells, have contributed to overgrazing. Attempts to control the number of animals through stock reduction schemes were resented by herders forced to sell animals and proved difficult to enforce. To encourage the sale of animals, economic and marketing services were provided. But these met with little success, because pricing policies were more

****Future of pastoral peoples: proceedings of a conference held in Nairobi, Kenya, August 4-8, 1980, was published by IDRC. The conference was sponsored by the Commission of Nomadic Peoples of the International Union of Anthropological and Ethnological Sciences (c/o Department of Anthropology, McGill University, 855 Sherbrooke St. West, Montreal, Canada) in collaboration with the Institute for Development Studies of the University of Nairobi. Copies of this publication are available from IDRC. Write to Pastoral (IP), Communications Division, IDRC, Box 8500, Ottawa, K1G 3H9, Canada. The cost of \$20 CDN per copy may be waived for developing country professionals who write on their institutional letterheads.***

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favorable to the urban consumer than to the pastoral producer.

One of the most often tried methods of transforming the nomads' attitudes to cattle, and of encouraging them to settle, has been the establishment of group ranches. In the 1960s, for example, fourteen ranches were created for one hundred Maasai families in the Kaputei area of Kenya. But existing Maasai social groups were not used to demarcating these ranches, and the Maasai were well aware that the ranches would not always be able to support year-round grazing.

Some of the new ranchers therefore arranged to have family members registered in different ranches so that the traditional practice of kinship reciprocity could be used to gain access to lands in other ranches as the need arose. They were unable, however, to stem the flow of cattle into their area. Armed clashes broke out over territorial invasion and grazing rights.

According to Goldschmidt, the ranches succeeded in disenfranchising and pauperising the majority of the population. Elites were created and the ranchers were dissociated from their own communities. He attributes the failure of these programs to poor planning, lack of coordination, and disregard for the pastoral peoples' knowledge of their environment and resources, and of their social organization and value systems.

Although many scientists now recognize that traditional pastoralism is profoundly rational, and is perhaps the only way to effectively use the arid rangelands, they also recognize that problems exist. Not all pastoralists driven from rangelands by drought can be returned, even if their herds could be rebuilt. Ways must also be found to bring medical care, education and other services to these populations.

Many forces are therefore working in the direction of settlement. A number of African countries are mounting

sustained programs to encourage sedentarization (see box). Modern means of transportation are breaking into the isolation of pastoral peoples, bringing them into contact with other cultures and under government control. Educa-

Somali experience studied

One of the countries hardest hit by the drought of the early 1970s was Somalia, where two-thirds of the population are nomadic pastoralists. By mid-1975, some 270,000 of them had flocked to the 20 drought relief camps set up by the government.

Planners estimated that the denuded rangelands would be able to reabsorb only 128,000 of the displaced pastoralists. Deciding to turn disaster into opportunity, the Somali government launched a nomad resettlement program.

In 1975, some 115,000 nomads were resettled in three permanent agricultural communities, and 15,000 in three fishing villages. But since the move, the population of the agricultural communities has declined steadily to slightly over one-half their original size.

The development of the communities has also been inhibited by various problems such as delays in obtaining equipment, unsuitable sites and the settlers' lack of farming experience.

Despite the importance of nomad resettlement in Somalia, no research had been carried out to evaluate, monitor and improve the programs. In 1981, therefore, IDRC supported a project proposed by the Somali Settlement Development Agency to collect and analyze socioeconomic data on the settlers. The study should yield valuable information on the schemes and on the processes involved in the transition from nomadic pastoralism to settled agriculture.

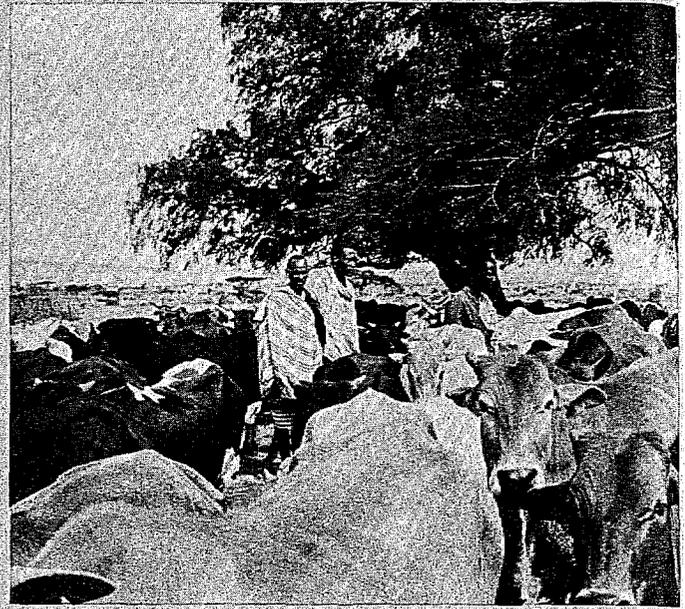


To the Pular pastoralists of Senegal, animals are everything: capital, security, prestige and social currency.

tion is making inroads as some tribes now consider that educating their children into urban occupations may be the best insurance for the future.

What is to be done? The conference participants stress the need for research in technical, economic, social and political areas to better understand the basic mechanisms by which subsistence-oriented pastoral systems operate and by which pastoral people respond to current pressures and demands. They also say that all development programs need to be locally-based and fully involve the pastoralists. Only with a full understanding of all factors involved — from the household economy to markets, to state influence — can the basis be laid for informed programs of planned change. They further recommend that sedentarization not be forced, and that traditional land-holdings be respected in law.

And as John Galaty and Dan Aronson of the Commission on Nomadic Peoples, which organized the conference, point out: "Among the central new realities of the 1980s needs to be an increase in the volume of the voices of the pastoralists, as they take hold of their own futures"



Maasai herders and their cattle at Kajiado, Kenya.

An end to wandering in Bangladesh

by Abdul Kashem, *Depthnews*

Settlements are rising in the forbidding wilderness of the Chittagong Hill Tracts, and the *jhumiyas*, Bangladesh's nomadic people, are coming to stay.

It's an entirely new life for the *jhumiyas* who have led a wandering life since time immemorial.

Estimated to number about 80,000, the *jhumiyas* are in perpetual search of new forests to clear, new lands to till. But after a few months and one or two harvests, they move to other places where they start over again.

Isolated from the rest of the world, the *jhumiyas* have developed a distinct culture of their own and a language that's a mixture of Chakma, Marma and Tripura — the languages of other tribes living in the hills of Chittagong.

Little has been done to help the *jhumiyas* overcome their poverty and backwardness. But contacts with modern civilization have wrought subtle changes in their way of life, which only makes the *jhumiyas* wary, suspicious, and even antagonistic to ways of life different to their own. This attitude has been one of the major obstacles to the Bangladesh government's efforts to bring the *jhumiyas* into the mainstream of modern society.

But despite past failures to speed up the assimilation of the *jhumiyas*, the government is not giving up. It is now vigorously pursuing the Jhumiyas Rehabilitation Scheme, which seeks to end the nomadic life of the tribe.

Under the scheme, each *jhumiya* family will be

given two hectares of land and a cash grant of 14,000 taka (US \$924). Each family will also receive fertilizers, seeds and light farm tools. Hand-in-hand with the resettlement program, the Chittagong Hill Tracts (CHT) Development Board will teach them modern farming methods and provide marketing facilities for their products, as well as education and health care services.

Government workers claim they have succeeded in overcoming some social barriers, and the *jhumiyas'* attitude is slowly changing from one of suspicion to grudging acceptance.

The program has been careful to avoid offending the sensibilities of the *jhumiyas*, or to interfere unduly with their old ways of life, particularly in the tribe's religious and cultural life.

Hampered by financial problems, the CHT Development Board had to establish priorities to avoid wasting precious funds. The first task was to select acceptable settlement sites, linked by a network of roads.

The most crucial step was the selection of willing *jhumiya* families for settlement. So far, the Board has settled 3,500 *jhumiya* families in 49 collective farms. It has given away about 5 million taka (US \$330,000) in cash grants and 7,082 hectares of land. If the current pace of settlement continues, the entire *jhumiya* community will be settled by 1985.

Such a development, say Board officials, would help increase the agricultural output of the CHT by three to four times.

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Editor's Note:

A world rushing to its own destruction attracts a lot of attention — some of it undoubtedly cosmic, but plenty right here on the planet itself. And so it is for *International Perspectives*, where in this issue half of the articles deal with the question of destruction or survival — although some still like to use the term "war on peace" in the hope that we will stop thinking of nuclear war as the end. James Finlay takes us through some of the intricacies of keeping-on-top in the latest stage of the preparation for destruction, and shows how this new element has made arms control more difficult — not to mention more necessary. Nils Ørvik sees Canada's individual predicament as finding a way — expensive though it will be — to fend off friend to the south as well as foe to the north. These strategic concerns always revolve around the two central protagonists. George Kennan has thought more and better about the relations between the USA and the USSR than almost anybody. His pronouncements are examined, measured and evaluated here by Peter Gerard Walsh.

The other articles take us back to Poland, for an updating look by a recent visiting Canadian academic, John Trent; Gary Gallon examines the way Canadian foreign aid dispensing agencies care about the environments they invade, and doesn't like what he sees; and Norman Hilbner is impressed by the recent flurry of books (memoirs, contemporary histories) by former members of the Department of External Affairs. Many other good new books get notices in the Book Review section, and readers and authors continue to write Letters to the Editor.

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Canadian security and "Defence against help"

by Nils Ørvik

The views presented here on Canada's defence and national security are based on these assumptions:

1. The primary objective of our national security policies is to maintain full, effective control over Canada's territory, on the land, off-shore, and in its air space. If we control the national territory we are free to decide ourselves how we shall be governed.
2. In reaching for this goal we face two threats, one from expanding incompatible systems, currently represented by the Soviet Union and its Socialist allies. The other threat comes from our neighbors to the south who, in their legitimate concern about the security of the North American continent, might offer us "help" which we may not want, but still cannot reject because it also serves our own national interests.
3. Both threats require military and other resistance which is and will be far beyond our means. Canadian territory with its institutions and systemic values can only be effectively protected by defence alliances with like-minded nations among which the United States takes the first place. Because the Americans are at the same time our best and closest friends and as unsolicited "helpers" also potentially threaten our sovereignty, we need close, binding alliance arrangements also with the West Europeans and other Western nations whose political systems and values are compatible with ours.
4. A prerequisite for fulfilling our national security objective is a much higher priority for national defence. Our effort must be functional and real, rather than symbolic. In order to maintain viable military forces, with credible assignments in Europe as in North America, a much larger portion of our national budget must be allocated to national defence.

Control of the national territory

It is the responsibility of the federal government to ensure full national control over every part of Canadian territory. The ability to exercise effective Canadian control within all major sectors of our society is a core element in everything related to our national security. It is also an integral part of our national defence effort.

Within the economic sector adequate legislation,

treaties, agreements, commissions, and other arrangements are the means to keep foreign interests within the confines prescribed by laws and regulations and prevent safeguards for national control from being eroded or lost. However, in the areas more directly relevant to the nation's security, words, writs and rights may not be enough to deter foreign encroachments. In such cases the rules and regulations may require enforcement. If the courts, the coast guard and other civilian law enforcement agencies prove inadequate, it may be necessary to request the assistance of our military forces.

Due to our geographical location and other special features of this country Canada lacks experience, policies and, above all, the means to deal with such matters. But due to very fortunate circumstances, there has been no need to develop procedures, methods and capabilities to meet the problem of national enforcement on a wider and more diversified scale. That is changing, because of other developments at international, regional and national levels. It is thus high time to start planning for contingencies affecting the broader ranges of our national security which we are not well equipped to deal with at this point. The new challenges may affect our perceptions of the threat and suggest responses that may indicate higher priorities for national defence.

Threat 1: incompatible systems

National defence and security become meaningless terms unless we know what we are trying to secure. A national security policy aims at safeguarding the values, the traditions, the free political and economic institutions and the quality of life which a majority of the nation wants to have. As conditions change, we want the transitions to come through an orderly democratic process in accordance with laws and rights established by a constitution based on a national consensus.

These fundamental rights and values are shared by most Western countries; that is, "western" in ideological rather than geographic terms. Countries which have adopted and developed Socialist or other forms of totalitarian systems do not share them. We who live in Canada recognize that whatever the ideological labels are, Socialist, Fascist or just repressive, their systems are incompati-

Nils Ørvik is Professor of Political Studies and Director of the Centre for International Relations at Queen's University in Kingston, Ontario. He is the author of several studies of Canadian defence issues.

Fifteen allies are better than one

ble with ours. We do not want them established in our country and we deplore the fate of those who are forced to live under them. As we are not inclined to start ideological crusades on a global scale, we are reconciled to coexisting with these regimes as long as they abide by international law and regulations and do not try to extend their systems to others by force or subversion. Thus the crucial point is whether countries with incompatible systems try to force other nations, not just to adopt their repressive institutions and values, but also to accept an external control of their policies. In that case the incompatibility of systems becomes a threat which may affect the direction of national policies.

Prior to 1945 there was little animosity in Canada against Russia. The perception of a Soviet threat developed gradually through the late forties when the Soviet Union, after having annexed the three small Baltic countries—Estonia, Lithuania and Latvia—and made Finland subject to remote control, stationed thousands of Russian soldiers in most East European countries. The expansionist trend was further confirmed when the Soviet Union used armed force in subduing Czechoslovakia, added Afghanistan to the invaded and occupied countries and silenced Poland with martial law.

There are those who readily condemn Soviet use of force against its smaller neighbors, but then go on to say that "These countries are so far away! What happened to them provides no evidence for such practices ever being applied to Canada. The Soviet threat is a myth!" The same logic was applied to Hitler's aggressions in prewar Europe, subduing smaller countries by armed force and establishing control of their policies. As no single nation was strong enough to take him on alone, the western nations belatedly pooled their resources to prevent a further spread of a system whose values they found unacceptable. The Soviet Union proceeds more cautiously; it moves at a slower pace, but it holds tightly to what it has acquired in previous conquests, and seems ready to add more whenever an opportunity opens up. Consequently, Canada, one of the initial architects of the western alliance, in her own national security interest and in those whose systems are compatible with ours, maintains her support of the western alliance and its combined strategy of deterrence and arms control.

Canada's European commitments

Any policy which has existed through three full decades with only minor adjustments is prone to obsolescence, in practice if not in principle. On these grounds the NATO arrangement has drawn criticism from people who feel that in its present form it has outlived its usefulness. The issue is not continued formal membership, which most people now take for granted. The debate is on what Canada does as a member and where she does it. Some Canadians are looking for other alternatives or modifications, rearrangements and redeployments within the present organization. Many feel that rather than maintaining a largely symbolic military presence in Europe with the two explicit commitments, one to the central front and one to the northern flank, Canada should withdraw her ground forces from Western Europe and bring them back to this side of the ocean. Our future NATO assignments should be intensified sovereignty patrols and various other forms of surveillance in northern Canada and in the North Atlantic.

Such suggestions have appeared sporadically during

the past few years. (See the writings of Franklyn Griffiths, Nicholas Tracy, Joseph Jockel, et al.) They take as a point of departure that the Canadian government and parliament will not allocate much more money for defence than they have done in the past. The fact that of all the NATO members only tiny Luxembourg spends less than Canada on national defence in terms of percentage of the GNP does not seem to bother them. Except for some extremist groups, no one suggests that Canada should leave the alliance altogether and revert to some kind of undeclared nonalignment. It is Canada's European role that is being questioned in talks and conversations as well as writings.

Many have doubts about the so-called "Rogers plan" for increased conventional defence which is now gaining attention within the alliance. General B. Rogers, the Supreme Commander of all NATO forces in Europe, has proposed that by using advanced technology and increasing the size of the conventional forces, NATO could reduce its present dependence on nuclear weapons and still maintain a credible deterrence posture versus the Warsaw Pact. This, he says, can be achieved by having all members increase their defence budgets by 1 percent on top of the 4 percent of their GNPs to which they have already agreed. In Canada's case, this would mean doubling the defence budget from its present 1.9 percent to meet the 4 percent required for the Rogers plan. Rather than trying to convince the public that Canada's "insurance premium" is dangerously low and that the long term security of the nation now requires a much larger defence effort, some reformers argue that Canada might make an equally valid contribution to NATO and to her own security by bringing back home her European force and using whatever money is available on sovereignty patrols in the Arctic and in northern waters.

How much to worry?

The mainstay of this argument is that as the Soviet Union has not attacked NATO territory so far, it will probably never do so. Such an attack would, so the argument goes, touch off an all-out nuclear war, which the Soviet leadership fears as much as anybody else.

Nevertheless, one cannot deny the unfavorable balance in existing forces and its potential effect on NATO's deterrence. If it becomes too low, the Soviets might make some limited aggression in Europe and get away with it. As they grow stronger and Western Europe becomes more subservient they might start snooping around our national territory with overflights and submarine incursions, as they now do in Sweden and Norway. Canada would be as unable to prevent this as the Scandinavians are today. Do we protect our sovereignty by making the defence of Canada a matter for the Americans?

In terms of continental security it is true of course, that it would be as much in the interest of the United States as it is in our interest to keep overseas intruders off the North American continent. It seems easy to say today: The US has the forces; they can afford it. Let them do it! Canada could as now maintain a military presence, which means that with the present restraints on funding, her contribution to a North American defence might be as symbolic here as it now is in Europe. By keeping the GNP percentage contribution on a low level, we could continue with our present national priorities. But projecting the above situation some ten to twenty years ahead, what will it do to our

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sovereignty and national independence, if we push the cost and the responsibility for the defence of our national territory, our system and our values over to the Americans? Is this the heritage we want to pass on to the next generation of Canadians? Do the short-term "gains" in today's priorities on the national budget justify the long-term losses by making the defence of Canada a matter for the Americans? If we persist as now, they will have to do it. They have no other choice. They can afford it. Can we?

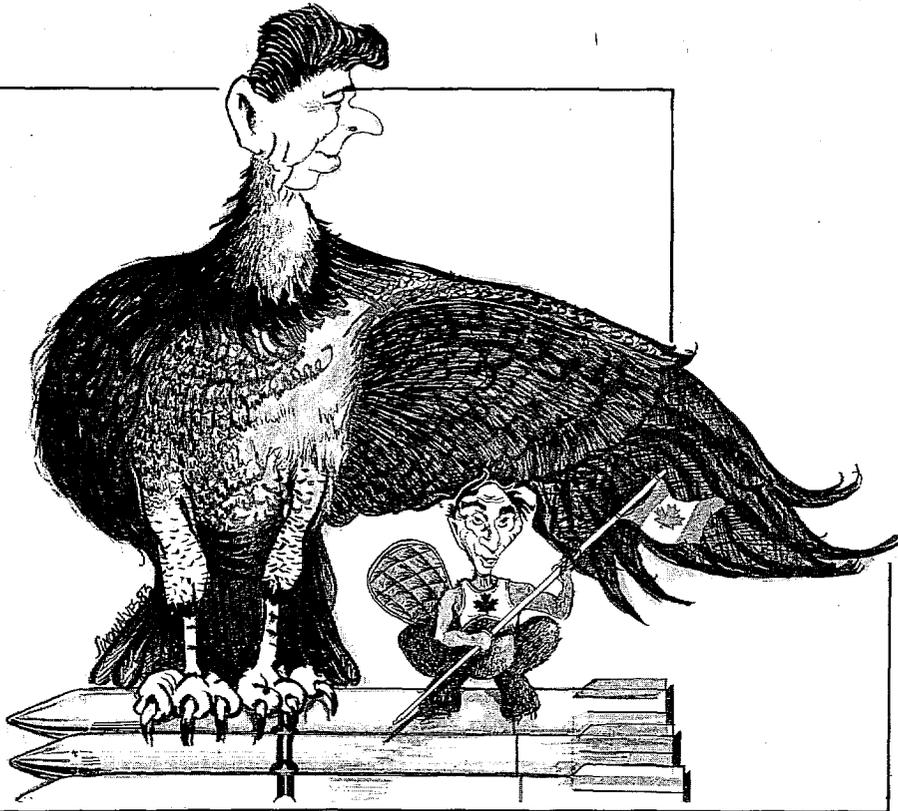
Canadian defence doctrine?

In some recent articles (*Canadian Defence Quarterly*, Summer issues 1980, 1981, Autumn 1982) this writer has argued the need for a "Canadian Defence Doctrine" sug-

have in Europe, with compatible political systems and interests, the stronger and more credible NATO deterrence, the greater the chances of preventing new Afghanistans and control based on political intimidation. The key to NATO's success is not just weapons but political alliance, cohesion and concerted deterrence.

Going it lonely

The need for a defence doctrine is accentuated by a new round of proposals arguing for discontinuing Canada's commitments to Europe. (See *Northern Development: Northern Security*, QCIR Series 1/83.) If Canada should withdraw her token force (a half-strength brigade) from Europe, the British, the French, the Germans and not the



gesting certain basic assumptions and criteria for a credible national defence posture. It accepts the continued existence of a Soviet threat which stems from the basic incompatibility of the democratic Western and the totalitarian Socialist systems. The systems threat is there now and it is unlikely to go away on its own, either by disintegration of the Soviet totalitarian regime or by a reversal of the expanding and aggressive trends in Soviet policy. Moscow seems as determined to subjugate Poland as to crush Afghanistan and then — who will be next? As Soviet's military strength continues to grow, unrestrained by domestic or world opinion (and a stabilizing arms control arrangement seems more remote now than ever), the spread of Soviet systems and influence must be checked by means that match the rapidly growing Soviet forces. As a further spread of Socialist systems might pose a long-term threat to Canada's values, political system and institutions, now as in the past the systems threat must be met on the European side of the Atlantic Ocean. The continued existence of the West European democracies is a guarantee for Canada's continued security. The North Atlantic and Western Europe is Canada's "forefield." The more allies we

least the Americans might see it as a defection, most likely to be followed by some of the smaller European allies. It might signal an unravelling of the alliance fabric, which is not in Canada's national interest.

A unilateral decision to withdraw our European commitment would also seriously hurt the reputation for responsible statesmanship which Canada has been building, not just in NATO, but on a global scale. It would damage Canada's trade relations, our overall political credibility and our potential for extended influence in international affairs. Opting out of treaty obligations is something which might be tolerated from a small and weak member, but not from a major country, now confidently appearing on summit levels along with the leading western nations. A drop to a level of the "semialignment" now practiced by such smaller NATO members as the Scandinavians, the Dutch and the Greeks, would be a definite setback for Canadian foreign policy, a relegation to levels where we do not belong.

Thirdly and most importantly a pullback of our forces from Europe would have a serious and negative effect on our relations to the United States. This can best be illus-

Fifteen allies are better than one

trated by what this writer has called the "defence against help" syndrome. As indicated above, Canada is simultaneously faced with two threats, one from expanding incompatible systems, the other from the United States, being forced by our own freely-chosen military inadequacy and symbolic defence posture to extend its help to safeguard North American security. Therefore, an important goal for our national security policy is to make sure that our defence contributions, in North America as in Europe, be viable and in a reasonable proportion to our GNP. By a timely buildup of national defence capabilities we can credibly prove that unsolicited "help" will not be needed.

Threat 2: "defence against help"

Perhaps the most significant variable affecting Canadian defence policies is the indisputable fact that Canada's security needs cannot be separated from those of the United States — and vice versa. In terms of security and defence the North American continent forms one single unit. What affects one will affect the other. Threats to the United States' territory spells automatic and immediate threats to the lands and seas north of the 49th parallel. Correspondingly, a physical and viable threat to even the northernmost parts of Canada's Arctic regions will be seen as equally relevant to the security of the United States. Its first reaction would be to expect Canada, as a sovereign nation, to act firmly and effectively to prevent any foreign intruder from gaining control of even the smallest, most desolate part of our national territory. After all, this is what sovereignty and national security is all about. If we did not do so, or even unduly delayed our response, the United States would offer its help in a way that we could not refuse. If we tried, we might have them provide the unrequested help anyway, in the joint security interests of both countries. If our national security goal is to ensure national control over the Canadian territory, we must have the means to do our share.

This is in essence the "defence against help" syndrome which is relevant to most strong-weak nations that share a common border. Those who argue that Canada does not really need to have more than a low cost, largely symbolic military establishment for her own national security needs, might want to give some further thought to future "help scenarios" in defence of North American security. (See "Defence Against Help," *Survival* No. 5, 1973.)

What it amounts to is an open recognition of the need to adopt a two-dimensional view of the threat and do something about it. The main objective of national security is to maintain full Canadian control over every part of the national territory. This goal is our point of departure. On the northern and eastern side there is a potential "systems threat" from an increasingly expansive Soviet Union, which represents a system which is in every respect incompatible with the values, beliefs, laws and regulations that form the Canadian system. In a longer perspective the fate of the Baltic countries, the East European satellites, Czechoslovakia, Poland and Afghanistan illustrates a long-term threat which no western nation can safely ignore.

Over there

The suggested defence doctrine argues that once a threat is identified, it should be met as close to its origins as possible. Western Europe is important to Canada for economic, political, cultural and security reasons. A con-

tinued strong and democratic Europe, free of Soviet control, remote or on site, gives Canada a viable and highly preferable alternative to "Fortress America." A major objective for Canada's participation in NATO is to avoid a *bilateral* defence arrangement for the joint common defence of North America with the United States. In the multinational alliance arrangement with sixteen full members of which fourteen are located in Europe, the dependence on the US is modified and diversified by the great variety of national positions in NATO. In form and principle Canada might remain a member of NATO after a withdrawal of her small Germany-based force, but she would have no clout, no standing or esteem and therefore no influence on alliance policy. A bring-the-boys-back move might be welcomed not just by extremist groups in Canada, but also by the highly vocal critics of American foreign policy in the US Congress who would use the Canadian example to press for a corresponding withdrawal of American troops as well. As for Canada, the more serious complications would come in the next stage, which would be dominated by concerns about "defence against help."

The views of those who argue for bringing Canada's European force back home and for a subsequent concentration on the defence of northern sovereignty, seem to overlook the rapid development in space technology and its application for continental defence. We do not know for sure what it will mean in terms of North American security, but it will most certainly involve Canadian air space, possibly also land- and sea-based installations on Canadian territory. The testing of cruise missiles in Alberta and the umbrella agreement of which it is a part, indicates the kind of issues we may have to face in the near future.

The question which no responsible Canadian can afford to neglect is how to deal with US requests for cooperative arrangements for defence of the North American continent. Should we resist and fight every such US proposal, as demanded by the anti-cruise movements which are now popping up around some of our major campuses? Is the best "defence against help" to say a flat "no" without offering any alternative solutions to the problem? Or should we sit down with the Americans and discuss in good faith what may seem a reasonable share? Which of the two approaches seems most likely to safeguard our sovereignty and continued control of Canadian territory — the ultimate object of a national security policy?

Some people who are confronted with the "defence against help" syndrome have reacted by screaming loudly about the "Finlandization" of Canada. The Finns have indeed a "defence against help" situation, but on terms that are completely different from ours. The situation which they face is the product of two military defeats inflicted on them by a country which for centuries has been their archenemy and whose political system, values and institutions are diametrically different to and incompatible with those of the Finns. Apart from a corresponding disparity in strength, the Finland-Soviet dyad has hardly any resemblance to the situation Canada holds vis-à-vis the United States.

Meeting Americans half way

Not only do we share the same continent and the basic features of the western system. We have nothing against the Russians, but we do not want their Socialist system. Of all

the world's countries, no one offers us a higher degree of compatibility than the United States. In traditions, culture, way of life, and language, no other two peoples have more to share. Because we are so close and have so much in common it is even more important to maintain our national identity, our special Canadian characteristics and the full and undisputed control of our national territory.

As we ally against the threat of incompatible systems, there have been suggestions that we also try to form a northern "mini-alliance" directed against the United States to protect Canadian sovereignty. In the view of this writer even an attempt to find candidates to join us in such a role would be a fatal mistake with dangerous consequences. To choose the negative approach, as initiated by the anti-cruise movements, and line up in defiant opposition to all American suggestions for cooperation on our joint North American security problems would be counter-productive. Seen from the US a hostile Cuba is a nuisance, a hostile Canada would be a threat, to be dealt with accordingly. We do not improve our security by initiating a battle which we are bound to lose.

This does not mean that there are no risks involved in the positive approach. But the chances of fulfilling our national security objectives seem much greater if we meet the Americans half way or perhaps even come out first, ahead of them, with cooperative initiatives and proposals which show that small does not necessarily mean inferior. Rather, the smaller we are, the taller we must walk.

As we have seen in the past there is an enormous reservoir of inventiveness, skills and constructive potential in Canada which would blossom and excel if it was given positive leadership, a conducive environment and the necessary resources. In space technology and a number of other areas Canada has a great potential, waiting for opportunities to engage and move on. In many of the security related fields there is no need for Canadians to take a back seat to anyone, including the Americans. A positive response to intensified cooperation on national security issues might give us the stimulus and the incentives to get involved and surge ahead, while the passive, negative response can only bring a perpetuation of conflicts, divisions, dissatisfaction and defeat.

A successful application of the defence-against-help model requires a firm and self-confident posture, a determination to "walk tall," along with sufficient resources for the nation's defence establishment to minimize the need for such help. If there is agreement that certain installations are needed on Canadian territory for joint defence purposes, the Canadian contribution must be large enough to ensure a substantial element of Canadian control. As a general rule the base-site commander of any base on Canadian territory, regardless of size and function, must be a Canadian. This means that in addition to a larger defence budget, we must also give special priorities to the training of personnel to make sure they have the skills that are needed when the Americans present their offers to help us. Rather than rejection or evasion, resistance or running for cover, we should be able to say: Yes, we see the problem, but we have what it takes to solve it.

We must now, at this point, intensify the efforts to establish joint cooperative arrangements on all levels relevant to the task of defending North America. Being a small

people in charge of the second largest country in the world presents us with many problems. It is a tall order, a challenge. But if Canadians are as serious as we say we are about the need to preserve Canadian identity and our national sovereignty and independence, we must be willing to pay what it costs. Part of that cost is a much higher budgetary priority for national defence.

We must pay our way to have our way

Let us keep in mind that Canada is facing two sets of threats. One from nations whose systems, values and institutions are incompatible with ours. We must do our share in preventing them from spreading and establishing control over Western Europe. Consequently our European commitment must be maintained and made credible. At the same time we must intensify our efforts to establish a closer day-to-day cooperation for North American security. Whether we like it or not we are faced with a "defence against help" situation in our relations to the United States. Our systems are fully compatible; we have more in common with Americans than with anyone else. We also share a continent whose future security is equally important to both nations.

It is like two families sharing a duplex. The one on its southern side is better off than the other. He can easily foot the bills for maintenance and insurance. The one on the northern side has a smaller income, diverging priorities and may neglect the upkeep. If his side of the roof, which shelters them both, is about to fall down, it will be in the best interest for the other to offer his help. If the offer is rejected a serious conflict might develop where repairs could be made over the other's protests, but still in the interest of both. Most Canadians, as proud and independent people, would try not to get into situations where our role would be that of the passive bystander, sourly watching his home being repaired at the neighbor's expense because he had neglected its maintenance and refused to pay his share.

Our claim to full sovereignty will have a hollow ring in Europe as in the United States if Canadians are unwilling to pay an insurance premium in terms of national defence which is in a reasonable proportion to our means. If we persist in our neglect, we should not complain over US "help" to maintain our North American duplex.

There can be little doubt that safeguarding North American security will require a much greater jointly-sponsored effort in the years to come. The cruise tests and the umbrella agreement may just be the tip of the iceberg. We are as much concerned about our national security as are the Americans about theirs. Canada will never be able to match their capabilities and we should not try to. But by rearranging our national priorities we are indeed able to match a requested 4 percent of our GNP for defence, without hurting any of the other vital items on our national budget. We are at a crossroad, faced with a situation which we cannot escape. Rather than being force-fed with unsolicited help, we stand to gain more by initiating cooperative arrangements ourselves and engaging in them, frankly, openly, positively and constructively. Canada has a unique and important role in North Atlantic relations. We will provide more security for the nation by being up front than by dragging our heels in the rear. □

Nuclear deterrence in trouble

by J.S. Finan

Has the arms control process failed? Notwithstanding official American claims about the prospects for success, in START and in the INF talks, there is reason for serious concern. Clearly, one major reason for the decline in the efficacy of arms control has been world political events such as the USSR's invasion of Afghanistan. But such explanations are insufficient to account for the increased concern about arms control initiatives and their inability to offer stabilizing prospects similar to those promised by the earlier SALT process.

There is, in fact, a structural dilemma in the edifice of deterrence which may be a significant cause of this loss of faith in the arms control process. It is this deficiency which this paper will explore. However, prior to considering this dilemma, we must examine the general theory of deterrence.

Nuclear deterrence: theory and structure

At the most general level, nuclear deterrence is based upon the notion that deterrence credibility can only be assured when the deterrer can deliver to an opponent unacceptable levels of damage after being attacked massively across the whole range of strategic assets including retaliatory weapons and related command, control and communication facilities. While it has been, and is, difficult to put exact values on the notion of unacceptable damage, what this concept means is that an opponent attacked in retaliation will be unable or unwilling to prosecute further a war. Traditional categories of victory and defeat are erased by such a situation, designed to indicate without doubt the issue of strategic victory and defeat. The capacity to execute such a deterrence policy is contingent on two properties — political credibility and technological credibility. Deterrence of the sort described here can only be successful if the nation or alliance announcing the posture has the political/psychological capacity to convince its opponent that it will act on its threats in the appropriate context and that it has the technological capability to deliver levels of damage that are deemed unacceptable by the opponent.

But over time there has been a need to refine the general nature of the deterrent threat to make it more believable to any opponent. There is built into the notion the concept of the proportional use of force. Threats to deliver massive levels of damage for relatively minor chal-

lenges in international politics will not be believed. They thus encourage even greater challenges. It was this sort of process which caused the early American nuclear strategy of "massive retaliation" to falter in the 1950s. While such unanswered challenges will upset a deterrent policy in the immediate sense, by undercutting political credibility, there will also be longer term repercussions where attempts to produce a new and more credible deterrence policy by the party whose bluff has been called may invite a succession of new, dangerous and destabilizing responses. A condition of this type is one of the most serious which can develop. The deterrer can reassert credibility only by engaging disproportionately in the threat of use of nuclear weapons to convince an opponent that its promises of punishment are not hollow. The disease becomes the cure.

The line of argument developed above raises another important point about any policy of nuclear deterrence — that is, that it is dyadic. It can only operate effectively if it is accepted by both parties to the deterring relationship. Acceptance need not be public and verbal and, in fact, this is not likely to be the case very often. But at the level of operational international politics, and from the perspective of force deployments, technological developments and nuclear employment policy, it may be inferred strongly that a particular deterrent posture has been mutually accepted.

The mutual acceptance of a deterrence by implication through force posture and operational policy reveals another characteristic of effective deterrence: the acceptance of limits in the relationship. These limits are both political and technological, and in the final analysis define the extent and the quality of the deterrent relationship.

It has been indicated above that an excessively simple and clumsy form of deterrence can be dangerous because it encourages opponents to test each others' resolve and may degrade the efficacy of future deterrent postures. In the relationship between the USA and the USSR, an effort has been made to avoid these difficulties by creating an extended form of deterrence. This has particularly been the objective of the United States at the central strategic level, and of the NATO Alliance below the level of central strategic weapons. In fact, the Alliance policy of flexible response is a definite attempt to establish a credible extended deterrence posture.

A vital requirement of any policy of extended deterrence is the capacity for "escalation dominance" — the achievement of just enough superiority in any area and at any level to deter. Since extended deterrence consists of a scale of political contexts of increasing importance and a related set of deterring options of increasing intensity, it is necessary at any given level to have available the techno-

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logical capability to threaten and ultimately to deprive an opponent of any gains he might seek through unacceptable action. This is the essence of "escalation dominance," and without it no credible form of extended deterrence is possible.

That, in brief, is how nuclear deterrence between the two superpowers and between the two Alliances works today. An important element in this process is arms control.

Role of arms control

It may seem unnecessary to draw a distinction between arms control and disarmament; but the essential distinction is often obscured. At a public level, at least, this lack of precision appears to have caused some difficulties through the application of disarmament criteria to arms control initiatives. Not surprisingly, arms control proposals fare badly when judged in terms of their ability to satisfy the demands of disarmament.

For the purposes of this paper arms control is designed to create impressions of quantitative and qualitative balance — or symmetry — in an ever-shifting technological environment. From this perspective it is not necessarily the case that an initiative is only successful when it produces actual reductions in armaments, as would be the case with a disarmament initiative. Indeed, if an increase in armaments produces stability, then an arms control proposal has been effective. It is the stability which counts, because from this sense of technological symmetry may flow the conditions conducive to the resolution of the major political difference which exist between the USSR and the USA. In addition, arms control agreements which consistently reduce the prospect that new technologies which threaten significantly the retaliatory assets of either the Americans or the Soviets may be deployed, are of particular importance.

In more specific terms, arms control proposals and arms control fora are integral to the successful operation of a policy of nuclear deterrence because they are the instruments with which the participants in a major deterrent relationship define, and inform each other as to, the political and technological limits of the deterrent arrangement. From this sort of perspective, arms control agreements themselves may be much less important in the operation of nuclear deterrence than the *process* of producing such agreements, since it is in this process that the distinctions between the needs of the two superpowers can be more clearly drawn. It could be argued that tacit agreements about limits could be equally or perhaps even more useful than explicit agreements, particularly if the political complexities of achieving a public agreement were too great.

It is precisely this sort of "defining of limits" which occurred in SALT I, and is at the heart of the SALT II proposals. SALT I defined with more or less success the quantitative limits of the central strategic relationship, while SALT II and now the INF talks and START are more concerned with imposing constraints on the more qualitative aspects of East/West nuclear competition.

One characteristic of arms control debates in the nuclear area has been an increasing tendency to deal with weapons systems of greater import for the two superpowers. While SALT I could, with comparative ease, handle problems related to the numbers of missile launchers, for example, it has been much more difficult for either the USA or the USSR to agree on the more qualitative aspects

of the superpowers' technological relationship. Issues such as increased accuracy of reentry vehicles, the possibility of refires, and so on, have imposed greater and greater strains on the arms control process. One reason for this is to be found in the nature of the technology itself, insofar as it is increasingly difficult to verify such events by national technical means. Neither side can monitor the other's qualitative capabilities with quite the same ease with which numbers of fixed silos in the ground have been monitored in the past. This has produced increased strains in the US/Soviet relationship.

But there may also be another reason for the decline in the commitment to arms control efforts, and that is that these efforts are more inclined now than they were in the past to offend the deterrent requirement of each superpower to command the capacity for *escalation dominance* at any given level on the escalation ladder.

The dilemma: arms control vs escalation dominance

In the discussion of deterrence above, the importance of possessing the capacity to deter an opponent in a balanced and proportional manner was stressed. This property has been seen to be a vital component in any deterrent posture which is to base its political credibility on a capacity for flexibility and extension.

Given political will, the means for such flexibility must be technical. As the deterrent relationship between the USA and the USSR has become more complex, the requirement for higher levels of technological refinement in the deterrent relationship have increased. This condition has developed and will continue to grow because of the dynamic relationship between those technologies which offer greater prospects for delivering more tailored effects within the context of flexible deterrence on the one hand, and those technologies which promise to limit the damage that can be delivered on the other hand. As the ultimate level of deterrence is approached — that is, the level of delivering large-scale strikes against an opponent's urban-industrial complex — these distinctions in capability become more important. In this connection, one of the interesting phenomena associated with deterrence has been that it has developed, in a sense, from the top down. As time has passed, larger more "dirty" and less controllable weapons have been replaced by systems which promise greater accuracy and less fallout as a result of smaller warheads. Consequently, these distinctions have become the central focus for much of the deterrence debate. Moreover, as the search for escalation dominance has grown below the ultimate level of response, it has become increasingly realistic to speak of the use of nuclear weapons incrementally within an overall context. Paradoxically this process is both required *and* artificial, as it is more and more the case that there is an increasing need to make explicit the subtle distinctions which comprise extended deterrence, while simultaneously arguing that such weapons are never to be used. But as these distinctions become more elaborate, the action/reaction process of armaments competition is likely to accelerate. It is one of the significant dilemmas of deterrence that the effort to make the process more dynamic and more plausible has also made it appear more threatening, and to some degree less manageable.

From this perspective, arms control seems to be less functional than it was in the past in the sense that the

Escalation dominance takes over

benefits — in terms of enhanced stability — which might accrue from an agreement may not be nearly as advantageous, when weighed against the costs of a loss of escalation dominance at any given level as a result of that accord. Moreover, once a ladder of escalation is in existence, the dangers of losing escalation dominance become substantially greater as the ultimate level of deterrence is approached. This is particularly so if an opponent, in the process of achieving escalation dominance simultaneously acquires, or nearly so, the capacity to reduce potential retaliation. In such a situation, the role of arms control as a stabilizing enterprise is very likely to be sacrificed for the much more immediate imperative of reacting to what increasingly appears to be a developing nuclear war-fighting/war-winning capability.

Cultural complication

Another complicating issue related to this process of making the dynamics of deterrence more explicit has been the fact that the West-East dichotomy is not an accidental development but exists for powerful social, political and historical reasons. At first blush, such comments appear to be so obvious that they are not worth stating, but they do bear heavily on deterrence in the process of increasing clarification and demarcation. This is so because deterrence itself is at bottom a process bounded by the political and historical images of its main protagonists. As the necessary effort to arrive at some commonly-accepted view of how deterrence ought to run is pursued, the inherent and perhaps unresolvable differences between the USA and the USSR and East and West become increasingly obvious.

Along with other factors mentioned above, this process contributes to the erosion of the reliability of nuclear deterrence as the primary ordering principle in international society. If at one level it has been important to make deterrence more rational and manageable by making it more explicit, at another level this effort has been largely counter-productive precisely because it exposed the large differences which exist between both the superpowers. In effect, some issues would have been more readily managed if discussion about them had not occurred. Misperceptions as to the anticipated behavior and reactions of opponents might have been prevented, or at least kept within acceptable limits.

This statement of a general, inherent conflict between the two superpowers has impacted strongly on the arms control process. The American approach to arms control has always emphasized the goal of achieving agreements on important aspects of the technological relationship between the USA and the USSR. A central feature of such agreements or understandings has been the need to describe aspects of the relationship in terms of static and dynamic measures designed to promote perceptions of equality. The Soviets, for their part, have been considerably less inclined to consider these sorts of factors as the essential focus of arms control fora. This does not mean, of course, that the USSR is unmindful of these considerations, but that it has always brought to such negotiations a politically more competitive approach. Its negotiators have not tended to see the arms control experience essentially in terms of a set of mutual, practical problems for which they, along with the USA, are seeking solutions. This attitude has been accompanied by a determination to gain deals which serve Soviet interests, where possible at the expense of the USA and the West. In effect, arms control fora are

appropriate, as are other fora in international affairs, for strenuous political competition with the West within the context of peaceful coexistence. Such activity is understandable and should be expected, given the tenets of Marxism-Leninism.

Strategic "social contract"

From an American and Western perspective, Soviet competitive activity offends a sense of what is appropriate in international politics, while at the same time creating irritation over the USSR's apparent lack of concern in solving what appear to be mutual problems. The search for stability through arms control embodies implicitly a contractarian persuasion which is central to American political culture. The search for a kind of strategic "social contract" was very pronounced in SALT I, but it was also present in SALT II. The persuasion assumes that there is essential agreement on the nature of the problems to be resolved and on the limits of acceptable competition, together with implicit and explicit rules of conduct. It takes little reflection to see the lack of complementarity, and therefore the basis for serious tensions which exist between the USA and the USSR over approaches to arms control.

In short, the United States, and the West generally, have tended to view arms control efforts as an entering wedge which may cut across the dangerous competitive relations between the superpowers and initiate a state of peaceful relations in international politics. The Soviets, for their part, take a view which fits with their essentially totalitarian view of international politics and war — that is, that the principal feature of international relations is competition. It accepts further that warfare between states will be other than simply military competition and will also comprise political, economic and psychological dimensions.

The American reaction to this Soviet activity has been increasingly one of concern and irritation and doubts about Soviet good intentions. It has reached the point where many Americans concerned with the problems of arms control have wondered publicly about its utility. The Soviets have reacted to these expressed doubts with a growing sense of apprehension that the United States is abandoning any real determination to avoid a nuclear contest and is in fact preparing for just such an eventuality. The result of these perceptual differences has been a growing reliance on, and determination to have, the essential capability for escalation dominance even if it means a significant decline in the emphasis on arms control efforts.

Arms control versus "escalation dominance"

It is difficult to claim definitively that one direction or another will inevitably be followed in resolving the tension between arms control and the search for escalation dominance. What can be said however, is that if mutual intransigence besets superpower relations in place of any real search for accommodation, the results will not be pleasant. The search for escalation dominance will become the driving force at the expense of arms control, and in time it will be transformed into the capability for fighting and winning a nuclear war. The problems here are essentially political. Their resolution can probably only be found in the acceptance by both superpowers of a mutually-constraining set of limits on their activity. The acceptance of such limits are likely to place far greater strains on the Soviet Union than on the United States or NATO. □

Advice from a prophet

by Peter Gerard Walsh

Ours is a world of nuclear giants and ethical infants. If we continue to develop our technology without wisdom or prudence, our servant may prove to be our executioner.

General Omar Bradley

George Kennan disturbs me. Much of his insight is powerfully cogent and refreshing. But when it comes to the question of nuclear weapons, Kennan seems to go cold. I was almost ready to dismiss him, as have some of his critics, as someone who has never been able to face the harsh realities of the existence and buildup of such weapons. Indeed, at one point in his latest book, *The Nuclear Delusion: Soviet-American Relations in the Atomic Age*, he proposes that we "go back, symbolically speaking, to bows and arrows." His often eccentric haranguing has been dismissed by most "specialists" who are schooled to think about nuclear weapons in more complex and seemingly more sophisticated ways. After reading the same book, however, I begin to get the unsettling feeling that perhaps this is one historian who has penetrated the opacity of our nuclear reality and has done so with such clarity that, like Cassandra, he is destined not to be believed. Kennan offers, as a proem to *The Nuclear Delusion*, the Richard Wilbur poem, "Advice to a Prophet." Kennan is the prophet, "mad-eyed from stating the obvious." He does not write to satisfy any urge for self-expression — he is a man driven by the conviction that he bears an urgent message and he writes with passion and a striking sense of human responsibility.

The Nuclear Delusion, with the exception of its comprehensive twenty-two page introduction, contains nothing that Kennan has not previously made public. The book is actually a collection of selected pieces from Kennan's writings over the past seven years (and three short pieces from the fifties which indicate his initial thoughts on the atomic weapon), including his recent exhortation, "A Proposal for International Disarmament," in which he urges:

...an immediate across-the-board reduction by 50 percent of the nuclear arsenals now being maintained by the two superpowers; a reduction affecting in equal measure all forms of the weapon, strategic, medium range, and tactical, as well as all means of their delivery: all this to be implemented at once and without further wrangling among the experts, and to be subject to such national means of verification as now lie at the disposal of the two powers.

This proposal, announced on May 19, 1981, when Kennan

was awarded the Albert Einstein Peace Prize, has attracted widespread attention and has been favorably received by a public faced with the increasingly difficult predicament of how to reverse the dangerous momentum of the nuclear arms race. Indeed, the *Christian Science Monitor* recently conducted a poll in which Kennan's proposal turned out to be the "overwhelming favorite," more popular than the "SALT-type" proposals, the Kennedy-Hatfield mutual freeze proposal, or the Jackson-Warner "freeze-after-US-buildup" proposal.

Then came "no-first use"

Kennan's more recent endorsement of a US no-first-use policy (contingent upon a vigorous upgrading of NATO conventional forces in Central Europe) in *Foreign Affairs* (Spring 1982) was, of course, no surprise. Since the early fifties, he has persistently urged US adoption of such a posture and policy. The appearance of this thought-provoking article, co-authored by McGeorge Bundy, Special Assistant to the President for national Security Affairs, 1961-66; Robert S. McNamara, Secretary of Defense, 1961-68; Gerard Smith, Chief of the US Delegation to SALT, 1969-1972; and Kennan, US Ambassador to the Soviet Union, 1952, and to Yugoslavia, 1961-63, has brought the no-first-use question to the fore and has sparked a series of polemics which will no doubt influence Washington's future thinking on this vital policy question. Responses have followed in each of the *Foreign Affairs* issues subsequent to the one in which the Kennan et al. proposal appeared. The gravamen of these critiques is that the central premise upon which the Kennan et al. proposal is based is wrong — the premise that "the one clearly definable firebreak against the worldwide disaster of general nuclear war is the one that stands between all other kinds of conflict and any use whatsoever of nuclear weapons." Rather, Kennan's critics maintain that this firebreak is not as important as the "firebreak between no use of weapons between forces of the superpowers and any significant conflict, even confined to conventional weapons, between those forces." That is, they argue that "the best guarantee against nuclear war is to strengthen the barrier

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George Kennan then and now

not between conventional and nuclear war, but between peace and war." This barrier is strengthened by a policy which vows no-first-aggression while retaining the option of responding to an aggression, even one of a purely conventional nature, with nuclear weapons. The United States has made this pledge of no-first-aggression. Thus, it is evident, most recently from his seminal role in this debate, that George Kennan at seventy-nine years of age continues to be a highly influential gadfly in the American foreign policy arena.

Unstoppable momentum

The selections which make up *The Nuclear Delusion* are instructive in illustrating the evolution of Kennan's thought on the nuclear weapon. Even — or especially — if one is familiar with Kennan and has already read these dissertations discretely, one may find it enlightening to reread them in package form. It is interesting to note which items or themes Kennan has chosen to include and which ones he has chosen to omit from among his voluminous assortment of essays, speeches, and treatises on the subject. Also, Kennan has organized the book in such a way that the various pieces interweave and iterate certain central themes. The most crucial of these is what Kennan has described as the nearly unstoppable momentum of the arms race. He conveys this theme cogently by juxtaposing his material in such a fashion that one feels the momentum build from "The Nuclear Problem in Its Infancy" to "East-West Relations under the Shadow of the Nuclear Bomb" to "The Nuclear Age in Crisis." He has combined this with an "overlapping" effect by which the core themes are repeated and re-emphasized in successive pieces. With such overkill Kennan is sure to strike home and he does.

Kennan's present bias on Soviet-American relations in the atomic age is clearly, often glaringly, in evidence throughout the book. The comfortable ornithological labels of "hawk" or "dove" do not apply to him although some of his critics have suggested that "cuckoo" would be quite appropriate. His inclination in this book is best illustrated by comparing an included selection with an omitted one. He has chosen to reprint here "The American-Soviet Relationship: A Retrospective" (1976), in which he decries the hard-line conclusions regarding Soviet intentions in the late forties and early fifties according to which:

The recognition that the Russians had the weapon, and the necessary carriers, served as sufficient basis for the assumption that they had a desire to use it and would, if not deterred, do so.

Yet he omits his own similar speculations in a dispatch from Moscow dated September 30, 1945:

There is nothing — I repeat nothing — in the history of the Soviet regime which could justify us in assuming that the men who are now in power in Russia, or even those who have chances of assuming power within the foreseeable future, would hesitate for a moment to apply this [atomic] power against us if by doing so they thought that they would materially improve their own power position in the world.

One caveat here, though, about Kennan's thought on the Soviet Union and the Soviet leadership: he sees an essential, momentous difference between Stalin's Soviet Union

and the Soviet Union after 1953. This is extremely important since most of Kennan's thought from the forties and fifties is, according to him, not applicable to the post-Stalin Soviet Union.

Whose arms race?

One of the least appealing aspects of this book is its lack of balance in apportioning blame for the progressive deterioration and militarization of the Soviet-American relationship. But one must recall that Kennan is often given to overstating his case — the very tendency for which he criticizes American politicians and others who mobilize public opinion — and one must realize that this book is directed at Western, not Soviet, opinion. In Kennan's scheme of things the Soviet leadership is depicted as:

... highly conservative men, perhaps the most conservative ruling group to be found anywhere in the world, markedly advanced in age, approaching the end of their tenure, and given to everything else but rash adventure.

Ronald Reagan's advanced age apparently does not merit such reassurance. Quite the contrary, Kennan refers to the Reaganites (by implication) as "military enthusiasts" who deal in the "false mathematics" that is "rapidly growing beyond the power of either human mind or computer."

Indeed, Kennan pulls no punches when he speaks of the militarization of Western thinking on Soviet-American relations, but when he speaks of things Soviet, he pussyfoots. In an artful display of capitulation, while weighing the "uncertain" Soviet threat to Western Europe versus the "certain" threat posed by some impending "ecological disaster," Kennan proffers: "After all, people *do live* in the Soviet Union. For the mass of people there, life is not intolerable." A Ukrainian Sovietologist recently remarked to me with obvious understatement that Kennan "has a blind spot for the dissent movement." In an essay on the internal situation of the Soviet Union, Kennan seems to sympathize with the "embattled" Soviet leadership but allows that many of its methods in repressing dissent are "unjust." Kennan maintains that he "yield[s] to no one in [his] admiration for such men as Solzhenitsyn and Sakharov." He nevertheless often plays apologist for Soviet and East European totalitarianism. His apologia for the Jaruzelski coup ("Jaruzelski's Course" *New York Times* Op-Ed article, January 5, 1982), is included in the text and is particularly disappointing in this respect.

Resisting consistency

George Kennan has always been an eristic figure. Leopold Labedz, one of Kennan's most eloquent critics, has charged him with "schizoid political dualism" and persistent "tergiversations." The belabored debate over whether Kennan has been consistent or inconsistent is largely a semantic game of dubious value. Nonetheless, Labedz does have a point. Kennan's verbal economy often renders him inscrutable — the misinterpretation of his containment prescription in "The Sources of Soviet Conduct" (the famous "Mr. X" article of 1947) is a case in point — and sometimes he is plainly contradictory. In fact, although he was able to carefully select items for inclusion in *The Nuclear Delusion* and thereby omit passages of questionable consonance, he does contradict himself in the most crucial of questions — that of the nature of the Soviet

threat to Western Europe. Consider this assertion by Kennan from a 1975 interview:

What I thought was essential in 1945, in 1946, and in 1947 was to prevent the political influence and predominant authority of the Soviet government from spreading any further in the world because we had had it demonstrated in the period of World War II that you didn't always have to occupy another country in order to dominate its life. You could threaten it, or you could subvert its government by various ways, including the time-honored phenomenon of puppet government.

On the following page there appears an excerpt from a 1976 interview on the question of whether the Russians could successfully dominate Western Europe. Here he makes an assertion at odds with the above:

I don't think the Russians are that great — I don't think they could do it technically. To dominate large areas with massive populations, in the first place military occupation would be necessary.

Kennan would argue that these two statements are not as contradictory as they seem prima facie. He should not expect, though, that we be conversant with his preconceptions. One would perhaps postulate that in the former statement Kennan's comments are directed toward the East European states proximate to the Soviet suzerain, whereas the latter question concerns Western Europe. But this is not so; the former statement was also made in the context of a discussion about Western Europe. The former, implying a political rather than a military threat, is more in keeping with Kennan's earlier thought and is in fact the axiom upon which his containment proposal (as opposed to the misinterpreted version of containment which became a US foreign policy doctrine) was based and against which it was directed.

Realities of Soviet capabilities

Perhaps the key word in the question, "Could the Russians successfully dominate Western Europe?", is "successfully." Kennan answers "no." One may agree with him but argue that the Russians could dominate Western Europe nevertheless. Similarly, one may argue that the Russians can not successfully dominate Afghanistan but that they can nevertheless dominate Afghanistan. A loaded question more worthy of scrutiny by Soviet experts is: "Where does the Soviet leadership today draw the line between 'successful' and 'unsuccessful' in its strategic *Weltansicht*?" In a nutshell, what is the nature of its strategic designs on Western Europe and do the Soviet rulers themselves see Western Europe as something which they could dominate successfully? This leads to the question of what the Soviets would regard as "acceptable damage" in a proposed military or political adventure. With their enormous manpower resources and their relative isolation from domestic pressures (these should not be treated lightly, though), their acceptable damage estimate, which would certainly figure in any kind of politico-military calculations, would be much greater than many Western thinkers realize. The facile argument that the Soviet leadership is more sensitive to these question because of its devastating losses in the War, which ignore the fact that many of these were attributable to Stalin, is misleading and false. These

questions demand analysis by qualified and seasoned specialists, above all by historians attuned to the often less than scrutable tendencies and historical trends that are the fabric of a nation. Kennan has such insight and expertise; yet he offers little in this vein. He no longer sees the threat about which he so vociferously exhorted us in the forties.



George Kennan last year

The outstanding feature of this book and the aspect which commends it so strongly is the admonition announced by the title, *The Nuclear Delusion*. Kennan's nuclear delusion is actually a multifarious delusion or rather a series of delusions and illusions into which the West has been led since the cultivation and inclusion into its arsenals of atomic weapons. Quite correctly, Kennan the historian sees the appearance of the atomic bomb as a watershed in world history. (Though this is perhaps less of a watershed than was the development of the concept of strategic bombing after World War I.) Essentially, he maintains that the nature of the weapon is such that it has altered and distorted the ways in which we think about our adversaries, about war, and even about ourselves. The weapon's "peculiar psychological overtones" have lulled and misled us almost imperceptibly to a most crucial point in human history, a point from which we move, "like lemmings heading for the sea," to the certain destruction which Kennan believes would befall Western civilization in the event of a nuclear war. Kennan has perhaps deluded himself that there is a distinct difference in potential destructiveness between the state-of-the-art non-nuclear weaponry and nuclear weapons. It has been argued that the level of sophistication of much modern "conventional" weaponry,

George Kennan then and now

including biological and chemical weapons, has clouded this distinction.

A plague of myths

The nuclear delusion has permeated and dominated our thinking on Soviet-American relations. In this collection, Kennan emphasizes and iterates three signal manifestations of the nuclear delusion. These are: first, the fact that we look upon the nuclear device as a "weapon" when in fact it is not a weapon in the traditional, historical sense of the word; second, our military planners have (not unnaturally) created a dummy adversary and have ascribed to it many evil qualities and tendencies which, although having but a tenuous basis in reality, have been accepted as genuine by many in the West; third, and most important, the peculiarly devastating nature of the nuclear weapon and its unprecedented position in the human experience have resulted in a Frankenstein device that subtly influences and controls its masters and generates a momentum of its own which tends toward its use.

This last facet of the delusion is surely the most pernicious and it is something which Kennan feels with the certainty of a doctor feeling the pulse of a long-time patient:

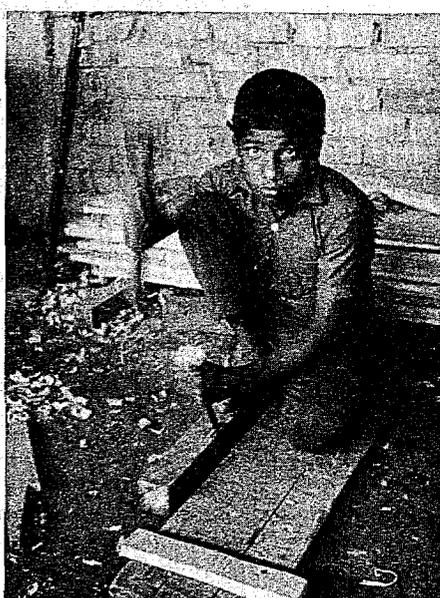
The historical research with which I have recently been occupied has carried me back to the diplomacy of the European powers of a century ago; and I find these truths clearly evidenced in the records of those times, even though the terrible-ness of the weapons then at the disposal of great governments did not approach what we know today. I find instances there of great powers which had no seriously conflicting interests at all — no conflicts of interest, that is, which could remotely have justified the sacrifices and miseries of a war. Yet they, too, were carried helplessly along into

the catastrophe of the First World War; and the force that carried them in that direction was simply the momentum of the weapons race in which they were then involved.

This not only *can* happen again. It *is* happening. We are all being carried along at this very moment towards a new military conflict, a conflict which could not conceivably end, for any of the parties, in anything less than disaster. It is sobering to remember that modern history offers no example of the cultivation by rival powers of armed force on a massive scale which did not in the end lead to an outbreak of hostilities.

Much of the power of Kennan's argument lies in his reliance upon the medium of history; ironically, history is the very weapon used by the hard-line pundits (most notably Richard Pipes) to bolster their image of a Soviet Union willing to wage nuclear war as a continuation of its politics by other means.

George Kennan has, from the outset, been horrified by nuclear weapons and he has expressed his fears. But then alarmism is common these days. What is sobering is that, in Kennan's case, the alarm comes not from a neutralist "Peace Movement" demagogue but from an astute diplomat-historian, the estranged father of containment and one of the most eminent Soviet specialists in the United States. Kennan is not, as Leon Wieseltier of *The New Republic* recently wrote, "a man unnerved by a nightmare." Kennan's alarm is cerebral, not visceral. It is grounded in history and what is frightening is Kennan's record for prescience. Soviet-American relations is a tricky business, the vagaries of which have mired more than one Washington administration. George Kennan thrives in the business — he has a fine-tuned instinct for it and today that instinct is flashing "Danger!"



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Diplomacy makes writers

by Norman Hillmer

Canadians are natural diplomats. History and geography require it. A large, diverse, fragile country demands it. Canada became an active and effective middle power after the Second World War, John Holmes has argued in one of many recent diplomatic "reminiscences," by doing what came naturally. Canadians were ideologically in the centre; its diplomats were the right men for the job; and circumstances dictated that international commitment had become both necessary and desirable.

External relationships have always been at the heart of national politics and Canadians' view of themselves. But before 1939 diplomats were few, diplomacy all but invisible. This was in some measure by design: diplomacy spelled involvement, and that was bound to be divisive. Hume Wrong found it difficult to justify Canadian attendance at international gatherings in the 1930s. Why should there be, if there was to be no substance to Canadian policy and no freedom for its diplomats? "Dining alone this evening," the bored young diplomat wrote, "I developed a plan for the perfect representation of Canada at conferences. Our delegate would have a name, even a photograph; a distinguished record, even an actual secretary — but he would have no corporeal existence and no one would ever notice that he was not there."

Diplomatic numbers reflected the changing world of the 1940s, and changing Canadian attitudes. At the beginning of 1939, there were Canadian foreign missions in Washington, Tokyo and Paris, all headed by Ministers, and a High Commission in London. By 1945 there were twenty-two posts abroad, and "Ambassador" had entered the lexicon of Canadian diplomacy. In 1939 the Department of External Affairs sent representatives to eighteen conferences. The figure had risen to ninety-five by 1945. L.B. Pearson spoke of a "group of international civil servants; a sort of permanent force of experts who are ready, at the drop of an Order-in-Council, to fly to any part of the world and represent Canada either at a conference to make peace with Germany or one to suppress the traffic in obscene publications." This stretched resources, to be sure. As of 1945, there were still only sixty-seven foreign service officers in the department.

Diplomats could always write

Until recently books by Canadian public men and women were a rarity. Diplomats, however, regularly provided an exception to the rule. O.D. Skelton, who as Under-Secretary from 1925 to 1941 established the basis for a professional Department of External Affairs, was the author of a staggering variety of historical and political

studies before he came to Ottawa. Hume Wrong, W.A. Riddell, Escott Reid and H.L. Keenleyside, early members of the department, wrote about Canadian history, and much else besides. Later on, Marcel Cadieux did an elegant primer for the Canadian diplomat, while Robert Ford and Douglas Lapan won Governor-General's awards for

The Shaping of Peace: Canada and the Search for World Order 1943-1957 (2 vols.) by John W. Holmes. Toronto: University of Toronto Press, 1979-1982, 349 pages, \$27.50 and 443 pages, \$37.50.

Memoirs of Hugh L. Keenleyside Volume I: *Hammer the Golden Day* Volume II: *On the Bridge of Time* by Hugh L. Keenleyside. Toronto: McClelland and Stewart, 1981, 526 pages, and 647 pages, both \$29.95.

Envoy to Nehru by Escott Reid. Toronto: Oxford University Press, 1981, 301 pages, \$26.95.

Diplomatic Passport: More Undiplomatic Diaries, 1946-1962 by Charles Ritchie. Toronto: Macmillan, 200 pages, \$13.95 cloth, \$7.95 paper.

The Canadian Summer: The Memoirs of James Alan Roberts by James Alan Roberts. Toronto: University of Toronto Bookroom, 1981, 253 pages, \$19.95.

Stitches in Time: The Commonwealth in World Politics by Arnold Smith with Clyde Sanger. Don Mills: General Publishing, 1981, 322 pages, \$24.95.

their poetry, the latter adding one for prose as well. In the 1970s Pearson, Lapan, Reid, Chester Ronning, Charles Ritchie and John Holmes contributed recollections, in one form or another, of their life in diplomacy. All were part of the small, tightly-knit and homogeneous Department of External Affairs that emerged from the Second World War.

We have recently heard a great deal more from and about Pearson's band of "international civil servants." The study of external affairs continues to attract the attention of the country's best scholars. Charles Stacey's history of Canadian external policy in *The Age of Mackenzie King*,

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Books by Canadian diplomats

James Eayrs's fourth part of *In Defence of Canada*, Claude Bissell's *The Young Vincent Massey* and J.L. Granatstein's *A Man of Influence: Norman A. Robertson and Canadian Statecraft, 1929-1968* and *The Ottawa Men: The Civil Servant Mandarins, 1935-1957*, all published since 1980, are ample evidence of keen interest and high standards. It is noteworthy that American universities have been re-discovering international relations of late. The study of foreign affairs is essential to an understanding of a country's history and development. This is especially so in Canada. We have relied, more than most, on outsiders for defence and a healthy economy. More than most, we have drawn our national traditions and national images from other countries.

As if to underline the point, the number of memoirs, diaries and historical studies by former Canadian career diplomats has also swelled. John Holmes has completed a lengthy examination of Canada and international institutions (the UN in particular) in the period 1943-1957. He is careful to state that "this is not a memoir," but agrees that the "bias of a foreign service officer of the times described cannot be avoided." The great value of Holmes's study is precisely that. He was there, and he accurately represents the style, thrust and psychology of Canadian diplomats and diplomacy.

Reid and Ritchie

Escott Reid more explicitly combines history and autobiography in the first detailed study of the "special relationship" between Canada and India in the decade beginning in 1947. The focus is 1952-1957, Reid's period as High Commissioner in New Delhi, when the love affair reached its peak and then began to go badly. His passion for India shows. He is eloquent about the country and its people, and about Nehru as the embodiment of the best and worst of India. He argues that the search for policies acceptable to India (and satisfactory to the United States) was central to the Pearson-St. Laurent era of Canadian external relations. India's policies were in turn modified by Canadian considerations, notably in the decision not to withdraw from the Commonwealth after Suez. And Indian-Canadian diplomacy had broader international implications as well: the Korean armistice of July 1953 was in large measure the result of their partnership. These are big claims, and difficult to substantiate, as the author knows and admits.

Charles Ritchie's contribution is the third instalment (a fourth, covering his Washington years in the 1960s, is not far off) of his delightfully "undiplomatic" diaries, covering his service from 1946 to 1962 in Paris, Ottawa, Bonn and New York. He comments more than once about "how little mention there is in them of my working life." This is true, in a routine sense. The diaries are the escape of a sensitive and artistic temperament from diplomacy, the attempt to reawaken an appetite for life. It is as if James Eayrs had read the Ritchie diaries before writing, in *Diplomacy and Its Discontents*, that "the diplomatist is a tragic figure. An artist compelled to be an artisan, a painter forbidden to paint, a poet who must spend his most creative hours grinding out the gibberish of state." But in exorcising the arid, the false and the conventional, Ritchie has some pertinent things to say about diplomacy and its practitioners. *Diplomatic Passport* is an important book, and not simply for its considerable literary merits. Character

sketches are sharp and evocative. There is, for example, the admirable but rather rigid Louis St. Laurent on tour. After the Italians presented the Prime Minister with "something handsome in the line of silver," an attempt was made to convince him that he must reciprocate with something grander than a picture in a cheap frame. "Prime Minister, in Rome do as the Romans do." St. Laurent's reply: "In Rome we do as Canadians do."

Keenleyside

Hugh Keenleyside, whose diplomatic service included periods in Tokyo and Mexico City, has travelled the difficult route of traditional autobiography: two fat volumes totaling almost 1,200 pages, a length perhaps suited to a more leisurely age. Many potential readers will undoubtedly be frightened away, but Keenleyside is a smooth and able writer. He, like Ritchie, is very good at making his characters live, a talent professional historians seldom possess. He paints the best portrait thus far of the Department of External Affairs in its formative years. The author, like many of us, is least effective when discussing himself and his motives.

Methods and approaches in these books, then, vary widely. But personalities, events and themes recur: King and St. Laurent, Pearson and Robertson, the Cold War, NATO and Suez, North Atlantic Triangle and middle-powermanship, the role of the diplomat at home and abroad, the relationship between politicians and public servants. The emphasis is on the 1940s and 1950s — what Granatstein has called the confident age of Canadian diplomacy. Finely-crafted, polished books all, they are written so seductively that it is easy to forget that there is another point of view. In retrospect at least, External Affairs closes ranks. Assessments of colleagues are almost universally genteel. Politicians — those interested in foreign policy — do almost as well. Canada is seen as committed, influential, benevolent. It is nice to see Ritchie occasionally puncture that all-too-common Canadian self-esteem and self-importance. "I think and hope that Canada is respected in the United Nations," he wrote in 1960. "Or is it just that we are regarded as 'respectable?' We seem to have assumed the role in many of the world's troubles as an objective bystander, willing to help if it does not cost too much, given to tut-tutting over the passionate unreasonableness of other people, and quite given to political moralizing."

Smith and Roberts

Two other related books are worth noting. *The Canadian Summer* is the memoir of James Alan Roberts, a distinguished soldier, businessman and public servant who served briefly as Ambassador to Switzerland from 1969-1972. Unfortunately, apart from some interesting wartime recollections, the book is slight as well as short, more appropriate for relatives and friends than the general public. More substantially, Arnold Smith, who left the Department of External Affairs after over twenty years service to become the first Secretary-General of the Commonwealth, has written an account of his years (1965-1975) at Marlborough House. The book gives only the briefest glimpse of Canadian diplomacy and Canadian diplomats. It is clear, however, that Smith carried with him a lot of intellectual baggage — Canadian baggage, as one might expect. Canada's part in transforming the British Empire into a multi-racial association of equals was a source of pride to Smith, and useful in placing some distance between Whitehall and

The events of February and March 1983

international canada

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"International Canada" is a paid supplement to *International Perspectives* sponsored by External Affairs Canada. Each supplement covers two months and provides a comprehensive summary of Canadian government statements and of political discussion on Canada's position in international affairs. It also records Canadian adherence to international agreements and participation in international programs. The text is prepared by *International Perspectives*.

Bilateral Relations

USA

Visit to Canada of Vice-President

US Vice-President George Bush was in Ottawa on March 23 to meet with Prime Minister Pierre Trudeau and other Canadian ministers. It was planned that the talks would involve a broad range of subjects, primarily concerning global issues. Mr. Bush had recently been in Europe promoting US President Reagan's "zero-option" proposal on nuclear arms, a proposal under which the US would cancel plans to deploy medium-range Pershing II and Cruise missiles in Europe if the Soviet Union dismantled all of its medium-range missiles already there (*The Citizen*, March 22).

It was an opportunity for several Members of Parliament to question the government about its views on US nuclear arms policies. Leading up to Mr. Bush's visit, MPs in the House of Commons made representations to the government about their concerns. On March 21, Douglas Roche (PC, Edmonton South) wanted to know whether the government "would be putting before the Vice-President any proposals which would contribute realistically to the nuclear negotiations in Geneva so that an acceptable solution can be found to the nuclear arms question, which is the principle concern of people all over the world." External Affairs Minister Allan MacEachen responded that Canada would make its views known about various proposals, and would express its concern that success be attained at the Geneva negotiations.

On March 22 in the House of Commons, two MPs also asked the government to make Canadian objections to US interference in Central America known to Mr. Bush (see following story). And Paul McRae (Lib., Thunder Bay-Atikokan) asked Mr. MacEachen whether the government would put forward a proposal which would have more chance of success than the zero-option plan. Mr. McRae said he considered a previous proposal for a limited deployment of only seventy-five launchers or missiles on each side more viable than the zero-option plan. Mr. MacEachen said that in the discussion with Mr. Bush, "we intend to raise this particular proposal and others which

may have merit, in an effort to break the deadlock that now appears to exist at the talks in Geneva."

A major source of controversy in Canada over the past year had been the plan of the Canadian government to enter into a weapons testing agreement with the US. This agreement, which had finally been signed in February, cleared the way for a separate agreement for the US to test its unarmed Cruise missile system over Alberta (see POLICY—DEFENCE). Whether or not Canada had committed itself to the specific testing of the cruise missile was a question often asked in the House of Commons. Because of previous statements by Prime Minister Trudeau that no such agreement had been reached, NDP external affairs critic Pauline Jewett asked Mr. Trudeau March 22 whether, in his talks the next day with Mr. Bush, he would make it clear "that the government had not agreed to Cruise missile testing, nor is it committed to such testing, and that, if in the future the government should refuse a request made to it to test the Cruise, such a refusal would in no way breach any of the government's commitments." She said that the US Ambassador to Canada had suggested that Canada would be breaching its commitment if it refused to test the Cruise. Mr. Trudeau answered that to test the Cruise there had to be Cabinet approval, and there had been no Cabinet agreement on the testing.

Miss Jewett also wanted to know what views the government would put forward regarding the zero-option and the Geneva negotiations. Mr. Trudeau said that Canada's position was that the zero-option was not the only one, and that it should not be used to prevent meaningful negotiation.

In the House of Commons March 24, Miss Jewett, along with two PC Members of Parliament, again questioned Mr. Trudeau about what views on nuclear arms he had presented to Mr. Bush. Mr. Trudeau reaffirmed in the House of Commons Canada's commitment to the NATO two-track policy, which involves nuclear buildup at the same time as negotiating reductions. Mr. Trudeau told the

House that in talks with Mr. Bush, he had strongly urged that progress be made in reduction talks. He said that the essence of his message to Mr. Bush had been that although the zero-option was the ideal option, Canada was not certain that it was a realizable goal. The Prime Minister had urged the US to look at compromise or intermediate solutions.

US Involvement in Central America

Canadian politicians and the public objected to US military aid to Central American regimes in February and March, as fighting continued in that region. In the House of Commons February 2, NDP foreign affairs critic Pauline Jewett said that a day earlier, 1,600 US troops had begun military activities in Honduras near the Nicaraguan border. "Nicaragua has been under prolonged and persistent pressure from the US and American-backed right wing rebels . . . The threat of invasion from Honduras continues. The governments of Honduras and the US continue to harbour and support anti-Nicaraguan rebels, terrorists, troop activities, and harassment of refugees." She said that this violated a call from foreign ministers of other Latin American nations for countries to refrain from undertaking action which could lead to further conflict in the region, and work instead for peaceful settlements. She said that Canada supported this approach, called the Mexican-Venezuelan initiative.

The next day Liberal MP Maurice Dupras (Labelle) spoke against the US-Honduran operation. He told the House of Commons that "since the first of February, American and Honduran forces have been holding large-scale joint military manoeuvres in Honduras, less than twenty kilometers from the Nicaraguan border." Mr. Dupras said that this operation, called Big Pine, was the largest-ever organized in Honduras by the US army, involving the 1,600 US troops and 5,000 Hondurans, and had the aim of intimidating and destabilizing the Sandinist regime in Nicaragua. He called upon External Affairs Minister Allan MacEachen to "give public expression to our indignation in a communication to the Pentagon."

On March 9, Mr. Dupras presented a petition to the House of Commons, signed by 50,000 Canadians "who are outraged by the fact that the United States is giving military aid to dictatorships in Central America," and as members of the Development and Peace Movement, are demanding the liberation of these people.

During February and March Bob Ogle (NDP, Saskatoon East) made several requests for the government to protest to the Reagan administration about US military involvement in El Salvador. On February 14 he said Canada should "be extremely careful about following any policy of the US" in Central America. This followed a visit to El Salvador by the US Ambassador to the United Nations, Jeane Kirkpatrick. Mr. Ogle told the House that Mrs. Kirkpatrick had said that she had never seen a place in which human rights had been so well respected. This statement was despite the fact that over 4,000 people had been murdered in that country by forces of the right, often supported by the government of El Salvador, he said. On February 28, Mr. Ogle told the House that it had been announced a day earlier that the US Secretary of Defence was attempting to "find \$60 million more to put into the war in El Salvador . . . and has said that if he cannot get it through the ordinary means of Congress, he will go to a

special fund to provide military assistance to foreign countries. Some of the countries that have received that special assistance are Vietnam, Cambodia, and El Salvador in 1981." Mr. Ogle called this "a horrendous thing," and asked the Canadian government to protest to the US in every possible way. He repeated his request on March 2.

Again on March 11, Mr. Ogle urged the government to protest to the US over its involvement in El Salvador, and over an indication that President Reagan was planning to "ask for another \$120 million for military aid to El Salvador." External Relations Minister Charles Lapointe responded that the Canadian position on military aid to El Salvador was quite clear. Canada had recommended non-intervention in the internal affairs of El Salvador and an immediate suspension of all arms supplies and military aid in a resolution to the Human Rights Commission in Geneva. He said that he would be happy to repeat that position to the American government through the usual diplomatic channels.

Following what was called "the heaviest fighting" on the Nicaraguan border since 1979, Bob Ogle proposed in the House of Commons March 22 that the Canadian government "strongly protest to Vice-President Bush tomorrow when he visits Canada about the US involvement on that frontier." It was one of several proposals made by Mr. Ogle that day regarding Canada's reaction to the conflicts in Central America.

The same day, also in anticipation of the visit to Canada of Mr. Bush, Stanley Hudecki (Parliamentary Secretary to Minister of National Defence) called on the Prime Minister, the External Affairs Minister and the Canadian Ambassador to the US to "make genuine and forceful representations to the present administration in the US to increase their efforts in the search for a negotiated, rather than a military, settlement in El Salvador." Mr. Hudecki's request followed announcements from US President Ronald Reagan that he was seeking to increase the number of US military advisers in El Salvador, as well as increase US military assistance to that country.

Later in the week, there was a demonstration in Winnipeg protesting the US involvement around Nicaragua. Two Manitoba Cabinet ministers took part in the demonstration in front of the US consulate, during which an American flag was burned. Their presence at the demonstration "sparked a debate in the legislature the likes of which [that] province has not seen since the mid-seventies." The two ministers "dissociated themselves from the flag-burning incident in which they did not take part, but stood by their participation in the demonstration, which infuriated the opposition," a *Globe and Mail* article stated March 31. The Conservative opposition said that the US would take offence, and that the action might jeopardize negotiations in Washington about the Garrison Diversion project.

The same week, US President Ronald Reagan implied to the US public in a televised speech that the Caribbean country of Grenada was installing Soviet weapons and building an airport with a runway too great for legitimate Grenadian use. In the House of Commons March 25, Dan Heap (NDP, Spadina) said that the runway length was in fact less than the length of runways in several other small neighboring countries. He said, "In light of the many US-backed invasions of Caribbean countries, such as Guatemala, Dominican Republic, Cuba, and Nicaragua,

and US naval manoeuvres in the Caribbean, Grenada is justifiably alarmed at the President's sabre rattling. I, therefore, call upon the government of Canada to state publicly that Canada will oppose any move by the United States to interfere with the sovereignty of Grenada and to assure Grenada of our support in the event of any attempt to invade that country."

Grenadian Foreign Minister Unison Whiteman was in Toronto the next week. At a press conference March 31, he told reporters that Mr. Reagan was deliberately distorting the picture of events in Grenada in order to create a climate of hysteria that would justify an invasion by US-backed forces. Grenada had been on a state alert following Mr. Reagan's speech and the sighting of US jet planes over the island and of a US warship three miles off the coast, Mr. Whiteman said (*Globe and Mail*, April 1).

Air Travel Dispute

On February 24, the US banned previously-agreed-to bargain-rate air travelling between Canada and US destinations in a move to force Canada to accept US competition in the Canada-Australia air travel market. The dispute was settled March 4, but in the meantime 100,000 Canadian travellers to the US risked having their vacations cancelled because of the move by the US Civil Aeronautics Board (*Toronto Star*, February 25).

The discount flights had been offered by Air Canada and matched by several US airlines. The tickets had been sold with up to 70 percent discounts for flights within Canada and to US destinations for weekends between February 25 and June 20. Those scheduled to travel on the weekend beginning February 25 found out at the last minute that a temporary accord had been reached for that weekend, and that negotiations would continue the next week. If those negotiations failed from the US point of view, and the US Continental Airlines were refused permission to offer cheap flights from Canada to Australia via Los Angeles, it was expected that the reduced fares would be permanently suspended (*Toronto Star*, February 25).

The Canadian government had previously refused the bid by Continental to provide a competitive service to Australia. "The US government has known that Canadian position for months. But suddenly Tuesday it made a link between Canada-US fares and the Continental issue," *The Citizen* reported February 25. Continental Airlines had been trying for more than a year to "skim off some of the market for travel between Canada and Australia," according to the *Citizen* article. There had been several reasons for Canada's refusal to comply with that request. An External Affairs official said that such an agreement would kill the CP route to Australia (*Toronto Star*, February 25). In addition, according to government officials, "Canada-Australia routes are shared by CP Air and Qantas, an Australian airline, under rights granted by the two governments. It would be unfair to these two airlines and contrary to the Canada-Australia agreement to allow Continental to compete (*The Citizen*, February 25).

Canadians reacted with anger to the US move. Many telephoned the US Embassy in Ottawa. Transport Minister Jean-Luc Pepin called the US pressure a hostile and unfriendly attempt to force Canada to back down from a point of principle (*The Citizen*, February 25). He said that the US negotiators seemed to be trying to force deregulation on Canada, and that such a system was not right for Canada

(*The Citizen*, February 26). Transport officials accused the US of blackmailing them by linking two totally separate issues (*Toronto Star*, February 25).

Members of Parliament from all three political parties also voiced their disapproval of the US action in the House of Commons between February 25 and March 4, when the dispute was settled. Les Benjamin (NDP, Regina West), on February 25, called the US action "nothing more than blatant interference in Canadian affairs" and said that it was just one in a series of recent examples of the US breaking faith with Canada. Gaston Gourde (Lib., Lévis) said on February 28 that the action demonstrated how nonchalant the US was regarding relations with Canada. He urged Canadians to avoid vacationing south of the border in the future and tour Canada instead. The next day Pat Nowlan (PC, Annapolis Valley-Hants) asked Prime Minister Trudeau to talk directly to US President Reagan. Mr. Nowlan objected to what he called the use of innocent Canadian travellers as pawns in a regulatory fight between Canada and the US.

During the week, negotiations took place on several levels between Canada and the US. Transport Minister Pepin continued to be critical of the US tactics. "This is the first time in history that a country refuses to admit 100,000 tourists," he told reporters on March 2, when it was reported that there was only a slim chance left that the discount airfares would be honored. "Continental Airlines is a very powerful company with good contacts in the US government," he explained (*The Citizen*, March 3). Mr. Pepin told reporters that Canada had that week offered Continental up to 8,000 travellers from Canada to Australia, half the total carried annually by CP Air, but that the US had rejected the offer because they still wanted a larger share of the Canadian market (*The Citizen*, March 4).

On March 4, just three hours before several thousand Canadians were due to leave on weekend flights, the US lifted the ban, and accepted Canada's offer to Continental. At a news conference, Mr. Pepin again said he deplored the "unfriendly" attitude of the US government. A Transport Department official told reporters that the indignation of the Canadian public at the holding of 100,000 tourists for ransom was a factor in the US decision to lower its demands (*The Citizen*, March 5).

One of Canada's concerns in the negotiations had been that a deal with Continental would open the door for other US airlines to demand such seat sales on European and other routes. However, it was reported, Canadian negotiators said that they knew of no other US airline waiting in the wings to make such a proposal (*Globe and Mail*, March 5).

Canadian Films Called "Propaganda"

The US Justice Department announced on February 23 that three Canadian documentaries produced by the Canadian National Film Board (NFB), two on acid rain and one dealing with nuclear war, were "government propaganda." As a result, when shown in the US, each must open with a statement declaring that the film was not approved by the US government, and was prepared by an agent of a foreign government. In addition, names of individuals or institutions which show these films must be reported to the US Justice Department (although, accord-

ing to *The Citizen* February 25, there was some confusion about whether this would happen in every case).

The acid rain films, commissioned by Environment Canada, are called *Acid Rain: Requiem or Recovery*, and *Acid From Heaven*, and deal with scientific facts. The other is *If You Love This Planet*, a film of a speech by Dr. Helen Caldicott describing the effects of a nuclear war. Canadians responded strongly to the branding of the films. Environment Minister John Roberts called it "extraordinary interference with freedom of speech" and said he suspected that the US public would "react with contempt and disdain" to the labelling (*Globe and Mail*, February 24). The head of distribution for the NFB, William Litwack, called the US move "regrettable, insulting and shameful" (*Globe and Mail*, February 24). In the House of Commons February 25, Walter McLean (PC, Waterloo) called on External Affairs Minister Allan MacEachen and Communications Minister Francis Fox to "make a clear statement to the American administration that the treatment of these films is unacceptable to the people of Canada and the government of Canada."

In the US, some politicians also reacted negatively to the Justice Department "blacklisting." Senator Edward Kennedy, in a speech to the National Press Club in Washington February 25, accused US Attorney General William French Smith of launching a McCarthyite "naked assault" on freedom of speech. "The book burners of the 1950s have become the film blacklists of the 1980s," he said. A number of other Congressmen, including Republican James Leach of Iowa, urged the US administration to reverse the "childish decision." Mr. Leach, a member of the US House foreign affairs committee, told reporters that the move was "an egregious insult not only to our friends and allies in Canada, but also the fundamental right of Americans to view, read or think what they wish without government interference or government disclaimers" (*Globe and Mail*, February 26).

In the days following the US decision, it was reported that the films had won a kind of "cult status" in the US, attracting extra screenings and viewers. US Congressmen continued to make public statements against the Justice Department ruling, viewing the move as a "national disgrace." Norman D'Amours (Democrat, New Hampshire) said the film *Acid Rain: Requiem or Recovery* was "an honest, fair portrayal of a very serious environmental problem plaguing the US and Canada," and accused the Reagan administration of "attempting to repress information that might tend to conflict with its own view of the issue" (*The Citizen*, March 2). Canada and the US have different positions about action to combat the problem of acid rain.

On March 3 it was revealed that the US Justice Department had a year earlier labelled another Canadian film on acid rain, *Crisis in the Rain*, "political propaganda" (*Globe and Mail*, March 4).

Canadian Lumber Exports

An awaited preliminary decision resulting from an investigation by the US Commerce Department into alleged unfair subsidies for Canadian lumber exports was welcomed by Canadian industry and government representatives on March 8. It was officially decided that the threatened US countervailing duty would not be imposed on imports of Canadian softwood lumber, shingles, shakes

and fencing. The preliminary findings followed months of investigation by the US Commerce Department into claims by the lumber industry in that country that Canadian lumber was causing material injury to the US industry. It was claimed that this was the result of subsidies by Canadian governments. A variety of federal and provincial industry assistance programs, as well as provincial practices and pricing for stumpage (the right to cut trees) were investigated (External Affairs press release, March 8).

The March 8 finding by the US Commerce Department was that these subsidies were insignificant, and that the stumpage practices were not subsidies. It was decided that the value of the assistance provided by Canadian governments, when factored over the value of Canadian production (about \$5 billion in 1982), only amounted to 0.32 percent for lumber, 0.24 percent for shingles and shakes, and 0.29 percent for fencing, an External Affairs press release March 8 stated. The press release also said, "However, the countervail investigation will continue with the US Commerce Department making a final subsidy determination on May 23, 1983. If the final subsidy determination is also negative, the investigation is ended. If the final subsidy determination is affirmative, however, the US International Trade Commission would then be required to make a final determination of the material injury by August 8, 1983. If no material injury is found, the case will be terminated."

The March 8 decision followed months of representations by involved Canadians. The *Regina Leader Post* (March 11) claimed that, "Among other things, the tariff threats brought about a rare show of unity by unions and firms fearful of seeing Canada's \$2-billion-a-year lumber sales to the US chopped away. The sound of the protectionist buzz-saw also brought forestry ministers from three provinces — Ontario, Quebec and British Columbia — to Washington in an equally rare show of direct lobbying of American decision makers by provincial governments." International Trade Minister Gerald Regan also visited Washington in February to discuss the investigation with US Commerce Secretary Malcolm Baldrige (External Affairs press release, February 25). Mr. Regan had also met with US Trade Representative William Brock, and US Secretary of State George Schultz to make representations about the Canadian lumber industry.

Mr. Regan told the House of Commons March 8 that the US decision that day was a great victory for Canadian cooperation because the federal and provincial governments and the industry had worked together to protect Canadian interest. Pat Carney (PC, Vancouver Centre) wanted assurances from Mr. Regan that the government would pursue every effort to ensure that the US decision would not be reversed. Mr. Regan told the House that he was "extremely confident that we are well on the way to final victory in this matter." He explained, "It is true that it is the preliminary finding, but the process that leads to a final determination on May 23 is merely one of verifying the accuracy of the facts placed before the US officials."

The US Coalition for Fair Canadian Lumber Imports, which had made the original objection, did not agree with the Commerce Department ruling. On March 22 it was reported that the Coalition was appealing the decision in the US Court of International Trade in New York City in an attempt to overturn the Commerce Department decision. "We now are asking the Trade Court to reverse this deci-

sion and direct their department of commerce to calculate the value of the subsidy the Canadian manufacturers are receiving," a spokesman for the group said (*The Citizen*, March 22). If the US producers succeed in the appeal and overturn the preliminary decision, the case would go to the US International Trade Commission for a finding on the extent of injury to US producers. The Trade Commission had, in a preliminary ruling last November, said that it appeared that Canadian lumber imports were hurting US competitors. The US coalition believes that countervailing duties of up to 65 percent should be imposed on the Canadian imports in order to protect the US industry (*The Citizen*, March 22). The group believes that the Commerce Department should have ruled that the stumpage granting system in Canada constituted a subsidy (*The Citizen*, March 22).

Great Lakes Area Chemical Pollution

The increasing chemical pollution of the Niagara River-Lake Ontario basin continued to cause concern during February and March. The source of the pollution is largely several toxic dumps in New York State. Toxic waste has been leaking through rock into waterways and finding its way into Lake Ontario through the Niagara River, with the potential of contaminating the drinking-water of four million Canadian and one million US residents. The clean-up of a major polluter, the "S-Area" dump is pending the outcome of a lawsuit by the US and New York State governments against Occidental Chemical Corp., formerly Hooker Chemicals, which dumped chemicals into porous rock close to the Niagara River from 1947 to 1975. Environment Minister John Roberts had in January called the S-Area dump "a greater threat to Canadian waters than any other US landfill uncovered to date." Quoting this statement in the House of Commons on February 7, Joe Reid (PC, St. Catharines) urged Mr. Roberts to treat the matter with urgency. He also accused the US Environmental Protection Agency of "dragging its heels" in this case.

A joint US-Canadian study released February 15 revealed that there are at least three hundred industries and sewers polluting the Niagara River. The scientific evidence in the report by the Niagara River Toxics Project was the result of a two-year study, the most intensive of its kind in North America. Several of the chemicals can cause cancer, birth defects, mutations and nerve damage and suppress human immunity to disease. The effects on human health had not yet been documented, but wildlife and fish have been affected (*Globe and Mail*, February 16).

The next day in the House of Commons, Neil Young (NDP, Beaches) asked Mr. Roberts whether Canada would make representations at a public hearing being held in New York State into the Love Canal dump site near the Niagara River. Mr. Roberts explained that it would be counterproductive for the Canadian government because "opting to appear before the American court system would likely foreclose other means of redress we would otherwise have. In other words if we decide to commit ourselves to the court process, there is a real danger that American government authorities would say, in effect, 'You have chosen to go that route, you must live with the consequences. Therefore, we will not respond to you until the court process has dealt with the representations you have made.' Since that could be a very lengthy process we are unwilling to cut ourselves off from other options of redress."

On February 22, it was reported that low levels of dioxin had been found in Lake Ontario and the Niagara River. Ontario Environment Minister Keith Norton said in the legislature that "there is no reason for any concern about the health effects" of the water because the level amount is so small "it is almost beyond human comprehension" (*The Citizen*, February 23). However, in the House of Commons the next day, Joe Reid again called for the Canadian government to take more positive action to protect the water supply because "the presence of dioxin, the deadliest chemical known to man, has been detected for the first time in untreated lake water samples."

On March 2 a Pollution Probe report said that the low levels of hazardous chemicals in Toronto water was most certainly causing health problems for some people, and calculated that 72 to 156 area residents would get cancer because of the chemicals. They urged stronger water quality laws and a study of better water treatment methods. Later in the month Pollution Probe joined two US groups in asking a judge for the right to become a full party in the court-supervised talks between the US government and Occidental Corp. (*Globe and Mail*, March 22).

Liberal MP Stanley Hudecki (Parliamentary Secretary to Minister of National Defence) also called on the government to make strong representations to the US government to "ensure that a very serious attempt will be made to clean up the chemical dump sites along the Niagara River." He told the House of Commons March 18, "These chemical dump sites are like a time bomb and could have dire consequences for the health and safety of Canadians, either through a massive chemical leak into the Niagara River and then into Lake Ontario, or through slow seepage into the water systems, which could reduce the quality of our drinking water and lead to long-term health effects. The government of Canada could help in the search for suitable toxic chemical controls. Presently, there is a \$2.5 million earmarked for toxic chemical control, money which has been frozen by the Treasury Board and which, therefore, might not be spent this year." He urged that the money be released by the Treasury Board, in light of the recent reports confirming the increasing presence of lethal chemicals in Lake Ontario.

Acid Rain

A joint Canadian-US report on acid rain pollution, which represented 2.5 years of research by Canadian and US scientists, was released in Canada on February 21. The Canadian scientists found that "large areas of south-central Ontario, southern Quebec, the Maritimes, New England and Appalachia are threatened with acidification." The one-thousand-page report confirmed damage to lakes, rivers, fish, forests and buildings and said that in parts of eastern North America, the amount of acid rain sulphur fallout is twice what might be considered a safe level. Canadian researchers asked for a 50 percent reduction in acid rain pollution, which the Canadian government is also committed to. But the US scientists did not agree to recommend such cuts, even though they agreed that acid rain had damaged the environment (*Globe and Mail*, February 22).

The same day, Environment Minister John Roberts called this position "inexplicable." He said that he was frustrated by US delays in negotiating the Clean Air Act,

and that the US scientists agreed that lakes have been damaged, but refused to conclude it would happen to other lakes. In response to the Canadian reaction, a senior US Environment Protection Agency (EPA) official said that Mr. Roberts was wrong to demand an immediate 50 percent cut in the pollution because it would take another three years of research to show any widespread effect. The official, Courtney Riordan, said in an interview February 22 that he does not accept Canada's claim that long-range air pollution from the US is helping to destroy a large part of the Canadian environment (*Globe and Mail*, February 23).

Before the present administration in the US was in office, the US had signed a memorandum of intent with Canada to negotiate a clean air pact. Since then, Canadian ministers have accused the US government of delaying such an agreement, and a senior environment official accused the White House of manipulating scientific information (*Globe and Mail*, February 22 and 23).

The acid rain problem had grown to be a major point of contention between the two governments. On February 23 the US Justice Department labelled two films on acid rain (and one on nuclear disarmament) made by Canada's National Film Board "government propaganda." The two acid rain films give a view of the serious urgency of the acid rain problem which conflicts with the view of the US administration (See this section — Canadian Films Called "Propaganda").

Calling Canada "a waste dump for US industry," Jim Fulton (NDP, Skeena) called on the government February 22 to take further steps, such as unilateral legislation and the convening of a lobby group to make representations to the US Congress, to ensure action on acid rain. He said that the US response to the report a day earlier had been to "demand further studies, further reviews and further inaction. That is a view created by the manipulative politics of Reaganism that put the interests and profits of industrial polluters before the health, well-being, and economy of the North American public."

In early March, two Liberal MPs in the House of Commons also called upon Canadian industry, and the public, to support the Canadian position, and to do so by helping make the US industries and the US public aware of the serious problem.

It was announced on March 15 that the House of Commons Sub-committee on Acid Rain had been reconstituted. The present Sub-committee has almost identical membership as it had in 1981 before disbanding, including Chairman Ron Irwin. A press release March 15 stated:

There is unanimous, all-party agreement on the critical importance of this environmental issue and on the need for this Sub-committee to recommence work towards an effective and timely solution to the problem. Acid rain is an issue that transcends partisan political considerations. As before, the Sub-committee will speak with a single voice and demand concrete action from governments to protect the North American environment from this most insidious pollutant.

The press release from the Sub-committee said that over the past two and one-half years a wealth of data had been gathered. It continued:

However, negotiations with the US have now reached an impasse. The Americans say that

"more research" is needed before any action can be taken to effect control of industrial pollutants and thus reduce acid rain. This Sub-committee believes that this call for "more research" is an excuse to avoid making the difficult and expensive decisions that are necessary to solve the acid rain problem. In taking this stand, the US — at one time a world leader in environment protection — finds itself standing almost alone among the industrialized nations in its reluctance to recognize the damage caused by acid rain and in its refusal to enact effective programs to control the industry-sourced air pollution that is its cause.

The statement also said the group was pleased to observe that many members of the US Congress were actively concerned about acid rain. It had been particularly encouraged that an amended version of the US Clean Air Act, incorporating an acid rain control program, had been passed unanimously by the Senate Environment Committee last July, the press release stated.

In answer to a question in the House of Commons from Stan Darling (PC, Parry Sound-Muskoka) on March 29, Mr. Roberts said that acid rain was not discussed at length during the visit a week earlier to Ottawa of US Vice-President George Bush. Mr. Roberts said that it would be a matter of discussion in talks between External Affairs Minister Allan MacEachen and US Secretary of State George Schultz in early April.

Acid Rain: New EPA Head

A controversy in the US Environmental Protection Agency (EPA) worried Canada in February, according to an environment counsellor at the Canadian Embassy in Washington. George Rejhon was quoted in *The Citizen* February 23 as stating that, "From a Canadian point of view, we watch with deep anxiety the political drama unfolding around EPA. To the extent that things don't work well at EPA, they have an affect on how we work together on environmental problems." Canada's growing discomfort with EPA's disarray coincided with Canada's efforts to reopen sensitive acid rain negotiations aimed at making fast and drastic reductions in acid rain pollution, *The Citizen* reported.

When a new head of the EPA was appointed, Stan Darling (PC, Parry Sound-Muskoka) told the House of Commons that Environment Minister John Roberts should "take advantage of these factors which have so quickly changed what had seemed to be a situation of deadlock" for acid rain negotiations. Mr. Darling told the House of Commons that the new EPA Head was William Ruckelshaus, who had been the original administrator at its founding twelve years earlier. "I am sure that all of us who have a deep and critical interest in environmental matters welcome this appointment," he said. On March 29, Mr. Darling again urged Mr. Roberts to meet with Mr. Ruckelshaus as soon as possible.

Garrison Diversion Project

During February and March, Canadian politicians expressed concern over proposed US funds to continue work on the Garrison Diversion Unit in North Dakota. In December 1981, US funds of four million dollars to continue the construction of the Garrison project had been refused by

the US House of Representatives, and a week later, reinstated by a House-Senate committee. This was in addition to about \$160 million already spent by the US on the elaborate water diversion project, which is intended to irrigate farmland in North Dakota. The Canadian and Manitoba governments oppose the project, which they claim will pollute drinking water, and will allow predatory Missouri River fish to enter Manitoba rivers and damage that province's fishing industry. The reinstatement of the funds had been despite protestations to the US government by Canada and Manitoba.

In the House of Commons February 1, Dan McKenzie (PC, Winnipeg-Assiniboine) stated that in addition to the four million dollars, "the US government has just announced that more than twenty-two million dollars has been proposed to continue the completion of the Garrison Diversion project." Mr. McKenzie told the House that it had been reported in the January 3 edition of *Time* magazine that Senator Mark Andrews of North Dakota had persuaded members of the House-Senate Conference Committee to restore the four million dollars, or risk having a halt put to their own projects. Mr. McKenzie said that in view of the fact that the best interest of Canada and the recommendations of the International Joint Commission (IJC) had not been taken into consideration when funding for the Garrison project had been voted on, External Affairs Minister Allan MacEachen should make immediate representations to the US government to "resolve this ludicrous situation."

The same day Terry Sargeant (NDP, Selkirk-Interlake) also spoke against the US plan to allocate the five-fold increase over the interim allocation of four million dollars. But, he said, there is hope because the US House of Representatives had initially voted to deny the interim funding in December. He told the House, "the door is still open to convince our American counterparts of the negative impact that approving this funding for Garrison will have on Manitoba. Therefore I urge the government to make serious representations to the US administration to stop this funding, and once again send an all-party parliamentary delegation to Washington to convince members of Congress to vote against the Garrison allocation when the vote comes to be taken this summer."

A similar statement was made in the House of Commons by Jack Murta (PC, Lisgar) the next day. And on February 7 the subject was part of an adjournment debate. Mr. McKenzie and Jean Lapierre (Parliamentary Secretary to the Secretary of State for External Affairs) spoke about the proposed funding. Mr. Lapierre said that he had more confidence in the US political system than to think, as Mr. McKenzie did, that individual Senators would put their pet projects above Canadian or IJC views. He said that no one on either side of the border would dispute the findings of the IJC in 1977 — that if the Garrison unit was built to full size it "would cause severe and irreversible damage to the Manitoba ecosystem and, in particular, to the commercial and sport fisheries in Manitoba." It was quite possible, Mr. Lapierre said, that Congress would reduce drastically or eliminate an appropriation of the proposed magnitude.

On March 29, PC Leader Erik Nielsen and Joe Clark (Yellowhead) expressed concern in the House that an incident in Winnipeg during which a US flag had been burned with two provincial ministers present, would negatively affect the Garrison negotiations. External Affairs Min-

ister Allan MacEachen did not agree. Neither did US Senator Mark Andrews, who told reporters "nobody's paying much attention. We've some strange people in our Cabinets too." This comment followed, and ended several days debate in the Manitoba legislature, with the PC Opposition also charging that the attendance of the two NDP Cabinet ministers might jeopardize the hearings in Washington (*Globe and Mail*, March 31).

Skagit Valley Agreement

It was announced March 30 that a general agreement had been reached by the Joint Consultative Group on the principal elements of a recommended solution to the long-standing problem of the Skagit Valley and the High Ross Dam. (The raising of the dam by Seattle City Light to generate electric power for that city would result in the flooding of thousands of acres of the Skagit Valley in wilderness areas of British Columbia.) The Joint Consultative Group had been set up last year by the International Joint Commission (IJC), which negotiates boundary, lake and river disputes between Canada and the US. The decision announced March 30 includes "provision for an Environmental Endowment Fund dedicated to enhancing the recreational opportunities and protecting the environment resources of the Skagit Valley. The two federal governments, who have been involved in the negotiations leading up to general agreement, have been asked to examine in closest collaboration with the IJC and the parties, the best means of securing the overall agreement including the form which a treaty between Canada and the US should take. They will also examine the possible future role of the IJC," an IJC press release March 30 stated.

Salmon Treaty

The final text of a treaty between Canada and the US on Pacific salmon was received by Fisheries Minister Pierre De Bané on February 21. Mr. De Bané said that both sides had stated that the treaty would provide major advantages to the two countries that could not be obtained otherwise, although there was opposition to the treaty in both countries by some fishermen and unions. However, he said, "the treaty contains important provisions for the conservation and rebuilding of natural chinook stocks of northern and central British Columbia. Without joint action to conserve these runs, both Canadian and Alaskan fishermen will suffer from further reduced abundance and lower catches instead of looking forward to richer harvests." The proposed treaty was the result of thirteen years of negotiations (Fisheries and Oceans press release, February 21). In the House of Commons February 15, Donald W. Munro (PC, Esquimalt-Saanich) had asked Mr. De Bané to have the proposed treaty tabled and examined by a parliamentary committee. Mr. De Bané assured Mr. Munro that the document seemed to be fair to both parties, and that it would be submitted to Cabinet some time during the next few months.

Georges Bank Dispute

A dispute between Canada and the US over fishing rights in the Gulf of Maine and the Georges Bank (southeast of New Brunswick) was "further complicated" in March after the US declared that a 200-nautical-mile coastal economic zone would be effective immediately.

The boundary dispute is presently being examined by the International Court of Justice in The Hague. A formal request was made to the Reagan administration to clarify the presidential proclamation issued March 11. Canada believed that the wording of the proclamation was unacceptably vague, *The Citizen* reported March 12. It specifies that in cases of conflict, "the boundary of the exclusive economic zone shall be determined by the US and other states concerned in accordance with equitable principles."

An External Affairs legal officer told reporters that it appeared that usual principles of international law were being abandoned "in favor of international law as it is interpreted by the US The [international] court is not likely, to put it mildly, to use the idea of 'equitable principles' as a source of international law" (*The Citizen*, March 12).

Proposed Customs Tolls

The US is considering an imposition of tolls on Canadians, including individuals and vehicles, entering the US, Jim Fulton (NDP, Skeena) told the House of Commons March 14. In a press release the same day, he condemned the tolls which would take hundreds of millions of dollars away from Canadians and urged the Canadian government to mount a campaign against it. The plan had been ordered by the US Treasury Department and implementation was being prepared by US Customs, he said.

Mr. Fulton's disclosures in the House of Commons caused Transport Minister Jean-Luc Pepin to "look bewildered as he confessed it was all news to him," *The Citizen* reported March 15. The newspaper also said that a US Customs Department spokesman in Washington said that the plan had never been approved and there was certainly no initiative to revive it. The plan had "died on the vine" a year ago, but had recently been reported in an "obscure" Transport Canada newsletter about railways, the article said.

CHILE

Sale of Equipment to Chilean Prisons

The Canadian government is encouraging five Canadian companies in their bids to sell prison security and military equipment to Chile, Terry Sargeant (NDP, Selkirk-Interlake) charged in the House of Commons February 22. He said that only three months earlier, the United Nations report on human rights in Chile had stated that there had been a substantial increase in torture in that country. "Our government's role in the sale of this equipment is distressing, not only because of the likelihood of Chilean prisoners being tortured but also because it is a clear violation of the government's own position regarding the sale of such equipment to that country." He quoted a statement by ex-External Affairs Minister Mark MacGuigan in 1981: "Defence equipment may be sold to Chile so long as that country is not involved in hostilities and Canadian equipment is not used against the civilian population."

Mr. Sargeant said that he had learned that a project officer from the Defence Programs Branch of External Affairs had been assigned to help five companies prepare their bids to sell the equipment to Chile. According to Mr.

Sargeant's information, the equipment included intrusion detection systems for three new Chilean prisons.

It was reported (*The Citizen*) on February 25 that two of the firms named outside the House of Commons by Mr. Sargeant had denied any involvement with the ad hoc consortium. But Mr. Sargeant defended his charges. In a press release March 2, he said that all of the information he had revealed in the House a week earlier had come from the External Affairs Department, the Department of Industry, Trade and Commerce and company executives instrumental in putting the project together. Officials from the External Affairs department had told reporters at the time that the sale of the intrusion detection system and an offshore surveillance system were two separate projects and that both had been dead since last September, according to the press release.

On March 17, it was reported in *The Citizen* that the president of Sparton of Canada Ltd., one of the companies named by Mr. Sargeant, had confirmed that his company had sold part of a security system to a Chilean prison in 1981. Two other companies were involved in a separate deal to try to sell other electronic equipment to the Chilean Navy, an External Affairs commerce officer reportedly said (*The Citizen*, March 17).

Visit to Canada of Union Leader

On March 15 the Canadian Labour Congress (CLC) announced the visit to Ottawa of Manuel Bustos, the exiled president of the Coordinadora Nacional Sindical of Chile, from March 16 to 17. Mr. Bustos had been among thousands arrested when the Allende government was overthrown in Chile by a military coup in 1973. Mr. Bustos had been repeatedly arrested since then, and deported after leading an anti-government protest last December. While in Ottawa, Mr. Bustos met with members of the Parliamentary Sub-Committee on Canada's Relations with Latin America and the Caribbean, the Canadian Catholic Conference of Bishops, the CLC, the Canadian staff of Amnesty International, the Canadian Council of International Cooperation and some other non-governmental organizations (CLC press release, March 15).

CYPRUS

Missing Persons

In the House of Commons March 9, Gus Mitges (PC, Grey-Simcoe) made a statement regarding multilateral resolutions calling for information on the fate of 1,619 missing Greek Cypriots who had been detained by Turkish invaders in 1974. He said that on December 9, 1982, the United Nations General Assembly had approved a resolution calling for a speedy solution of the problem, and that on January 11 of this year, the European Parliament had adopted a resolution urging the investigations to be proceeded with. But, he said, "Canada's voice regarding this most tragic circumstance has been conspicuous by its absence in its votes in the United Nations, and by refusing to add its aid to the more than one hundred nations around the world in support of equitably resolving the Cypriot

problem." He urged Canada to assert itself positively in aid of the people of Cyprus.

EGYPT

Visit of President to Canada

His Excellency Mohamed Hosni Mubarak, President of Egypt, accompanied by Mrs. Mubarak, paid an official visit to Canada from January 31 to February 1. The two-day official visit was preceded by a private two-day visit to Toronto and Niagara Falls. It was reported that the Egyptian President would be briefing Prime Minister Pierre Trudeau on Middle East issues, and seeking a reaffirmation of Canada's support for Egypt's role in achieving a peace settlement in that region (*The Citizen*, January 31).

As well as talking with Mr. Trudeau and Cabinet Ministers, Mr. Mubarak addressed the House of Commons Standing Committee on External Affairs and Defence, and the Standing Senate Committee on Foreign Affairs on February 1.

EL SALVADOR

Canadian Aid and Foreign Policy

Concern over Canadian policy towards El Salvador was expressed in the House of Commons during February and March. On February 23, Dan Heap (NDP, Spadina) told the House that Bishop Rivera y Damas of El Salvador had asked that government to release its 700 political prisoners during the Pope's visit in early March. Mr. Heap noted that the Canadian government was giving serious consideration to offering visas and asylum in Canada to political prisoners released by the government of El Salvador. Mr. Heap said that he supported such a decision, but that it had been reported that the prisoners had decided that none will come out unless all are released. He urged the government to consult with the Bishop of El Salvador in any selection of political prisoners to be given asylum in Canada.

Outside of the House of Commons, one person to lend support to the Salvadorean peasant population was Roman Catholic Bishop Adolphe Proulx of Hull, Quebec. On March 2 it was announced that the Bishop had joined a campaign to raise money for five community projects in guerrilla-held areas of El Salvador. Organizers said that the money would be used to buy agricultural supplies, and to train teachers to combat the illiteracy problem there (*Globe and Mail*, March 3).

On March 4, two PC Members of Parliament questioned the government about Canada's policy. John Crosbie (St. John's West) asked External Relations Minister Charles Lapointe whether Canada had made representations to the government of El Salvador about a ceasefire during the visit of the Pope, a suggestion that had been refused by El Salvador. Mr. Lapointe said that a few weeks earlier, Canada had received the Salvadorean Deputy Minister of Foreign Affairs and had informed him of its concern, especially with respect to the human rights situation in El Salvador. Mr. Lapointe also reminded Mr. Crosbie of the

draft resolution Canada had submitted to the UN Commission on Human Rights (see following story).

The same day, Sinclair Stevens (PC, York-Peel) suggested that the government invite Salvadorean President Manaño to Canada "to have some discussions, and present his point of view with respect to the crisis in that country." Mr. Stevens said that "aid in the millions of dollars is still being extended to Nicaragua, yet El Salvador, which has chosen the democratic route and plans a general election later this year, in December, has been virtually cut off from all aid." Mr. Stevens asked the External Affairs Minister how he can "justify such aid to a socialistic country such as Nicaragua and no aid, to speak of, to a country that has opted for democracy."

Mr. Lapointe answered that it was Canada's policy to avoid any involvement with countries where armed conflicts or civil wars involved rebel movements and actual fighting.

Maurice Dupras (Lib., Labelle) then suggested that if Canada should invite the real head of the government of El Salvador, "perhaps it would be better to invite General Garcia and Mr. Roberto Da Buisson, who are the two real bosses of El Salvador, not the President." Mr. Lapointe responded, "I think these two questions have amply demonstrated our problems in sending an invitation to El Salvador."

Later in March, Bob Ogle (NDP, Saskatoon East) twice rose in the House of Commons to denounce murders in El Salvador. On March 17, he condemned the recent killing by the Salvadorean military of Marianella Garcia Villas, President of the El Salvador Human Rights Commission. On March 24, he attempted to pay tribute to Archbishop Oscar Romero who had been assassinated three years earlier. He was ruled out of order by Madam Speaker because he was not discussing an "issue," a requirement under Standing Order 21.

Meanwhile, indirect aid to the regime of El Salvador was criticized by James Morrell, research director of the Centre for International Policy, which is based in Washington, D.C., and monitors US policy in developing countries. Mr. Morrell charged that millions of dollars, supplied by the Inter American Development Bank (IADB) to which Canada has contributed several million dollars, had been "squandered" on projects such as roads and a dam in guerrilla-occupied areas of the country. Government troops would have to construct the projects, and this was not possible without loss of life in those areas due to armed conflict, he said. Mr. Morrell also charged that Canada and other states had allowed the US administration to "harness the bank to approve loans to El Salvador and cut them off from Nicaragua," allowing the IADB to become an agent of White House policy in Latin America (*Globe and Mail*, March 24). Canada's IADB director, Harry Hodder, attacked Mr. Morrell's claims as "gross misstatements and misinformation" by a non-Canadian who was "not an expert in these matters," the *Globe and Mail* reported March 24.

Canadian Position at the UN

A report released by the United Nations February 11, to be submitted to the UN Human Rights Commission, cited "gross violations" of human rights in El Salvador, and attributed most of the violations to government controlled organizations and rightist groups. Members of the army,

national guard and police were responsible for "nearly all" of the over 4,000 murders in 1982, the report said. These political murders of non-combatants were about half of those reported for 1981, it said. The document included testimony of former political prisoners who had been tortured (*Globe and Mail*, February 11). Following this report, Bob Ogle (NDP, Saskatoon East) asked the government to be sensitive to a sermon by El Salvadorean Archbishop Rivera y Damas, asking for amnesty for the 700 political prisoners, and to be "extremely careful about following US policy in Central America." The US Ambassador to the UN has just visited El Salvador, and reported that human rights there were being respected, a prerequisite for US military aid.

Canada tabled a draft resolution (L-18) to the Human Rights Commission in Geneva regarding El Salvador at the end of February. On March 2, Mr. Ogle told the House of Commons that the resolution did not mention the real causes of the problems in El Salvador, or call on all foreign governments to stop sending arms to that country, or call for dialogue and negotiations. This was at a time when Pope John II was to visit the area to promote a peaceful solution, and also after US President Ronald Reagan was calling for \$60 million more in military aid to El Salvador, he said.

Mr. Ogle again questioned the government March 11 about the Canadian resolution, which he said, had become stronger since the initial draft. He asked External Relations Minister Charles Lapointe why "Canada did not get that resolution into debate and why Canada did not vote on the Mexican resolution, which was a strong, clear resolution?" Mr. Lapointe answered that he, too, was frustrated and disappointed at not having been able to express, in the form of the consensus resolution which Canada had submitted, the grave concern felt with respect to human rights in El Salvador. He said that the government had improved the draft resolution, but that certain tactical procedures prevented a vote being taken on the Canadian resolution. Faced with the Mexican resolution, Mr. Lapointe said, Canada did not vote because "we all felt that the human rights issue is so important that the UN Human Rights Commission was not the appropriate forum for taking a position with a political impact. In our view it was preferable to make an appeal on humanitarian grounds to condemn the obstruction of full protection of human rights," the External Relations Minister said.

In response to a further question by Mr. Ogle regarding US military aid to El Salvador, Mr. Lapointe said:

... In one paragraph of the consensus resolution we submitted to the Human Rights Commission in Geneva, we clearly indicated that we were recommending non-intervention in the internal affairs of El Salvador and immediate suspension of all arms supplies and any other kind of military aid.

The content of the resolution was also questioned by John Crosbie (PC, St. John's West) on March 4. He told the House that "there had been a wave of protest across the country about the fact that the resolution is weak." He wanted to know why it failed to call for any political dialogue between the government of El Salvador and the rebel

forces there. External Relations Minister Charles Lapointe responded that:

It is a draft resolution which we are negotiating with a number of other delegations . . . As far as appealing to the parties to initiate a political dialogue, we are certainly prepared to include that aspect in our resolution and we are also prepared to appeal to the international community to cease all military aid to El Salvador.

In answer to another question from Mr. Crosbie, about Canadian representations to El Salvador urging a ceasefire during the up-coming visit of the Pope, Mr. Lapointe said that Canada was "urging the Salvadorean parties to initiate a ceasefire, without specifying any particular events to justify doing so."

FRANCE

Fishing Rights

It was alleged in the House of Commons February 28 that the French fishing fleet had been over-fishing in the Gulf of St. Lawrence, violating the terms of an agreement between Canada and France. Lloyd Crouse (PC, South Shore) stated, "Under a treaty with France which terminates on May 15, 1986, Canada agreed to let the fleet from continental France catch 21,000 metric tonnes of codfish in the Gulf of St. Lawrence, while at the same time restricting the operations of the Newfoundland and Nova Scotian trawlers in this area . . . The French reported landing in 1981 a total of 21,000 metric tonnes of finished product, which would require them to catch something like 50,000 metric tonnes of fish in the round, or 2.5 times their quota." Mr. Crouse asked Fisheries Minister Pierre De Bané what steps he had taken to inform the French that this "wanton destruction of our fisheries' resources and breach of faith with regard to the treaty regulations are unacceptable to Canada."

Mr. De Bané replied that his Department was negotiating with France at that moment to make sure that the agreement is implemented to Canada's satisfaction. Mr. Crouse then suggested that the French quota be limited in 1983 by the amount that the fleet had over-fished over the past two years. Mr. De Bané explained that he would not comment publicly on allegations of over-fishing by foreign fleets because the charges had to be verified and checked before any public statement is made.

The subject was brought up again a month later by External Affairs Minister Allan MacEachen in answer to a question by Donald Munro (PC, Esquimalt-Saanich) on March 28 about negotiations with the French relating to the maritime boundaries around Saint-Pierre-et-Miquelon. Mr. MacEachen stated, "Several weeks ago there was a further meeting between Canadian and French officials at which both the boundaries and the fishing problems were discussed. The Canadian side has asked for a period of further examination before resuming these negotiations. Just recently there was a communication from the government of France, which we are presently considering. It is not apparent to us at the moment that Canadian interests

would be advanced by an immediate resumption of negotiations, but we are considering the matter."

Mr. Munro asked the External Affairs Minister if he was suggesting that there was a linkage between the two issues. Mr. MacEachen answered that the only link was operationally: how the enforcement of agreements would be undertaken. There had been an understanding on that, he said.

GREECE

Visit of Prime Minister to Canada

Greek Prime Minister Andreas Papandreou paid a five-day state visit to Canada from March 27 to 31. He was accompanied by the Greek Foreign Affairs, and Research and Technology Ministers, four deputy ministers and by Margarita Papandreou, the President of the Women's Union of Greece (*Globe and Mail*, March 29).

Mr. Papandreou was welcomed in Ottawa by "hundreds of banner-waving, flag-draped members of the Ottawa area's Greek community" (*The Citizen*, March 28). In Ottawa he talked with Prime Minister Pierre Trudeau, Finance Minister Marc Lalonde and Defence Minister Gilles Lamontagne about economic and political issues and the possible purchase of military equipment for the Greek armed forces (*The Citizen*, March 28). Canadian commercial interests have generally fared badly in Greece lately. According to the *Globe and Mail* March 26, "The Greek government is increasingly turning to barter deals with Soviet bloc countries for heavy industrial equipment previously being supplied by Canada. As a result, military and industrial contracts amounting to well over \$50 million, ready to be signed, have been cancelled."

On March 29 in the House of Commons, the Greek Prime Minister was also welcomed by Lynn McDonald (Broadview-Greenwood) on behalf of the NDP. She said that at the meeting of the Senate and Commons Standing Committees on External Affairs and National Defence a day earlier, the Greek Prime Minister had raised several problems of security in the eastern Mediterranean, including the continued occupation by Turkish troops of about a third of Cyprus, and US military aid to Turkey. She also stated, "Canadians who want Canada to be recognized as a nuclear-free zone will be encouraged by Greece's efforts in the same direction and, indeed, for a broad Balkan-wide nuclear-free zone, which would desirably join up with a nuclear-free zone in northern Europe."

Mr. Papandreou's two-day visit to Toronto on March 30 and 31 was a chance to talk with Canadian business and financial leaders. Trade and technology were the subjects of the talks, and also the theme at a luncheon given March 30 by the Ontario government. The Socialist Prime Minister had taught economics at York University in Toronto from 1969 to 1974, during the time he had been exiled from Greece by the ruling military junta. He was also welcomed by Toronto's Greek community of more than 200,000 (*Globe and Mail*, March 30 and 31).

Greece's foreign policy was discussed at a March 31 press conference in Toronto. Being a country at the crossroads of East, West, North and South, Greece has moved away from a foreign policy aimed primarily at West-

ern Europe, Mr. Papandreou said. "We do not recognize the separation of Europe into West and East . . . into two blocs. We believe in a Europe without either NATO or the Warsaw Pact," he told reporters. Despite Greece's membership in NATO, its support is qualified, the Prime Minister said, because of NATO's stand on Turkish claims on Greek islands in the Aegean, its nuclear policy, and its failure to prevent the invasion of Cyprus in 1974, when "NATO equipment and arms" were used by Turkey (*Globe and Mail*, April 1).

Greece also supports a Palestinian state and secure borders for Israel. At the press conference, Mr. Papandreou explained that Greece's long fight for independence has given it a soft spot for any people struggling for self-determination. He said that neither Israel nor the PLO has embassies in Greece (*Globe and Mail*, April 1).

GUATEMALA

Massacres of Indian People

In the House of Commons March 11, Jim Manly (NDP, Cowichan-Malahat-The Islands) asked all Canadians to join in condemning brutality in Guatemala. "Of particular concern to Canadians must be the genocidal war being waged against Indian people by the Guatemalan government of Rios Montt. In the past year thousands of Indian civilians have been killed by the Guatemalan army. Entire villages have been destroyed and hundreds of thousands of Indian people have become refugees, either in their own country or in Mexico," he said.

Mr. Manly said that in addition to an international program of refugee aid, Canada should negotiate with Mexico for international inspection of the deplorable conditions of Guatemalan Indian refugee camps in Mexico. He also called on External Affairs Minister Allan MacEachen to investigate reports that Israeli military personnel have been involved with the Guatemalan army as advisers.

HONDURAS

Canadian Aid Protested

The role of Honduras in reported US-backed attempts to destabilize Nicaragua was questioned during February and March. Following reports that on February 1 large-scale US-backed military manoeuvres had begun in Honduras twenty kilometres from the Nicaraguan border, MPs in the House of Commons on February 2 and 3 called on the government to protest to the US administration. They feared an invasion of Nicaragua by the Honduran-based forces, said to be supporters of the regime of the late dictator Somoza who had been overthrown in Nicaragua in 1979 (see BILATERAL — USA — Involvement in Central America).

On March 22, after days of heavy fighting between Nicaraguan and the Honduran-based forces, Bob Ogle (NDP, Saskatoon East) made several proposals to the House of Commons. One of these was for Canada to withhold bilateral aid to Honduras "as long as Honduras permits these forces to use Honduras as their base against

Nicaragua." In a press release the same day, Mr. Ogle stated that:

It has been clearly demonstrated and widely documented in the US press that the Reagan administration, often working through the government of Honduras, is actively assisting the forces who are attempting to invade Nicaragua. These invasion forces, who are discredited Somasistas, have now brought Nicaragua to the brink of war. It is always a difficult question when one considers cutting direct government aid to a poor country — and Honduras is indeed the poorest country in Central America — because it is the poorest of the poor who suffer most. Nonetheless, we must also ask ourselves if we can continue to help a regime which is actively involved in aggression against its neighbor and refuses even to sign the United Nations Agreement on Refugees and Honduras has refused.

Canadian aid in loans and grants to Honduras was \$3.6 million in 1982 and Canada has undertaken to provide a \$32.2 million loan over three years for a hydro-electric project in Honduras.

In the House of Commons that day, Mr. Ogle again made the point about the Honduran refusal to sign the UN refugee agreement. Because of this, he said, "it is difficult for the UN to get inside that country where there are literally hundreds of thousands of refugees from several conflicts in the area." He also said he asked the government to "put some muscle into the cooperation that it has promised to Mexico and Venezuela to bring about a ceasefire on that border."

ITALY

Canned Tomato Imports

The imposition of provisional countervailing duties on the importation of subsidized canned whole tomatoes from Italy was announced by three Cabinet ministers March 16. This followed an investigation by the Revenue Department under Canada's Countervailing Duty Regulations. The Canadian Food Processors Association had complained that Italian canned whole tomato imports were subsidized and injurious to the Canadian production of similar goods.

The provisional countervailing duties are approximately twenty cents per kilogram. The Anti-dumping Tribunal will examine the question of injury, and within ninety days make a final determination. In the meantime, a Government of Canada press release March 16 stated, "provisional countervailing duties are being imposed to protect a Canadian industry faced with a declining market share, record high inventories, and depressed prices, and threatened by financial losses and significantly reduced production."

JAPAN

Interim Agreement on Auto Imports from Japan

Following a trip to Japan, International Trade Minister Gerald Regan told the House of Common February 15 that

Canada and Japan had reached a six-month agreement on the importation of Japanese cars to Canada. Mr. Regan's statements came in response to questions and criticism from NDP leader Ed Broadbent. Mr. Broadbent said that the agreement meant that Canada would import 16,000 more cars during the next six months than during the previous six months. Mr. Regan said that nevertheless, the agreement meant that Canada would import 11,000 fewer cars in the first six months of 1983 than in the first six months of 1982. Mr. Regan called the interim agreement "in the best interests of Canada." Mr. Broadbent disagreed, and pointed out that the US had just negotiated a deal with Japan which guaranteed production of some Japanese cars in the US, creating or saving 12,000 jobs. Mr. Regan said that the Canadian agreement was only interim, and that Canada wanted to negotiate an agreement because the former one had expired on December 31, 1982. But, he said, "We are carrying on discussions with the Japanese in relation to industrial cooperation. We are most anxious to try to arrange to have a greater amount of manufacturing in the country." He said that Toyota of Japan had agreed to establish a wheel factory in British Columbia.

The agreement was also the subject of questions in the House on March 1 and 2. On March 1, Lorne Nystrom (NDP, Yorkton-Melville) suggested that the International Trade Minister introduce a Canadian content Bill for imported cars in the House of Commons. Mr. Regan answered that as an exporting country, Canada must also protect jobs in those sectors. Because Japan is a good customer of Canadian goods, Mr. Regan said that he thought that "protectionism in respect to auto content or the content of any other product is not in the Canadian interest as a free trade exporting countryWhen we are negotiating with the Japanese we will be negotiating on the basis of seeking their investment in this country."

Among those speaking against auto import quotas — which were for 79,000 in the first six months of this year — was the Canadian Association of Japanese Automobile Dealers. On March 14, the Association claimed that hundreds of Canadians would lose their jobs and the price of a small car would go up an average of \$635 because of the import restrictions. Association president Robert Attrell said that already, past import restrictions have forced the car dealers to lay off 2,300 employees. This figure could double in six months, he said. "Nowhere near a compensating number of autoworkers have been re-hired in the domestic auto industry," Mr. Antrell told reporters. He also said that a petition of 10,000 signatures opposing the restriction had been given to Mr. Regan. Those signing said they believed the restrictions were unfair because they impaired freedom of choice, and led to a shrinking supply and increased costs (*The Citizen*, March 15).

MEXICO

Visit of Foreign Minister to Canada

Mexican Foreign Minister Bernardo Sepulveda was in Ottawa from March 16 to 17 to meet with External Affairs Minister Allan MacEachen and other senior ministers. He also met with Prime Minister Pierre Trudeau on March 17, in what was termed a "get-acquainted" session. The meeting with Mr. Trudeau was intended to demonstrate the

importance Canada attaches to good relations with Mexico, *The Citizen* reported March 17. Both countries have sought closer economic and political links during the last several years and two-way trade had increased significantly until the Mexican financial crisis last year, it was reported (*The Citizen*, March 17).

NICARAGUA

Visit of Foreign Minister to Canada

Nicaraguan Foreign Minister Miquel D'Escoto Brockman paid an official visit to Canada from February 14 to 16. An External Affairs press release February 10 stated that during his visit, "Father D'Escoto will have discussions with External Affairs Minister Allan MacEachen and other Ministers about various aspects of Canada-Nicaragua relations and about developments in Central America. He will also meet Members of Parliament, representatives of the Canadian churches and other Canadian groups interested in Nicaragua."

At a press conference February 16, Father D'Escoto defended the presence in his country of foreign military and other advisers. He described present US-backed activity against Nicaragua from other countries. He accused the US of promoting a destabilization of the Nicaraguan government, and asked Canadians to recognize the extent of US interest in the efforts to overthrow the Nicaraguan government (see BILATERAL — USA — Involvement in Central America, and BILATERAL — HONDURAS).

In the House of Commons March 4, Sinclair Stevens (PC, York-Peel) said that the government had "feted and honoured in various ways the Foreign Minister from Nicaragua," and wanted to know whether the government intended to invite President Majaño of El Salvador to come to Canada. Mr. Stevens also said that Nicaragua received aid in the millions of dollars from Canada. He asked External Relations Minister Charles Lapointe how he could justify the aid to Nicaragua, a socialist country, while El Salvador, which had "opted for democracy," received no Canadian aid. Mr. Lapointe explained that Canada does not give aid to countries such as El Salvador, involved in a civil war which has foreign military support. "As far as aid to Nicaragua is concerned," he said, it is among the poorest countries in the world, and "whatever its political affiliation, it has a stable government and its reconstruction plan needs the assistance of all industrialized countries, and I believe that Canada is fulfilling its role in the international community as a responsible partner by providing assistance to this country."

NIGERIA

Expulsion of Foreign Workers

Canadian reaction to the forced expulsion from Nigeria of foreign workers (mostly originally from Ghana) in late January concerned three Progressive Conservative MPs in February. On February 2, Walter McLean (PC, Waterloo) asked Prime Minister Trudeau what representations the government of Canada had made to Nigeria about its "harsh and precipitous action . . . expelling an estimated two million migrant workers." Mr. Trudeau said

that he didn't know. But International Trade Minister Gerald Regan responded that Canada was monitoring the situation in Nigeria with great concern. Canada had only received two requests for aid, he said: one from Togo; and one from the International Red Cross. Steps were being taken to react to those requests, and Canada was standing ready to respond to further requests as soon as the character of the requirements was defined, Mr. Regan said.

The answer regarding assistance had not satisfied his question about representations to the Nigerian government, Mr. McLean said. The International Trade Minister then stated, "Along with neighboring states, we recognize that the Nigerian action, unfortunately, falls within the authority of that government. It parallels action that has been taken by other governments. We regret, however, the hasty application of the order that has led to considerable hardship for the people there and in the neighboring countries."

This answer did not satisfy Flora MacDonald (PC, Kingston and the Islands). She pointed out in the House February 7 that after the brutality of the expulsion, "Protests and appeals have been directed to the government of Nigeria by heads of churches and heads of governments all around the world, denouncing an action that not only inflicts tremendous suffering on millions of men, women and children, but also destabilizes neighboring countries."

Miss MacDonald said that the Prime Minister's response that he did not know the answer to the February 2 question was "reminiscent of his earlier famous quote: 'Where's Biafra?', when dealing with the same country." Surely as Canadians, she said, "we have a right to expect that the Canadian Prime Minister will exercise whatever influence he has within the Commonwealth, and directly on the government of Nigeria, to convey the abhorrence which Canadians feel over this forced migration, rather than display his indifference to an inhuman act."

The next day, Douglas Roche (PC, Edmonton South) asked External Affairs Minister Allan MacEachen to clarify what assistance was being given to the dislocated people, and asked if Canada had yet protested to the Nigerian government. Mr. Roche said that the expulsion had been the consequence of an international economic situation, and set a precedent for other countries to create economic refugees in order to deal with their own internal economic problems.

Mr. MacEachen told the House that International Trade Minister Regan had expressed Canadian concern to the Nigerian High Commissioner about "this particularly rapid request to these persons to leave the country." He also said that Canada had made an initial contribution of \$100,000 to the International Red Cross, and had provided an additional \$30,000 to assist in the transport of milk powder. "We are now receiving an assessment from international organizations and we are prepared to consider short-term relief for the persons expelled from Nigeria to Ghana, and also a program of longer term assistance," said Mr. MacEachen.

POLAND

Imprisonment Protest

The government was urged to protest to the government of Poland following the imprisonment of Zbigniew

and Zofia Romaszewski, members of the Polish Solidarity Movement who were sentenced to four-and-a-half years, and three years in prison. Donald Munro (PC, Esquimalt-Saanich) told the House of Commons February 18 that "The record of the government in verbal support of freedoms throughout the world, at Helsinki, for example, and Madrid, is not matched by its diplomatic protests when specific incidents of suppression of freedom occur, as they are occurring today in Poland."

SOVIET UNION

Arrest of Dr. Yosif Begun

In the House of Commons February 22, David Berger (Lib., Laurier) brought to the attention of other MPs the situation in the Soviet Union of Dr. Yosif Begun. Mr. Begun had been recently arrested and informed that he would be charged with anti-Soviet propaganda and agitation. This was the third time Mr. Begun had been arrested, and faces a twelve-year sentence. The arrests took place because Mr. Begun had been trying to "maintain his Jewish identity and to teach the Hebrew language," Mr. Berger said. The MP informed the House that he intended to request to the External Affairs Minister to direct the Canadian delegation presently at the Madrid Review Conference to bring the case of Mr. Begun to the attention of the Soviet delegation, "and request that he be released and allowed to be repatriated to his homeland, Israel, and further, that the government inform the Soviet representatives that Canada considers the case of Dr. Yosif Begun to be an indication of Soviet intentions to fulfill its commitments to the provisions of the Helsinki process."

URUGUAY

Human Rights

In February, there were two separate statements made in the House of Commons regarding representations made on behalf of the Canadian government to the authorities of Uruguay about the imprisonment and investigation of people there. On February 8, Dan McKenzie (PC, Winnipeg-Assiniboine) made a statement to the effect that the Canadian government had been misled by the authorities in Uruguay. Two days later, D.M. Collette (Lib., York East) commended the government for the impact of the Canadian representation upon the Uruguayan government.

Mr. McKenzie's statement dealt with the plight of Professor José Luis Massera, who, he said, had been imprisoned in Uruguay for expressing political opinions. "He has been tortured and held in terrible conditions," Mr.

McKenzie said, conditions likely to lead to physical and mental illness, and possibly death. Yet, after a visit by the First Secretary of the Canadian Embassy in Buenos Aires to the professor in prison, the First Secretary had reported that Professor Massera was mentally alert, and that "his health had improved over the last several months." Mr. McKenzie said that the Canadian government should be aware that the report was unforgivably misleading, and that the government of Uruguay was trying to circulate confusing statements.

The other statement, also under Standing Order 21, was made by Mr. Collette on February 10. He related the story of Father Luis Perez Aguirre, who for nearly two years had been threatened with arrest by the Uruguayan authorities for his support for political prisoners and their families. Mr. Collette stated that, as a result of representations made by the Canadian government, all charges against Father Perez Aguirre had been dropped. "It is also an indication," he said, "that the government of Uruguay is concerned that the past dark decade of repression has become an unconscionable blight on the otherwise enlightened and civilized history of the Uruguayan nation."

WEST GERMANY

Statement Concerning Elections

Following the elections in the Federal Republic of Germany March 6, External Affairs Minister Allan MacEachen tendered his congratulations on the election victory of the coalition government of Chancellor Kohl. In a statement March 7, Mr. MacEachen said that the success of the coalition "represents the democratic decision of the German electorate to continue the foreign and domestic policies which have made the Federal Republic of Germany an indispensable member of the Alliance and the community of free nations. The Canadian government looks forward to working with the new German government both in developing our bilateral relations and in cooperation on international issues."

ZIMBABWE

Following violence in Zimbabwe, in which hundreds of civilians were killed in the south-western part of the country by government troops, Benno Friesen (PC, Surrey-White Rock-North Delta) asked External Affairs Minister Allan MacEachen March 21 about Canadian support for the present government there. Mr. MacEachen told the House that the Canadian government has been increasingly concerned about the recent developments, and had expressed this concern to the government and authorities of Zimbabwe.

Multilateral Relations

UNITED NATIONS

UNESCO Appointment

Canada announced the appointment of a new ambassador to the United Nations Educational, Scientific and Cultural Organization (UNESCO) on February 24. Ian Clark, former vice-chairman and secretary-general of the National Museums of Canada will replace Pierre Trottier in that post on July 1 (*The Citizen*, February 25).

UNESCO Award

The Canadian Commission for UNESCO announced on February 25 the names of the five jury members who will select the winner of the first McLuhan Teleglobe Canada Award, an international \$50,000 prize for distinguished work in communications. The award had been established on January 18. At the time, Communications Minister Francis Fox said that the McLuhan Award would take its place among the best known prizes of the world. The award is in honor of the late Marshall McLuhan of the University of Toronto, one of the world's leading communications philosophers (UNESCO press release, February 25).

ILO Response to Canadian Complaint

The International Labour Organization (ILO) rejected complaints by three Canadian public service unions about the government's *Public Sector Compensation Restraint Act*, known in Canada as the 6-and-5 legislation. The Canadian Labour Congress, the Public Service Alliance of Canada and the Professional Institute of the Public Service had filed complaints last year that the wage restraint act violated ILO Conventions signed by Canada by limiting or eliminating workers' rights to bargain. The Canadian government had argued that the conditions imposed were exceptional measures for a limited period of time, allowed under the ILO Convention. On March 3 it was reported that the ILO in Geneva had ruled that the Canadian legislation was not in violation of the Convention dealing with freedom of association, and the right to strike. The decision by the Governing Body of the ILO was that the bargaining restrictions imposed by the Act were accompanied by procedures that allowed for bargaining beyond the levels set by the Act. The ILO report also said that it hoped that the Canadian government would "keep the situation under constant review and negotiate and consult with the unions concerned" (*Globe and Mail*, March 4).

CLC executive vice-president Shirley Carr, who is also

a Canadian labor member of the ILO Governing Body, told reporters in Geneva that the government had been "given the right to hide behind the ILO in breaking binding contracts and the bargaining system" (*Globe and Mail*, March 4). On March 9 the Treasury Board of Canada issued a press release saying that the government had "welcomed" the findings. The press release also said that the ILO Governing Body had said that the unions could submit another complaint if they wished.

Inuit Group Status

The Inuit Circumpolar Conference (ICC) was granted non-governmental organization (NGO) status by the United Nations on February 7. The group consists of Inuit from Canada, Greenland and Alaska and exists to promote the interests and rights of the Inuit. ICC President Hans-Pavia Rosing of Greenland said in an interview from the United Nations that the acceptance was a great achievement for a relatively young organization, providing the ICC with an important forum to present views. "We take this acceptance of our NGO application as recognition by the United Nations of the important role Inuit can play in promoting the objectives of the UN and in assisting the international community in developing a greater awareness of and sensitivity to the Arctic region, its environment and its inhabitants," Mr. Rosing said (Inuit Broadcasting Corporation press release, February 7).

Law of the Sea Protest

A protest against Canada was filed with the United Nations by the Haida Nation of Indians in February. The protest is on the grounds that in signing the Law of the Sea convention, Canada had bargained with the Indians' birthright, although it had never settled their claims to traditional land and waters. "The Canadian government has a year to settle the dispute with the Haida Nation. or it will go either to a UN arbitration tribunal, or the UN's international court" (*Globe and Mail*, February 14).

NATO

Commitment to Alliance

In February and March, Canada's commitment to the North Atlantic Treaty Organization (NATO) was brought up

many times in the House of Commons, especially regarding US proposals that Canada test Cruise missiles. Opposition MPs expressed confusion about whether Canada had actually agreed to test the unarmed US missiles. Prime Minister Pierre Trudeau explained to NDP foreign affairs critic Pauline Jewett in the House of Commons March 24 the relationship between NATO commitments, and the testing of the Cruise missile. He said that Canada had made a commitment in 1979, with other countries, to the NATO "two-track" policy (the deployment of missiles in Europe while negotiating arms reductions with the Soviet Union). The Prime Minister said that "those who oppose the Cruise testing in Canada are really asking us to renege on a NATO commitment made by the Europeans to the North American partners." Flora MacDonald (PC, Kingston and the Islands) said that the Prime Minister's answer seemed to imply that the decision as to whether or not there would be testing of the Cruise missile guidance system in Canada had been taken in 1979 with the two-track decision. Mr. Trudeau then said that he did not agree with that interpretation of his remarks.

A day earlier, PC defence critic Allan McKinnon had asked Mr. Trudeau whether Canada's Defence Minister would report to the House about the position taken by Canada at the current NATO meeting in Portugal. It had been reported that the US defence secretary was consulting allies about NATO plans to deploy Pershing II and Cruise missiles in December. Mr. Trudeau responded that the Defence Minister would be making a statement to Cabinet, but it had not been decided whether he would make a statement to the House of Commons (see POLICY — DEFENCE — Cruise Missile Testing).

EUROPEAN ECONOMIC COMMUNITY

Ban on Seal Pelts

Despite Canadian objections, the countries of the European Economic Community (EEC) agreed "in effect to a two-year ban throughout Europe on the importation of seal pup skins from October 1, 1983" (*Globe and Mail*, March 1). This was an extension of the temporary ban in effect since December. The EEC decision was made on February 28 after a thirteen-hour debate in Brussels. Four countries opposed the ban — France, Denmark, Britain and Greece. (European countries will still be allowed to import 60,000 pelts of seal pups older than twenty-five days, whose color has changed (*Globe and Mail*, March 21).)

Last year, the European Parliament had voted to ban sealskin imports, a decision endorsed by the European Commission. The Parliament had pressed for a ministerial directive under which the ten EEC governments would be obliged to apply the decision. Meanwhile in Canada, the sealers had been unsure of a market for their products.

The European ban is contingent on further investigation into the scientific aspects and consequences of the seal hunt. The ban may not be re-implemented if a commissioned scientific study into the conservation and alleged cruelty of the hunt recommends against the ban. External Affairs Minister Allan MacEachen stressed this in a statement issued March 1. He noted that the EEC Coun-

cil of Ministers had asked the European Commission to continue to seek, in the context of further contacts with Canada, solutions which would make the restrictions unnecessary. Mr. MacEachen said, "Canada remains fully prepared to cooperate in these investigations, but must insist that they be rigorously scientific and that their results be interpreted without bias. We are confident that if all parties concerned are seriously prepared to engage in a rational and cooperative approach to the problem, it will be possible to reach a satisfactory solution."

Fisheries Minister Pierre De Bané also responded to the EEC decision. In answer to a question in the House of Commons on March 2 by James McGrath (PC, St. John's East) about the ban, Mr. De Bané said that the European Community had been "hypocritical" all along on the question of the seal hunt. "Every time I meet any Minister from the European Community I have been told that their scientific community fully agrees with our scientific community advisers that the hunt is well regulated," Mr. De Bané said. He also stressed that it was not a formal ban, but one pending scientific study. Mr. McGrath had also proposed that Canada abrogate the Canada-European fisheries agreement as a result of the EEC decision.

On March 3, Mr. De Bané told reporters that the government did intend to reduce fish allocations to EEC countries, barring a last-minute change of heart about the seal pelts, *The Citizen* reported March 4 (see following story).

In the Maritimes, the seal hunt was late beginning partly because of the European ban on the white pelts. Ice flows in some areas also complicated the hunt. In the news during the month were confrontations between fishermen and protestors on land, and the activities of the *Sea Shepherd II*. The *Sea Shepherd* is a protest ship which had set sail from Maine in early March with the intention of disrupting the hunt by blocking harbors and ramming sealing vessels (*Globe and Mail*, March 22). The crew of this ship was arrested on March 27, and the vessel was seized after being stuck in the ice in the Gulf of St. Lawrence. Twenty-one people were charged with mischief after the RCMP raid. Canada has laws against interfering with the seal hunt, forbidding going within half a nautical mile of a sealing area, or flying less than 609 meters above a seal.

Reduced Cod Allocation

It was announced March 4 that Canada had cut cod fishing quotas for the countries of the European Economic Community (EEC), and would disallow altogether any cod fishing by the Community if Canada was not compensated for the EEC's non-compliance last year with the conditions of its Long Term Fisheries Agreement with Canada.

The fishing allocation of cod for 1983 was reduced from 16,000 tonnes to 10,600 tonnes. "Licences to fish these allocations will be granted only if the EEC accepts that compensation is due to Canada for 1982," Fisheries Minister Pierre De Bané announced. "The reduction in fishing allocations should bring home to the EEC that actions to avoid their international obligations will rebound to their own disadvantage," he said. Under the six-year Agreement which went into effect last year, Canada grants quotas to EEC fishermen in return for reduced tariffs on a proportional quota of Canadian fish products entering EEC markets (Fisheries and Oceans press release, March 4). According to a *Globe and Mail* article (March 5), the Euro-

peans broke the Agreement by harvesting about 16,000 tonnes of fish from Canadian waters last year while allowing only 2,000 tonnes of Canadian fish into EEC markets at preferential tariff rates.

Canada's dissatisfaction with the Agreement to date was well-known to the EEC authorities, Mr. De Bané said in the March 4 press release. Earlier in the week in the House of Commons, James McGrath (PC, St. John's East) had urged that because of the EEC ban on seal pup pelts, Mr. De Bané should make it clear to the EEC that there is not "one metric tonne of fish for them" from Canadian waters.

BRANDT COMMISSION

New Report

A new report by the Independent Commission on International Development Issues, headed by former German Chancellor Willy Brandt, was made public on February 9. This followed a meeting of the Commission in Ottawa in mid-December. In the House of Commons February 10, Bob Ogle (NDP, Saskatoon East) said that the new report on North-South relations indicated that the recession it had predicted in a report two years earlier would now slip toward a world depression unless there were immediate steps taken to curtail it. Mr. Ogle said that the report pointed out that "US Reaganomics is one of the major reasons for there not being an economic upturn around the world and why Third World countries have fallen into an even greater and more difficult situation than they were in before." Mr. Ogle urged that the report of two years ago be seriously looked at again, that the new recommendations be studied, and that "we take the serious and important step of seeing that they are put into effect."

The new report, called "Common Crisis," warns of dark prospects for the future, unless certain emergency measures are taken to prevent world economic collapse. Central to most of the proposals was finance. The report urged immediate action to increase the resources of the International Monetary Fund to help countries in financial difficulty. The report also suggested ways to improve trade, food and energy policies, and to smoothe the international negotiating process between North and South, and recommended another summit (*Globe and Mail*, February 16).

COMMONWEALTH

Commonwealth Day

March 14 was Commonwealth Day for the forty-seven countries of the Commonwealth, representing one quarter of the world's population. In Canada, it was observed

through varied programs, with a focus on education. In the House of Commons that day, Jean Lapierre (Lib., Shefford) made a statement commending Canada's contribution towards improving living conditions in many developing countries of the Commonwealth. He said that on March 14 Canadians should remind themselves of the value of the Commonwealth and Canada's contribution to its longest continuous multilateral association with other countries.

COUNCIL OF EUROPE

Transfer of Sentenced Persons Agreement

Canada signed an agreement with the Council of Europe which enables Canadians serving long-term prison sentences in Europe to apply for repatriation to Canada to serve the balance of their sentences in Canadian penitentiaries, it was announced March 22. It will come into force following a three month waiting period and its ratification by Canada. It was the first multilateral convention signed by Canada under the aegis of the Council of Europe. Similar agreements are in force with the US, Mexico and Peru (Government of Canada press release, March 22).

VERSAILLES SUMMIT

Technology Report

A report was issued March 24 by the Versailles Summit Working Group on Technology, Growth and Employment. It was the first such document prepared on a consensus basis by the seven governments, including Canada, whose leaders had attended the Versailles Summit last June, and the European Community. A press release from the office of Prime Minister Trudeau said that the report put forward a number of conclusions about the relationship between technology and employment. "The report also notes that science and technology can be applied to many problems faced by the developing world and urges governments to support active international science and technology collaboration including the unhindered exchange of scientific information. In addition to the report, the Versailles Summit Working Group recommended that eighteen collaborative technology projects be carried out by various groups of Summit countries and the European Community . . . Canada is actively involved in ten of these projects and is the designated leader in two areas: international collaboration in aquaculture and vocational training using new technologies," the press release stated.

Policy

FOREIGN

Middle East

Canada's support for the Middle East peace process was a subject of some discussion in February and March. A question in the House of Commons on February 1 by PC external affairs critic John Crosbie followed a statement by Egyptian President Mubarak that day to the House of Commons and Senate foreign affairs committees. Mr. Mubarak had said that Canada should play a more active role in the Middle East peace process and Mr. Crosbie asked what the government would do.

Prime Minister Trudeau responded that Canada's preferred option was to give support to US President Reagan's initiative of last September, and press the US to follow through with these proposals.

Canada's policy in the Middle East was also the subject of statements by External Affairs Minister Allan MacEachen during this period. On February 17 he addressed the Senate foreign affairs committee, and was "strongly critical" of some Israeli actions, including its invasion of Lebanon, and the continued settlement of the Israeli-occupied West Bank and Gaza Strip (*The Citizen*, February 19). He also addressed the House of Commons Standing Committee on External Affairs and National Defence on March 15.

Despite Canada's expressed opposition to some Israeli policies, Mr. MacEachen told an audience March 16 that Canada remains fundamentally committed to Israel, and that relations between the two countries continue to be strong. He was addressing an audience of three hundred at the Annual Conference of the Canada-Israel Committee (*The Citizen*, March 17). In his speech, Mr. MacEachen explained Canada's views on recent peace proposals, recent Israeli actions, and a Palestinian homeland. Canada's position is that Palestinians have legitimate rights to a homeland. Canada supports "the right of the Palestinian people to play a full part in negotiations to determine their future and their right to a homeland within a clearly defined territory, the West Bank and Gaza Strip. The place of the PLO in negotiations continues to create controversy. We do not accept its claim to be the sole, legitimate representative of the Palestinian people . . . and question how the PLO could usefully participate in such negotiations so long as it fails to accept Israel's right to exist within secure and recognized boundaries. Because of its importance however, we

have maintained contacts with it at the level of officials. We believe that such contacts are valuable and that they should be maintained."

On the same day as Mr. MacEachen's speech, a Private Members Motion was debated in the House of Commons for an hour, with no vote being taken. The motion was presented by Ian Watson (Lib., Châteauguay), and was a request for the government to consider the advisability of promoting, in international forums, a global settlement involving several proposals which were contained in the motion.

Caribbean: Meeting of Prime Minister with Commonwealth Heads

Prime Minister Pierre Trudeau attended two days of talks in St. Lucia beginning February 20. He met with sixteen heads of governments of Commonwealth countries in the Caribbean. Relations with Caribbean countries are considered a priority for Canada, and the Commonwealth Caribbean is the largest per-capita recipient of Canadian foreign aid (*The Citizen*, February 19).

The region is plagued by economic problems. And, Mr. Trudeau told the other leaders February 20, Canada will not change its commitment to channel \$350 million in aid to those countries by 1986, despite "the ailing world economy, and the "dangerous psychology of stagnation." He pledged that Canada would remain a "friend for all seasons, not only the Canadian winter" (*Globe and Mail*, February 21).

Mr. Trudeau said that aid would not be linked to considerations of the domestic policies of the Caribbean countries, as long as these policies did not promote East-West rivalries in the region. "When a country chooses a socialist or even a Marxist path, it does not necessarily buy a package which automatically injects it into the Soviet orbit. The internal systems adopted by the countries of Latin America and the Caribbean, whatever these systems may be, do not in themselves pose a security threat to this hemisphere," Mr. Trudeau told the other leaders. This Canadian policy, in contrast to the US policy of linking aid with ideology, was repeatedly praised by the leaders, the *Globe and Mail* reported February 21.

Canada also backed a plea by the Caribbean Commonwealth nations for the International Monetary Fund to convene quickly to hear their pleas for emergency funds. At the end of the two day meeting, Mr. Trudeau signed a

communiqué urging IMF action. Jamaican Prime Minister Edward Seaga told reporters that because of a sharp drop in demand and prices for their raw resources, many of the economies in the region had been battered. Countries have been unable to meet debt payments, and "there is panic setting in in the commercial banking sector," which is reluctant to make further loans.

Anti-Terrorist Reward

On March 4, the Canadian government announced that it had approved the offering of a reward, "of up to \$100,000 for information and/or evidence leading to the arrest and conviction of the person or persons responsible for the attempted assassination of Turkish diplomat Kani Gungor in Ottawa on April 18, 1982, and the murder of Turkish Military Attaché Colonel Atilla Altikat, also in Ottawa, on August 27, 1982. Two terrorist organizations, the Armenian Secret Army for the Liberation of Armenia, and the Justice Commandos of the Armenian Genocide had claimed responsibility for these crimes" (Government of Canada press release, March 4).

"By offering this reward, the Canadian government reasserts its unrelenting commitment to combat terrorism and to do everything in its power to bring the perpetrators of such acts to justice," the press release stated.

DEFENCE

Cruise Missile Testing

On February 10, Canada signed an "umbrella" weapons testing agreement with the US, paving the way for a specific agreement requested by the US on the testing of the Cruise missile in northern Canada. The signing followed months of controversy in Canada, with many Canadians opposed to this kind of involvement by Canada in the nuclear arms buildup, and others defending Canadian participation.

In a speech to the Committee on Disarmament in Geneva on February 1, External Affairs Minister Allan MacEachen described events leading up to the US request for Canada to test the Cruise missile. He said that following the Soviet Union's decision to deploy SS-20 missiles in 1977, the North Atlantic Treaty Organization (NATO) had decided upon a policy called the "two-track" decision. It was agreed that the Alliance deploy Pershing II missiles and ground-launched Cruise missiles in Europe, beginning in 1983. "Canada has since been asked to help test the Cruise missile guidance system," Mr. MacEachen said. Under the two-track policy, this would take place at the same time as negotiations between the Soviet Union and the US to limit land-based intermediate-range missile systems on both sides. With this background, Canada's position is to put its full weight behind these negotiations in the hope that a negotiated solution would make deployment of the missiles in Europe unnecessary. In the absence of such a solution, Canada considers that there is no viable alternative to the deployment of the missiles, the External Affairs Minister said. The Canadian government regards allowing the US to test the Cruise in Canada an obligation under Canada's NATO commitment.

Canada's position was criticized constantly in the

House of Commons by the NDP during these two months, both before and after the February 10 signing of the weapons testing agreement. Many Canadians had expressed their concern in various ways, but Mr. MacEachen had said in previous months that public opinion would not affect a government decision to test the missile system. The PC Party agreed with the testing, but believed it should be the subject of debate in the House of Commons.

That five-year agreement was signed on February 10 in Washington by Canadian Ambassador Allan Gotlieb, and US Acting Secretary of State Kenneth W. Dam. An External Affairs press release that day stated: "Under the framework agreement, specific test and evaluation proposals may be put forward by the US Department of Defense for consideration by the Canadian Minister of National Defence or his representative . . . Canada may refuse any proposal." The press release said that a formal proposal was expected on the testing of the guidance system for the Cruise missile. "Such testing is linked intimately to Canada's security as a member of NATO and NORAD and to Canada's policy on arms control and disarmament." The Exchange of Notes constituting the agreement was tabled in the House of Commons that day.

Mr. MacEachen was questioned by reporters the same day (February 10) about the agreement. He said that despite the signing of the framework agreement, Canada could refuse to allow Cruise testing for any number of reasons, including the "success or otherwise" of the arms-reduction talks in Geneva, or if Canada felt that the US could be doing more to ensure success in the Geneva talks. However, the *Globe and Mail* reported February 11, "he was quick to say that Soviet representatives are tough negotiators and that Canadians who oppose the Cruise testing should also ask serious questions about whether Moscow is negotiating in good faith." Mr. MacEachen also said that Ottawa had insisted on the provision that Cruise missiles, which are designed to carry nuclear warheads, be tested unarmed, if it is agreed they be tested.

Meanwhile, Canadians continued to protest the potential testing of the Cruise missile. Petitions were presented in the House of Commons, and several demonstrations took place after the signing. Two protesters chained themselves to the doors of Parliament on February 11, but the chains were cut by security guards. During this time also, some Liberal backbenchers were reported to be opposed to the government position. Paul McRae (Lib., Thunder Bay-Atikokan) joined in a demonstration February 11 on Parliament Hill (*Globe and Mail*, February 12). In the House of Commons on February 11, Mr. McRae stated that because the terrain of northern Canada was different from the terrain in eastern Europe, the testing of the Cruise missile over Alberta would not constitute a contribution to NATO defence in Europe.

The same day, Miss Jewett asked the External Affairs Minister to confirm or deny that the Canadian Prime Minister had reached an understanding with the US President to test the Cruise missile. Mr. MacEachen denied this. In addition, several PC Members of Parliament repeated previous requests by both opposition parties to debate in the House of Commons any request to test the Cruise missile system. And, Walter Baker (PC, Nepean) said, under House rules there should be an opportunity for the Standing Committee on External Affairs and National Defence to examine the Exchange of Notes. This Point of Order was

discussed in detail. Mr. MacEachen agreed to bring the suggestion to the House Leaders.

On February 14, NDP Leader Ed Broadbent questioned Mr. MacEachen about his earlier statements that there was no understanding to test Cruise missiles beyond what had been tabled. Mr. Broadbent pointed out that former External Affairs Minister Mark MacGuigan had told the House of Commons on April 29 that President Carter had requested that Canada test the Cruise missile system, and that the request had been accepted by Cabinet. "The decision to go ahead with that has been taken. What is being held up is the implementation of the decision which has already been taken," Mr. MacGuigan had said. Mr. Broadbent wanted to know which Minister had been misleading the House. Prime Minister Pierre Trudeau said that Mr. MacEachen's statements had been accurate, and that the previous statements appeared to be misunderstandings or misstatements. He said that Cabinet had only authorized the general weapons testing agreement, and that when a specific request to test the Cruise missile was made, "which was likely to happen," the Minister of Defence would present it to Cabinet before acting under the umbrella agreement.

Again the next day, Miss Jewett asked the Prime Minister about the confusion about Canada's commitment. Mr. Trudeau repeated that there was no agreement to test the Cruise. He had verified Cabinet documents since the day before. Miss Jewett said that Mr. MacGuigan had time and again confirmed the existence of a Cruise agreement, and therefore had been constantly misleading the House. She said that she still believes Mr. MacGuigan's statements that there is an agreement. Outside the House of Commons, Miss Jewett told reporters that Mr. Trudeau refused to admit that in the face of public pressure, the government was backing away from its previous commitment to the US to test the Cruise (*Globe and Mail*, February 16).

(This matter was brought up again on March 18 after the return to the House of Commons of Justice Minister MacGuigan. PC Defence critic Allan McKinnon asked Mr. MacGuigan to tell the House, "Did he or did he not mislead the House on this matter on April 29?" Mr. MacGuigan responded that he had always stated government policies exactly as he had understood them. Prime Minister Trudeau told Mr. McKinnon that he had since read the complete statements by the former External Affairs Minister, and not just the selective quotes presented by Opposition members. Mr. Trudeau said that he was satisfied that Mr. MacGuigan had been stating government policy, which was to consider testing the Cruise, but first to authorize the negotiation of the umbrella weapons testing agreement.)

Mr. MacEachen was asked by reporters February 17 about the consequences should Canada refuse a formal US request to test the Cruise. He replied that such a decision by Canada could be exploited by the Soviet Union if interpreted as a weakening of public opinion and of support for the NATO alliance. "[Soviet Union Leader Yuri] Andropov has been skillful in his presentation of [arms control] proposals which appear attractive and [the Soviet] intention I would say is to try to give the least possible at these talks the more the NATO alliance and public opinion in the democracies weaken," he said.

Meanwhile, public opposition continued. A small peace camp was set up near Cold Lake in northern Alberta, the area where the missile would be tested. And

on February 23¹ *The Citizen* reported that Iona Campagnolo told a group of demonstrators that she would be on the streets demonstrating against Cruise missile testing in Canada if she weren't President of the federal Liberal party. The head of the United Auto Workers in Canada told reporters February 24 that he wanted union members to demonstrate against the Cruise missile testing even if it cost them their jobs. Some UAW members are involved in producing components for the Cruise at the Boeing plant in Winnipeg, *The Citizen* reported February 25.

The continuing protests in Canada did not worry Paul Robinson, US Ambassador to Canada, according to the *Globe and Mail* February 23. He had told reporters that he doesn't pay much attention to protests in Canada, and that in the US, "we don't react to the demonstrations we've had . . . The vast majority of Canadians, once they understand the circumstances, will be in favor" of the testing. He also told a Montreal Chamber of Commerce meeting February 22, "It is not too much to ask of Canada to meet her treaty obligations to NATO or our joint obligation to each other in the defence of the North American continent."

Among Canadians who spoke in favor of the Cruise testing at this time were two Liberal MPs. In the House of Commons February 21, Garnet Bloomfield (Lib., London-Middlesex) stated that with all the controversy, it was important to remember that Canada and Canadians fully support NATO. "We believe that a 'credible deterrent' is needed to maintain peace with liberty," he reminded Canadians. Nuclear armaments for the west were also defended in a statement by Henri Tousignant (Lib., Témiscamingue) on March 1. He told the House, "I would rather die in a nuclear holocaust than live in a country where I would not even be allowed to think for myself."

Among prominent Canadians to disagree with the government position was George Ignatieff, a former Canadian ambassador to the United Nations and to NATO. He told a peace conference in Toronto on February 26 that allowing the US to test the Cruise in Canada would make Canada a prime target in a nuclear war. This is because the testing would invite an increased US presence in Canada, and the US would soon want to set up surveillance systems and mechanisms in Canada to intercept Soviet air-launched Cruise missiles, he said. "Helping in the development of that kind of technology won't make us more secure, it'll make us more susceptible to an attack from the Soviets." Mr. Ignatieff also accused the Reagan administration of jeopardizing disarmament negotiations by spreading propaganda about the Soviet Union and "constantly stressing a sense of conflict" between the two superpowers (*Toronto Star*, February 27).

Throughout March, the different positions continued to be presented in a variety of ways. A matter of major concern in late March was the visit to Canada of US Vice-President George Bush. The Cruise testing, and issues concerning disarmament, including US proposals to the Soviet Union for the "zero-option" were to be discussed between Mr. Bush and the Prime Minister. Pauline Jewett wanted to know what the Canadian views would be, and especially, wanted Mr. Trudeau to confirm that the government had not made any agreement with the US regarding the Cruise. If the US formally requests the testing, Miss Jewett asked March 22, and the Canadian government refused such a request, "would such a refusal breach in any way Canada's commitments?" Mr. Trudeau answered

that there had been no Cabinet agreement to test the Cruise. The next day, while Mr. Bush was in Ottawa, Ed Broadbent repeated opposition requests that the government bring any Cabinet decision on the subject to Parliament, "not only for a debate, but also for a vote."

On March 24 in the House of Commons, Miss Jewett accused Prime Minister Trudeau of wanting "to have the public continue in a state of complete confusion on this subject." Miss Jewett said that the night before at a dinner for Mr. Bush, the Prime Minister had said that refusing to test the Cruise would be a breach of Canada's commitments. Mr. Trudeau assured Miss Jewett that he had not said that there was a commitment to the US or to Europe to test the Cruise. "What I said last night seems to me is reasonably clear," he said, and explained that Canada had, with many other countries, made a commitment to the NATO two-track decision. "My argument last night was that those who oppose the Cruise testing in Canada are really asking us to renege on a NATO commitment made by the Europeans to their North Atlantic partners."

Reporters in Ottawa asked Mr. Bush what Washington would do if Canada decided not to test the Cruise missile. It was reported that Mr. Bush said that he did not think Canada would renege on its "agreement" to test the Cruise missile. "I learned long ago not to go into what would happen if a frog had wings," Mr. Bush said (*Globe and Mail*, March 24).

A Private Members Bill (C-678), *An Act to Declare Canada a Nuclear Weapons Free Zone*, was presented in the House of Commons by Doug Anguish (NDP, The Battledowns-Meadow Lake) on March 30. Mr. Anguish told the House on March 28 that such a bill would effectively stop any Cruise testing in Canada, and he therefore hoped a free vote would be allowed on the Bill. The Bill was debated for an hour on March 30, with no vote being taken because it was still being discussed at the end of the allotted time. During this time, three Liberal MPs, Mr. McKinnon and Mr. Anguish debated the Bill.

The free vote was called for because under House of Commons tradition, MPs must ordinarily vote with their Parties. It had been reported that some PC and Liberal members of Parliament do not agree with their Party's position. The PC official position on the testing was spelled out by Leader Erik Nielsen in a letter to Tory MPs in late March, it was reported April 1. The purpose of the letter was only to clarify the Party's position as a result of a consensus within the Tory caucus, Mr. Nielsen told reporters March 31. Their position is in support of the Cruise testing if negotiations fail at the Geneva disarmament talks, which are aimed at balanced, verifiable cuts in nuclear arms. The NDP party is united in its opposition to the testing.

Chemical Weapons

In February and March, Canadian participation in the banning and, conversely, the development of chemical weapons were subjects brought up in the House of Commons. On February 1, Garnet Bloomfield (Lib., London-Middlesex) made a statement to the House urging the government of Canada to "champion the call for a full and verifiable ban on all chemical weapons, at the United Nations." Mr. Bloomfield's call corresponded with the convening in New York of the UN Committee on Disarmament to consider an agreement on the prohibition of chemical weapons. Mr. Bloomfield explained that a convention on

the Prohibition of the Development, Production and Stockpiling of Bacteriological and Toxic Weapons had been entered into in 1972, but the problem still remained. He said that it had been recently alleged that the Soviet MIGs had dropped "cannisters that emitted a crippling brown gas on Moslem rebels" in Afghanistan. Therefore, Mr. Bloomfield urged the Canadian delegation to the Committee for Disarmament to "work tirelessly" to ensure that the present negotiations will lead to the elimination of chemical weapons. On March 29, it was announced that Canada's Disarmament Ambassador Donald McPhail had assumed the chairmanship of the Committee.

But meanwhile, Canada's role in the development of chemical weapons was questioned in the House. On March 1, Simon de Jong (NDP, Regina East) told Defence Minister Gilles Lamontagne, "I have received US Army documents dealing with the technical cooperation program between Canada, the United Kingdom, the US, and Australia. Under this program, chemical, biological and radiation weapon systems were tested and developed in Alberta, Saskatchewan, Newfoundland and elsewhere. The documents quite clearly show that they were for offensive attack purposes and involved tests concerning the spread of yellow fever, botulism, tuberculosis, genetic engineering, anti-crop agents, et cetera."

Mr. Lamontagne replied that Canada was committed to the prohibition of biological and chemical warfare. But it is true, he said, that Canada is "burdened with the responsibility of protecting, by all possible means, our own soldiers and our own people against a possible attack of this nature by other peoples. When we test this weaponry or in fact make some use of it we do so strictly on a defensive or protective basis."

In a press release issued the same day, Mr. de Jong said that the document in his possession details Canada's forty-year participation with the Tri-partite Conference on Toxicological Warfare. "These weapons are clearly intended for attack and not defence," he said.

Again on March 3, Mr. de Jong alleged that the weapons are not for defence. Mr. Lamontagne again denied this, and said that Canada does not stockpile, or possess in any way any amount of chemical products which could be used for other than protective purposes. He also said that some testing had been done in the 1950s and 1960s. In a press release the next day, Mr. de Jong called the Minister's response "Orwellian," because he said Mr. Lamontagne was trying to say that "attack is defence." In the press release, Mr. de Jong listed several references in the documents which he said illustrate his point.

TRADE/ECONOMIC

Canagrex

Although opposition to the government's Bill C-85, the Act to establish Canagrex remained, during February and March the Bill received more support. Canagrex is the proposed Crown corporation to promote, facilitate and engage in the export of agricultural and food products from Canada. The Bill is awaiting third reading stage, and has been before the House for more than a year. On February 9, Agriculture Minister Eugene Whelan received conditional support for his Bill from the Canadian Federation of Agriculture (CFA), which represents two-thirds of Canada's

300,000 farmers. The condition is that the majority of the corporation's directors would be farmers. This was a decision made by the delegates to the CFA annual meeting in Ottawa. *The Citizen* reported (February 9), "Though Whelan has not given his assurance [of this condition], the vote still represents a significant victory for the Minister who has been beset by strong opposition to the bill from export companies, cattlemen and Alberta farmers." The PC Party also opposes the legislation.

Support for Canagrex was the subject of statements to the House during these months. On February 16, Maurice Bossy (Lib., Kent) told the House that his constituents support Canagrex, which he said should be established as soon as possible. "The time has come to give the people of Canada an export mechanism to do just that and give this nation an opportunity to expand its agri-food international trade market," he said. On March 15, Gaston Gourde (Lib., Lévis) also urged passage of this legislation, and called on "farmers affected by this problem and other interested parties to put pressure on our Progressive Conservative colleagues so that they will let the Bill through immediately."

Wheat Price Battle

Senator Hazen Argue, minister responsible for the Canadian Wheat Board, voiced concern in February and March about the increasing trend for governments to use subsidies to gain access to grain markets. "Regardless of the justification that a particular country may use for its subsidized export programs, the loser from excessive competition is the grain producer or taxpayer or both," a press release from Mr. Argue's office said February 3. He said that Canadian producers are worried about both the EEC's policy of maintaining domestic grain prices higher than world markets and subsidizing exports, and the United States' blended credit program.

Canada is the world's largest wheat exporter after the US. The US had recently sold a million tonnes of subsidized flour to Egypt, a long-time client of Europe's, at prices well below market levels. The EEC had complained to the General Agreement on Tariffs and Trade that the sale constituted a temporary takeover of the Egyptian market. The US has been threatened by the EEC with counteraction if it sells subsidized wheat to another EEC customer (*Leader Post*, February 4).

Mr. Argue was in Europe in early February to put forward the Canadian case and to explore prospects for greater cooperation among exporters in the interest of stabilizing world grain prices (*Star Phoenix*, February 2). During his week-long tour of European capitals, Mr. Argue delivered the message that Canada was "disturbed that our chief competitors are subsidizing their exports. We cannot match it. We are not in that league." If a trade war starts, prices will fall further, and everyone will suffer, he said (*The Citizen*, February 4).

The conflict between the US and Europe hurt Canada further in March. The US provided Iraq with \$230 million in blended credit and \$210 million in credit guarantees to expedite a grain sale. The *Globe and Mail* reported March 21 that, "The subsidies were apparently intended as a warning shot in the United States' long-running battle with the EEC, which has been subsidizing its agricultural exports. But the shot damaged Canada more than the EEC. Canada sells 350,000 metric tonnes of grain to Iraq a year

on a cash basis, while the EEC is not a significant factor in that market."

Mr. Argue protested the US action. He said, "Canada has made high-level representations to the US authorities. I wish the US would examine its marketing practices carefully to ensure there is a minimum of disruption to normal patterns of international trade" (*Globe and Mail*, March 21).

Export Restrictions on Branch Plants in Canada

In March, it was revealed in the House of Commons by Lorne Nystrom (NDP, Yorkton-Melville) that parent companies of some foreign-owned branch plants operating in Canada had restricted those branch plants from exporting from Canada. In the House March 9, Mr. Nystrom told International Trade Minister Gerald Regan, "I have here with me copies of previously unreleased confidential documents which quote government officials in the Department of Industry and Trade, and also Canadian trade commissioners back in the 1950s and 1960s." Mr. Nystrom said that the documents showed that a majority of foreign-owned firms have prohibited their Canadian branch plants from exporting from Canada, meaning the loss of tens of thousands of jobs. A quote in one document said that probably seventy-five percent of the subsidiary companies had their exports strictly controlled by the parent. Mr. Regan responded that it has been Canada's desire to encourage any foreign subsidiary to participate in export markets, and many do.

In the House in the following two days, Mr. Nystrom asked Mr. Regan and Acting Prime Minister Jean-Luc Pepin to table the documents Mr. Nystrom had been quoting from. Mr. Regan noted on March 10 that the documents were from the late 1950s and 1960s, and hardly seemed current. Mr. Nystrom then wanted Mr. Regan to make more recent studies public, because he said that the same practice was currently happening.

On March 11, Mr. Pepin agreed that some branch plants of US and other foreign firms had not been exporting as they should have, or not at all. (Mr. Nystrom said that he had obtained a 1980 Cabinet document confirming this.) But, Mr. Pepin continued, the answer was to try to convince them to export more, and sometimes help them financially. There had been an increase in exports from US-owned plants over the years, he said.

Later in the month (March 18), Mr. Regan agreed to make the referred-to documents public. The same day, Mr. Nystrom said that he had with him an agreement between a head office in the US and a Canadian branch plant that had been signed in the middle of 1982 specifying that the branch plants could not export without the specific consent in writing of the parent company. It also said that the head office could be restricted from giving consent by the US government.

Although Mr. Regan did not respond to the specific case from 1982, he said that that practice may well have contributed to the establishment of the Foreign Investment Review Agency (FIRA).

Arms Sales Promotion

Canada's role in promoting arms sales to repressive countries was questioned in March. Dan Heap (NDP, Spadina) charged in the House of Commons that a recent government-sponsored conference called HiTech 83 had

the aim of promoting high-tech arms sales to repressive regimes, such as in Chile, Argentina, South Korea, and the Philippines. US military officials and Canadian trade commissioners from sixty posts abroad had been invited to the Ottawa conference by the Canadian government, Mr. Heap said. In a press release March 11, Mr. Heap charged that the government was spending \$120 million to encourage these sales. In the House of Commons March 4, Acting Prime Minister Jean-Luc Pepin had told Mr. Heap that Canada could not trade only with countries that were universally loved, because in that case Canada would not trade much.

Dollar

The Canadian dollar was worth about 81 cents (US) at the beginning of February, then fell below 81 cents, but increased during early February, and registered 81.62 cents on February 7. It fell, and rose again in early March, to 81.70 cents on March 2. It was up and down around this mark until late March, closing at 81.44 cents on March 24. It continued to fall, and on the last day of March the dollar had fallen to below 81 cents for the first time since early February, registering 80.83 cents (*Globe and Mail*).

HUMAN RIGHTS

Proposal to Establish Committee

As in previous months, in February the House of Commons heard statements in support of a proposal to set up a Parliamentary standing committee for the watchdogging of human rights around the world. This had been proposed by the sub-committee on Latin America last year, and on February 9, Bob Ogle (NDP, Saskatoon East) endorsed this idea. He said that "when it comes to Canada's relationship with countries in which human rights are being abused, even with respect to international trade or of aid to them many times we are left without sufficient information and knowledge on how we can treat the situation . . . I personally believe that the only way it can be done on any kind of continuous and secure basis would be with a Standing Committee."

Mr. Ogle repeated this view in the House February 17. The renewed request followed a UN human rights meeting in Geneva at which a report was delivered which indicated that two million people around the world had been executed in the last fifteen years without trial. The Kenyan lawyer who had delivered that report asked that the world community monitor these abuses. An all-party committee on human rights could monitor, publish, condemn, and "most important . . . advise the government about this abuse as it relates to the whole section of activity that takes place between countries," Mr. Ogle said.

On March 29, External Affairs Minister Allan MacEachen expressed support for the proposals of the Latin American sub-committee. He told the House of Commons external affairs committee that he agreed with the sub-committee's recommendation that foreign aid should be substantially reduced or terminated for countries grossly violating human rights. But, he also endorsed an accompanying statement in the recommendation that the government should exercise caution in tying development

assistance programs directly to human rights policy. The government hopes to present its formal report on the sub-committee recommendations this spring (*Globe and Mail*, March 30).

IMMIGRATION

Report on Illegal Immigrants Challenged

The extent of the problem of illegal immigrants in Canada was challenged in March. In a report released last December, the Employment and Immigration Advisory Council had estimated that there are 200,000 illegal immigrants in Canada, and recommended a controlled amnesty. This figure was challenged by a government advisor on March 3. A report by W.G. Robinson, who had been appointed to further investigate the problem, said that the previous estimate of 200,000 "has been challenged with considerable force." The Council's recommendations are based on the previous estimate, but Mr. Robinson's report said that "a more reliable estimate should be possible to obtain" (*Globe and Mail*, March 4). On March 29, the public was given an extra month to respond to the initial report, with the deadline pushed up to April 30.

Iranian Aliens

In answer to a question in the House of Commons March 1 from Warren Allmand (Lib., Notre-Dame-de-Grâce-Lachine East), Immigration Minister Lloyd Axworthy said that special immigration measures will apply to the more than two thousand Iranians in Canada, including about one thousand students. He said it looked clear that the conditions in Iran would not be changing in the immediate future, and so special measures, which also apply to Salvadoreans, Lebanese and Polish people in Canada, would be extended to Iranians.

In a press release the same day, the Immigration Minister outlined the measures, which allow Iranian visitors to apply for permanent residency without leaving Canada. "Under this special program, Iranian visitors, students and Minister's Permit Holders, will be allowed to apply for landing under two categories: if they have relatives here both able and willing to assist them; or if they have been here a minimum of twelve months and can demonstrate their ability to settle here successfully."

AID

Funds for Disaster Preparedness

An agreement was signed on March 28 between Canada and the Pan American Health Organization for Canadian contributions to that organization's 1983-1987 program of disaster emergency preparedness in the Caribbean and Latin America. Canada will contribute \$5.5 million in support of this program. It was also announced March 28 that a further \$660,000 will go to support the activities of the UN Disaster Relief Coordinator. The Canadian funds for these projects will be provided by the Canadian International Humanitarian Assistance program of the Canadian International Development Agency (CIDA press release, March 28).

the Commonwealth Secretariat. Hadn't Canada invented the Commonwealth, after all? Weren't Canadian officials, in Holmes's words "anti-imperialists in the Commonwealth tradition?" This partly accounted for the bond between India and Canada that Escott Reid writes about so effectively.

It is evident, from his book and other sources, that there was tension between Arnold Smith and the British on a number of levels. One example concerned the way the

stylists with a talent for communicating their ideas; pragmatists with a strong strain of liberal idealism; committed Canadians with an internationalist bent. Keenleyside, Reid and Ritchie were Skelton recruits. Holmes and Smith came in 1943, only two years after Skelton's death. Their books have a whiff of Skelton's moral superiority, some of his naiveté, and his strong academic bias. Our diplomats refresh their memories in archives before venturing forth, and they write books festooned with footnotes. The only



Secretariat was run. A former Pearson aide, Smith applied "Mike's" informal style of "creative flexibility" to the organization; he comments unfavorably on Britain's "large, compartmentalized and almost feudally hierarchic, civil service." There were those in Whitehall, however, who thought that Smith was simply badly-organized, a complaint frequently made about the Department of External Affairs under Skelton, Pearson and Robertson.

The Skelton patrimony

In this, as in so much else, Skelton set the pattern. It is helpful to see the Keenleyside, Ritchie, Reid, Holmes and Smith books in the Skelton context. The Under-Secretary and his successors encouraged their officials to put their views on broad policy questions in writing, so that (Ritchie states) "one had a lively sense of participating in policy formation." Skelton felt most comfortable with widely-read generalists having a concern for culture and history; academics accustomed to critical thought and abstraction;

one who does not — Charles Ritchie — would admittedly have profited from research. Some regrettable lapses in chronology have crept into his diaries.

Keenleyside was the most conscious Skelton disciple, except in the high premium he placed on departmental organization and management. In 1943 Keenleyside was offered the post of Director of the Canadian Institute of International Affairs. He declined, giving as one of his reasons the fact that Dr. Skelton was gone, "and those of us who espouse his ideals cannot maintain his traditions if we are not on the job." Keenleyside thought that any "weakening of the liberal element in the Service might have definite repercussions in Government policy — and not only in foreign affairs." There was no immediate danger, and yet . . . This is intriguing, but Keenleyside does not adequately explain why he jumped at an opportunity to become Deputy Minister of Mines and Resources only four years later.

Diplomacy, as Skelton well knew, is more about the

Books by Canadian diplomats

real than the ideal. He deeply regretted Canada's entry into the Second World War, but knew that it was inescapable. Skelton admired liberal political men like Mackenzie King, who were forced to live in a real world and try to make it work for them. Holmes sees a tension between idealism and realism as an important feature of the post-Skelton department. There could be no doubt that the pragmatists carried the day: "The gospel was 'functionalism,' the concept of institutions which grow from the ground up out of necessity, rather than the philosopher's dream of a world community into which men and nations should be strait-laced." As always, Holmes emphasizes the subtleties and complexities, without clarifying them out of existence. Departmental differences were inevitable in any good foreign office. They were never simple or clearly-delineated; often contradictions and conflicts were evident in the same individual. Pearson was only the best example of this: his "genius was in reconciling the ideal and the possible."

Balance or perish

Balance is a national prerequisite. Canadians have prided themselves on (and just as often denigrated themselves for) being bridge-builders, middle-grounders, jugglers balancing region and country, French and English, foreign and domestic, nation and empire, Great Britain and the United States. The juggler supreme was Mackenzie King, and with the coming of the Cold War, he was not forgotten. Thus Charles Ritchie, writing in 1953: "I see policy as a balance, also a calculated risk, as the tortuous approach to an ill-defined objective. All-out decisions, unqualified statements, irreconcilable antagonisms are foreign to my nature and to my training. In these ways I reflect my political masters, the inheritors of Mackenzie King, and I am fitted to work with them. I believe, too, that such temperaments are needed in this dangerous period of history, which is no time for heroics to be paid for in a currency of disaster."

In one important sense, of course, Mackenzie King was consigned to the scrap heap. There was a strong new commitment to international order and stability. Skelton had hired men of first-class intelligence and ability. It was natural that they should want to test their wares. Holmes is a reliable, and refreshingly candid, guide to the consequences. Canadian diplomats were impatient, ambitious, "bursting with ideas." Canada's work in the early days of the UN Assembly was hard, "but it was also good sport. Canadians from the beginning developed expertise at this kind of negotiation. The end result was often useful and often a waste of effort. There was an attraction, however, in the sheer fascination of the game, and for a middle-powerman an extraordinary suppleness as he moved among blocs to which great powers often had less easy access, manipulated diplomats of lesser calibre, and enjoyed the triumph of putting together a winning team." Caution and balance, however, remained watchwords in Canadian diplomacy. The search for some sort of diplomatic equilibrium in a combustible world is one of Holmes's major themes.

No longer plenipotentiary

The new diplomacy meant that there were ever-increasing numbers of Canadians serving abroad. The top jobs in the service had been available to careerists from

early on, and the rotational principle quickly became firmly embedded. Service abroad could boost morale and broaden outlooks. Depending on the occupant, the circumstances and the posting, an Ambassador might be an important and influential figure. The evidence here, however, is that this was seldom the case. Politicians were apt to treat their diplomats, in Ritchie's phrase, as "a mixture of flunkey and clerk." The social imperative was dispiriting and time-consuming. After "a tiresome day and a wasted evening," Keenleyside wrote of cocktail parties: "If it was not the devil himself it was certainly one of his more malignant and ingenious disciples who invented these tedious and dismal gatherings, usually gilded with the title of receptions."

Headquarters, too, was disdainful or suspicious or, perhaps worst of all, indifferent. A committed and idealistic public servant like Escott Reid, who worked so diligently to get to know and understand India and its leaders, could be dismissed as Nehru's captive. Hugh Keenleyside suggests that a trend on the part of External Affairs in Ottawa "to reduce the responsibilities of our senior officers abroad to something approaching the status of senior clerks" contributed to his decision to leave the service.

My growing dissatisfaction with the diplomatic life as a permanent career arose from the knowledge that as an ambassador I would have little opportunity to produce tangible and measurable results. The things that a diplomat can achieve in the way of creating goodwill, of widening knowledge, and of resolving minor difficulties between his own government and that of the country in which he is serving are numerous and occasionally important. But they can seldom be measured, and their effects cannot be expected to endure far beyond the crowding moment. He produces little — except reports. He leaves no permanent monument; he can seldom accomplish very much that will change lives among his own people or others. Many governments can and do learn more about their neighbours from the news media than they do from their diplomatic representatives.

James Roberts is also good, if exceedingly brief, on the worthy but all-too-routine functions of most modern embassies, including that "of post office-cum-tourist agency It is almost inevitable," he writes, "that a representative close to government thinking and policy on a particular subject will be sent directly rather than the responsibility being entrusted to a mere 'plenipotentiary.'"

In 1953 Charles Ritchie was second-in-command at External Affairs. He enjoyed the work immensely, but not a provincial and power-mad Ottawa. When he told Pearson that he wanted to escape to a representational job, his minister and old friend replied: "I thought you were a *working* diplomat." Ritchie was soon in Bonn, which of course proved no less provincial and power-conscious, trying to force himself into "the groove, the ambassadorial groove Developing an anonymous public face which expresses only cautious benevolence, controlling the spasms of nervous exasperation or high spirits It is a game Whether it is a game worthy of a grown man I cannot say." □

Canadian aid and environmental protection

by Gary Gallon

Environmental groups in Canada are becoming increasingly concerned that Canada is ignoring environmental problems in the Third World while providing aid to its own ailing industry. Our country's two primary agencies for development in the Third World, the Canadian International Development Agency (CIDA) and the Export Development Corporation (EDC), have failed to incorporate environmental protection processes in their programming. As a result, they have not only failed to address serious environmental problems in the Third World, but have created many of their own.

Groups including Energy Probe, the National Survival Institute and the Society to Promote Environmental Conservation (SPEC), raised the issue at Environment Canada's Public Consultation held September 22 and 23, 1982, in Ottawa. They pointed out that environmental groups in the United States took the US Agency for International Development (AID) to court and succeeded in having it brought under the US National Environmental Protection Act after the Agency refused to incorporate environmental concerns in its aid policies.

Both CIDA and the EDC fall under Canada's Federal Environmental Assessment and Review Process established by a Cabinet decision, December 20, 1973 — CIDA because it is a government agency and EDC because it is a crown corporation operating under the administrative guidance of External Affairs.

Contradictory expectations

The crux of the problem is that both agencies tend to support large-scale western-style development which meets the needs of growing urban areas, but fails to alleviate the miserable conditions of the majority of the people in the Third World who live in the rural areas and on the margins of the big cities. CIDA and EDC do this because, first, it is more convenient to administer the paper work of fewer, larger projects, than it is to handle the administration for a multitude of smaller projects. Second, and more important, they do it to aid Canadian industry. The problem has gotten so bad, that one has to question whether CIDA is really an international aid agency, or just a Canadian sales agency in disguise. When CIDA signs a contract, is it to save Bangladesh or is it to save Massey-Ferguson? Eight out of ten dollars of CIDA's bilateral aid is tied to the purchase of Canadian goods and services. The emphasis on selling Canadian equipment has distorted CIDA's aid pro-

grams to such an extent that one must ask, is this kind of aid harming or helping developing countries?

The Export Development Corporation is not involved in the same kind of hypocrisy. Its mandate is specifically to help Canadian exporters.

The energy example

Let's take a look at an example. The Third World is being crippled by a fuelwood energy crisis more severe than the "oil crisis" of the 1970s. The response by Canada is to sell dams, transmission lines and thermal electric plants, usually in conjunction with other industrialized countries which are also peddling their wares.

Fuelwood meets the cooking, heating and lighting needs of two billion people. And this indispensable resource is disappearing at the rate of fifteen million hectares a year. By the year 2000, according to the World Bank, developing countries will lose 40 percent of their current forest resources, 440 million hectares, an area the size of Europe will be deforested, half of it in Africa. As firewood disappears, people are turning to burning twigs, leaves, crops and cow dung. Kerosene, which was becoming a viable alternative, was priced out of the reach of most people with the fifteen-fold increase in the price of crude oil between 1973 (\$2.00 per barrel) and 1983 (\$30.00 per barrel). The fuelwood crisis is compounded by the fact that it is also causing a severe environmental crisis. Soil erosion and desertification have become rampant in areas denuded of trees.

Any relief that hydro-electricity could provide has never materialized, despite the best efforts of Canada's and the industrialized countries' aid agencies and corporations.

In all, industrialized country aid agencies spent \$8 billion a year between 1966 and 1977 on large-scale electricity developments in the Third World. By 1980, this

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Harmful help abroad

figure had almost tripled to \$22 billion a year. Projects supported by EDC and CIDA include:

- \$90 million for transmission lines in Kenya from the Tana River Hyrdo-electric project to the coast port city of Mombasa;
- \$145 million for a coal-thermal electric project in Suralaya, Indonesia;
- \$76 million for the Maduru Oya Dam at the Mahaweli Project, Sri Lanka;
- \$30 million for a coal-fired electricity generating station in Botswana;
- \$41 million for transmission lines in the Ivory Coast;
- \$24 million for an electric power network development in Tunisia;

Slow progress of electrification

Yet electricity today reaches less than 12 percent of Third World households. In Latin America, only 2 percent of the electricity generated reaches the rural areas where



The Chipco Movement in the Indian Himalayas plant trees for fuelwood, after years of destructive commercial logging.

more than half of the people live. In India, after twenty-five years of intensive rural electrification, only 30 percent of the villages with populations over 2,000 have been connected to the grid. Even then, very few families can afford the electricity with initial hookups costing \$24, the month's wage of an average worker. In Kenya, less than 1 percent of the rural population uses electricity, reflecting the situation across Africa. In fact, the US Overseas Development Council says that at current rates of electrification it will take another 800 years to provide electricity to all of rural Africa.

All of the large electrical energy projects supported by Canada and other industrialized countries in the Third World have failed to alleviate the domestic energy crisis resulting from growing shortages of the traditional fuelwood supplies.

The question then arises: Are CIDA and the EDC fiddling while the Third World burns? There is a very real

possibility that while these agencies focus most of their attention on the sales of capital-intensive, large-scale energy projects, countries in the Third World will continue to suffer major environmental, social and economic disruptions as a result of the worsening fuelwood crisis.

Large-scale electricity projects in the Third World, supported by Canada and other industrialized countries, have failed to solve the primary energy shortage that has stricken the majority of the people in those poor countries. Direct solutions such as reforestation (for fuelwood) and village-scale renewable energy systems (biogas plants, windmills and micro-hydro installations) that are environmentally-sound have been virtually ignored. Immediate steps must be taken to redirect energy funding towards these programs, away from traditional energy projects, even if it means smaller contracts for Canadian suppliers.

Export Development Corporation

The Export Development Corporation provides loans, guarantees and insurances to Canadian companies selling goods and services overseas. In 1981, it provided such financing to the Third World in the amount of \$3.09 billion. It supported 115 loans and provided insurance for 836 transactions. Let's take a look at some of the largest loans that year:

- \$255 million to Surveyor Nenniger & Chenevert Inc., of Canada, to provide equipment and services to Peru for the Empresa Mineral Especial Copper Mine;
- \$22.6 million to Combustion Engineering Superheater Ltd. to supply steam boilers to Thailand for a thermal-electric generating station;
- \$145 million to various Canadian exporters for coal mining equipment for the Bukit Asum mine that will supply coal to the \$1.3 billion thermal-electric plant in Suralaya, Indonesia;
- \$142 million to Saint John Shipbuilding & Dry Dock Co. Ltd. to construct a drilling rig to be used by Bow Valley Husky in Bermuda;

At first glance, the EDC would seem to be just a financing agency with no development or policy responsibilities, its primary mandate being to select the most economically-feasible projects. However, EDC is a crown corporation, wholly-owned by the Government of Canada and partially supported by funds from the treasury. That brings it under the Federal Environmental Assessment and Review Process established by a Cabinet decision of December 20, 1973, wherein all federal government agencies are encouraged to review and assess the environmental impacts of potentially harmful projects.

Further, the Export Development Corporation is required by the Act that establishes it, not to provide financial assistance that "will not contribute to the development of the country in which it is made" (Article 34 2(a)). As well, the Federal Cabinet is accorded the power of "Administrative Guidance" under Section 22 of the Export Development Act to provide direction to the EDC on social and environmental issues. The Cabinet provided "Administrative Guidance" recently when it directed the Export Development Corporation to cease making loans for business transactions in South Africa for human rights reasons (though Cabinet continued to allow EDC export credits

insurance and guarantees for business in South Africa).

Canadian International Development Agency

Unlike the Export Development Corporation, CIDA gives grants and provides soft loans to the poorer Third World countries that cannot afford to meet even the subsidized interest rates charged by EDC (which are usually 5 to 7 percentage points below commercial rates). In 1981-82, CIDA provided \$1.2 billion in development assistance to some eighty countries. Here is what the aid looked like to the top recipient countries.

- \$77.9 million to Bangladesh for rehabilitation of railways, construction of power stations and flood control projects;
- \$50.3 million to Pakistan for locomotives, oil drilling equipment and energy projects;
- \$46 million to Kenya for transmission lines, commercial agriculture, mining equipment, etc.;
- \$42 million to Sri Lanka for locomotives, reservoir construction, water supply and food aid;
- \$37 million to India for a synthetic rubber plant, fertilizer production and for agriculture;

In 1976, CIDA published its Sectoral Guidelines on a number of areas, one being environment. The Guidelines on Environment called for the integration of environmental measures in Third World development processes. The guidelines promoted a new ethic of eco-development that called for the integration of biophysical factors with the socio-economic elements in project planning. The guidelines stated that:

It is essential that the probable impact of projects on the biophysical environments and on the marginal living conditions of the population involved be determined to the best of our knowledge, in order to be able to decide whether it might not be preferable to choose an alternative technology or a more advantageous site for the project in question.

CIDA comes up short

The guidelines lay out a plan of action for CIDA to improve its environmental processes and operate under the spirit of the 1973 Cabinet decision and Federal Environmental Assessment and Review Process. However, except for individual initiatives by concerned CIDA officials, the guidelines have not been implemented. In an internal discussion paper prepared by the Intergovernmental Affairs Directorate of Environment Canada, March, 1979, the Directorate found that CIDA had not satisfactorily put into practice mechanisms necessary to mitigate environmental and social impacts, and to provide for "environmental accountability" in CIDA projects.

Then, in a study released in 1981, CIDA was again found lacking in its performance. The study funded by CIDA and carried out by the North-South Institute in Ottawa and the Institute for Resource and Environmental Studies at Dalhousie University in Halifax, on behalf of the Institute for International Environment and Development in London.

Recently, CIDA has begun to take some initiatives. A working group has been established on "Aid and the En-

vironment," consisting of CIDA, Environment Canada, the Federal Environmental Assessment and Review Office (FEARO) and External Affairs. The topics which will be addressed by the working group include the relevant activities of international organizations (such as OECD), environmental aid projects and programs, environmental impact assessment and environmental reporting. Environment Canada will also second a person to CIDA to document CIDA's environmental procedures for the purpose of streamlining and improving them, and to help with a new environmental training program for CIDA staff and management.

Other side of CIDA's effort

CIDA has supported some environment efforts. Though modest compared to its total activities, they are worth mentioning. The agency has supported the work of various Canadian universities in the Third World that are helping the countries to improve their environment education and training programs and to improve their project assessment and management capabilities. It is supporting the environmental work of a number of Canadian non-governmental organizations. For example, it gave the Canadian Lutheran World Relief \$100,000 to help Mauritania with reforestation and irrigation. It gave Inter Pares \$56,000 to help Upper Volta with developing domestic fuels and improving the efficiency of wood cook stoves. And it gave the Institute for the Study and Application of Integrated Development (ISAID) at the University of Toronto, \$485,000 to help villages in Niger develop community energy and agriculture systems that had been devastated by the Sahel drought.

CIDA has also supported the work of international non-government organizations (NGOs). It helped the International Institute for Environment and Development (IIED) create a worldwide environmental news service, EARTHSCAN. It provides \$100,000 a year to the Environment Liaison Centre in Nairobi, Kenya, to support the work of Third World NGOs, of which there are almost 4,000 now in Latin America, Asia and Africa. It also supports the work of the International Council for Research into Agro-forestry (ICRAF), also based in Nairobi. The Council has taken the lead in exploring new ways of integrating tree and food crops.

The old problem — helping whom?

Canada's long-term economic health is tied to that of the Third World. The developing countries will provide new markets for our goods and will be valuable trading partners. But this cannot be done as long as the Third World is treated like a "milk cow" for Canada's export industries, diverting the aid away from appropriate, environmentally-sound projects, for projects that provide for the sales of Canadian heavy equipment, and for the support of Canada's \$300 a day consultants.

If the purpose of aid is to strengthen the Third World economy, to improve the standard of living of its people and to contribute to the overall health of our Third World trading partners, then Canada's aid, as it is being given now, is often counter-productive, causing more harm than good. The aid might as well not be given. Adjustments must be made to ensure that the developments that CIDA and EDC support are environmentally-sound and meet the needs of the people. □

Poland without Solidarity

by John E. Trent

John Trent is Professor of Political Science at the University of Ottawa, from which he is on leave as Visiting Scholar at the Science Council of Canada. He is also Secretary General of the International Political Science Association, in which capacity he visited Poland earlier this year to find that "We are badly informed in the West about the current situation in Poland. News is one-sided. Our foreign policy, if once it did make sense, is no longer rational or helpful. It plays into the hands of communist hard-liners."

Poland today is not what we would expect. No tanks or soldiers in the streets. Not many goods in the stores either, but no line-ups as rationing takes care of more even distribution. Politically, apathy and attempts at reform have replaced the previous combination of euphoria and instability.

Year of repression and reform

The past year in Poland has witnessed not only the repression of the national union movement, Solidarity, but also intense thought and activity on the reform of the entire Polish system. More than fifty institutional reforms have been passed, corruption and bureaucracy has been countered and efforts made to restabilize and redistribute economic wealth.

But for most people in the Western countries it is as though we had taken a snapshot of Poland at the time of Solidarity and the creation of martial law in December 1981. We see a country that has stood still ever since. With all our moral fervor we hoped for the success of Lech Walesa's democratic movement. When it was suppressed by General Jaruzelski's army and the Polish United Worker Party (PUWP, i.e., Polish communist party), we decided these latter were villains to be ignored. This has been encouraged by our media which reported mostly on the trials and tribulations of Lech Walesa.

Despite our hearts going out to Lech Walesa and his comrades in Solidarity, and despite wondering why the Polish authorities have not been able to include them in their reform strategy, nevertheless, we must see Poland in a broader perspective.

Waiting for Solidarity

It helps in understanding the extraordinary developments in Poland in the past year, if one recalls some of Poland's experiences since World War II.

First, Poland, although a considerable country of thirty-six million people, lives in the shadow of the USSR, a superpower which is determined to have a friendly, allied neighbor on its border. That is a fact of life no Polish government can ignore.

Second, since the last war, Poland has gone through half a dozen socio-economic and political crises, each one of which has led to bloodshed. The rifts between various ideologies and various groups in society are deep and persistent.

Third, the economy went through a great boom of investment in the 1970s, fueled by Western credits, which were cut down in 1978 when interest payments skyrocketed, and cut off in 1982 when martial law was imposed. Because of bad planning and organization the economy is in a mess and there have been four years of negative GNP. However, much social redistribution accompanied the earlier boom and the standard of living is still higher in Poland than in the USSR. Even during the past two years, despite a clear economic failure, Solidarity was able to gain a shorter workweek and increased salaries, social benefits and early retirements.

A fourth complicating factor is that the country has been run by a single party. This has led to inefficiency, lack of innovation and corruption. Yet Poland also harbors an unofficial and tolerated opposition composed of the church, workers' groups, intellectuals and social organizations which spark a continuing demand for political democracy.

Fifth, by the autumn of 1981 Solidarity had grown to be much more than a union. With ten million members (out of fourteen million workers) it had become a social movement with political aspirations. It was almost an alternate government. Walesa was no longer able to control it. Solidarity became the vehicle for everyone's favorite ambition. Anarchical tendencies sprung up alongside intolerant, fundamentalist left wing theories. They, in turn, fed right wing reactions.

Such were the conditions in Poland which, along with fears of Soviet intervention, led the army to impose martial law on December 13, 1981. They are also the conditions which have sparked the intense efforts at reform which have paralleled the military takeover.

Government claims positive actions

The "Communist Party" (PUWP) is no longer, at least for the time being, the dominant political force. The military government governs. But even generals can be party

members, so the difference may not be very great. The needs and solutions do not change. There is widespread recognition within the establishment of the necessity for basic, structural reform. The Institute of Fundamental Problems of Marxism-Leninism of the Central Committee of the PUWP has published the results of five conferences called to analyze the causes of Polish crises. Its Director, Dr. Jerzy Wiatr, has written,

In my opinion, it is precisely the absence of reform of the system which assured that the crisis of 1956 would not be the last. Without an authentic restructuring, the economy was not able to assure a level of productivity capable of satisfying consumers' needs and growing aspirations, which, in turn, progressively sapped the support the society had accorded to the state. The absence of institutional guarantees of democracy — in the government as well as in the Party — gave rise little by little to the reappearance of bureaucratic centralization . . . From this appeared the bureaucratic and technocratic distortions which had their most shocking aspect in the rise of privileged, even corrupt, people in the state apparatus, especially after 1970.

In light of these findings, Jaruzelski has set up economic, political and constitutional reform committees. He



Author and hosts at memorial to Polish dead in workers' uprisings since the Second World War, Poznan, 1983.

has vowed not to take any socio-economic measures without broad consultation. A new State Tribunal has been established to consider abuses of power by senior officials and an Administrative Tribunal to hear charges by citizens against administrators. A Social and Economic Council has been created to give opinions on draft legislation.

The PUWP, the subsidiary parties and catholic clubs in Parliament have signed up for a new governing coalition called Patriotic Movement of National Revival (PRON). Parliament has called in a team of twenty-four academic experts as advisers. Electoral reform is actively under discussion to find a path between Socialist practice and plural-

ism, or, more concretely, to develop genuinely contested elections without upsetting the "leading role of the Polish United Workers Party." So there are signs of evolution, although at the present time the "opposition" has only a voice rather than any real influence.

On the legislative front, among the fifty-seven new laws there is one re-establishing the autonomy of universities, including the hiring of professors. Another law has instituted some limits to censorship. It is the only legal recognition that this phenomenon even exists in socialist countries. The law establishing autonomous unions in industries is far-reaching and includes the right to strike, but not to group together by sector or nationally. The right to create cultural associations with the assistance of government funding has been recognized in another law. In the works is legislation to provide for greater decentralization for local government.

In each case there are still two restrictions. The first is that some of the most far-reaching provisions are suspended pending the lifting of all aspects of martial law. Perhaps more important in the long run is that the laws are just that — laws. Their application depends, first, on the effort the government makes to implement them and, second, on the willingness of the population to make use of the opportunity for pluralist associations.

This latter is the greatest question mark in current Polish society. As one parliamentarian told me, the population has gone from anarchy to apathy. Many liberal-oriented supporters of Solidarity believe that participation in the reform process means complicity with a repressive regime. They also fear it may just be old wine in new bottles, with the former personnel still in charge. But, it will be tragic if liberals miss the opportunity for slower but real change, since there is growing evidence that hard-line conservatives are more than willing to fill the vacuum.

Economic reforms claimed

On the economic front the reform legislation is equally englobing. It includes:

- the economic independence and self-reliance via market mechanisms of state corporations; quotas are replaced by the need for the corporations to sell their products;
- the reorientation of state planning toward indicative socio-economic goals rather than production quotas;
- the elimination of a whole level of intermediate administration controls between the enterprise and the ministries;
- greater opportunities for competitive small enterprise, including foreign investment and joint foreign/Polish companies, and the possibility for direct licensing arrangements, for holding hard currency accounts and for direct trade agreements (not through the trade agency);
- the strengthening of the role of banks as verifiers of the financial standing of enterprises and not just the dispensers of state funds;
- provisions for workers' self-management structures within the enterprises (still suspended under martial law).

Although these policies will improve the structures within which managers operate, it is not yet clear that the

Nervous people in a nervous country

governing authorities have grasped the importance of management motivation and of the quality of management itself.

The government admits that, because of not only the deep economic recession but also the ingrained bureaucratic habits of the centralized economy, it has still been necessary to use price and quota controls, foreign exchange restrictions and controls on short-supply materials. The government also increased prices by 400 percent (some had not been changed in fifteen years) while using graduated wage and benefits increases to favor the low income sector and at the same time instituting a system of rationing. It expects this to be a transitional period and reports that the decline in the economy was arrested during 1982.

However, many Poles seem to believe they cannot really pull out of their economic slump until there is a change in the foreign policies of the Western powers.

Sanctions counter-productive

It is admitted that the Western economic sanctions have had a very harmful, almost disastrous effect on Poland. The country is littered with half-completed factories and buildings due to restrictions on foreign credits and on various basic materials and supplies. For instance, the new, US-designed poultry farms cannot operate for lack of imported specialized pellet feed. Hence, poultry is the most expensive meat in the country instead of being a low-cost staple.

While it could be argued that the United States-led Western policy has had some effect on the fairly rapid lifting of most of the elements of martial law, it is more likely the Polish government has stuck to its own timetable based on its determination to restabilize Poland's political and economic system.

At the present time, there is grave misunderstanding in both the East and the West about foreign policy motivations, goals and potential effects. The Polish government believes the US and its allies are merely using their country as a tool for striking at the Soviet Union and, more broadly, for communist bashing. They see this resulting from the Reagan administration's professed anti-communist ideology. But the government does not understand or accept the continuing efforts to isolate and vilify them, not only with respect to trade but in international conferences or in organizations like the International Monetary Fund. It points out that the three US-imposed conditions for lifting sanctions (release of detainees, lifting of martial law and dialogue with the Church and Solidarity) are to some extent being fulfilled. For instance, 300 new churches are currently being built across Poland. They also note that even under martial law, the repressive conditions in Poland were much lighter than in many other countries with which the United States maintains open, even supportive relations (e.g., Turkey, Chile, Romania, Central America).

What the Polish leadership appears to fail to recognize is that aside from Reaganite ideology, there was a basic logic to Western reaction to the suppression of Solidarity and imposition of martial law. In retrospect, it was practically impossible for the West to stand back and do nothing. While foreign policy analysts may understand the constraints in Poland's position, how do you explain to the

average westerner that it is going too far for Solidarity to ask for freedom of speech, association and elections?

More realistic Western policy

Despite this underlying rationality, I would argue the Western embargo is counter-productive, is not the best way to achieve our objectives in the Socialist bloc, and should be immediately reconsidered. In fact, we should never have gotten ourselves in the position of having to impose sanctions in the first place.

A Western foreign policy that seeks to marry geopolitical reality to liberal-democratic aspirations must be based on long-term achievements and not on ad hoc reaction to political events. Our policy goal should be the gradual liberalization of socialist regimes via the encouragement of a base of pluralist institutions and "national" paths to politico-economic development.

We should learn from past experiences in Hungary in 1956, in Czechoslovakia in 1968 and then Poland in 1981, that movements or political change that become too radical, and signs of overt Western support for them, only lead to harsh repression. Each time the USSR and its socialist allies feel threatened it leads them to withdraw into "fortress sovietica," to bar the gates to foreign contact and to reinforce internal solidarity. It leads to much greater, mutual economic and political dependence among the "socialist community." All this is the exact opposite of what we desire.

Even worse, to the degree the West implicates itself in internal struggles in the Eastern bloc, we are only deluding ourselves and creating false expectations which soon turn into recriminations when the democratic forces we are supposedly supporting see that we never come to their aid with material help. But Western political leaders know from the outset that because of the rules of the current international system, we shall never lift a finger to directly intervene in the Eastern bloc. So why delude our people and those in communist states who want more liberty? While it may be soul-satisfying in the short run, it is morally irresponsible in the long run.

The general lesson is to be careful of intervention in internal political events in Eastern bloc countries. The long term goal is to foster economic, cultural and political relations that lead to interpenetration, lower tensions and the growth of a base of pluralist institutions in socialist countries. The immediate necessity is to renew contacts with Poland. Such steps would also be a counterpart to effective mutual arms balance and disarmament.

Canada not impotent

The first part of this article suggests that as a result of legislated reforms, Poland is in fact seeking a "Polish path to socialism" that conforms to its own cultural and political traditions, its geographic position and its economic structures. It is up to us to help this process. If, instead of helping it, we maintain and harden the sanctions, then we will be playing directly into the hands of communist hardliners. They will redouble their propaganda to the effect that Western sanctions are the cause of the real economic hardships the population suffers daily (i.e., the people we are meant to be helping). Repressive regulations will be maintained (against the "external threat") and reforms

delayed. The weakened Polish economy will be more dependent on its Soviet bloc allies.

Much better, Canada could help start the movement to normalized relations. We could be showing the world a more balanced portrait of conditions in Poland and promoting cultural and scientific meetings. There is something to work with because Polish scholars, like Canadians, form a bridge of comprehension between East and West. We could try to bring the position of the Americans closer to that of the western Europeans, who are demonstrating a more reasoned attitude toward Poland. More materially,

Poland needs foodstuffs, markets, technology and joint ventures. Canada has much to offer to our mutual benefit. Our wheat export credits are soon up for renegotiation. They are a place to start, not only as a way to lever our allies to action, but to help to alleviate Polish food shortages and to establish the basis for repayments. Then there is the matter of Poland's \$25 billion debt to the West. Perhaps this issue alone would be sufficient reason for re-establishing positive relations with Poland.

So there is much to be done, and happily, Canada is in a position to make a real contribution. □

Book Reviews

AEC's secrets

by Ross Campbell

The Cult of the Atom by Daniel Ford. Toronto: Musson Book Co., 1982, 273 pages, \$18.95.

By diligent use of the Freedom of Information Act and recourse to the courts, the author has succeeded in gaining access to hitherto confidential internal memoranda and files of the US Atomic Energy Commission (AEC) and its successor, the Nuclear Regulatory Commission (NRC), from which he has compiled a devastating indictment of the AEC's handling of responsibility for public safety since the inception of the civilian nuclear power program in the 1940s.

Depending upon the anti- or pro-nuclear power inclinations of the reader, *The Cult of the Atom* will be seen either as a courageous and scholarly exposé of a negligent regulatory body or simply as a highly selective analysis of newly available documentation designed to prove a single point — the existence of a massive conspiracy between the US government and industry to foist a new technology upon the American public regardless of health or safety considerations. The author does not claim to be impartial; as a member and sometime Executive Director of the Union of Concerned Scientists, he has devoted more than ten years to trying to bring about the curtailment or abandonment of the American nuclear power program.

Many of the premises on which Daniel Ford bases his thesis are founded in fact. It is true that for the US government to confer upon the AEC from 1946 to 1975 the simultaneous responsibility for both promotion and regulation of the nuclear power industry was to saddle it with an inherent conflict of interest which tended to manifest itself in neglect of quality assurance and in allowing industry self-

regulation in design and safety. It is equally true that the tight administrative and quality control which characterized the highly successful development of the first pressurized water reactor — the propulsion system for the US Navy's "Nautilus" — did not and could not survive into the commercial nuclear development era. The rapid expansion in the 1960s and early 1970s of the numbers, sizes and types of reactors, the variety of designs and manufacturers, the differing size and competence of the utilities operating reactors — all combined to render adequate supervision of quality and procedures difficult if not impossible.

Yet the scarcely credible theme of this book is that the AEC did not even try; that because it was fearful of imposing heavy costs on the industry which might undermine the economics of nuclear power, it not only failed to exercise its powers to suspend or revoke licences for safety shortcomings, but actively connived in permitting such abuses and hiding them from public scrutiny. Since the book thus portrays a cover-up of Watergate proportions, it is surely fair to ask why it has not received commensurate attention in the USA from an outraged public.

The answer probably lies in certain weaknesses in the author's thesis. He persists, for example, in believing that a "zero risk" nuclear industry should be attainable with sufficient money and effort, and if not, that the industry should be closed down. No such degree of perfection is attainable in any complex industrial undertaking, as the author must know, and no such goal was ever postulated for nuclear power right from the earliest days of the new technology to the controversial "accident probability analysis" of the 1974-75 Rasmussen Report (which he attacks at length). Secondly, if the case he strives to make against the AEC and industry were as black and damning as portrayed, the consequences would have been more frequent and more serious accidents. Yet he has been compelled to fall back on the few horror stories available — the 1975 fire at the Brown's Ferry reactor and the 1979 Three Mile Island

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accident, both of which were economic disasters for their owners but which led to no significant release of radioactivity or identifiable public harm. Indeed the author is guilty throughout of ignoring the remarkable safety record of the hundreds of plants operating in the US and elsewhere and of giving insufficient credit to the proven efficacy of containment and "defences in depth" in the few incidents that have occurred. In his zeal to condemn nuclear power he has been incidentally guilty of a minor cover-up of his own — total silence on the hazards of the available alternatives to nuclear power generation — acid rain and the "greenhouse effect," the deadly by-products of excessive reliance on oil and coal-fired systems.

The author must, on the other hand, be congratulated for disposing cleanly of one argument commonly invoked by opponents of nuclear power — the route it allegedly offers to nuclear weapons capability. In his words "... nuclear reactors and nuclear bombs ... worked on very different principles; research to develop the one, accordingly, had little or no benefit in terms of advancing the other." Clearly, Ford is aware that none of today's weapons states arrived at their nuclear weapons capability via a nuclear power program — and is honest enough to admit it.

For Canadian readers of this book, a word of caution must be added. This is an American story about American reactors, regulatory bodies and industrial involvement utterly different from our own. In Canada, nuclear power generation has been carefully developed and operated from the outset by crown corporations not dominated by the profit motive; and regulation and promotion have long been the responsibility of separate agencies under close government and parliamentary control. The natural uranium, heavy-water-moderated CANDU reactor enjoys safety features not found in the light-water US reactors — a fact freely acknowledged by many of the well-known US pioneers in the field whose names march through the pages of Daniel Ford's book. Whatever the truth or fiction of this book, the US history is not ours and should not be allowed to influence the public judgment of a Canadian technology that has had a unique history of technical, economic and safety success, and still has much to contribute to Canadian self-sufficiency in energy.

Ross Campbell is former Chairman of the Board of Atomic Energy of Canada Ltd., and presently a Partner in Canus Technical Services in Ottawa.

Living nuclear

by George Kamoff-Nicolosky

Strategy, Doctrine, and the Politics of Alliance: Theater Nuclear Force Modernization in NATO by Paul Buteux. Boulder, Colorado: Westview Press, 1983, 158 pages, \$US17.00 (soft).

So much has been written regarding this subject, so much has been said concerning the proposed deployment of Pershing and cruise missiles in NATO, the zero option

and the Soviet counter offers, it is sad that Dr. Buteux (of the University of Manitoba) failed to make any meaningful contribution to the understanding and/or resolution of the dilemma. No one should fault Dr. Buteux's research; his failure stems primarily from the time lag between the conclusion of research and ultimate publication. The players and the situation have changed. Chancellor Schmidt has gone. The Alliance has been further shaken by lack of cohesion over the Soviet gas pipeline and other controversial issues. The elections in Germany and the forthcoming one in the United Kingdom could have further disruptive impact on NATO. And, since the author's research (completed in 1981), the number of SS-20s has continued to increase. The "neutron" issue has receded from public interest and concern. The book is, therefore, a record of history past without the value of established trends which could, on reading, be projected into understanding the present and anticipating the future.

Among other interesting inadequacies in the book is the application of the mirror-image technique. The proposed deployment of Pershing and cruise should have been considered in the light of Soviet reaction, which was to "Sovietologists" predictable. The missiles would threaten the heartland of the USSR, ergo they were "strategic" weapons. The SS-20s could not strike the USA; in consequence, in American eyes, they were theatre. Yet both the East and West Europeans fully understand that the opposing systems could devastate all of Europe. North American analysts tend to ignore this fact. They would be well-advised to study *The Nuclear Arms Race: Control or Catastrophe* edited by Barnaby and Thomas and published by Pinter in London. Conflicting views are examined and the basis for dissent both among allies and between protagonists becomes clear.

Nevertheless, one should read Dr. Buteux's book and use it for historical reference. He might well consider a follow-up but should he retain his present format of four separate studies, he should provide a conclusion. Such a final chapter would enable the reader to put down the volume with a better understanding of the linkages contained in his current title.

The Nuclear Era: Its History; Its Implications by Carl G. Jacobsen. Cambridge, Mass: Oelgeschlager, Gunn and Hain, 1982, 130 pages, \$US17.00 (soft).

Dr. Jacobsen restates effectively his now familiar historical thesis. There is value in repetition and I find myself in full agreement with his warning that in the world of today the situation is far too dangerous and too volatile to permit the "head-in-the-sand and ivory tower self-isolation of essential actors." Instant experts and those decision-makers with "gut-feelings" are a menace of extreme proportions. Yet, such persons continue to staff key Western appointments; they form incestuous cliques and create "facts" by constant repetition of most dubious evidence.

The author, well aware of the pitfalls, has selected an interesting mixture of Western "Sovietologists" and Russian defence experts as his sources. Dr. Jacobsen's approach to perception and reality is well summed up in the postscript that "beliefs of convenience, masquerading as

beliefs of principle, have always been dangerous: they have never been so lethal." The summation of historical facts in reviewing the change from "dominance" to "equivalence" is well done. It bears rereading particularly by decision-makers.

Unfortunately, the "emergence of the USSR as a global power" is overly condensed and far too selective. The epilogue, however, is an excellent example of the ongoing influence of partisan politics relative to crucial defence issues. The coverage of "other real or potential nuclear powers" is inadequate. Central issues such as command and control, delivery systems and strategic implications are basically ignored. And the question of whether the "Genie" can be controlled is left unanswered. The variables are far too numerous and national self-interests preclude the essential compromises for control. This is left unsaid.

The "Addendum," probably designed to provide the final shock, also fails. The figures are beyond the comprehension of all except perhaps those already dedicated to total nuclear disarmament or those who suffered the real trauma of war. To others, the Soviet loss of some twenty million lives in the last war alone is a meaningless statistic. The death of the neighbor is much more real. It is unfortunate that such a good book should close with reference to estimates by such distinguished authors. What they say may well be true but the impact of what they have said may well be lost by many readers more concerned with "who won the game?"

G. Kamoff-Nicolosky is Director of Strategic Analysis in the Department of National Defence in Ottawa.

USSR military matters

by Paul Buteux

Soviet Armed Forces Review Annual, Vol. 6 edited by David R. Jones. Gulf Breeze, Florida: Academic International Press, 1982, 431 pages, \$US45.00.

This sixth volume of the Annual (which is sponsored by the Russian Research Centre of Nova Scotia and Dalhousie University) maintains its reputation as a valuable and convenient source of fact and opinion on Soviet military developments and strategic activities. As in previous editions of the Annual the subject matter ranges widely, in this case from a survey of the Soviet military year in review to a discussion of the evolution of the Soviet rifle/motorized-rifle division. It includes a comprehensive range of tables which have the very useful feature of including estimates from different sources, both East and West, of some of the more controversial components of Soviet military power and of the East-West military balance. Not least in value in an annual review of this kind is a useful bibliography and, specifically in this one, the continuation from Volume 5 of the index to *Voennaia Mysl (Military Thought) held in the Library of Congress.*

The contributors, drawn from Britain, Canada and the United States, vary in their assessments of the significance

and implications of Soviet military power, and range in tone from the relatively moderate appraisal of the Editor to Maurice Tugwell's more "hard-nosed" assessment. What most of the authors do have in common though, is a sense of the important interconnection between capabilities, strategy and foreign policy; a sense that military capacity takes on meaning only within a strategic and political context. In this respect the article by Ken Booth and Lee Dowdy on "Soviet Security Interests in the Indian Ocean Region" is worth noting.

In sum, this is a very useful reference volume that has a place on the shelves of any library concerned with contemporary Soviet military and foreign policy.

Paul Buteux is Associate Professor of Political Studies at the University of Manitoba in Winnipeg. He contributed an article on ballistic missile defence to the September/October issue of International Perspectives.

Brezhnev tells some, but not all

by Larry Black

Memoirs by Leonid Ilyich Brezhnev. New York: Pergamon Press, 1982, 41 pages, \$US9.50.

Leonid Brezhnev's political career, and that of Khrushchev before him, was successful in part because he had a stronger political base in 1964 than other members of the Politburo (then called Presidium) of the CPSU. Khrushchev recommended him for the Politburo in 1957 and Brezhnev stabilized his position by supervising the lower echelons of the Party for his mentor. Later, a similar relationship between Brezhnev and Konstantin Chernenko prompted many Western observers to pick Chernenko in the succession lottery. However, three or four years before Brezhnev's death there were increasing signs that the General Secretary might be losing his grip on power, thereby undermining the potential of his protégés.

Paradoxically, those same years were marked by a near deification of Brezhnev in the Soviet media. He was granted new awards and his image appeared regularly on the covers or frontispieces of an enormous variety of publications, in Russian and in foreign languages. These included academic publications like *Istoriia SSSR* and *Novaia i noveishaia istoriia*; glossies for foreign readers (e.g., *Soviet Life*); and CPSU journals like *Agitator*. Granted, many of the eulogies appeared in honor of his seventy-fifth birthday (1981), but the process of deification began before that year with short biographies and a sharp increase in the number of his speeches published as separate pamphlets, in many languages, with his photo on front.

The work under review here, part of his *Memoirs*, is perhaps the most fatuous of all — and the most widely dispersed. Indeed, it has been broadly distributed by the USSR already, so one wonders why Pergamon bothers to print it again. In it, Brezhnev takes twenty pages to describe his youth as the son of an heroic factory worker and an heroic working mother, as part of an heroic class (his

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father, he says, judged people "not . . . by nationality, but by class"), impressed eventually by the heroic Bolsheviks — who opposed the "riff-raff" — his term for such disparate groups as Mensheviks, Kadets, SRs and anarchists. This part of the *Memoirs* could have been written in the 1930s by the most fanatic of the "New Soviet Man" writers of the Zhdanov days.

The second half of the little book is entitled "Love for One's Country." It describes Brezhnev's career in the 1930s. He blames the "Kulaks" for all the trouble down on the farm, but does not mention their liquidation literally by the millions, and he sketches his own military, political, industrial work until 1941; all this with nary a mention of Stalin! All in all, this little booklet should prove more embarrassing to its sponsors than enlightening to its readers.

Larry Black is Director of the Institute of Soviet and East European Studies at Carleton University in Ottawa.

Gandhian development in India

by Paul Bridle

India: Population, Economy, Society by R.H. Cassen. New York: Holmes & Meier, 1980, 419 pages.

This is an admirable book. Completed in 1978, just after Indira Gandhi had been temporarily driven from power, it examines India's economic and social problems from a demographic point of view.

Professor Cassen argues with sustained intellectual passion that the main thrust of Indian policy should be toward greater employment opportunities in both the urban and rural sectors — for example, through the encouragement of small-scale manufacturing — as well as toward improvements in health, education and social equality, the latter including both more equitable food distribution and reform of the status of women. He gives post-independence governments credit for efforts in these directions, as well as for increasing food production, for fostering impressive industrial development and for launching family planning. But he still sees landlords' and grain merchants' grasping hands on rural credit and on food supply; heavy industry doing relatively little for the masses; and family planning still having a marginal effect on population growth.

India, Professor Cassen of the University of Sussex argues, needs to give the peasants and the urban poor a better deal not only for their own sake now but also because only in this way will India be able to move more than haltingly toward that essential "demographic transition" in which both mortality and fertility decline naturally and inevitably, leading eventually to a condition of very small population growth. Professor Cassen would like to see this happen because, as he puts it, "a person who knows only the miseries of India does not know India"; and he is afraid that too massive a population might adversely affect the best qualities of Indian life. Having devoted most of his book to an unflinching analysis of the obstacles Indians place in the way of their own salvation, he concludes with a homily directed at the people and governments of the

developed countries who, he reminds us, "can do a great deal to make [the Indians'] future more comfortable and less dangerous." He adds, "or we can turn our backs hoping the problems will go away and leave us untouched. They will not."

Professor Cassen may underestimate the need to industrialize, which planners in all large developing countries inevitably feel. Nevertheless, this reviewer shares his conviction that, at least at this stage when India has already put a respectable amount of heavy industry into place, more concentration on labor-intensive economic activity would pay dividends in the long run. What is a little more curious is that Professor Cassen seems to have very little time for Indira Gandhi, the only Indian politician who is both powerful and basically motivated by the same aspirations for India and its people as he is. Clearly, at least in 1978, he just didn't like her methods.

A reader who may be disinclined to digest statistical and economic analyses which often compete with one another should not be put off. There is plenty of meat on the bones of this excellently reasoned book.

Paul Bridle is a former Canadian diplomat who served in India. He now lives in Ottawa.

Global reference

by John R. Walker

Countries of the World and Their Leaders Yearbook 1982 and Supplement by Gale Research Co., Detroit, 1982. Yearbook: 1454 pages, \$US62.00. Supplement: 386 pages, \$US35.00.

This useful yearbook comes in two volumes, with a supplementary volume six months later to update information or changes in government.

An enterprising American book company, Gale Research Company, has obtained permission to reprint the US State Department's "background notes" on countries around the world. These include handy, brief summaries of their history, geography, peoples, government, political and economic conditions, along with lists of government leaders. Each entry includes a good map, plus information on communications, media, climate, even travel, visa and health notes, and the volumes are illustrated in black and white as well.

Since the State Department makes these country reports at differing times during the year and in varying years, you may get one in the 1982 edition under review, like the Panama report dated February 1980, but the supplementary volume will have a February 1982 update. This doesn't always work out, however, for the "updated" list of cabinet members for Canada does not contain the 1982 cabinet changes. But as a ready reference it is fairly comprehensive.

John R. Walker is foreign affairs analyst for Southam News in Ottawa.

Information where it counts

by Gilbert R. Winham

The World in Figures by The Economist. London: The Economist Newspaper Ltd., 1981, 294 pages, \$US55.00.

The major professional complaint of students and practitioners of international relations is that the world is becoming too complex to understand. As any good systems theorist knows, the main weapon in the battle to understand complexity is information. *The World in Figures* is a valuable tool that will help international relations students win, if not necessarily win, that battle.

This reference book provides information on the most frequently asked quantitative questions about international relations. For example, it includes data on trade and finance, energy production and consumption, manufacturing, communications and transport. It also includes political information, such as, for example, a listing of the ACP states currently affiliated with the European Community. The material is well organized and indexed, and easy to access.

The book has two sections. The first covers aggregate international data, and gives information on the relative importance of countries in various subject categories. One finds, for example, that Monaco has 1,060 telephones per 1,000 people, and leads the world in this category. The second section provides a national economic profile for nations and territories of the world, with data up to the beginning of 1981. In all, this is an extremely useful reference service.

Gilbert R. Winham is Professor of Political Science at Dalhousie University in Halifax.

Places, places, places

by Mark W. Rosenberg

Geo-Data: The World Almanac Gazetteer edited by George Thomas Kurian. Detroit: Gale Research, 1983, 624 pages, \$US48.00.

Where is the highest waterfall in the world? (For the answer, read on.)

The problem in reviewing the quality of a new world gazetteer is to decide what criteria to use in an evaluation. Three came to mind: coverage; clarity; and ease of use.

The author's own criteria for coverage was to concentrate "on material that is not easy to find elsewhere, without, of course, excluding material essential in a gazetteer of its scope." This turns out to be both the strength and one of the weaknesses of Kurian's endeavor.

In Part I, which covers the United States, the reader can find out Moody's bond-rating for Topeka, Kansas, and can learn that Louisville, Kentucky, has two weekly newspapers, as well as such standard information as the population of these places. Similarly in Parts III and IV, one can learn that the Bow River is 315 miles long and in southwest

Alberta and that the place that has had the lowest recorded temperature is Eismitte, Greenland (-85° F). The weakness in all of this is that 358 pages are devoted to places in the United States and only 248 are devoted to the rest of the world. The Soviet Union receives only two pages and Canada merits only half a page!

Clarity and ease of use can be discussed together. Problems arise as illustrated by the following example. Under the Canada citation, the Toronto population is given as 633,318 (presumably the City of Toronto only), and under "Most Populous Urban Areas" Toronto is cited with a population of 2,864,700. Since no explanations are given as to how these seemingly different measures are derived or what they actually measure, readers will be confused and question the clarity of the information. Readers will also find the index particularly frustrating to use. While all United States cities and towns are listed, only countries are listed for the rest of the world.

All of these criticisms do not, in the end, negate the laudable effort made to produce a useful and interesting gazetteer. With some attention to the problems outlined and in particular, trying to strike a more even balance in the information, experts and trivia aficionados will find countless answers to questions on world geography.

(Answer: Angel Waterfalls in upper Venezuela, 2,648 feet high.)

Mark W. Rosenberg is Assistant Professor of Geography at Carleton University in Ottawa.

More indispensable reference books

by Gordon Cullingham

Canadian Almanac & Directory, 1983 edited by Susan Bracken. Toronto: Copp Clark Putman, 1983, 1156 pages, \$48.00.

No Canadian should try to get along without this reference book. That doesn't mean it is without weaknesses. There are some, not least of which is the reliability of some of the listings. Dating is a problem: the cut-off seems to have been about mid-1982, sometimes 1981. (There is a tiny Addenda at the back which adds later information to some listings, but not statistics.) Officers of organizations are given, and in many cases these would have changed by now; and if you do not know, you can never be sure whether the name you have is the right one. But I cannot fault it for comprehensiveness (despite the glaring absence of this journal from the magazine listings!) — there is every radio and TV station in Canada, every newspaper, bank, museum, church, association. And lawyers! They get a whole section — one of only four, a bizarre arrangement of priorities understood only by the publisher. The other sections are entitled "Canadian Directory," "Almanac Information," and "Canadian Information and Statistics." Again a mystery: how does one see a distinction between the last of those three and either of the first two? A third mystery: why two indexes and no Table of Contents. There is a comprehensive Index at the back, and a tiny one at the front sneakily labelled "Topical Table of Contents."

Knowing little of astronomy, it was tingling new infor-

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mation to learn that hours of sunlight and darkness are equal in March and September not on the 21st, but on March 18 and September 26. And did you know that the earliest sunset in December happens on December 9 to 13, a full two weeks ahead of the latest sunrise, which happens from December 28 to January 6 — ten occasions.

But carping and badinage aside, there is no substitute for this basic reference book, now in its 126th edition.

***The International Who's Who, 1982-1983 Forty-sixth Edition.* London: Europa Publications (in North America Gale Research Company, Detroit): 1982, 1460 pages, \$US120.00.**

The forty-sixth edition of the *International Who's Who* is out! The forty-sixth edition of the *International Who's Who* is out!

***The Annual Register, 1981* edited by H.V. Hodson. Distributed in North America by Gale Research Co., Detroit: 1982, 544 pages, \$US100.00.**

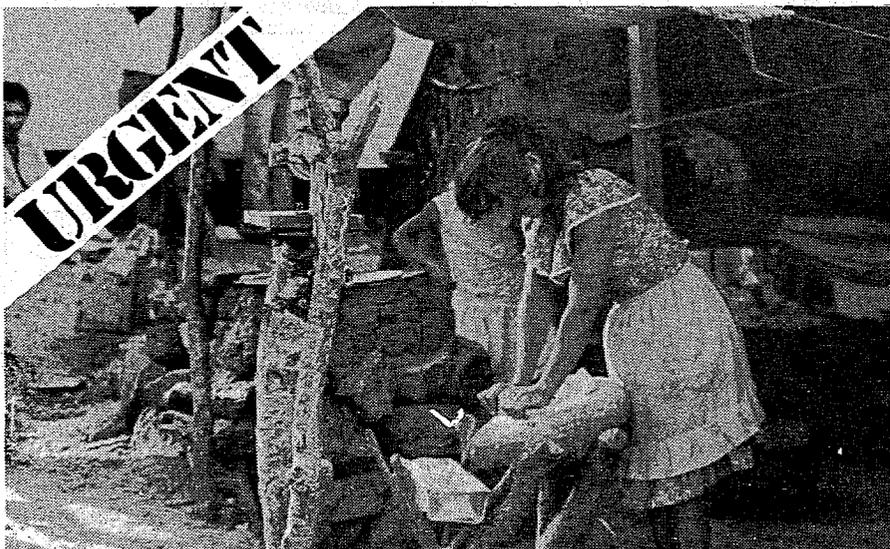
This one is not so self-explanatory. It is a good and useful book — full of those events that chronicle the works of man, as *Time* magazine might say. This is especially true,

if you are British Man, for it is an English publication, admitting the outside world with reluctance. But then, why not, for what other publication can say that it was "First edited in 1758 by Edmund Burke?" The whole world is covered — if only lightly, but fully enough to tell you that in (the independent nation of) São Tomé and Príncipe the Prime Minister who had been jailed in 1980 was released in the year of our coverage.

Canada gets a well-deserved three-and-a-half page treatment which rushes through the constitutional debates, some provincial elections, the National Energy Policy and Mr. MacEachen's budget. The Canadian contributor is listed: Bruce Thordardson.

As the blurb correctly states, "*The Annual Register* is organized by region, and within each regional chapter individual essays cover the events in separate countries. Additional chapters take note of major events in these areas of interest: International organizations . . . Sciences . . . Law . . . Arts . . . Sport . . . Economic and social affairs . . . Documents and reference. Additional material adding to the value of the work includes an obituary section [and] a chronicle of principal events in 1981."

Gordon Cullingham is Editor of International Perspectives.



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Letters to the Editor

Pratt replies

Sir,

I write in response to the letters from Mr. Jack Crean and Mr. Bernard Wood in the March/April issue of *International Perspectives*. Both of these letters commented upon my article "Canadian foreign policy: bias to business" in the November/December 1982 issue.

Mr. Jack Crean adds interesting detailed information on the origins of the Canadian Business and Industry International Advisory Committee and on other related structures. Clearly the cooperation between business leaders and government over international economic issues was close and cordial both before and after the founding of CBIAC. It is perhaps not surprising that memories are now in disagreement about who took the first initiative. My informants, who were also active participants in CBIAC, spoke of that committee as a response to a government initiative. Mr. Crean writes that its formation originated from within the business community. I expect that he writes with more authority, as neither of my informants referred to their files before answering my questions. I am grateful to Mr. Crean for the information he provides and for the recognition which he expresses of the value of a detailed and sensitive appreciation of the cooperation between government and business.

Bernard Wood's letter poses more of a problem for me. I have long used and appreciated the work of the North-South Institute. I am sensitive to the skill with which the Institute has maintained its independence despite its increased reliance on CIDA funding. I therefore really do regret that my two-sentence reference to the Institute upset Bernard Wood. He does not need unnecessary irritants. However, in my view in this instance he doth protest too much. His irritation is due primarily to his own over-sensitivity on his Institute's behalf.

On two matters which he raises I think my meaning was clear and inoffensive. My article was about the relationship of government to internationally-oriented public interest groups. My remarks about the structures which have been created to manage that relationship refer not at all to the North-South Institute. It is, of course, a research institute not a public interest group. I also feel it is clear that I believe the Institute, which began through private initiative and on a Donner grant, had been too independent to serve the political purposes which I suggested the government was pursuing when it created the Futures Secretariat. On these two matters his letter affirms what I did not, nor would wish to, question.

On one point, though, I was misleading. I wrote that the government "largely financed the North-South

Institute." Although government support was soon to become substantial, enough indeed to justify my choice of words, it would have been more accurate to have used some such adverb as "significantly" rather than "largely" for the period 1976-81, relevant to my context. Bernard Wood's letter and a further inquiry make it clear that for those years the Institute's revenues came 24 percent from CIDA, 24 percent from IDRC, 33 percent from the Donner Canadian Foundation, and the balance from interest, book sales and contracts. In that period therefore, 48 percent of the revenue of the North-South Institute was government funds, with half of that coming to the Institute not by any direct government decision but on the decision of the board of the IDRC.

Bernard Wood and I are usually on the same (minority) side on international development issues. After this slight division I trust that our ranks will now close again.

Cranford Pratt
Professor of Political Science
University of Toronto

Banker called

Sir,

As a longtime subscriber of *International Perspectives* from my days as a foreign correspondent in Europe because of its overall high quality and its vocation to informatively explain foreign affairs of special concern to Canadians, I was very surprised to see the publication print such a contentious, superficial article as "How America Sees Quebec" in its January/February edition.

The author, identified as an American journalist living in Washington, may know something about the press in the United States. I venture to say he knows little about Quebec, and even less about the fundamental duties of a foreign correspondent.

I know for a fact that I was not the only correspondent to be called by Stephen Banker, the author of the article, one day last year and subjected to what can only be described as a strange line of questioning from someone purportedly doing professional research. Mr. Banker seemed, during our brief telephone conversation, to be more interested in learning about my ancestry and personal political convictions than about my actual work. He

Letters to the Editor

seemed to have certain preconceived ideas that he was determined to develop.

If Mr. Banker had any solid knowledge of the special interests of *The Journal of Commerce*, then he would have appreciated that this New York daily newspaper devotes most of its coverage of Canada to shipping, transportation and foreign trade. Occasionally, there are features or news stories on Quebec economic and political developments.

Any analysis seeks to portray a given situation as objectively as possible. Example: a front-page article predicted the victory of Premier Lévesque in the 1981 provincial elections. A year earlier, another article forecast that Mr. Lévesque would lose a referendum on the theme of sovereignty-association.

But Mr. Banker has apparently seen fit to make a sweeping generalization on the alleged editorial attitude of *The Journal of Commerce* on the basis of a single editorial page article (neither more nor less critical than what one could find in the Montreal French-language press) in January, 1982, which concluded that Premier Lévesque was "skating on thin ice" due to heavy deficit and other problems.

Writes Mr. Banker: "If one is looking for clear hostility to the separatist movement in the American press, the best places to search are business publications. *The Journal of Commerce* frequently calls attention to economic reverses in Quebec."

The above assertion, suggesting that *The Journal of Commerce* makes a point of writing negative reports on Quebec and the separatist movement as often as possible, is quite simply unfounded and a blatant distortion.

In his article, Mr. Banker also seems very preoccupied over the fact that mainly anglophones are writing about Quebec for American readers. There are historical reasons for this, such as experience as a foreign correspondent and bilingual capability, that Mr. Banker may not be aware of . . .

For a balanced view on the subject, I would refer to an excellent article ("Qui raconte le Québec?") which ap-

peared in the January, 1983, edition of *L'Actualité*, a Montreal monthly newsmagazine.

Leo A. Ryan
Canada Bureau Chief
The Journal of Commerce (N.Y.)
Montreal

Sir,

Leo Ryan's letter is further evidence, as if any were needed, that those who report on others can't bear having the spotlight turned on themselves. Since he cannot fault my facts, he can only disagree with my assessment of the American financial press in Quebec. I say it is hostile to Quebec nationalism; he says he plays it down the middle. When I interviewed him, though, he conceded his hostility to the Parti Québécois philosophy, saying, as I quoted him in the article, that he "reflects the point of view of the majority of the business community in Montreal." He doesn't refer to that in his letter, or to the paragraph in which I wrote:

The harshness among business publications, if that is what it is, should be seen in the light of their responsibilities to their readership. They are providing information that is designed to be useful for investments. It is the nature of the investor to want to reduce variables. Political unrest is a very large variable. The financial community is uncomfortable with it, and its publications reflect their discomfort.

Three times Ryan refers to his status as a "foreign correspondent," as if hiding behind a trenchcoat could shield him from the normal requirements of criticism. Can it be that in his kind of gentlemen's journalism, going to multiple sources is somehow sneaky? Yes, I confess — I called others besides Ryan, and subjected them all to my "strange line of questioning," which was designed to find out who reports on Quebec for the United States. I guess I found out.

Stephen Banker
Washington, D.C.

July/August 1983

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The Canadian journal on world affairs

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International Perspectives

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Editor's Note:

There seems to be a new candor, and a willingness for accurate observation, in the way Canadians are viewing themselves and their problems in the world. That is especially evident in this issue, where we find acknowledgement that we are not leading the world in high-technology, that our need to trade freely — or at least widely — is not served by bilateral deals. You will find those issues treated in articles by Patrick McGeer and Kurt von dem Hagen. In two other articles Canadian foreign policy gets exciting attention. A senior official of the Department of External Affairs provides some shrewd insights into the making and conducting of foreign policy in modern complicated Canada. Among the issues touched on by Mr. de Montigny Marchand is the Cruise missile testing agreement — the subject of a very different appreciation by David Cox of Queen's University, who looks intently at the terms of that agreement and sees problems ahead.

Three other articles complete our issue. Soviet leadership and succession is an endless fascination, and that has rarely been a more compelling scene than right now, with one old man recently installed, and already inviting speculation about his successor. A distinguished student of the politics of the USSR, Bodhan Bociurkiw of Carleton University, illuminates some dark corners. Ronald Keith of the University of Calgary does some theorizing on how the Chinese, in their foreign policy, "play" the USSR and the USA. A veteran watcher of East-West arms reduction negotiations ponders the way objectives are set and achieved in those discussions. Along the way, Canadian naval officer J.D. Toogood explains some of those arcane acronyms.

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The Cruise testing agreement

by David Cox

The recently signed "Canada-US Test and Evaluation Program" (CANUSTEP) was tabled in the House of Commons on February 10 as an Exchange of Notes between Ambassador Gottlieb in Washington and Kenneth Dam, then the US acting Secretary of State. It has attracted attention so far only because it has been construed as a delicately indirect approach to an agreement (finally) to test the Cruise missile in Canada. While there is considerable circumstantial evidence that the Government has found it convenient to subsume the specific issue of testing the Cruise in a broader framework, it would be quite incorrect to overlook the important provisions and long-term implications of the Agreement itself. This article, therefore, begins by placing CANUSTEP in the immediate political context. It then examines some important provisions of the Agreement, and proceeds to suggest some of the important weapons systems now under development which Washington might eventually wish to test over Canadian territory.

The political context

From February 14 to February 16 in the House of Commons, a series of exchanges between NDP spokespersons and the Prime Minister revealed some of the important events in the development of CANUSTEP. First, it is uncontested that in the fall of 1980 President Carter approached the Canadian Government to cooperate in the testing of the Cruise missile in Canada. Second, Mark MacGuigan, then Secretary of State for External Affairs, believed and stated for the record that Canada had agreed to test the Cruise, and spoke as if it were a specific response to a specific request. Third, either or both Washington and Ottawa saw the value of a general, umbrella agreement which would clear the way for a long-term agreement to govern a variety of weapons systems (the CANUSTEP is for five years, renewable for five unless either party seeks to withdraw). Since discussions about CANUSTEP have emphasized Canadian terrain and environment, it is reasonable to suppose that there is an American interest in testing other weapons and defence systems where Canadian territory provides a unique environment. Conversely, Ottawa has been anxious to set the ground rules for such tests, ensuring not only the protection of Canadian sovereignty, but also seeking to secure the maximum benefit to Canada, both in terms of intelligence information and political credit for cooperation in the testing. The central issue that arises, then, is whether the general Agreement ought to have been made, as opposed to a specific agreement to test the Cruise, and whether the terms of the

Agreement do indeed protect the long-term interest of Canada.

Although the Agreement itself gives little indication of the weapons systems to be tested, both the explanatory notes to the Agreement, and a subsequent letter from Defence Minister Gilles Lamontagne to members of Parliament indicate clearly that there are two kinds of testing envisaged. The first involves the use of Canadian test ranges for the testing of precision munitions and helicopters. No explanation of the need for Canadian ranges has been offered in this context. The second involves the use of Canadian airspace. It is in this category that the Cruise missile has been frequently discussed, but it is clear, as will be demonstrated below, that beginning with the advanced Cruise there are many other related weapons systems which are in or approaching the testing phase.

Terms of CANUSTEP

This being the case, and remembering that we are in the midst of a massive American rearmament program, the Agreement needs to be examined very carefully in order to assess the extent to which it implicates Canada in the political debate which underlies American rearmament — namely, the debate about war-fighting doctrines. This political context is easily lost because at first sight the provisions of the Agreement seem quite neutral and technical, reflecting Canadian concerns about the costs of weapons testing, the legal aspects of the US military presence in Canada, and other matters which are no doubt better dealt with in a single enabling agreement than left to be determined *ad hoc* in each individual case.

Much more political, however, is the mechanism proposed for negotiating an American request to test in Canadian territory. Article 4 of the Agreement designates the respective Ministers of Defence as the responsible agents in coming to agreement on "Project Arrangements," and their Departments are charged to draw up each specific Memorandum of Understanding. Curiously, nowhere in the document is it suggested that in the Canadian case Cabinet approval or discussion is a prerequisite to a decision, and no formal role is given to External Affairs. Moreover, Article 17 of the Agreement states that the "release of information to the public concerning any project under this agreement shall require prior consultation and coordination between the appropriate US and Canadian authorities." This is presumably a diplomatic way of saying

David Cox is Professor of Political Science at Queen's University in Kingston.

The Military decides

that information, either about a request to test, or an actual test program, will be released only if both sides agree. And that constraint, clearly, will also apply to Parliament, with the clear implication that in most cases Members will be quite unaware of the ways in which the weapons testing program is actually being developed.

Civilians not involved in testing decisions

On the one hand this arrangement poses an issue of public policy, for there will be a number of Members of Parliament, certainly supported by the growing number of interest groups concerned about military issues, who may not accept that they should have no knowledge of weapons testing which may implicate Canada in a very broad range of US military activities. On the other hand, with or without secrecy, the reliance on the Department of National Defence as the negotiating agent is surely a little puzzling. DND is the agency most likely to be sympathetic to US requests by virtue of their common interests and involvement in a range of cooperative activities. Their enthusiasm for the joint enterprise of continental defence is most likely to blunt their sensitivity — not sharp to begin with — to the political implications and liabilities of specific programs. No doubt it will be argued that consultation with the Department of External Affairs and the Prime Minister's Office will always take place, but the political aspects of weapons testing would have been recognized more explicitly if External, and not Defence, had been the lead Department in the negotiating process.

For those who believe that such doubts are overdrawn, it is perhaps ironical that the recent declassification of the records of the Joint Chiefs of Staff in the United States reveals very clearly the disjunction in the middle to late fifties — an earlier period of massive American rearmament — between military and political authorities here in Canada. While the Canadian Air Force sought out every possible cooperative venture with the US Air Force in order to tap American expertise in radar surveillance, electronic counter measures and so on, changing Canadian political authorities struggled to come to grips with the nature of their entanglement in American strategic policies. In the outcome, knowing full well that the Bomarc-B was to be used as an area defence weapon, and that for such a purpose it was to be fitted with a very large nuclear warhead, the Canadian military led the Eisenhower Administration to believe that in 1958 a Canadian request was imminent for the acquisition of nuclear weapons — at the very time when the new Diefenbaker Government had scarcely begun to understand the issues involved, and years before they had any policy, coherent or otherwise, on the acquisition of nuclear weapons.

First Cruise testing, then . . . ?

If the actual negotiations henceforth are to be shrouded in executive secrecy, it is not difficult to describe in general terms the kinds of military programs now in the development stage which it might be convenient or necessary to test in Canada.

First, it is now clear that testing the Cruise missile should not be seen as a once-only affair. The abrupt termination of Cruise missile procurement in the United States was no doubt a response to the improved air defences of the Soviet Union employing SA-10 missiles, but it almost certainly reflected as well the progress being made on the

advanced Cruise missile (ACM). The ACM will have stealth characteristics, and be supersonic in the final phase of its flight ("stealth" reduces the probability of radar detection). Since it is likely to be tested within the next two years, it is not difficult to envisage a more or less continuous program throughout this decade of Cruise testing in Canada.

Nor should one forget that the guidance systems are not the only consideration in these tests. Detecting a "cooperative" low-flying missile with existing radar, assessing the capabilities of developmental systems such as over-the-horizon radar against the Cruise, and later against the stealthy Cruise, possibly with a new supersonic bomber delivery platform, and later presumably with stealth technology, looms larger.

Second, we can assume that the far-out *interception* of Soviet bombers and Cruise missiles will become increasingly feasible, and also require the use of Canadian territory. For example, in a recent test an experimental OTH-B radar intercepted the target aircraft at a distance of 1760 kilometres (it has been routinely tracking commercial aircraft, including the supersonic Concorde, at even greater distances), and guided a USAF F-15 to the point where the F-15 was able to find the target on its own radar. The OTH-B is located in Maine, but the F-15 made the interception 1120 kilometres out, over Labrador. Where the F-15 flew from has not been made public, but it depended on Canadian NORAD facilities for communications. To what extent tests of this and other interception capabilities will need to be subject to the CANUSTEP Agreement is not clear, but there is little doubt that there will be many more such tests to come with even more exotic technology in the offing. To cite only one more distant example, the United States is shortly to launch TEAL RUBY, an experimental "staring eye" satellite which has the potential to provide near-certain detection of all aircraft and missiles, however small, as they approach the North American continent. Once again, the actual detection will be solely in the national control of the United States, but if such detection systems prove successful, the very difficult task of interception as the combat zone is extended further and further outwards must inevitably involve the Canadian airspace environment.

Third, and admittedly speculative, it logically follows that if Canadian terrain is desirable for the testing of the low-flying Cruise because of the similarity to Russian terrain, then it must be the case that it will also be advantageous for testing the performance of low-flying bombers. And indeed, the USAF has a program, known as SEEK SCORE, the purpose of which is to measure electronically the bombing accuracy of long-range strike forces.

ABM testing by the backdoor

Fourth, President Reagan's speech of March 23 vigorously revives the prospect of antiballistic missile defence (ABM). In Article 14 the CANUSTEP Agreement provides that "[Canadian] DND may request that the data acquired during the conduct of the project be provided by [US] Department of Defense." In this there is an interesting echo of the dilemma created when the Pearson Government specifically excluded participation in ABM from the renewal of the NORAD Agreement. Whatever the merits of that exclusion, it meant that an ABM defence would certainly have been conducted over populated Canadian

The Military decides

territory while Canadian authorities had no assured intelligence of the situation. ABM defence has changed dramatically since those days, and there can be no automatic presumption of the involvement of Canadian territory. For example, both very close-in defence, and very far-out (mid-course) defence would not involve Canadian territory or participation. But recent testimony by US Department of Defense witnesses to Congress indicates that the Pentagon is exploring a variety of ABM regimes, one of which might be in the 30,000 metre zone, which would presumably again involve a combat zone over Canada. Moreover, as in the past, any major ABM deployment by the United States would sharply increase the emphasis on air defence technologies, and thus on the kinds of experiments discussed above. It is early to imagine a "Project Arrangement" which concerned ABM, but it is not too soon to realize that such developments are easily accommodated under the CANUSTEP Agreement, and that technically they would require no further public discussion prior to their executive implementation.

Inevitably, there is an element of speculation in the

examples given above. It is not clear, for example, what might be done under existing NORAD arrangements and what might require "Project Arrangements." There are no statements for the record which indicate the future systems which might have been in mind when the Agreement was made. But it is clear that insofar as the Agreement is a long-term one, it cannot be seen as merely a set of technical decisions. In the context of the examples suggested above, it mocks the Government's "strategy of suffocation." It raises serious political questions about Canada's future involvement in an escalating technological race to defend and win in a nuclear contest. And the executive style of the implementing decisions to come suggests that there will be little or no opportunity for public discussion of test arrangements once the initial debate about the Cruise has passed. At the very least, therefore, the Government should now present its own assessment of the "Project Arrangements" which are likely to come, and provide explicit assurances that decisions will be made in a political process far broader than that suggested by the Agreement itself.

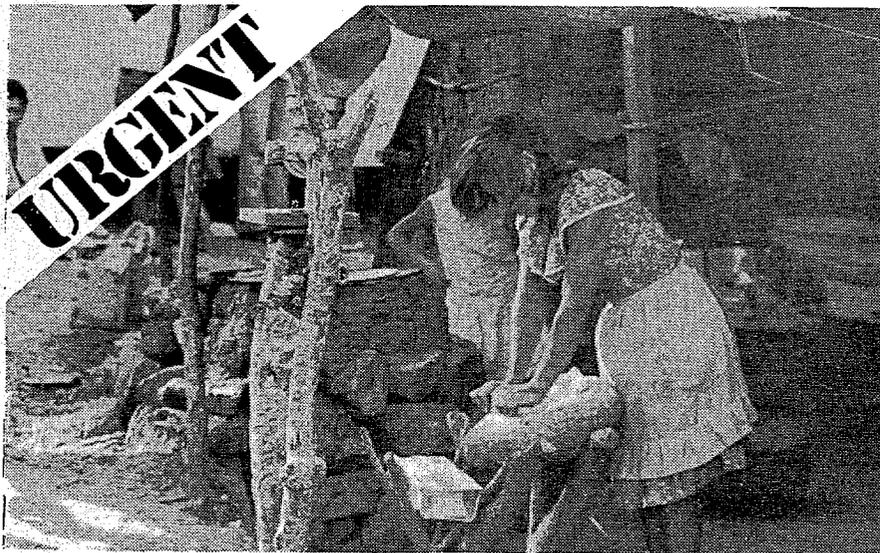


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Foreign policy and public interest

by de Montigny Marchand

One broad theme strikes me as particularly appropriate to this occasion: the situation of Canadian foreign policy within a matrix of public attention, of public interest and of public pressure. I want to explore the assumptions which underly much of Canada's foreign policy work: that the stimulation of an informed opinion on foreign affairs is a force for good; that information leads to enlightenment; that the search for concordance between what governments think, and what the public thinks, takes on vital importance in times of strain.

The first problem is that there is not one public with one voice, but many publics with many voices. Those voices may not agree. They may drown each other out. They choose different channels of information, of communication, and of pressure. They animate conflicting or co-operating institutions.

The second problem is that in society writ large, as indeed in government itself, we all suffer from a limited span of attention. There are only so many issues which can be kept in focus at one time. Even to identify those issues, to spot them in the surge of information overload, is a constant challenge for all of us.

Another question is the rôle of the media. I think we have now virtually reached the point where no idea, policy or event can enjoy more than the most shadowy existence unless it has been consecrated with reality by the media of mass communications. Events in Poland have the immediacy of our own living room. They are, in a word, being mediated. Events in Ethiopia, on the other hand, might as well be taking place on another planet. They are, tragically, no more than an occasional blip on the public screen.

National interest or public interest?

A further problem area is the distinction, real or perceived, between what governments may call the national interest, and what others may appeal to as the public interest. Authoritarian regimes allow no daylight between national interest and public interest. Harmonious societies show considerable overlap between these two terms. Tension invariably arises when such slippery concepts are seen as moving off in different directions. But who is empowered to speak for the public interest beyond those elected to do so? Can national positions be fully grounded in public consensus at all times? How much complexity —

or how much secrecy — can even the most literate public be expected to tolerate?

I raise these problems and questions not so much to answer them directly, but by way of defining an approach to our own Canadian experience of foreign policy and the public interest. Because there is no doubt that we are in a peculiar country — always at odds with geography, frequently at odds with our environment, and often at odds with ourselves.

Cultural diplomacy

How does a democratic and pluralist society produce a united and coherent foreign policy? Let me explore a few case studies which strike me as pertinent to that question.

First, a look at the crowded intersection between cultural affairs and foreign policy. Canada's vibrant cultural community, which today embraces a strong industrial component, has numerous international interests.

They look abroad for centres of comparison, for critical audiences, for the prestige of a European tour, for markets, for employment opportunities, for access to libraries and archives, for tournaments and competitions. They welcome incoming visits from foreign countries of exhibitions, orchestras and touring companies. That two-way traffic is rightly considered essential to sustaining vitality and high standards in the cultural community.

Well, where does foreign policy fit? The government's stated aim for international cultural relations, or cultural diplomacy as it is often called, is not only to develop the flow of cultural manifestations to and from Canada. It must also ensure that the funds spent on cultural promotion are spent in accordance with and in support of our nation's foreign policy goals.

Clearly, the government is not going to finance or facilitate an evening of Canadian theatre in South Africa before a whites-only audience. Nor send the RCMP musical ride to North Korea. But there are more central areas of contention. Should we only finance cultural tours of Western Europe and the United States, admittedly the centre of much that is excellent in our culture, and exclude the range of other countries, in Asia, Africa or Latin America, with whom we are working to develop closer ties?

And can our cultural manifestations, without in any way compromising their integrity, serve to draw international attention not only to themselves but also to a more congenial image of Canada as a mature political and economic partner? This is not to press culture totally to the service of the state, as is done by some countries. But it is to

De Montigny Marchand is Deputy Minister for Foreign Policy in the Department of External Affairs. This article is based on an address he delivered to the Canadian Institute of International Affairs in Ottawa in May.

recognize that cultural diplomacy is a modern instrument of foreign policy.

Such a rationale, broadly interpreted, underpins the work of the National Film Board, and animates another undervalued asset: the International Service of the CBC. The objectivity and independence of those organizations clearly demonstrate that government has never taken an Orwellian approach to cultural funding. And their good work shows the ability of cultural instruments to serve the interests of the country as a whole.

Just as culture can never be captured by foreign policy — and governments are involved in only a small percentage of total cultural exchange — so foreign policy must also resist capture by special interests such as the cultural community. (You will judge from that comment my reaction to the recent proposal of a separate Agency to operate international cultural relations.) We must also open our minds to the cultural ties expected from us by influential Third World countries, reassess the role of exchanges in East-West relations, and balance our rocks-and-logs image in Japan or Brazil.

In sum the message of the international cultural relations case-study is that there are areas of congruence between our national purposes and the goals of the cultural community. But there must also be recognition that the work of government on behalf of culture must take into account more than the individual preferences and ambitions which the cultural community will promote.

Cruise missile testing

Let me offer another example of foreign policy and the public interest by way of illustration. Few issues have so stirred the Canadian public in recent years as the prospect of testing the guidance system of unarmed Cruise missiles in Canadian territory. It is a question which throws out, in its wake, the fear of nuclear war, the spectre of individuals pitted against governments, the nature of leadership in competing alliances, with reminders of our own geopolitical situation, and of the inherent uneasiness with which Canadians approach matters of national security.

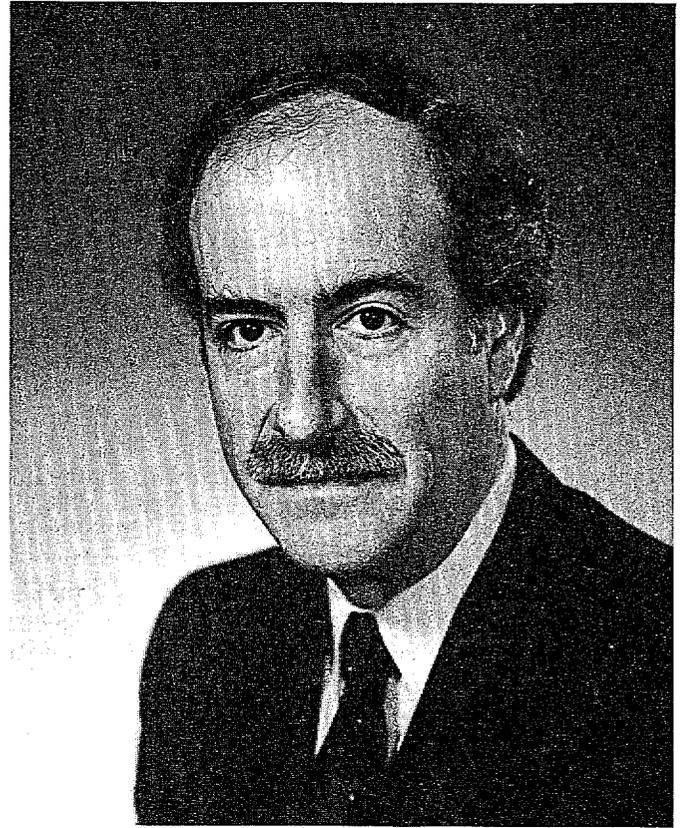
Is there a dangerous distance here between the national interest and the public interest? I dare to think not. First because successive Canadian governments have seen no alternative for the defence of Canada other than within a collective security system. Insofar as a government can be confident of acting on the basis of public consensus, I believe that to be a proposition endorsed by most Canadians.

Equally, I believe there is a broad acceptance of the fact, demonstrated in two World Wars, that Canada's security is intimately bound up with the security and stability of Europe. This is by no means merely an intellectual matter. Our primordial ties with Britain and with France have been broadened by the immigration of peoples from all parts of Europe. They too look back to their roots with affection and apprehension. Thus there is a strong emotional, as well as a strategic, political and economic commitment to the fate of Europe.

That commitment is embodied, in the postwar world, in the North Atlantic Treaty Organization. Successive Canadian governments have enjoyed a reassuring degree of trust and support for our founding membership in NATO, and for our continued obligations within its political and military structure. Indeed, our NATO commitments have

on occasion been more vigorously reviewed by government itself than they have by any significant sector of public opinion.

Underlying our NATO commitment is an assessment of the probable source of threats to peace. Again, most Canadians share a concern at the rapid buildup of nuclear arms by the Soviet Union, and at Soviet deployment of intermediate-range missiles which menace the stability and security of our European allies, allies who, it is important



de Montigny Marchand

to recall, were the first to seek means of balancing an intolerable threat to their security and to their political integrity.

It is also important to recall that the means of dealing with that threat were not restricted to the crude counter-threat of military force. The possible deployment of NATO intermediate-range missiles has for over three years been coupled with a very clear offer to the Soviet Union to negotiate a stable balance of forces at the lowest possible level. Those negotiations are now under way, supported by a solid base of consultation in which Canada is taking an influential part. Most Canadians are surely in favor of these negotiations, and wish government to work for their success.

I believe that the propositions which I have just set out are grounded in a Canadian consensus. They are further supported by the public opinion poll conducted last year by the Canadian Institute of International Affairs. Therefore I am troubled by this on-going case study in which the foreign policy framework for an Alliance negotiation seems to be largely accepted and agreed, but our national participation in a collective strategy continues to provoke vigorous dispute.

I am further troubled by the implied polarization of opinion which the debate brings out. The government, its

Canadian foreign policy

officials and its allies are not members of a war movement against which a peace movement must contend. Nor are we blind partners within the Alliance. Canadians can, I think, be proud of their contribution over the years to a reduction of East-West tensions, to the maintenance of a stable and sensible deterrence, and to a moderation of what Lord Carrington recently described as "megaphone diplomacy." In recent years there has been a distinctive Canadian activism in the field of arms control and disarmament. We have proposed multilateral policy initiatives such as the strategy of suffocation — an idea whose success, of course, depends on acceptance by others. We are active in negotiating a comprehensive ban on chemical weapons, and in advocating the prohibition of all weapons in outer space. We are exploring new techniques of verifying agreed arms control commitments. Throughout these initiatives we benefit from extensive consultation with Canadian experts outside government.

Clearly we have in action a difficult interplay of apocalyptic symbolism, represented by the Cruise missile itself, versus the balanced arms control and disarmament policy which those of us in government perceive ourselves to be carrying out. The pragmatism of a middle power, or the realism of an Alliance member, have difficulty in competing for public attention with the apocalypse — even if our programs are designed, in a spirit shared with any peace march, to avert the nuclear catastrophe which we all fear.

The "Third Option"

My third case-study in foreign policy and the public interest is about the Third Option, that much maligned, much misunderstood, declaration by Mitchell Sharp which appeared in 1972.

The case of the Third Option is particularly instructive about the risk that any government runs when it attempts to conceptualize foreign policy. I happen to believe that the risk is tolerable — even essential. Nonetheless the articulation of virtually any policy concept serves quite naturally to provide a focal point or a target for the various expectations and conflicting interests of the foreign policy community writ large.

What then, is the Third Option about? In a historical sense, it is no more than one of many contributions to a debate that is as old as the American Revolution or the British North America Act. It is, in part, about sharing a continent with the United States — one of the very few foreign policy issues in which public interest is wide and high, and attitudes are strongly held. Just as every parent is an expert on education, so every Canadian is an expert on the Americans.

In a more contemporary sense, however, the Third Option clearly shows its birthmarks from 1971. It does reflect a determination to moderate in future the shocks to our economy which USA measures delivered in that year. It does embody the concern for our sovereignty that dominated the 1960s and 1970s and was articulated in *Foreign Policy for Canadians*. The Third Option was also designed to come to terms with some international realities confronting our policies across the board: the political and economic integration of Europe, with serious implications for our traditional ties with Britain and other European partners; the emergence of Japan as an economic power of the first rank, with special interests in our Western provinces; a sense of shift in the

balance and distribution of power which could offer new opportunities to the smaller industrialized democracies such as Canada.

But the key element in the Third Option was that it was not exclusively a foreign policy. The first option, you may recall, was to maintain the status quo with the USA, with a minimum of policy adjustments. The second option was to move deliberately toward closer integration with the USA. The third, and I quote, was:

... a comprehensive, long-term strategy to develop and strengthen the Canadian economy and other aspects of our national life and in the process to reduce the present Canadian vulnerability.

It is difficult to understand how such a clear and straightforward, some would even say self-evident, objective could come to be described as: anti-American; bad for business; bound to undercut multilateral organizations; mindless diversification; and a doomed struggle against the realities of a continental economy. Moreover there is a key word in the Option which is frequently overlooked. That word is "long-term."

Among the risks of conceptualizing foreign policy is that it is seen to be time-bound. Some observers and commentators seem to regard a policy concept as akin to a carton of milk — on the shelf, getting older and more unpalatable and, written in the upper right-hand corner, the words "Best before 1983."

This approach, by the way, is often adopted towards the 1970 documents of *Foreign Policy for Canadians* as well as the Third Option. Naturally, no policy is eternal, nor does it foresee all probable events. The Third Option did not anticipate the oil shocks of the years immediately following. But sound policies, rooted in broad national realities and long-term goals, do not suffer instant obsolescence. They live as vectors of the national interest. They provide impulse, direction and a conceptual framework on which the future may build.

The dilemma for government is this: if it does not occasionally set out in public the principles of its foreign policy, it is open to accusation ranging from secrecy to ad hocery to incompetence. But once it does set out its principles, or even its options, it risks not only misunderstanding but also the accusation that the policy or its principles are old, stale or overtaken by events. The public appetite for the new is not one that can easily or appropriately be fed by foreign policy.

Each of these case-studies — culture, the Cruise, and the Third Option — is instructive in a different way about foreign policy and the public interest. There is the necessary coexistence of national and cultural objectives. There are the assumptions and premises about our national security, broadly shared between government and public, which nonetheless do not moderate a sharp debate over the testing of the Cruise missile. And there is the risk of misunderstanding occasioned by periodic statements of policy such as the Third Option.

Policy and the media

Each of these issues also has a common thread in the role and impact of the media. They possess that consecrated reality which only the media can bestow. Press, radio and television themselves become actors in the debate, stirring a volatile chemistry of ministers, officials, groups, regions and publics. The media play a part not only

in establishing what we should think about — but also in defining how we should think about it.

As an industry, the Canadian media are as sophisticated, intellectually and electronically, as anywhere in the world. As individuals, there are many outstanding reporters and commentators working in Canada and abroad. And yet I see a widening gap between those charged with directing or implementing Canada's foreign policy, and those responsible for reporting or interpreting it for the public.

You will understand that I have to tread carefully here. The omnipotence of the media is an intimidating force for any bureaucrat to contemplate. But something is going sour in the media approach to foreign policy and I think it important both to say so, and to do something about it.

The gap between foreign policy and the media has several dimensions. One is the increasingly multinational character of information transmission, which either lacks a Canadian dimension, or is given some extraneous "Canadian angle" en route to our homes. Another is the serious divergence of objectives and priorities, without benefit of the healthy, even competitive, exchange between journalists and diplomats which is found in so many countries; hence the absence or violation of agreed ground rules, a certain animus against institutions or individuals, and a tendency to prefer gossip about policy process to the substance of policy itself.

The Kent Commission addressed this problem and identified a decline of professionalism in the management of foreign news by Canadian newspapers. The Commission says:

A vicious circle is at work. There are few Canadian correspondents abroad. Consequently, the editorial staffs of Canadian newspapers include too few people with knowledge of the outside world. Consequently, they do not know how to handle foreign news well. Consequently, the editors are able to convince themselves that what they cannot handle confidently is not what the readers want.

I share the Kent Commission's concern about the nature of newspaper work on foreign affairs. In television, sensational film of a flood or an earthquake tends to displace the thoughtful commentary of a Joe Schlesinger, a David Halton, a Craig Oliver, a Peter Trueman, a Madeleine Poulin or a Pierre Nadeau. It is disturbing to note this trend at a time when so many other elements of Canadian society are displaying renewed attention to international politics and economics. The media are, with the possible exception of radio, an uncertain intellectual force in the definition or interpretation of Canadian foreign policy. The world does not present itself with clarity in forty-second clips.

I do not ask for, or even expect, media agreement with one or another government policy line. What I look for is a distinctively analytic and interpretive capacity in foreign affairs, from a point of view which stimulates, challenges the Canadian public at large, and policy-makers in govern-

ment. Insofar as fault may lie with officials, and in large part it does, I recognize that we need to do more to inspire, to inform, to explain and to revivify a constructive dialogue with the Canadian media.

Questions and conclusions

I should try now to pose a few final questions, and to draw a few conclusions from these highly personal reflections on foreign policy and the public interest.

The question for Canadians is whether in practice we can do better than a ragged and uneasy coherence of competing groups and interests. Is there perhaps a silent majority which still expects our foreign policy to be something more than the sum of many parts? Can fleeting coalitions, of national and public interest, sustain the long-term dedication which must underly the most significant linkages between domestic and foreign policy?

As always, there are trends and counter-trends. I fear that many of the single-interest constituencies are now firmly in the grip of their own *idée fixe*. We can listen and we can accommodate, to some extent we can even manage certain contradictions, but we cannot avoid the overriding need for a policy which is a coherent synthesis of national interests and priorities. Tension with some single-interest groups is bound to continue.

In a democratic system, surely this is a sign of basic health, frustrating and contentious as the process of reconciliation may be. It is the challenge of foreign policy in a democracy to negotiate the alignment of national interest and public interest, and to build on consensus wherever it can be ascertained. What is dangerous is the latent or apparent fragmentation of the public interest into competing and irreconcilable groups, whose common features are difficult to discern. Such fragmentation can paralyze policy, especially if it should be driven by a sensationalist media.

If there is an optimistic note to be struck, I think it lies in the remarkable continuity to which I have referred on several occasions. The gravity-defying nature of our country and its place in the world impose on us certain limitations and preoccupations which are remarkably constant. We are improving the mixture and the balance in our foreign policy of political, economic and security elements. But we cannot, as some countries can, assign clear dominance to any one of them. Nor can we afford, for our own long-term interests, to abandon the tradition of Canadian activism and idealism.

I think governments generally prefer to act on the basis of a congenial, rather than a compliant, public opinion. In Canada, however, we have to come to terms with latent fragmentation. We must be diligent in measuring our version of the public interest against the views of disparate publics themselves. There will be times when government exercises its leadership somewhat ahead of public opinion. And times when public opinion veers off in advance of policy. What all of us must seek always to ensure is that the natural discord of democracy does not become the terrible clamor of a nation unable to act. □

Andropov's takeover

by Bohdan R. Bociurkiw

Leonid Brezhnev's long anticipated death on November 10, 1982, has brought into the open another political succession crisis in the Soviet Union evoking comparisons with the upheavals in the Kremlin that followed Lenin's death in 1924 and Stalin's in 1953, and the October 1964 "palace coup" that deposed Nikita Khrushchev. On the surface, the latest succession crisis appeared to have been already resolved in favor of the former KGB chief, Yuri Andropov, within forty-eight hours of Brezhnev's death. In line with the procedure prescribed by the Party Rules, the new Secretary General was elected by the Central Committee of the Communist Party of the Soviet Union (CPSU) which met on November 12. As reported by the Soviet media, not only was Andropov's election "unanimous," but — as required by the traditions of the Party's "monolithic unity" — he was the only candidate for the post, nominated to it (ironically, but, again, in accordance with the same tradition) by his chief rival, Konstantin Chernenko.

The nomination, as determined by unwritten convention, was made on behalf of the unanimous "collective leadership" — the Politburo of the Central Committee. It was within this secretive body of twelve voting members and eight non-voting alternates (including five out of ten members of the Secretariat), that — sometime before or immediately after Brezhnev's death — the first, if not final succession battle was lost to Andropov by Chernenko, till then considered Brezhnev's closest associate and heir.

All-powerful Secretary General

While not even mentioned in the Soviet Constitution, the position of the Party Secretary General assumed now by Andropov, has — by convention dating since Stalin's rise to dictatorial power — been identified with supreme power in the Soviet political system. Apart from its overall control over the Secretariat, this post has also included *de facto* chairmanship of the Politburo and of the Central Committee. In the government structure, it meant at least membership in the Presidium of the Supreme Soviet (which combines the functions of a collective presidency and an interim legislature), as well as chairmanship of the State Defence Committee (Commander-in-Chief of the Soviet armed forces). This June, Andropov followed Brezhnev's unprecedented 1977 step and assumed the chairmanship of

the Supreme Soviet Presidium as well, i.e., the post of the chief of the Soviet state. Brezhnev's predecessors preferred to emulate Stalin who, from 1941 to 1953, combined the posts of the Secretary General and Chairman of the Council of Ministers (Prime Minister); Malenkov attempted it in March 1953, but after eight days was shorn by his Politburo (then called Presidium) colleagues of the top Party post; Khrushchev managed to combine both positions only by 1958, after purging the Presidium of the majority that almost deposed him in 1957.

Past Soviet successions

The remarkable speed with which Yuri Andropov has assumed Soviet leadership and the conspicuous display of the Politburo unity around the new Secretary General may well conceal the still unfolding succession struggle. This is suggested by some unexplained top personnel transfers since November 1982, by mixed signals coming from the successive Party and government gatherings, by subtle protocol changes on public occasions featuring the top Soviet leaders, by some unusual shifts of emphasis in the Soviet media, and by the implications of some domestic policy initiatives undertaken by the new leader.

The previous succession crises — after Lenin's and Stalin's deaths, and following Khrushchev's removal — have displayed some common patterns, as well as considerable differences attesting to both continuity and change in the nature of the Soviet social and political system, in leadership generations and in the international environment. The similarities in the process of selecting and legitimating successive Soviet leaders appear to derive from such lasting systemic features as the Communist Party's continuing claim to monopoly of political power in the USSR and, hence, its refusal to submit to genuine constitutional and legal restraints whenever this monopoly is challenged from within Soviet society; from the oligarchical nature of the Party organization and its semi-conspiratorial mode of operation; from the deeply rooted distrust of the irrationality and ideological corruptibility of the masses and lack of faith in their capacity to make "correct" decisions by themselves; from the insistence on the Party's collective infallibility and the "monolithic" unity of its ranks; from the regime's reliance on cooptation, indoctrination and coercive loyalty rather than on legitimation based on bona fide popular elections; and from the ruling Party's siege mentality vis-à-vis the outside world.

The past Soviet succession crises have involved essentially two stages of varying length: first, the unstable "col-

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lective leadership"; and second, the emergence of a personal leader.

First stage — succession

The first succession phase commences as the current leader becomes incapacitated (as happened to Lenin in the winter of 1922-23), or too ill to function properly (as had been the case with Brezhnev during the last year of his life), or as he approaches his death (Stalin in March 1953), or as a "palace coup" is being prepared by his own closest associates to depose him (as was the case for some months prior to Khrushchev's ouster in October 1964). In his place, there emerges within the Politburo a "collective leadership" consisting of three to five of his top lieutenants. The initial leading group (its composition may change later as the succession struggle progresses) becomes known to the country and the world at large as the news of the departure or removal of the previous leader is made public. The make-up and the ranking of the ruling group are communicated in particular during the official mourning and funeral proceedings that are also heavily relied upon to confer legitimacy upon the oligarchs associated with the late leader (as in Lenin's, Stalin's and Brezhnev's funerals; the post-Khrushchev succession was quite different in this respect). While one of its members (not necessarily the ultimate winner in the succession struggle, e.g., Malenkov) acts as spokesman and, possibly, informal chairman of the "collective leadership," its members represent the initially strongest faction within the Politburo-Secretariat or, more likely, a temporary alliance of two or more factions voicing major institutional, functional and territorial interests, as well as diverse inter-institutional policy/issue currents.

Despite the increasing success in hiding from the outside world their internal divisions and conflicts (as was evident after Khrushchev's removal, and as we see now with the post-Brezhnev "collective leaders"), the systemic pressures, the exigencies of domestic and external policy-making, and popular expectations of change all conspire against an effective and prolonged "collective leadership" — a leadership which, by its nature, tends towards procrastination and avoidance of controversial policy decisions. These circumstances combine with the shifting alignments, loyalties and policy positions within the top Soviet leadership to bring changes within "collective leadership" and, sooner or later, to undermine the factional balance in the Politburo.

Second stage — consolidation

In the second phase of the succession struggle, there emerges from within the "collective leadership" the "first among equals," usually a Secretariat member who has acquired the prevailing influence over the senior appointments and pre-selection mechanism (*nomenklatura*) employed by the Party command to fill all the important posts in the Soviet system. Given the crucially important place and functions of the security apparatus in the USSR, any such contender for personal leadership must have the support of the secret police (KGB) and at least the assured neutrality of the armed forces. At the same time, it becomes vital for the emerging leader to exercise control over the Soviet mass communication and propaganda media, in order to signal his preeminence to the middle and lower ranks of the Soviet elite, to mold in his favor the news about other members of the now disintegrating "collective leader-

ship." Thus may he stimulate desertions from his rivals' camps by the elite members eager to join the likely winner in the power struggle.

As the leading contender for succession diminishes the support bases and public stature of other "collective leaders" and as he manipulates the *nomenklatura* process to place his allies and loyalists in key positions of the Party, government, police and military hierarchies, his status changes progressively to that of the "first among unequals." The increasingly favorable presentation of the new leader by the Soviet media, apart from and above his Politburo colleagues, evolves into a "personality cult"; he is soon hailed by his supporters as the "head" (*glava*) of the Politburo and the Central Committee, the "leader of the Party and State," an "outstanding statesman," the "true Leninist" and so on. His official biography is embellished accordingly, and more and more Soviet successes are credited to his "personal" initiative, guidance and inspiration.

Tying it up

Having "packed" with his partisans the important territorial organizations sending delegates to the Party Congress and having filled with his clients most of the important posts related to Central Committee membership, the victorious succession candidate eventually consolidates his personal leadership at the next Congress by replacing his rivals' supporters with his followers in the new Central Committee. The latter, in turn, re-elects him as Secretary General and removes his opponents from the new Politburo and the Secretariat. Within the Politburo the past "collective leadership" is now transformed into the Secretary General's "inner cabinet" within which his closest lieutenants compete for his trust and favors and manoeuvre for his eventual succession.

At certain points during the second phase of the Soviet succession process, the new leader reaches for the top state or government post to legalize his supremacy in constitutional terms (as Stalin did in 1941, Khrushchev in 1958, and Brezhnev in 1977), and invest it with trappings of popular sovereignty. From now on, the new leader can only be removed by either death or a palace coup which, ironically, will require a "monolithic" conspiratorial unity of his "closest comrades-in-arms" whom he had installed in "his" Politburo and Secretariat.

Institutional actors and succession issues

Succession struggles in the Kremlin can never be reduced to a scenario of power-hungry individuals "shooting" their way through to supreme power in a kind of institutional and ideological vacuum devoid of major issues and isolated from the main currents of Soviet society. This had been the case with Stalin's slow and bloody road to personal dictatorship from 1924 to 1938, Khrushchev's faster and much less violent rise to unchallenged leadership (1953-1957), and Brezhnev's bloodless succession (1964-65) to the supreme, but never unlimited, authority.

In each succession crisis, personality, past career pattern, leadership style and policy priorities of the winning contender for power have been of considerable importance. No less important, however, in shaping the outcome of the power struggle have been such major institutional hierarchies as the party apparatus, the government bureaucracy, the police, and the military. None of these institutional actors has necessarily been acting alone or in

Changing leaders without rules

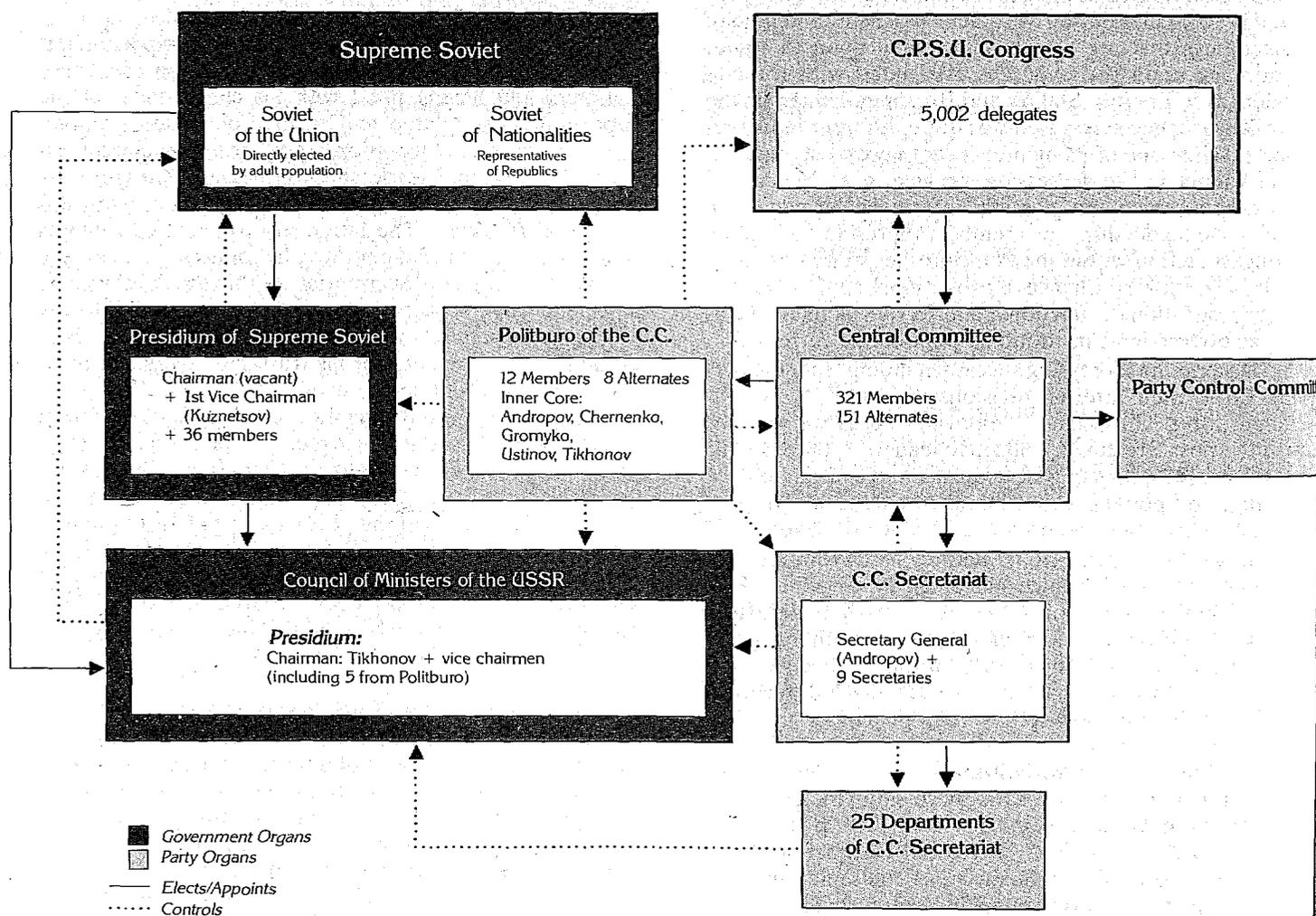
combination in Soviet politics. Both conflicting issue orientations and personal patron-client ties, as well as the increasing differentiation ("pluralization") of Soviet society, have served to counteract institutional solidarity and have generated cross-institutional factional alliances. These alliances may be built around such polarized policy alternatives as continuity versus innovation, centralization versus devolution of authority, Soviet Russian nationalism versus internationalism at home and abroad, consumer needs versus those of the heavy and defence industries or improvement of the quality of life at home versus imperial consolidation and global expansion.

Historically, the Communist Party has maintained its supremacy over the government, the police, and the mili-

had shifted his power base from the Secretariat to the cabinet (*sovnarkom*). It was only after the beheading, purging and downgrading of the secret police, that Stalin's successors had restored, with the help from the military, the primacy of the Party apparatus over the government and the secret police.

The domestic and external challenges to the Soviet totalitarian system struggle and other unwanted consequences of "de-Stalinization" have enabled the KGB under the rejuvenating leadership of Shelepin and Semichastny to reclaim some of its previous powers, especially after the police gave its vital support to Khrushchev's overthrow in October 1964. Despite the subsequent removal of the Shelepin faction from Soviet leadership and the as-

Soviet Political Structure



tary through the penetration of their organizational networks by loyal Party members, by cooptation of their leading cadres into the Party bureaus and committees, and through manipulation of internal divisions within the other major Soviet institutions.

KGB role

Stalin's dictatorship had relied upon the secret police to purge the Party, government and the military of his opponents — real, potential, and imaginary. By 1941 this

sumption of the KGB chairmanship in 1967 by a Party secretary (Yuri Andropov), the remarkable resurgence of the police power continued at the expense of the fragile safeguards of legality, privacy and individual rights brought about by Khrushchev's reforms.

Early during the Brezhnev era there apparently crystallized within the Soviet leadership a coalition of the ideological, police and military spokesmen who shared concerns about some of the consequences of "de-Staliniza-

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tion" and of the broadening of relations with the West. They noted widespread cynicism about ideology, political dissent, centrifugal nationalism in non-Russian republics, a general decline in martial spirit among the Soviet youth, Western ideological penetration of the Soviet bloc and the growing unrest in several satellite countries. By skillfully manipulating its domestic and foreign intelligence, the KGB was evidently successful in vastly expanding its organizational network, resources and powers.

By using the same arguments, the military might have been able to claim a disproportionate share of Soviet resources to modernize and expand the Soviet armed forces. They play upon the fears of defections from the Soviet bloc, upon the Sino-Soviet conflict, and upon the worsening East-West relations. Unlike the police, the Soviet military have been, since the mid-1960s, the principal beneficiaries of the stepped-up "military-patriotic education" of the youth. The officially promoted and strongly nationalist cult of the "Great Patriotic War" exploits of the Soviet military progressively overshadow the Lenin cult from which the Party had traditionally derived its legitimacy. The combined effect of these developments was to weaken the grip of the aging Soviet Party leadership over these two major institutional forces in the Soviet system, the only ones capable of either rescuing or displacing the Party dictatorship — as was illustrated in Poland in December 1981.

Rise of Andropov

The relative ease with which Yuri Andropov assumed the position of the Secretary General upon Brezhnev's death bears several explanations, each of them more or less hypothetical.

There is a general consensus among Western observers of Kremlin politics that of the several possible candidates for Soviet leadership (members of the Secretariat with full Politburo membership status — Andropov, Chernenko, Gorbachev, and Kirilenko), Andropov has the best combination of qualities traditionally associated with the post — the varied career pattern (Komsomol and Party work, diplomatic service, including membership in the Secretariat with special responsibility for relations with satellite Parties) as well as reportedly the best mind and tactical skills. His fifteen-year career as KGB chairman — traditionally a disadvantage likely to unite his Politburo rivals against his candidacy — might have in fact enabled him to move back into the Secretariat in May 1982 to "sanitize" his public image and effectively undercut his chief rival's (Chernenko) chances for succeeding Brezhnev.

It is also likely that Chernenko's weaker qualifications for the top job, his lack of his own institutional base, as well as his "heir apparent" image during the last years of the Brezhnev rule, could have made Andropov the candidate of the "stop-Chernenko" coalition within the Politburo. This appears to include at least Defence Minister Ustinov, Foreign Minister Gromyko, and Secretary for Agriculture Gorbachev. Enjoying conditional, it seems, support from the military establishment, Andropov might have — even before the actual succession crisis (i.e., since December 1981) — taken advantage of the KGB's responsibilities for guarding Soviet leaders, including the handling of their communications, and its accumulated information about

the Soviet elite, to isolate, blackmail or politically disarm Andropov's opponents on the Central Committee, thus weakening Chernenko's main support base — the "Brezhnevites" from Moldavia and the Ukraine. The degree to which the KGB has by now penetrated other Soviet institutions, including the military, may have seriously undermined the Party's traditional role as the only systemic coordinating and overall controlling mechanism.

Difficulties for Andropov

While at the time of writing this article Andropov seems to have successfully passed through the first stage of the succession struggle, there are distinct signs that the central Party apparatus, epitomized in the Politburo by Chernenko, seeks to check further extension of Andropov's power. The line tentatively embraced by Andropov and his supporters — the enforcement of greater economic efficiency, and stricter industrial discipline, the struggle against corruption and special privileges for the "new class" and tougher posture in East-West relations — may appeal to the military but can hardly be favored by the aged and increasingly vulnerable Party elite that had enjoyed unprecedented stability under Brezhnev. The failure of the June Central Committee session to remove Chernenko and elect Andropov's supporters as new voting members of the Politburo; the earlier replacement of Fedorchuk by Chebrikov as the KGB chief; and some contradictory policy pronouncements from the Kremlin (e.g., on the acute nationality problem) appear to reflect the continuing difficulties encountered by Andropov in consolidating his power.

It is too early to assess the significance of the most important personnel change approved by the June session of the Party's Central Committee: the transfer of Grigori Romanov (who is a voting Politburo member) from the post of Leningrad Party Secretary to the Central Committee Secretariat. This may be interpreted as not only a replacement for Kirilenko, the retired cadre Secretary, but also designed to provide a balance between Andropov and Chernenko.

Given the advanced age of the Politburo, as well as Andropov's own age (69) and reportedly poor health, the current succession crisis in the Kremlin will be followed within this decade by another, potentially more profound, succession crisis marking generational change in the Kremlin. The currently ruling age group consisting of beneficiaries of Stalin's Great Purge and of the "Patriotic War" veterans, will be succeeded by those who entered the Party during the postwar era and whose careers began after the death of Stalin. This coming generation of Soviet leaders — now occupying middle-echelon positions in Soviet institutional hierarchies — is likely to be less possessed by Marxist-Leninist dogmas, more infused with Russian nationalism, and perhaps more pragmatic in the choice of its methods. But given the continuity of the Soviet bureaucratic structures, the authoritarian tradition of Russian politics, as well as the imperial legacy the future Soviet leaders will inherit, there is no guarantee that they will prove to be more tolerant of non-conformity at home, more responsive to the pervasive popular desire for change, or more conciliatory in their relations with the West. □

Why Canada trails in "high-tech"

by The Hon. Patrick L. McGeer

Technologies introduced since World War II have opened up vast new industrial opportunities for those who have nourished the necessary skills for success. The US Department of Labor estimates that 70 percent of all new jobs introduced in that country in the past twenty years have come from technologies introduced in that period, while only 4 percent came from existing industries. The main driving force has been microelectronics. Countless uses have been made of the magical chips that have been produced but none more than in the computer field. Computers themselves have gone through four generations of development and now are about to enter a fifth, linked to artificial intelligence.

Fiberoptics, robotics, satellites and biotechnology are other areas that are just beginning to emerge. New, multi-billion dollar companies have been springing up almost like mushrooms around the world and will continue to do so in fields of new technological opportunity. To the casual observer it might seem as if such spectacular scientific and industrial results are almost accidental, and the fact that Canada has failed to spawn a single one of these major new international companies is only a prolonged streak of bad luck. That is not the case. What has been happening around the world is anything but accidental, and Canadian failure to participate in a significant way can be directly traced to a scientific naivete at the policy-making level.

Canada must stop slippage

This failure to participate leaves us now with a serious and deeply rooted economic problem. I do not need to review the consequences of repeating and thus continuing to accumulate the staggering government deficits of the last two years. Nor do I need to review the long-term consequences of ignoring the rapidly escalating balance of payments deficit in high-technology goods. That deficit was reported to be \$8.13 billion in 1980. I do need to emphasize, however, there is no possibility of quick economic results if Canada decides to put appropriate emphasis on high-technology enterprises.

Not only will those results not come overnight; they will not come at all without significant changes in policy. New technological products are always preceded by heavy investments in research and development. For this to be possible in Canada, many people will have to alter permanently their traditional economic time horizons. Corporations will need to look beyond their quarterly or annual financial statements; bureaucrats will need to look beyond the annual budget of governments; and politicians will need to look beyond the next election campaign. Nature does not give up her secrets easily or quickly. The pace of

development is set by discovery, and not by the directives and rulings of bureaucrats and economists.

The tools of government are financial ones. But to be effective, they must translate into appropriate human effort. The result in the case of high-technology ventures must be the development of teams of scientists and engineers who can invent and design useful new products. It is the tax accountants, politicians and bureaucrats who must do the adjusting in Canada, and not the scientists and engineers. If you have never established the teams of scientists and engineers, you cannot expect invention to take place, or development, or new production. You cannot expect industries to hang on until obsolescence overtakes them and a displacement of employees from the work force results.

How the Japanese did it

Japan has the most dynamic economy of any country in the world today, largely because of these high-technology industries. The lessons of Japan in high-technology are now being taught to the rest of the world. There is much to learn, particularly in Canada. Corporate leaders as well as political leaders from around the world are streaming to Japan seeking the secret of that country's economic success. They are not paying side visits to Canada. Japan's principal asset is an establishment of 300,000 scientists and engineers engaged in research and development work. Teams work in superbly-equipped laboratories on projects of high consumer interest. You are aware of some of the results: the television sets, tape decks, video cameras, computers and memory chips. They are the result of the research and development of a decade ago. Yesterday's research has produced the prototype devices of today which we will be buying tomorrow: the satellite receivers for less than \$1,000, the hand-held movie cameras that will record on magnetic tape to play back into your television set, the 256-K random access memory chips, the high-speed gallium arsenide integrated circuits and the voice-activated word processors. But it is the anticipated results of today's research that is really terrifying the American industrial community: the fifth generation computers, the intelligent robots, the integration of fiberoptic and information systems that are providing scientific shocks almost equivalent to Sputnik.

How did it all happen? About the time Mr. Drury was

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telling the House of Commons that Canada could get all the science it needed by reading journals, and Senator Lamontagne was indicating that federal government laboratories were doing too much research, the Japanese had decided that their future economy depended upon science. Thus, they made the decision to build Tsukuba Science City to support national laboratories, and to provide protection and incentives for their emerging high-technology industries. The results of these two differing philosophies can now be evaluated objectively. Japan has the most dynamic economy in the world, while the Canadian economy records the worst performance of any OECD nation.

Needed: engineers not lawyers

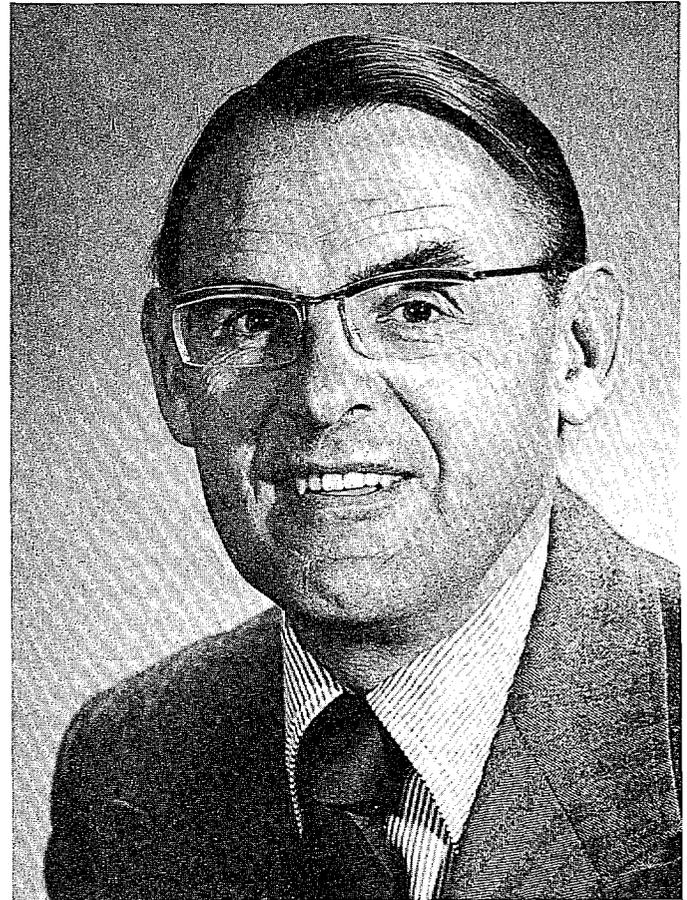
In effect, the 300,000 scientists and engineers of Japan's research establishments are taking on the natural and intellectual resources of the world's mightiest nations and winning. Their formula is taken directly from the west. It is a vigorous application of the good old scientific method coupled with sound production techniques. In political, bureaucratic and corporate circles, there is a profound understanding and respect for this resource of scientific people and an appreciation of what is required to make it work for the benefit of the nation. Put in other terms, there are many individuals in leadership circles in the Japanese Diet, the bureaucracy and corporate executive offices with a strong scientific and technological background and therefore the capability to make appropriate scientific-economic decisions. Probably the greatest difficulty any country, including Canada, would have in duplicating the Japanese method would come in the absence of individuals with such backgrounds in policy-making positions. I am not aware of any dynamic, rapid growth high-technology company in Japan that has ever been led by an individual other than a scientist or engineer. The skills of accounting, law, electronics and business administration that are so highly-valued in corporate and bureaucratic circles in our country are less important in Japan's high-technology industries than scientific background.

The scientific situation in Canada is fairly different from that of Japan, the United States or many other Western European nations. It is extremely thinly-spread, being mostly concentrated in universities and government laboratories where projects are being pursued that involve one person, or at the most a few people. Universities employ one-of-a-kind scientists to provide students with a broad background in the variety of fields that comprise the world's contemporary technology. But such thinly-spread science will never produce an industrial result. Sufficient scientific and engineering manpower must be marshalled around particular projects to produce a world-scale result. In other words, we must have industrial-scientific teams of equivalent size and strength to the Japanese, the Americans, or anyone else if we are to hope for major economic achievement through advanced technology. Naturally, because of the size of our country, there will be fewer of them.

Beginning the catch up

Let me suggest some possible fields around which appropriate scientific effort might produce necessary global results. We are really just at the beginning of the micro-electronic revolution. Experts all agree that gallium arsenide will be the major new material introduced into the semi-conductor business on a large scale. We should be

aiming to beat the Japanese and the Americans in gallium arsenide fabrication technology. We already have one of the world's premier producers of the wafer material in Cominco. To obtain dominance, we need to start before the others have built up significant momentum. Another area is in fiberoptic technology and the development of superior interfacing devices. Yet another area close to Canadians is satellites. Canada, of all places, having made an expensive commitment to put satellites in the sky, should not be giving away to others the lucrative, and less difficult, technological field of ground reception.



The Hon. Patrick McGeer

The question is: How do we turn government financial policy into the necessary building of research teams for high-technology industry? In British Columbia we have taken three major steps and I hope soon we may be able to take a fourth. We have recognized that high-technology industry does not obey the rules of the traditional industries of Canada. Resource industries came to our province because the minerals were there, or the trees were there. High-technology industry can go anywhere and doesn't need to come to British Columbia or any other part of Canada. It is not attracted by resources, or a heavy population base as in central Canada. Advanced technology, or knowledge-based industries, rely on invention. They have clustered around great centres of engineering knowledge such as Stanford and MIT.

The BC program

We have tried to provide access to our knowledge base. We have created a non-profit foundation called Discovery Foundation which has a subsidiary operating com-

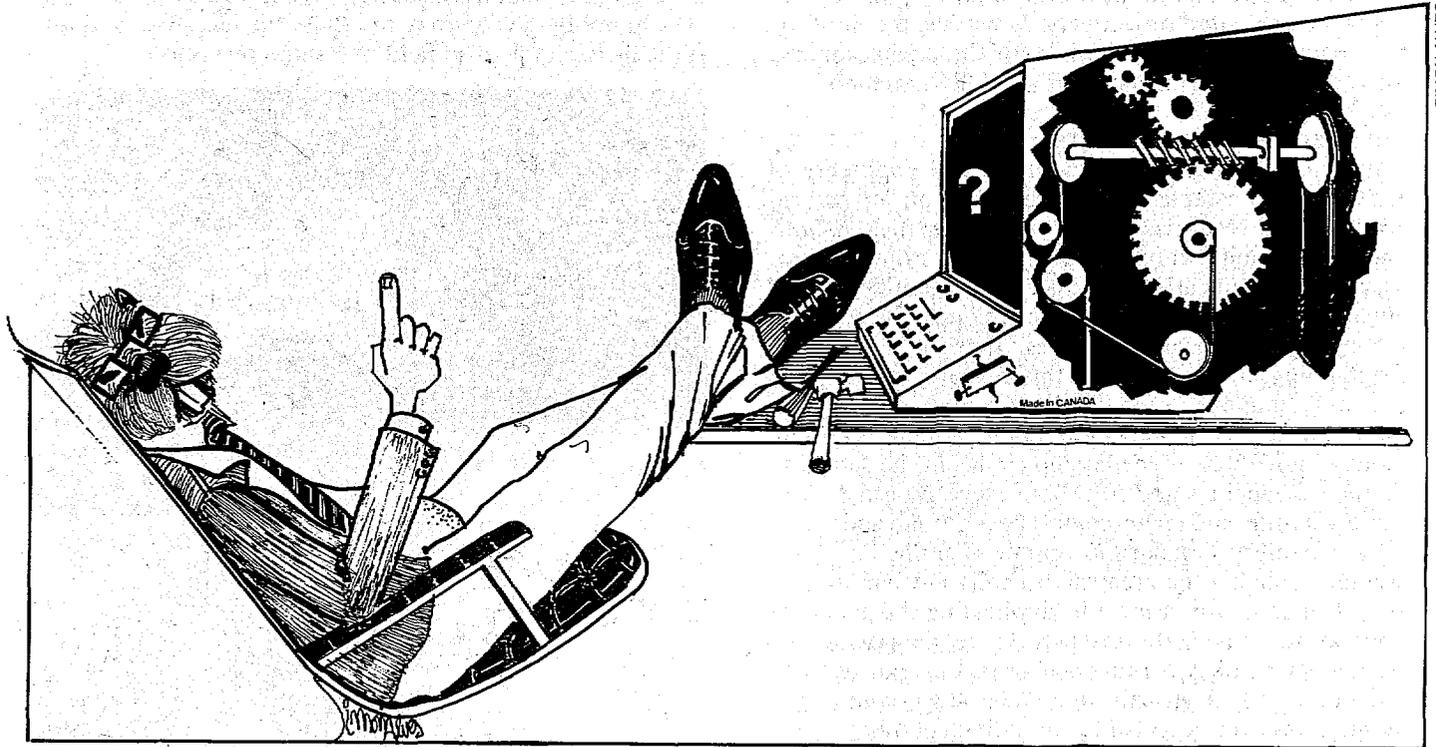
Research for survival

pany known as Discovery Parks Incorporated. DPI has agreements with each of our universities and with the British Columbia Institute of Technology to operate research parks. Through these Discovery Parks, we are able to put emerging high-technology industries into the atmosphere of excellence in our academic institutions and to give them opportunities to work cooperatively together. A Discovery Park can, where necessary, provide attractive

where they are normally killed off by high taxes, high costs of borrowing for equipment and personnel, and poor understanding of their financial needs and assets.

National program needed

It is difficult, of course, for a province by itself to put in place the necessary financial program that will make possible competitive industrial achievement with such estab-



I'm Number One! I'm Number One!

rents and appropriate facilities for these organizations.

A second step was the establishment of a Science Council in British Columbia. Unlike the Science Council of Canada, our British Columbia Science Council is empowered to give grants for research and development both to industries and to universities. The Science Council gives graduate student awards, and industrial post-doctoral fellowships to try to build up on our manpower capabilities.

Thirdly, we have established the Discovery Foundation in such a way that it can participate directly with other corporations in entrepreneurial fashion. With the help of the Discovery Foundation, we have established a biotechnology company and a microelectronics company in our province in order to move into major fields of opportunity.

We might soon be undertaking a fourth major step. This will be in the form of consolidating and improving upon a number of financial incentive programs designed to carry new and emerging industries through the early stages

lished giants as the United States and Japan. A strong national program is really required. I am heartened by the emerging realization in our national capital that we really must do something. With the acceptance of research partnerships by Ottawa, there is, for the first time, a genuine vehicle for building scientific-industrial achievement in this country. People trying to make these partnerships work inform me that this promising program is being crushed by the bureaucracy, but perhaps it can be rescued in time for results to be evident. The test of effectiveness can be measured in terms of how rapidly scientific teams begin to emerge.

We can put rough numbers around our requirements even at this time. To compare with Japan, we would need to have approximately 40,000 people in Canada engaged in industrial-scientific research and development. This would be more than three times the present level. Financial incentives will need to be considerably escalated before we begin to approach these numbers. Once we do, we can expect an impressive industrial payoff. □

Protectionism, bilateralism and economic growth

by Kurt A. von dem Hagen

In the very recent past, particularly in 1982, protectionism has increased worldwide. This development deserves attention because much of the increase in our standard of living over the past thirty years has been the result of our being able to participate in and benefit from the expansion of world trade. The undoing of free trade practices would result in lower living standards. Some of the more recent measures can be related to the world recession and may, therefore, only be temporary. But because the past recession was unusually long and unusually severe, it resulted in an unusually large number of protectionist measures by national governments. What we should worry about now are those measures and actions taken which by design or by circumstance are likely to stay in place even after the recession.

Recession origins

After the first oil price jump and the world recession of 1974-75 most governments in industrial countries adopted expansionary fiscal and monetary policies to stimulate growth. As these policies were essentially demand-oriented they resulted in little more than rising inflation, while real economic growth continued to taper off. By 1978 public authorities in industrial countries, led by the United States, had finally come to the conclusion that inflation, rather than being a cure, was most likely the reason for insufficient investment and sluggish growth. They, thus, reverted to more restrictive policies trying to beat inflation and to pay more attention to the supply side (industrial structure) of their economies than to aggregate demand. Consequently, the second oil price increase of 1980 was absorbed and anti-inflation policies remained in place.

Thus, Western industrial countries as a group entered their deepest and longest recession since World War II. Inflation came down substantially but unemployment rose to record levels (Charts 1 through 3).

Third World countries, while facing rising oil import bills just as the industrial countries, saw their export revenues decline as falling demand led to a substantial drop in commodity prices (Chart 4), and they were hit with steadily rising real interest rates (nominal rate minus rate of inflation) charged on their external debt (Chart 5). As a result an increasing portion of new foreign borrowing had to be diverted to making interest payments. Although total new borrowing increased, the net transfer of financial resources from industrial to developing countries declined (Table 1).

Typically the cry for new protectionist measures tends to be the stronger, the weaker the outlook for exports. If export opportunities appear to be limited, domestic mar-

kets gain in importance as potential outlets for products. Thus, emphasis tends to be put on reducing competition from abroad.

Protection defeats itself

As a temporary, isolated measure in one single country, protection of a given industry can be successful. If it does not trigger retaliatory action, it may help create additional employment at home (or keep employment from falling too rapidly). Taken by many countries at the same time, however, protectionism does not help at all. It reduces the earnings base of those foreign countries against which it is directed and it thus further limits the export markets of the protected countries. In addition, empirical evidence shows that protectionism typically leads to faster cost and price increases in the protected industry with no or little positive impact on productivity. On balance, the protected industry tends to become weaker rather than stronger and slowly loses its ability to reconquer international markets at a later stage.

In this context it is interesting to note that Canada's share in OECD exports has slipped during the past two decades (while OECD exports, in turn, have declined as a share of the world total). The *importance* of exports to the Canadian economy, however, seems to have increased (Table 2).

(Note that Table 2, in a way, compares apples and pears: exports measure "gross" sales, industrial output measures "net" value added. Thus a ratio of exports to industrial production of 90 percent does *not* imply that a share of "ninety cents out of every dollar's worth of production" goes into exports. Nonetheless, the trend over time appears to be obvious: Canada has been losing market shares abroad at the same time as Canadian industry has become more open, more dependent on export markets.)

It should be stressed that the loss of market shares is not a genuinely Canadian issue. If fact, if we look at manufactured goods only, Canada's relative loss appears to be small compared to that of the United States. The EEC only "looks good" because of the rise of intra-European trade over the past twenty years. Externally the EEC has lost

Kurt von dem Hagen is Senior Economist, International, with The Royal Bank of Canada in Montreal. This article is based on a paper presented to a meeting of the United Nations Association in Canada in Toronto in April 1983. The views expressed are the author's own, and are not presented as those of The Royal Bank.

Restraints growing, trade declining

markets in much the same way as the two North American countries.

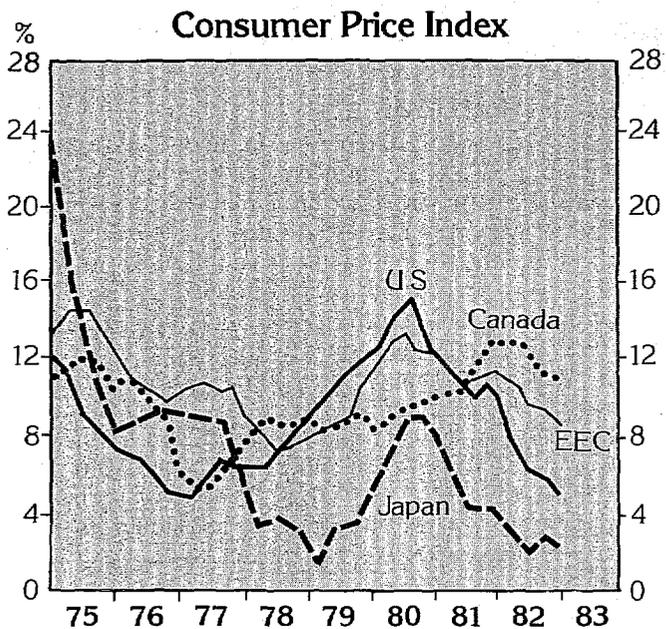
The winner during all of these years has been Japan. Whether concerted protectionist action in North America and Europe could result in a more favorable redistribution of world *market shares* remains doubtful. But, even if such measures were partly successful, we would pay a high price: a decline in the volume of total trade in manufactured goods.

Arguments for protection

The ups and downs of protectionism tend to follow the swings of the international business cycle. Thus, arguably, one might only have to wait for the recovery to come along

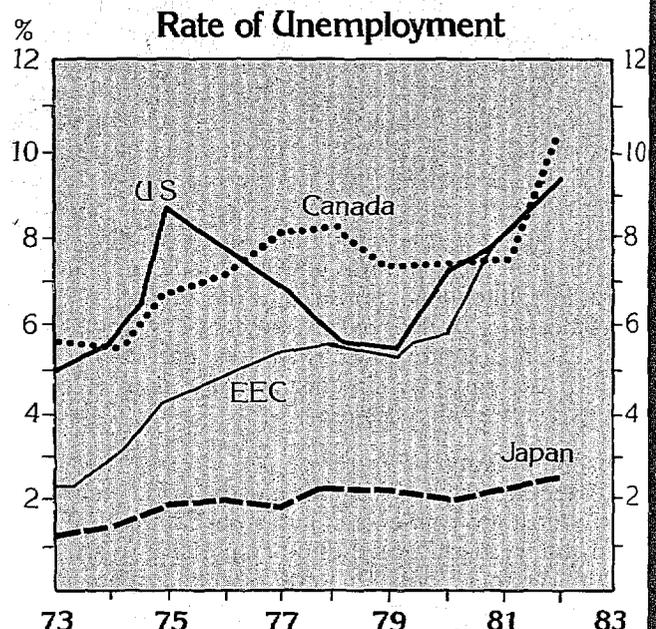
and then to do away with most of these temporary measures. However, to the extent that protectionism has structural causes as well, measures adopted may stay in place even after the recovery; and their adoption in the first place tends to create the subsequent need for keeping them. The "cheap labor" argument, for example, once it has been accepted as a legitimate reason for trade action, obviously will remain a viable argument even after the recovery and thus can be used to support further rounds of policy action.

Similarly, the "undervalued exchange rate" argument tends to be self-perpetuating. By restricting exports of a country which perceivably has a "cheap currency" we artificially block this particular currency from appreciating while our own currency is kept artificially high (under free



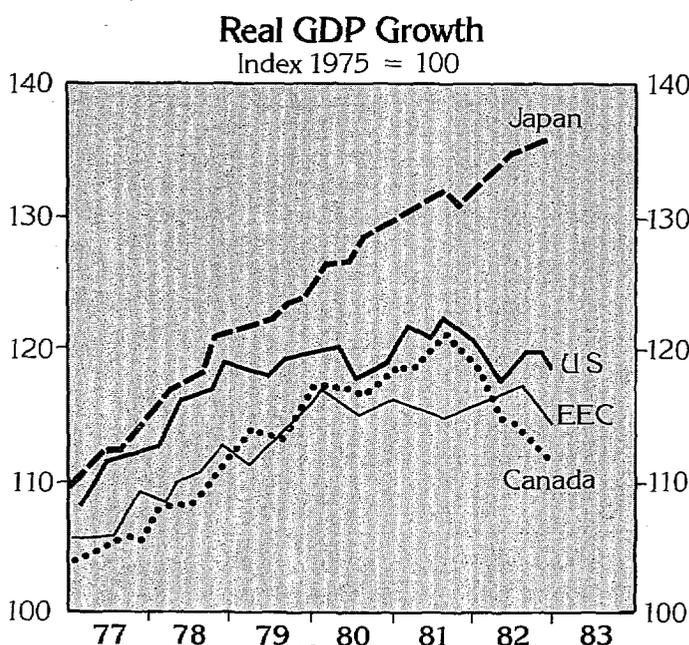
Source: IFS

Chart 1



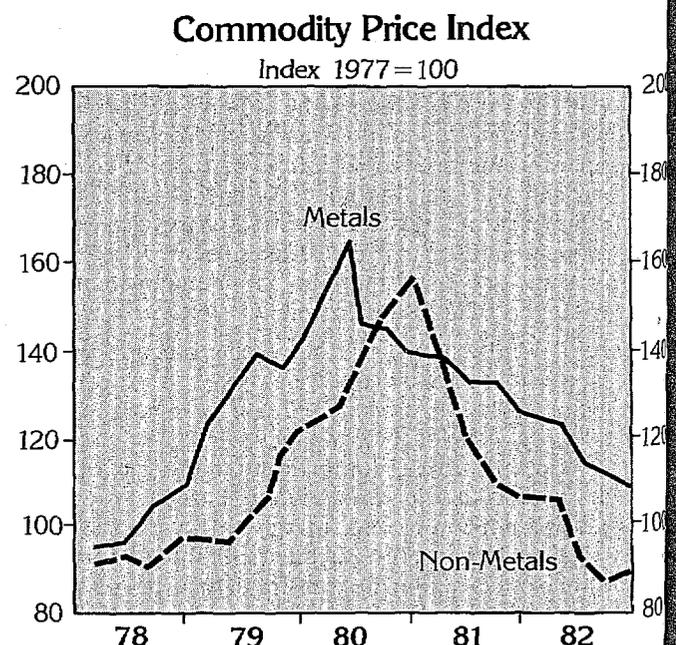
Sources: OECD, EUROSTAT, RBC

Chart 3



Source: IFS

Chart 2



Source: The Royal Bank of Canada, Economics Department

Chart 4

The events of April and May 1983

international canada

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Bilateral Relations

USA

Meeting of Prime Minister with US President and Vice-President

Prime Minister Pierre Trudeau was in Washington D.C. in late April for meetings with US Vice-President George Bush and US President Ronald Reagan. When Mr. Trudeau met with Mr. Bush for an hour on April 27, the discussions centred around recent developments in arms control talks. According to Canadian officials, Mr. Trudeau expressed satisfaction with recent US initiatives, including the US decision to modify its "zero option" proposal, and its decision to seek improved communications with the Soviet Union (*Toronto Star*, April 28). Canada had been among several Western nations which had been urging the US to be more flexible in its objectives for negotiations. Newspapers also reported April 28 that the Prime Minister and the US Vice-President did not discuss when the US would make an expected formal request for Canada to test the US Cruise missile.

The following day, Mr. Trudeau met for two hours with Mr. Reagan. This meeting was in preparation for the seven-nation economic summit in Williamsburg, Va., in late May. The two leaders were reported to be in agreement about major international economic issues, such as the problems of high interest rates and growing trade protectionism among nations (*Toronto Star*, April 29). In departing remarks from the White House April 29, Mr. Reagan said that he was pleased by the common approach of Canada and the US to these issues. "The Prime Minister and I agree that challenges also present opportunities and can be used as stepping-stones toward a secure and prosperous world that we both seek . . . The Prime Minister and I are confident of an open and free exchange at Williamsburg, that it will contribute to a better understanding and encourage creative approaches for economic cooperation."

In his remarks, Mr. Trudeau also praised the intended openness of the summit and said that he hoped that "we won't be meeting in order to justify an agenda and a communiqué that other people had written for us beforehand," as had happened at previous summits.

It was reported that the two leaders also discussed US

Central American policy. Mr. Trudeau had recently been critical of US military aid to Central American regimes, but according to senior US officials, Mr. Trudeau expressed no specific reservations about US policies during his talks with Mr. Reagan. One official said that Mr. Trudeau had said that his own general approach to other countries was that if they wish to adopt a certain form of government, that was their business, but when they chose to export that form of government by violent means, that was indeed different business. Mr. Reagan had agreed with this approach, the official said (*Globe and Mail*, April 29).

Security issues were a major focus of the talks. In the departing remarks April 29, the leaders praised each other for their commitments to the maintenance of peace. Mr. Trudeau noted the commitment of both countries to the NATO "two-track" policy, and said he was encouraged by the recent US proposals to seek interim arms control solutions different from the "zero-option," and by other confidence-building measures. Mr. Reagan told reporters after the meeting that he had outlined to Mr. Trudeau "the need to maintain an effective deterrent force and to achieve real movement toward the reduction of nuclear weapons. The Prime Minister was supportive and emphasized Canada's earnest hope that the talks in Geneva will lead to a safer world."

The next week, Mr. Trudeau was questioned in the House of Commons about the Canadian views presented to the US President. On May 2 NDP Leader Ed Broadbent asked the Prime Minister about representations made to Mr. Reagan about US interference in Central America. Mr. Trudeau responded, "What I indicated clearly to the President of the US is that I thought he had made a very positive suggestion when he proposed in his statement to Congress that there be an agreement by all parties, an international verifiable agreement, that neither side — the US, Soviet Union or Cuba nor any other power in this case — intervene in the internal affairs of Central American states." (See this section, Involvement in Central America.)

On May 4 Mr. Trudeau told the House that while in Washington he had also raised the subject of a summit meeting between Soviet Leader Andropov and Mr. Reagan. "I enjoined him — indeed, I pleaded with him — to

work toward such a summit. . . I pointed out to the President of the US that in our view time was running out, not only politically for him, and perhaps others, but it is running out in terms of the future of humanity so that both sides who are holders of these terrible weapons of destruction be urged on by every group and every member of NATO, at least on our side, to make progress which at some point might be better made at a summit than elsewhere," Mr. Trudeau said. He was answering a question by Douglas Roche (PC, Edmonton South) concerning Western reaction to an offer a day earlier by Mr. Andropov to count warheads as well as missiles at the intermediate-range nuclear force talks in Geneva.

Acid Rain: Meeting of Foreign Ministers

Acid rain pollution was a major topic of discussion between External Affairs Minister Allan MacEachen and US Secretary of State George Shultz when the two met in Washington, DC in mid-April. It was the first meeting between the two ministers (who intend to meet four times a year) since the two countries exchanged formal papers on the acid rain problem in January. The US and Canadian positions on the solutions and extent of the problem have differences. Canada believes that the sulphur dioxide emissions from coal-burning plants are killing fish and aquatic life and damaging crops and forests at a rapid rate. It wants both countries to cut the emissions by 50 percent. The present US Administration has claimed that more research is needed before such measures, which would prove to be expensive, be taken. Before the foreign ministers' meeting, Environment Minister John Roberts had said in a television interview that there had been recent hopeful signs of concern from the US about the problem, which could result in action. (Mr. Roberts had been outspoken about his frustration with the US position.) (*The Citizen*, April 4).

However, on April 12, it was reported that the ministers had "made little progress yesterday in resolving the Canadian-US dispute over acid rain." They had decided to ask their scientific advisers to compare notes in the next weeks and made plans for another meeting in about three months, the *Globe and Mail* reported.

The outcome of the meeting was the subject of a question in the House of Commons April 13. Tom McMillan (PC, Hillsborough) asked Mr. MacEachen to admit to the House that he had returned to Ottawa "empty handed." Mr. McMillan stated that "the very same approach [to have scientific consultations] has been tried unsuccessfully for the last three years," and that the US Administration has "undermined it at every turn, even to the extent of manipulating scientific findings." Mr. MacEachen responded by expressing optimism that because the scientists in both countries would be outside government service, they could work from an objective basis and try to sift out the differences.

US Involvement in Central America

There are major differences between the Canadian and US approaches to foreign interference in Central America, Prime Minister Trudeau told a news conference April 22. He said, "We object to the interference in the internal affairs of other countries by any major power, even if that power is our friend. We certainly said that to the States before, and we said it to Cuba, and we will keep

saying it. We also have aid programs in some of those countries, and we don't necessarily think that one should cut off left-leaning countries if they choose that ideology and don't try to export their ideologies by subversion or force of arms."

Mr. Trudeau's remarks were widely interpreted as directly critical of US policy. "He had not previously been so direct and forthright in criticizing the Americans on the delicate issue of their involvement in Central America," the *Globe and Mail* stated April 23. In the House of Commons May 2, NDP leader Ed Broadbent asked Mr. Trudeau whether he had made this Canadian position clear to President Reagan while in Washington a week earlier. Mr. Trudeau responded that he had endorsed a recent proposal to Congress by Mr. Reagan that no country, including the US, the Soviet Union and Cuba, intervene in the internal affairs of Central American countries. Mr. Broadbent then claimed that Mr. Reagan's suggestions to Congress had seemed to be aimed very clearly at getting additional funds for military-related activities in that region. Mr. Reagan had also said that the reason the US was financing and training groups in Honduras that were making attacks in Nicaragua was to prevent the flow of arms from Nicaragua to El Salvador. According to Mr. Broadbent, this had been denied by the head of the largest insurgent group financed by the US. The day before, the spokesman had reportedly said that the insurgent groups have nothing to do with stopping the flow of arms to El Salvador but that their main purpose was "ousting the present government of Nicaragua."

Canada's disagreement with US Central American policy had also been conveyed by External Affairs Minister Allan MacEachen to US Secretary of State George Shultz, Mr. Trudeau told the House. After meeting with Mr. Shultz on April 11, Mr. MacEachen had told reporters that he had advised Mr. Shultz against trying to impose a military solution in the area, although Mr. MacEachen said that the US faced a dilemma of national security because of Communist gains in countries such as Nicaragua and El Salvador. "Our efforts ought to be mainly directed to the rebuilding of democratic political structures," he said (*Globe and Mail*, April 12).

Prime Minister on President's Attitude Toward Soviets

Prime Minister Pierre Trudeau was criticized by Opposition MPs following the publication in the *Toronto Star* May 14 of an interview in which the Prime Minister said that some statements made by US President Reagan had justified some of the fears of peace demonstrators. PC defence critic Allan McKinnon told reporters May 16 that disputes with the US over such issues as acid rain and fishing rights "are not going to be helped by the Prime Minister implying the President is a warmonger" (*The Citizen*, May 17).

In the *Toronto Star* interview, Mr. Trudeau had said of members of the peace movement:

They are demonstrating against what they see as a policy of an American president who has rightly or wrongly been perceived as warlike, or so hostile to the Soviet Union that he cannot be trusted to look for peace. As I said earlier, unfortunately President Reagan and some of the people around him have given some justification for these fears.

One such statement made by Mr. Reagan was a de-

scription of the Soviets as a group of infidels or immoral people, Mr. Trudeau said. He did not agree with this view, and said that he believed that such statements were not conducive to constructive talks between two nations.

In the House of Commons May 18, Mr. McKinnon called the Prime Minister's comments a "cheap shot," and asked him what he had hoped to accomplish by these remarks, at a time when Canada and the US were trying to resolve so many disputes.

In the ensuing debate, Mr. Trudeau defended his statements, and said that he had made similar ones during his recent visit to Washington. He added that he had also made similar remarks to a visiting Soviet official about some statements by Soviet leaders which he had viewed as excessive and not conducive to peaceful negotiations. "If either side makes mistakes, I think it is the right and perhaps even the duty of the Canadian government to point out those mistakes as seen from our point of view," he said.

Further questioned by PC leader Erik Nielsen, Mr. Trudeau said, "If they do not think that there have been excessive statements by some people in authority in the United States, [for instance] that the United States could win a nuclear war, I would say their Party is, as usual, vastly out of sync, not only with every European leader I happen to know, but also with most of the Canadian people."

The Prime Minister's statements were brought up again in the House on May 24, 26 and 27. The questioning by Erik Nielsen on May 26 followed a television interview with Mr. Reagan in Washington in which the President told interviewers that he had discussed the comments with Mr. Trudeau, who had "suggested to me [that the comments] did not correctly represent his views." Mr. Trudeau told the House that he had received a phone call from Mr. Reagan on May 15. The two leaders had discussed disarmament, Mr. Trudeau said, and Mr. Reagan "may or may not have known those statements," but if he did, "he knew them correctly and not incorrectly." Mr. Trudeau read to the House what he had said about Mr. Reagan to the *Toronto Star* reporter, omitting the sentence, "As I said earlier, unfortunately President Reagan and some of the people around him have given some justification for these fears" (that the President is warlike).

Questioned again by Mr. Nielsen on May 27, Mr. Trudeau this time stood by the entire statement. He said that there had been no call for an apology from Mr. Reagan. "President Reagan knows what I think about these things. I spoke quite openly when I went to Washington. I spoke to Vice-President Bush and to President Reagan. I indicated that they had to appear much more interested in successful negotiations than they did. I said in essence what I [said] to the *Toronto Star*."

Natural Gas Export Prices

Energy Minister Jean Chrétien was in Washington on April 6 to meet his US counterpart, Donald Hodel. Among issues discussed was the price of Canadian natural gas exports to the US, a price which the US had been telling Canada is too high. The US market has changed since the price of Canadian gas was agreed to two years ago (\$US4.94 per thousand cubic feet). Lower US domestic gas prices, increased competition from lower priced oil, and a mild winter are factors which have led some US politicians to demand that the fixed prices become flexible

to reflect the current market conditions (*Toronto Star*, April 7).

Before meeting with Mr. Crétien, Mr. Hodel had that day testified in support of President Reagan's gas deregulation bill at the US Senate energy committee. He had warned that Canadian gas producers would lose their only major foreign customer if they didn't lower their gas prices. But after meeting with Mr. Hodel, Mr. Chrétien told a news conference that Canada would stick with the current formula. "The situation now is that the Americans are in a buyer's market. But if they abuse the situation, later on, we will be in a seller's market. So we have to take a longer view . . . They should consider that Canada has been a very reliable supplier of natural gas. As a continent, we have to minimize the dependence on vital commodities from abroad," he told reporters (*Toronto Star*, April 7). However, some flexibility was suggested by Mr. Chrétien. "We could put a customer into bankruptcy," he said, and pointed out the uselessness of a bankrupt customer. He also said that "new contracts are new contracts," interpreted to mean that the pricing formula would not apply to future gas sales (*Toronto Star*, April 7).

Cross-border Pollution: New EPA Head

The new Administrator of the US Environment Protection Agency, William Ruckelshaus, took up that position on May 18. Mr. Ruckelshaus had been the first Administrator of the EPA, and had been asked back by US President Reagan after recent allegations of impropriety involving Reagan appointees to the EPA (US Embassy news release, May 19). This appointment had been welcomed by Canadian MPs in previous weeks.

At a ceremony May 19 installing Mr. Ruckelshaus, President Reagan said that the first of four tasks he wanted addressed on an urgent basis was the acid rain problem. He said that Mr. Ruckelshaus would meet the problem "head-on" so that "people on both sides of the border [would] understand that we are doing what's right." In his speech, Mr. Reagan also took note of recent allegations that had called into question his commitment to uphold environmental standards. He said that progress was being made in cleansing air, water and toxic waste dumps, but that "we must do even more to protect and cleanse our environment" (US Embassy news release, May 19).

Mr. Reagan's message of sensitivity to environmental matters was viewed as "greatly encouraging" by the Canadian government, the ambassador to the US, Allan Gottlieb, said in a speech delivered on May 22 at the State University of New York at Buffalo (*Globe and Mail*, May 23).

Mr. Ruckelshaus and Environment Minister John Roberts met for the first time on May 27, in Washington, DC. "The hour-long meeting, which did not address substantive issues in detail, was a congenial get-acquainted session," a US Embassy news release the same day stated. Mr. Roberts outlined Canadian concerns on transboundary environmental matters, including acid rain, Great Lakes water quality, and toxic pollution. Mr. Ruckelshaus said that he would place a high priority on reviewing the acid rain problem. Both environmental officials expressed optimism that they would be able to work together, the US Embassy news release said.

In Washington the next day, Mr. Roberts told reporters that he had received no specific assurances of action on the acid rain problem from the new EPA head. But, he said,

Mr. Ruckelshaus "clearly believes it is an urgent problem and my impression is that he feels it is not enough to study the problem, but time to move to action (*The Citizen*, May 28). The problem of chemicals from toxic waste dumps entering the Niagara River and possible clean-up measures had also been a major subject of discussion Mr. Roberts told the House May 30.

Garrison Diversion Project

Canadian politicians continued their efforts in May to convince US politicians not to proceed with present plans to complete the Garrison Diversion Unit. The elaborate water diversion project in North Dakota, intended to irrigate North Dakota farmland, will have a negative impact on the Manitoba rivers, Canada claims. Manitoba drinking water could become polluted, and predatory Missouri River fish would enter rivers and damage Manitoba's fishing industry. The US government had recently pledged new funds to continue the project, although they promised such continuation will not affect Manitoba waters.

In mid-May, a Canadian delegation of two MPs and two Manitoba MLAs went to Washington to meet with Senators and Representatives and inform them of Manitoba's concerns. One of the MPs, Terry Sargeant (NDP, Selkirk-Interlake) stated in the House May 27 that such meetings are productive and help to ensure that Manitoba's waterways will be protected.

But, he said, the US Interior Department is now proposing a phased program, and maintains that in Phase I nothing would be constructed that would adversely affect Manitoba. "But Phase I includes the Lovetree Reservoir which is on the Hudson Bay side of the Continental Divide," Mr. Sargeant said. Another alarming development, he said, was that the US Interior Department has also suggested that proposed fish screens for the McClusky Canal not be built, "thus allowing foreign biota clear sailing across the divide." Manitoba's demand is that the Garrison must be redesigned so as to protect Manitoba's waterways from all the negative aspects of the current design of the project, Mr. Sargeant stated.

Salmon Treaty Ratification Stalled

It was expected that Canada and the US would both ratify the *North Pacific Salmon Fishing Agreement* before the opening of the salmon fishing season in late April. An agreement had been initialled in November after thirteen years of negotiations, and the final text had been ready for signing in February. However, in April, the US government informed Canada that it had received objections from Alaska and advised the Canadian government that it would like to raise further points. Concern over this was expressed in the House of Commons on April 13 and 27 by Donald Munro (PC, Esquimalt-Saanich). On April 27 External Affairs Minister Allan MacEachen told Mr. Munro, "Certainly it would be our view that any modifications that might now be proposed by the United States would have to maintain a balance of advantage for both countries and, particularly, maintain advantages in a comparable way for Canada with those for the United States."

The proposed treaty regulates the harvesting of West Coast salmon, with the aim of protecting some seriously threatened salmon stock, particularly the declining chinook salmon. An article in *The Citizen* May 19 described the object of the treaty: "It calls on both countries to recog-

nize each other's conservation and enhancement efforts and to set their allowable catches according to the number of fish returning to rivers within their territory . . . The treaty also calls for an urgent and substantial cutback in the chinook catch in order to allow that species to regenerate."

Alaska objects because it thinks the chinook limit is too low; because it is unhappy with the trans-boundary river section of the treaty governing rivers with their mouths in US territory and headwaters in Canada; and because it is unsure of Canada's ability to live up to its conservation and enhancement program promises, *The Citizen* article stated.

No agreement was reached by the end of May, meaning that fishermen from both countries are operating with no treaty, on a "catch-as-catch-can" basis.

Final Ruling on Canadian Lumber Exports

The US Commerce Department announced May 24 that countervailing duties would not be imposed on Canadian lumber exported to the US. The announcement followed an investigation into Canadian government subsidies to Canadian producers of softwood lumber, shingles and shakes, and fencing. The subsidies were ruled insignificant in their impact in the May 24 decision, which upheld a preliminary decision made in March. The day of the announcement, International Trade Minister Gerald Regan said that he was very satisfied with the final determination. He said that he was particularly pleased that the US Department had ruled unequivocally that provincial stumpage policies as such were not subsidies. The subsidies which had been identified in the US report had amounted, on average, to less than 0.05 percent of the value of the Canadian exports (External Affairs press release, May 24).

The investigation had followed a claim by the US Coalition for Fair Canadian Lumber Imports that subsidies to the Canadian lumber industry were damaging the US domestic lumber industry. The group had wanted duty of up to 65 percent imposed on Canadian lumber, fencing, shingles and shakes imported into the US. Thousands of Canadian jobs and 2,000 companies, mostly in British Columbia, would have been affected by a ruling to impose countervailing duties (*The Citizen*, May 25).

Deep Seabed Mining in Canadian Waters

Concern was expressed in the House of Commons May 11 that the US appeared to have the intention of laying claim to valuable strategic minerals lying within Canadian waters. Thomas Siddon (PC, Richmond-South Delta) told the House that a notice printed in the *US Federal Register* last December 8 "appeared to lay claim to valuable poly-metallic sulphide deposits along the Juan de Fuca Ridge which lies off the west coast of Vancouver Island and partially within Canada's 200-mile economic zone." He was assured by Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs) that the Canadian government had been monitoring the situation very closely, and that there was no danger that mining would occur within the 200-mile zone.

The notice published in the *US Federal Register* had stated that "the Juan de Fuca and Gorda Ridge areas are clearly within the regulatory jurisdiction and control" of the US Department of the Interior. Canada had responded to the appearance of this claim in January in a diplomatic

note. The contents of the note, and a proposed US response had been entered into the Congressional Record in May by Oregon Democrat James Weaver. Excerpts from the Canadian note were published in the *Globe and Mail* May 11:

The government of Canada further wishes to express its profound concern that the government of the United States should have authorized publication of an official notice that could be interpreted as asserting United States' jurisdiction over an area of the continental shelf undisputably appertaining to Canada, and that wholly ignores Canada's sovereign rights and geographic presence in the region.

The government of Canada expects that such assertions will not be repeated in future and that the government of the United States will not take any action in respect of any Canada/USA maritime boundary region without prior notice and consultation

The US had sent Canada a response two days later withdrawing any claim over the seabed more than 200-miles from shore, but did not address the interpreted claim to mining rights within Canadian waters, the *Globe and Mail* reported May 11. Also entered into the Congressional record was a proposed response circulated on an internal memo by the deputy director of the US Interior Department's Minerals Management Service, David Russell. He had suggested that the reply be, "Dear Canada: Our FR notice obviously pertained to our offshore areas, not yours. Therefore, up yours! Love, America."

Mr. Russell was criticized in the House of Representatives by Mr. Weaver in early May for showing "an arrogance, an insensitivity, a lack of professionalism and a self-righteousness that is absolutely breathtaking" (*Globe and Mail*, May 11).

The problem was clarified by the US ambassador in an Ottawa interview carried by Selkirk News Radio station in mid-May. Paul Robinson called it a "non-issue," because the US was "not proposing nor would we consider under any circumstances doing any offshore mining in Canadian or disputed territories."

Regret for Flag-burning Incident

The federal government responded in April to a US complaint about the participation of two Manitoba cabinet ministers in a Winnipeg demonstration against US policy regarding Nicaragua. A US flag had been burned at the March 23 rally attended by Manitoba ministers Muriel Smith and Al Mackling. On April 15, Jake Epp (PC, Provencher) told the House of Commons that on March 30 the US Embassy had sent a strong note to the Canadian government stating:

The United States must protest strongly the participation of ministers of the government of Manitoba in this event, which clearly gives it an official character, and would appreciate assurances that such official support of hostile demonstrations will not be repeated.

Mr. Epp wanted to know what response the federal government had made. His question was answered by External Relations Minister Charles Lapointe, who said that the External Affairs Department had responded to the note. "In

our answer we explained to our American friends that provincial governments have no responsibility for conducting the country's external affairs, and that any action or participation in a demonstration by two provincial ministers could have no effect on relations between Canada and the US. We have of course advised the government of Manitoba of the contents of the US note and our reply," Mr. Lapointe said.

Mr. Epp said he was concerned that the incident could have an affect on Canadian representations concerning the Garrison Diversion Project in North Dakota. (Canada and Manitoba oppose the massive irrigation project which they say will affect Manitoba waters.) He wanted the government to table its reply in the House of Commons.

This request was repeated on May 6 by PC leader Erik Nielsen. The next day the note was tabled. As well as expressing the regret of the federal government, it explained that the Manitoba ministers had publicly dissociated themselves from the flag-burning. It also said that Manitoba Premier Howard Pawley had informed External Affairs Minister Allan MacEachen that the participation of the ministers could not "be constructed as giving it an official character or connotating the official support" of the Manitoba government. "The Premier of Manitoba has emphasized that his government remains committed to close Canadian ties with the United States," the reply stated (*The Citizen*, May 11).

CHILE

Human Rights Violations Protested

The Canadian government was urged in mid-May to consider seriously recent human rights violations in Chile in its dealings with that country. NDP Members of Parliament made several statements regarding Canadian policy following an Amnesty International report May 18 which confirmed the arrest a week earlier of about a thousand people in Chile, some held without charge. On May 18, Bob Ogle (NDP, Saskatoon East) made a statement calling on the Canadian government "to use every method that it can to bring pressure on the Chilean government to give out a complete list of the detainees to make sure that those who are being held will come before competent courts or be released immediately, and that they all be treated humanely while they are in prison."

Mr. Ogle also asked the Canadian cabinet to reconsider a National Energy Board (NEB) decision to sell 440,000 barrels of oil to Chile. The same day, NDP energy critic Ray Skelly issued a press release on the subject, questioning the government's "moral integrity." He said, "The Prime Minister wants the world to believe that he is a champion of human rights. So why is he dealing with the fascist Pinochet regime in Chile. Decisions like this [to export the Alberta crude oil to Chile] make a mockery of Canada's support for human rights." Skelly demanded that cabinet overturn the NEB decision because all that Canada would gain from the sale would be "blood-stained dollars and bad press."

The government was questioned about its links with Chile the next day in the House of Commons. NDP external affairs critic Pauline Jewett asked External Relations

Minister Charles Lapointe whether the government would bring pressure on the Chilean government, "with which it has close trade and investment links," to release the names of those detained.

Mr. Lapointe responded that the government was concerned about the "apparent resurgence of human rights violations in that country," and had instructed the Canadian embassy in Santiago to express that concern to the Chilean government.

CYPRUS

Canadian Position

Statements concerning the Canadian position on Cyprus were made in May. Gérard Pelletier, Canada's ambassador to the United Nations, addressed the subject in a statement to the 37th General Assembly in New York on May 12. Canada has participated as a troop contributor to UNFICYP, the UN peace-keeping force since 1964. Because of this, Mr. Pelletier said, Canada is required to maintain impartiality on UN resolutions regarding disputes in Cyprus between Greek and Turkish inhabitants. Mr. Pelletier also expressed disappointment at the lack of progress made in these disputes in the past nineteen years, and questioned whether the presence of the peace-keeping forces was advancing or delaying a settlement.

This Canadian position of impartiality had been questioned in the House of Commons in March, and was again in May. On May 19 Gus Mitges (PC, Grey-Simcoe) told the House again that in December 1982, Canada had abstained from a "purely humanitarian vote at the UN Third Committee on Human Rights dealing with Cypriot missing persons" on the grounds that it participates in the peace-keeping forces in Cyprus. This was despite the fact, Mr. Mitges said, that the greater majority of other peace-keeping participants in Cyprus, such as Austria, Denmark, Finland, Sweden and Ireland, had voted in favor of the resolution (calling for information on the fate of 1,619 missing Greek Cypriots who had been detained by Turkish invaders in 1974).

Mr. Mitges said that he believed that the time had come for Canada to "stand on its own two feet, get off the fence and reassess its stand on the issue of Cyprus." He continued:

Canada's actions and voting pattern should clearly differentiate between the victim, Cyprus, and the aggressor, Turkey, in this dispute. Moreover, Canada should stop pussy-footing and exert strong pressures within NATO to convince Turkey to withdraw its occupation forces from Cyprus so that Greece and Turkish Cypriots can negotiate freely concerning their future rather than under the threat of a gun.

GUATEMALA

Canadian Protest of Reported Impending Executions

In the House of Commons April 14, MPs from all three

federal parties asked the Canadian government to attempt to intervene before five executions, reportedly planned for the next day, were carried out in Guatemala. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence) told the House that Amnesty International had brought the situation to his attention. One of the scheduled executions was for Dr. Graviola Ruth Brooks Martinez, whose alleged offence was unknown due to the secrecy of a special military trial. "The Guatemalan embassy denies that these executions are planned. I fervently hope that this is true, but previous experiences have shown that the Guatemalan embassies have not always been accurately informed by their government," Mr. Hudecki said.

External Affairs Minister Allan MacEachen answered questions from two PC MPs about Canadian representations. He said that he had been told by the ambassador of Guatemala in Ottawa that "no such executions will take place, nor are they proposed to take place." This information had been confirmed by the Canadian embassy in Guatemala, Mr. MacEachen said.

JAPAN

Visit of Canadian Energy Minister

Energy Minister Jean Chrétien was in Japan from April 16 to 19 to meet with Japanese ministers, and representatives of the Japanese energy industry. A variety of energy-related matters were discussed during the visit, with future exports of Canadian liquified natural gas (LNG) a major topic. Dome Petroleum is the Canadian supplier of the LNG, and the Japanese had reportedly been worried about the viability of the debt-ridden company. Mr. Chrétien was able to reassure the Japanese ministers that the Canadian government stands behind Dome, and has provided a "safety net" ensuring the company's survival (*Globe and Mail*, April 19).

Reaction to Auto Industry Report

The conclusion of the *Motor Vehicle and Parts Industry Task Force Report*, released May 19, was that all companies selling automobiles in Canada be required to assemble cars in Canada. The Report, commissioned by the Department of Industry, Trade and Commerce, recommended that all foreign auto makers who sell more than 28,000 vehicles per year in Canada procure Canadian parts and labor equivalent to 60 percent of the value of their sales (*The Citizen*, May 24). Because Japanese automobile imports represent 25 percent of the Canadian market, the Task Force Report was brought up in the House of Commons with particular reference to Japan.

NDP leader Ed Broadbent asked Prime Minister Trudeau on May 20 whether he agreed with the key principle of the report, "which is that foreign automobile producers ought to produce jobs in Canada in rough proportion to their sales in this country." Mr. Broadbent pointed out that the Japanese have agreed to start producing automobiles or parts in the US, Great Britain, West Germany, Venezuela, Mexico and Australia.

Mr. Trudeau said that it was impossible for Canada to assert that anything sold in Canada must be counter-balanced by investment for jobs in Canada. "But in a

specific case, that is a matter of negotiation between countries," he said. Two days of talks between Canada and Japan on limiting auto imports from Japan ended the same day, with no agreement being reached for 1983 at that time (*The Citizen*, May 25).

On May 24, International Trade Minister Minister Gerald Regan told the House of Commons that he thought that negotiations with the Japanese were going well. Mr. Broadbent again pointed out that other countries have been able to ensure that Japanese auto companies establish plants in their countries, and still sell resources to Japan. Mr. Regan explained that other countries, such as the US and European countries, have trade deficits with Japan. Canada is in a different negotiating position, he said, because Canada sells a great deal more to the Japanese than it buys from them. But the Japanese negotiators are aware of Canada's concern that there be more Canadian content in Japanese cars, Mr. Regan said.

The idea of establishing Japanese car plants in Canada was endorsed by the president of Japanese Automobile Workers Unions at an autoworkers convention in Dallas, Texas, on May 18. Ichiro Shioji told delegates, "If there are large numbers of unemployed in any one of our countries, that can no longer be called fair trade."

But an official of Japan's international trade department called the Report's recommendations "protectionist." "Were the Canadian government to implement such measures it would inspire other countries to do the same, thereby destroying the basis of our free-trade system," the official said (*The Citizen*, May 24). Also critical of the conclusions of the task force was the Japan Automobile Manufacturers Association, and Japanese auto distributors in Canada (Japan Automobile Manufacturers Association press release, May 24).

MEXICO

Line of Credit Established

The Canadian government will provide loan guarantees to a group of eight Canadian banks for a \$100 million line of credit with Mexico to provide short-term financing for Canadian exports. Finance Minister Marc Lalonde and International Trade Minister Gerald Regan announced May 3. "The program of financing assistance to Mexico was developed in response to an appeal by the International Monetary Fund to Mexico's major trading partners to provide assistance to Mexico to ensure a continued flow of goods and services throughout the year," a Government of Canada press release May 3 stated. The line of credit is part of a broader program by which various Canadian agencies will provide \$US150 million in export credits to Mexico in 1983. The additional monies will be made available through Canadian Wheat Board credits and the corporate facilities of the Export Development Corporation, the press release said.

Visit of Parliamentary Delegation to Canada

A group of eight Mexican parliamentarians were in Canada from May 24 to 31 for the fourth Canada/Mexico parliamentary meeting. The delegation, led by Senator Celso Humberto Delgado Ramirez, met with Canadian

MPs and cabinet ministers during its stay, and took part in programs at the Legislative Assemblies of Ontario and Quebec. A May 31 press release from the Canadian Parliamentary Relations Secretariat stated:

During their discussions, the parliamentarians of both countries discussed questions of common interest such as trade, energy, cultural, scientific, technological and economic relations. International issues such as the new world economic order, as well as disarmament, and the situation in Central America and in the Caribbean, were the subjects of lengthy exchanges which gave the opportunity for the participants to understand the various situations with which each country is confronted.

With regard to the situation in Central America, the Canadian parliamentary delegation expressed its satisfaction to the efforts which are being carried out by Mexico and other countries within the so-called "Contadora Group," so that tensions may be reduced through dialogue and negotiations and the basis for an atmosphere of peaceful coexistence and mutual respect in Central America be achieved.

MOROCCO

Visit of Canadian External Relations Minister

The purpose of a visit to Morocco by External Relations Minister Charles Lapointe was to intensify economic relations between Morocco and Canada. During his stay from May 4 to 6, Mr. Lapointe met with Moroccan Prime Minister Maati Bouabid; the foreign affairs minister, and several other ministers. Bilateral cooperation and international problems were discussed (External Affairs press release, May 10).

At the International Fair of Casablanca, Mr. Lapointe announced Canada's intention to sign a \$15 million loan agreement with Morocco. It will enable Canadian businessmen to obtain financing at a competitive rate of interest on the international market. "The loan is to be used primarily for parallel financing with the Export Development Corporation (EDC), and to some extent with other commercial, Canadian and international sources of funding. The aim of the project is to contribute to Morocco's economic development while promoting commercial links between Morocco and Canada," a Canadian International Development Agency (CIDA) press release stated. The loan will come out of CIDA's bilateral funds.

NICARAGUA

Military Supplies from Abroad

Following reports in major US newspapers and magazines that right-wing troops, trained by the US in Honduras, were invading Nicaragua, Bob Ogle (NDP, Saskatoon East) asked the government April 12 whether it had protested to the United States. External Relations Minister Charles Lapointe answered that the Canadian govern-

ment's position was, "without any hesitation," to condemn all foreign intervention and armed support in Nicaragua (see BILATERAL — US).

The government position was further questioned April 12 by Sinclair Stevens (PC, York-Peel). He wanted to know whether the government had any knowledge or evidence of Cuban or Soviet military aid to the Nicaraguan government. He referred to a recent *Globe and Mail* report which said that Soviet weapons were being used by Nicaraguan government troops. Defence Minister Gilles Lamontagne said that he was not aware of any such information being in his government's possession, but that he would investigate.

On May 11, Mr. Stevens asked again about Soviet involvement. Mr. Lamontagne responded, "As far as the implication that other countries are delivering arms to that part of the world is concerned, I believe that it is public knowledge that there is much interference in these countries from one side or the other." Mr. Stevens then urged the government to review various aid programs to Nicaragua.

Later in the month, a story appearing in the *New York Times* said that Canadian-made bullets had been found at a right-wing guerrilla base in Nicaragua. *New York Times* correspondent Peter McCormick had spent five days at the northern Nicaraguan camp and reported that he had seen a dozen wooden crates each marked "Made in Canada" and "NATO." They contained "7.62 Ball" ammunition, the standard round used by all NATO forces (*Globe and Mail*, May 30).

After the appearance of the *New York Times* article, the Nicaraguan consul-general in Toronto told a *Globe and Mail* reporter that the provision of the bullets was "the handiwork" of the US Central Intelligence Agency. "I don't think the guerrillas in Nicaragua have the airplanes and special permits to ship weapons and ammunition. It has to be a fairly sophisticated network," he said. The bullets could not have been sold to the guerrillas by Canada because Canadian law prohibits arms sales to a country where armed conflict exists (*Globe and Mail*, May 30).

The matter was brought up in the House on May 30 by NDP defence critic Terry Sargeant. He asked the government to conduct a serious examination of safeguards to ensure that Canadian arms do not end up in the hands of people involved in hostilities or the suppression of democratic rights and freedoms.

External Relations Minister Charles Lapointe told the House that since the appearance of the *New York Times* article, the government had made inquiries within the Supply and Services department and had established that no export permits had been issued in the last fifteen years for the export of that kind of equipment to Nicaragua. "We checked the material described in the *New York Times*. We checked where this material was exported within the last ten years, and we are in touch with governments to whom this military equipment has been exported, to find out whether there has been re-sale or re-shipment of the equipment. I have not further information at the present time," Mr. Lapointe said.

POLAND

Grain Exports

Canada should extend further credits to Poland for

grain purchases to enable that country to buy two million tonnes of unsold frozen and damaged Canadian grain, Stan Hovdebo (NDP, Prince Albert) told the House of Commons May 26. In a press release May 25, Mr. Hovdebo stated that he had been advised that Poland is extremely interested in buying the "special bin" grain from Canada, but cannot buy this grain with cash, although countries such as Mexico and Brazil with a larger foreign debt are being extended credits by Western countries.

Canada's trade with Poland has degenerated as a result of Canadian adherence to the "Reagan line", Mr. Hovdebo said, but now there are increasing signs in Washington that the US is preparing to drop its trade blockade of Poland. "I am asking the Prime Minister to show that we will not be outmanoeuvred by Yankee traders in the international grain markets. We have a chance to make a trading partnership permanent if we act on Poland's request for credits that has already been made to the federal cabinet . . . Since our long-term credit arrangement expired in late December, the Poles have turned increasingly to EEC countries for grain and have even bought small amounts from the US. We stand to lose the Polish market unless the government acts," he said. Poland was Canada's third largest grain customer in the 1981-82 crop year.

SOUTH AFRICA

Canadian Response to Violence

Canada condemned South Africa on May 24 following a bombing raid by that country's air force which killed at least six people in the Mozambiquan capital of Maputo. (The African National Congress had a day earlier claimed responsibility for a bombing of the South African air force headquarters in Pretoria, which had killed eighteen people.) The official Mozambique news agency AIM said that the attack on Maputo killed factory workers and Mozambiquans and damaged a factory and houses in a neighborhood where no ANC members lived (*Globe and Mail*, May 24).

External Affairs Minister Allan MacEachen made this statement following the air raid by South Africa:

We condemn the acts of violence that have taken place in southern Africa over the weekend. Canada's firm opposition to the policies and practices of *apartheid* is well-known, but we have always emphasized that what we hope to see is peaceful change, not destructive violence. We deplore acts of terrorism and raids carried out across national boundaries which can only lead to the heightening of tensions in the region and the risk of broader conflict. We hope that all concerned will act with due restraint.

In the House of Commons May 25, Dan Heap (NDP, Spadina) called Mr. MacEachen's statement "weak" and said that it did not begin to meet the occasion. He said the statement, and one by Prime Minister Trudeau, appeared to lay equal blame on all parties for the violence occurring in southern Africa. All the violence in the region has its source in the South African *apartheid* policy, which is carried out by murder, starvation and enslavement of the majority of its people, he said. "Therefore the government of Canada ought to condemn not only *apartheid* in South

Africa but its blatant act of war against a neighboring state and its continued murder of its own black people."

Meanwhile, the Canadian representative of the ANC in Toronto defended the bombing of South African military and economic targets by his group, and told reporters that Western countries should take serious warning from such bombings. Yusuf Saloojee also said that if there is to be a peaceful solution in the region, it rests with Western countries. He said Canada could take a leadership role by telling the South African minority-controlled government that either South Africa abandon its apartheid policy or Canada will sever all diplomatic, political and economic ties. Although Canada presently trades with South Africa, it would not suffer substantially by ending that trade. "On the contrary, the trade with South Africa could be replaced by trade with other African and Third World countries," Mr. Saloojee said (*Globe and Mail*, May 23).

SOUTH KOREA

Visit of Canadian Energy Minister

Energy Minister Jean Chrétien was in the Republic of Korea from April 19 to 24 to meet with South Korean ministers, and to participate in the inauguration of the 600 MWe Wolsung I Candu reactor, under construction for the past six years. The possible sale of another Canadian nuclear reactor to South Korea was discussed. That country has also bought nuclear reactors from France and the US, and these countries compete with Canada to provide attractive "financial packages." Mr. Chrétien told reporters in a pre-departure interview that there is a chance for a sale of another Candu reactor to South Korea (*The Citizen*, April 25).

But, South Korean Energy Minister Suh Sang-chul explained to reporters, "our decision on whether to award the next reactor contract to Canada will be influenced by the course of our trade relations with it in textiles and other areas." He was referring to proposals by Canada, brought on by a crisis in the Canadian textile industry, that import quotas be tightened on a range of textile products originating in Korea and other countries. If Canada imposes further quotas, it would be a major blow to the Korean economy, one official quoted in a *Citizen* article (April 30) argued.

While in Korea, Mr. Chrétien also signed a memorandum of understanding creating a joint Canada-Korea nuclear regulatory committee, which will promote exchanges of nuclear technology and provide for cooperation in the event of a nuclear accident at the Wolsung plant. Canada will also provide scholarships for sixteen Koreans for training on nuclear energy programs and facilities (*The Citizen*, April 25 and 30).

SOVIET UNION

Visit to Canada of Parliamentary Delegation

A delegation of Soviet government officials was in Canada from May 16 to 24. The head of this delegation was Mikhail Gorbachev, a member of the Soviet Politburo, and

Secretary of Agriculture of the Soviet Union. The delegation spent three days in Ottawa before visiting farming areas in Ontario and Alberta (Agriculture Canada press release, May 24).

On May 17 Mr. Gorbachev addressed the House of Commons and Senate Standing Committees on External Affairs and National Defence. He spoke mainly about the Soviet military buildup, defending his country's role in the arms race as a reaction to Western military supremacy. "It was not the Soviet Union which was the first to introduce any of the main types of strategic arms. We only responded. A legitimate concern to ensure our defensive capabilities, and nothing more, forced us to act as we did," Mr. Gorbachev said. He said that strategic parity was achieved and verified and fixed in the Soviet-American agreements on strategic arms and in particular the SALT II Treaty of 1979. Nothing has changed since that time, he said. Mr. Gorbachev put forward his country's point of view in support of a freeze on nuclear arsenals in NATO and Warsaw Pact countries. A further deployment of US or NATO nuclear weapons would result in reciprocal measures, he said.

Following his address, Mr. Gorbachev answered a variety of questions from Members of Parliament. These questions were largely about Soviet external relations of some concern to Canada — its view on situations in Afghanistan, the Middle East, Asia and Central America. One question concerned the emigration of Soviet Jews, and Mr. Gorbachev stated that 93 percent of such requests had been met in the past fifteen or twenty years. (In many exchanges, what Canadian MPs believed as fact, and what Mr. Gorbachev stated in answer, did not correspond.) Allan Lawrence (PC, Durham-Northumberland) asked Mr. Gorbachev about a recent estimation that in the Soviet embassy in Ottawa, two-thirds of the staff had had direct KGB training. Mr. Gorbachev dismissed this allegation, and called Mr. Lawrence a "prisoner of that spy mania that America is now whipping up."

On May 18, Prime Minister Pierre Trudeau and Mr. Gorbachev discussed the world situation at a one-hour meeting and at lunch. Arms control negotiations dominated these discussions, the *Globe and Mail* May 19 reported. "The Soviet leader stressed that the Soviet Union does not understand the US position and is nonplussed by the continued tough rhetoric from Washington despite repeated Soviet offers for cuts in nuclear arms." Mr. Trudeau agreed there was a need to reduce the rhetoric from both sides, and said that he hoped that if the negotiations were proving intractable, some movement might be found in less difficult areas.

They also discussed the possible testing of the Cruise missile by Canada. "There appeared to be a tacit agreement between the two that the deployment of the Cruise in Europe would be less destabilizing than the deployment of the intermediate-range Pershing missiles," the *Globe and Mail* reported.

Mr. Gorbachev presented the Prime Minister with a letter, and an invitation from Soviet leader Yuri Andropov to visit the Soviet Union. Canadian officials stressed that the invitation did not represent a full-blown normalization of relations (strained since the Soviet invasion of Afghanistan in December 1979), but was an indication that both sides were interested in looking for ways to improve relations

between Canada and the Soviet Union (*Globe and Mail*, May 19).

Mr. Gorbachev also met with Conservative leader Erik Nielsen, NDP leader Ed Broadbent, and External Relations Minister Charles Lapointe that day. In a toast, Mr. Lapointe said that Canada attaches great importance to relations with the USSR. There is potential for improvement in the areas of agricultural cooperation, trade expansion, scientific and academic exchange programs, and political consultations, Mr. Lapointe said. But these exchanges can only be truly realized in an improved international climate, with a "peaceful co-existence" of nations. The Geneva negotiations on Intermediate Nuclear Forces, and increased Soviet human rights are crucial to intensified cooperation and friendship between Canada and the Soviet Union, he stated.

Later that day in the House of Commons, Ed Broadbent asked Prime Minister Trudeau about Mr. Gorbachev's response to questions at the joint House-Senate Committee. He specifically wanted to know whether the Prime Minister had raised the subject of the Soviet deployment of the SS-20 missiles with Mr. Gorbachev, who had "failed to answer questions put to him [in the committee] concerning [this] destabilizing action taken by the Soviet Union." Mr. Trudeau answered that, in essence, Mr. Gorbachev had told him that the Soviet Union "did not consider that the SS-20s were an escalation." Mr. Trudeau said that it was the same answer that the Soviets had been giving for some time, and that most European leaders did not find it satisfying.

Mr. Broadbent also wanted to know whether Mr. Trudeau had asked Mr. Gorbachev about the Soviet Union's harassment of a nuclear disarmament group trying to operate in that country. Mr. Trudeau said that he had not.

Also on May 18, Mr. Trudeau was asked a series of questions by PC defence critic Allan McKinnon and by Erik Nielsen. These questions pertained to statements made by Mr. Trudeau in an interview published in the *Toronto Star*. The Prime Minister had appeared to be critical of "warlike" statements made by US President Ronald Reagan. The Conservatives wanted to know whether Mr. Trudeau had similar views about Soviet leaders.

Mr. Trudeau said that he had told Mr. Gorbachev something similar, "that some of the statements by *Pravda* or some of the Soviet leaders about the Americans are very excessive and not conducive to peaceful negotiations between both sides." He said that it is the right and perhaps even the duty of the Canadian government to point out such things to either side (the US and the Soviet Union). In addition, Mr. Trudeau said that Canada should try to approach the actions of either great power in an even-handed way because Canada should recognize that both powers had spheres of strategic interest. "If Hon. Members want to support the United States in defining Central America as a sphere of influence for them, or at least an area of strategic interest, they have to do the same thing about the Soviet Union which is also a great power," he said.

Other statements in the House before and during Mr. Gorbachev's visit concerned human rights in the Soviet Union. On May 16 Ian Deans (NDP, Hamilton Mountain) suggested that Canadian concerns about the plight of Soviet Jews be brought up with Mr. Gorbachev. On May 26, David Smith (Lib., Don Valley East) urged that in conjunction with Mr. Gorbachev's visit, Canadians make their concerns about human rights violations in that country known,

and noted the case of the Soviet prisoner of conscience, Anatoly Shcharansky.

The delegation spent the final four days of its visit touring, accompanied by Agriculture Minister Whelan. They visited several farming facilities, food processing plants and farm machinery manufacturing plants in Ontario and Alberta, met with provincial agriculture ministers in both those provinces, and with Alberta Premier Lougheed, in Calgary. At the end of the visit, Mr. Whelan stated that he was pleased with the exchanges, and hoped that the visit would have a positive effect on Canada-Soviet relations (Agriculture Canada press release, May 24).

Visit to Canada of Peace Delegation

Delegates from the Soviet Union's official peace committee were in Canada for an eleven-day visit beginning in mid-May. The delegation was led by Dr. Andrei Romodonov, a distinguished doctor and deputy of the Supreme Soviet of the USSR. The group was here at the invitation of the Canadian Peace Congress, and travelled to six cities — Montreal, Toronto, Vancouver, Edmonton, Winnipeg and Ottawa (*Globe and Mail*, May 16).

Their message was that the Soviet Union is committed to world peace. Two of the delegates told reporters that they have never protested against their own government's nuclear armament policies because their country is a leading proponent of world peace. They said that the possible deployment of US Pershing II and Cruise missiles in Europe was the real threat to the present balance of power. Petitions have been signed by 180 million Soviet citizens calling for world nuclear disarmament, one delegate said (*Globe and Mail*, May 16).

PC leader Erik Nielsen claimed in the House on May 25 that the delegation's "chief purpose [in Canada] appears to be the dissemination of propaganda to Canadians with respect to the high degree of freedom to be found in, and the peaceful intentions of, the USSR." Prime Minister Pierre Trudeau responded that Canadians were allowed to invite whomever they wished to Canada, as long as it was not for subversive or illegal purposes. The government, he said, had neither encouraged nor discouraged the visit.

TAIWAN

Trade Relations

There were several calls in the House of Commons in late April and early May for Canada to establish a non-diplomatic presence in Taiwan. On April 28 Otto Jelinek (PC, Hamilton) made a statement in the House, urging the government to "join virtually all other non-communist industrialized nations in establishing a non-diplomatic presence in Taiwan in order to take full advantage of the tremendous trade potential for the benefit of all Canadians." He said that for every billion dollars in international trade, 25,000 new Canadian jobs are created. On May 2 Gus Mitges (PC, Grey-Simcoe) made a similar statement, and called on the government to establish trade or liaison offices in Taiwan. Canada is the only developed country which does not have such offices in Taiwan, he said.

Mr. Jelinek questioned Prime Minister Trudeau about the situation on May 4. He wanted to know what initiatives

the government would take to promote realistic trade with Taiwan. Mr. Trudeau was non-committal, but said that the government encourages private sector trade with Taiwan. Mr. Jelinek also wanted the Prime Minister to "guarantee export permits to Atomic Energy of Canada for the sale of Candus [nuclear reactors] to Taiwan in return for safety and other control regulations similar to those on the Candu sales to South Korea."

On May 10, trade with Taiwan was the subject of an adjournment debate. Mr. Jelinek again spoke of the tremendous potential for Canada should it pursue trade with Taiwan. He was answered by Jean Lapierre (Parliamentary Secretary to External Affairs Minister). Mr. Lapierre said that he found the suggestion interesting, but said that if the market was so great and the possibilities so high, the private sector would already have established a trade office in Taiwan. If the private sector is considering that, Mr.

Lapierre said, the government would seriously consider supporting the establishment of a trade office.

Mr. Lapierre also responded to Mr. Jelinek's suggestion that Canada sell a Candu reactor to Taiwan. Mr. Lapierre said, "It has a political dimension which cannot be ignored. The Canadian government has a policy rooted in serious concerns about nuclear non-proliferation. There is no obvious mechanism for Taiwan's formal compliance with our non-proliferation requirements, namely, the signature of the NPT or an equivalent binding commitment to non-proliferation, or NPT-type full scope safeguards under an agreement with the International Atomic Energy Agency (IAEA), or bilateral agreement with Canada providing for fallbacks, prior consent rights, physical protection and other provisions. Taiwan is not a member of the IAEA and we cannot sign a bilateral safeguards agreement with it."

Multilateral Relations

UNITED NATIONS

Namibian Contact Group

The withdrawal of South Africa from Namibia (South-West Africa) was the subject of a special United Nations conference in April, and the subject of a UN Security Council debate in May. The April conference, held in Paris from April 25 to 29, was planned last December because South Africa would not accept or implement UN resolutions calling for its withdrawal from Namibia. The overseeing of the withdrawal of South Africa from Namibia has been the task of a UN "Contact Group" set up five years ago. The group of five Western countries — Canada, the US, France, West Germany and Britain — participate in negotiations with South Africa, other African states, and the South-West African People's Organization (SWAPO).

South Africa has refused to withdraw until Cuban troops leave Angola, which is north of Namibia. It claims that the Cuban presence poses a communist threat to the area. This "linkage" has been supported by the United States. This support for the South African position was blamed at the April conference for the lack of success of the Contact Group. "The independence of Namibia is being held hostage and the suffering of our people is being used by the Reagan administration to achieve Washington's imperialist ambitions," SWAPO leader Sam Nujoma told the conference (*Globe and Mail*, April 26).

Delegates from 136 countries attended the Paris conference. Those from the five Western contact countries participated only as observers. South Africa did not attend because it objected to the conference being called the "Conference in Support of the Struggle of Namibian People for Independence," and objected to SWAPO's status as the "sole legitimate representative" of the Namibian people (*Globe and Mail*, April 26). The final conference declaration, adopted by consensus, called for countries to impose economic sanctions against "racist" South Africa. It also condemned continued economic, financial, commercial and military relations with South Africa by "certain Western nations and Israel." It said that sanctions, "if universally and effectively implemented, are the only available means to ensure South Africa's compliance with the decisions of the United Nations and to prevent the intensification of the armed conflict in the region" (*Globe and Mail*, April 30).

During the conference, Mr. Nujoma "unexpectedly" called for the disbanding of the Contact Group. He said that the group had been diverted from its purpose by the "linkage" question. (France had been the only country to dissociate itself from the US stand.) Canada was criticized by SWAPO's Western European information officer, Peter Manning, during the conference. Canada's silence on the issue showed that it was "buying the US line," and "Canada could take a different position if it wished. It doesn't always have to be compliant to US wishes," he said.

The declaration also called for the UN Security Coun-

cil to meet as soon as possible to debate the situation. The *Globe and Mail* reported May 18, "The Security Council will consider whether to continue the Contact Group's mandate . . . A key factor in the decision will be the attitude of Nigeria and the so-called 'front-line' states [lying north of Namibia] . . . These countries have so far supported the Contact Group's efforts, and at [the Paris] conference did not publicly stray from that position."

That meeting began at the end of May at the United Nations in New York. Canada's ambassador to the UN, Gérard Pelletier, addressed the Security Council on May 31. He expressed Canada's regret that Namibia was still occupied by South Africa five years after the draft of the UN Settlement Plan for Namibia. He mentioned that some progress had been made on the principles of the Namibian constitution. "These efforts have been made against the background of South Africa's illegal occupation of the territory." Mr. Pelletier also stated:

As the secretary-general has pointed out, South Africa has made another issue in the region — outside the mandate of the Contact Group — a condition for the implementation of Resolution 435 [on Namibian independence]. These two matters have a relationship only in so far as one of the parties chooses to draw them together. Canada, for its part, does not accept the concept that the resolution of one should be conditional upon the resolution of the other. It is nonetheless evident that these regional security concerns exist and pose an obstacle. We understand they are being dealt with separately in bilateral talks. We hope that they may be resolved quickly — with full respect for the sovereignty of the states concerned.

WILLIAMSBURG SUMMIT

Prime Minister Pierre Trudeau joined the leaders of six other countries — the US, Britain, Japan, France, Germany and Italy — in Williamsburg, Virginia, for three days of talks at the end of May. The Williamsburg Summit of the leaders of the most powerful Western countries followed a tradition, begun in 1975, of yearly summits where leaders discuss economic and international problems and attempt to agree on unified courses. This year, two subjects dominated the Summit — economic recovery and nuclear arms policy. Communiqués were issued on both these subjects.

Prime Minister Trudeau, at a news conference at the end of the Summit, called it an unprecedented success. He told reporters that the success was because the Summit had not been scripted in advance. "In this sense I think President Reagan was taking a very big gamble that we could have an unstructured Summit and still produce results . . . Here, the communiqué was written overnight, as it were, and the declaration on disarmament, which Canada had brought as an idea to the Summit, was practically written from scratch during the discussion we had on the subject," Mr. Trudeau said.

Along with the Prime Minister, Finance Minister Marc Lalonde and External Affairs Minister Allan MacEachen met with their counterparts. Before departing from Ottawa, Mr. MacEachen told reporters that the four issues of priority

to Canada were: the growing protectionist tendencies of countries and the resulting threat to the international trading system; US high interest rates and their spillover effects; unstable energy prices; and the weakness of the international monetary system (*Globe and Mail*, May 27). Also discussed were East-West relations, and North-South issues.

Security Statement

During the first full day of the conference (May 29) the seven leaders were joined by their foreign ministers for a discussion on security issues. After many hours, the group had drafted a communiqué representing a compromise on the sometimes divergent opinions of the leaders. The unplanned statement declared:

1. As leaders of our seven countries, it is our first duty to defend the freedom and justice on which our democracies are based. To this end, we shall maintain sufficient military strength to deter any attack, to counter any threat, and to ensure the peace. Our arms will never be used except in response to aggression.
2. We wish to achieve lower levels of arms through serious arms control negotiations. With this statement, we reaffirm our dedication to the search for peace and meaningful arms reductions. We are ready to work with the Soviet Union to this purpose and call upon the Soviet Union to work with us.
3. Effective arms control agreements must be based on the principle of equality and must be verifiable. Proposals have been put forward from the Western side to achieve positive results in various international negotiations: on strategic weapons (START), on intermediate-range nuclear missiles (INF), on chemical weapons, on reduction of forces in Central Europe (MBFR), and a Conference on Disarmament in Europe (CDE).
4. We believe that we must continue to pursue these negotiations with impetus and urgency. In the area of INF, in particular, we call upon the Soviet Union to contribute constructively to the success of the negotiations. Attempts to divide the West by proposing inclusion of the deterrent forces of third countries, such as those of France and the United Kingdom, will fail. Consideration of these systems has no place in the INF negotiations.
5. Our nations express the strong wish that a balanced INF agreement be reached shortly. Should this occur, the negotiations will determine the level of deployment. It is well known that should this not occur, the countries concerned will proceed with the planned deployment of the US systems in Europe at the end of 1983.
6. Our nations are united in efforts for arms reductions and will continue to carry out thorough and intensive consultations. The security of our countries is indivisible and must be approached on a global basis. Attempts to avoid serious negotiation by seeking to influence public opinion in our countries will fail.
7. We commit ourselves to devote our full political resources to reducing the threat of war. We have a vision of a world in which the shadow of war has

been lifted from all mankind, and we are determined to pursue that vision.

At a news conference May 29, Mr. MacEachen was questioned about this stance. He stated that there were two objectives in producing such a statement: to indicate the common resolve of the Western countries; and to ensure that the full political resources of leaders would be put behind arms reduction talks with the Soviet Union. Mr. MacEachen said he approved of the tone of the message. It was quite supportive and consistent with the two-track NATO decision, Mr. MacEachen said, and made it clear that the West will deploy missiles in Europe this year in the absence of nuclear arms agreements.

Mr. Trudeau was also questioned about the communiqué at a news conference May 30. There were two messages in the statement, Mr. Trudeau said. One was, "Please take us seriously, you Soviets; there will be deployment in December unless you negotiate seriously." The other message was to the public; that their leaders are negotiating seriously. In answer to further questions, the Prime Minister said that he thought that the Soviet Union had in fact made some concessions, for instance the offer to count warheads instead of missiles for negotiating purposes. What the West wants, he said, is more concessions.

Compared with security statements in previous years by the Summit countries, this message, although similar, was stronger and more comprehensive in its commitment to peace and up-to-the-minute in its timing, a *Citizen* article May 30 stated.

Economic Statement

The economic statement issued after the Summit listed ten points of agreement to be followed by nations in pursuit of economic recovery. Economic recovery involves achieving and maintaining low inflation, reducing interest rates from their present too-high levels, and reducing structural budget deficits, the communiqué stated.

One commitment made by the leaders, and reflected in the communiqué, was to halt and eventually dismantle protectionist trade barriers. Canada has a heavy stake in the open multilateral trading system, with more than 30% of its GNP generated by the export of goods and services, and would be very vulnerable to the effects of a "trade war" among major trading nations. Canada had argued strongly for the communiqué statement, which was called the "strongest, firmest commitment to fight protectionism to come out of such a Summit" (*The Citizen*, May 31). Leaders also agreed to "consult within appropriate existing fora on ways to implement and monitor this commitment." Further trade liberalization will apply to developing as well industrialized countries, the statement said.

Other commitments included pledges to increase national contributions to international money reserves, and to closely cooperate in those institutions especially in support of developing countries; and to pursue policies which will conserve and stabilize energy resources.

At the press conference May 30, Mr. Trudeau said that Canada was very happy with the final communiqué. "On economic matters we were determined to make sure that high real interest rates and the questions of inflation and unemployment, the rate of growth and debt growth which is linked to real interest rates — were right up front and it was there," he said. On North-South issues, "there is no spe-

cific paragraph as there had been in Montebello and Versailles, but even better, it is a subject which permeates the whole communiqué, whether we talk of international trade, or of financial institutions or of the effect of higher real interest rates."

According to newspaper reports, US interest rates were the "major bone of contention" at the Summit. *The Citizen* reported May 31: "The French, the Italians and the West Germans joined the Canadians in blaming continued high US interest rates for slowing the recovery and destabilizing currencies. They urged the Americans to trim their deficits to allow rates to fall. The Americans at first were hesitant to even accept the link between the deficit and high interest rates. But they also argued that if the deficit is the problem, economic recovery would cure it by increasing government revenues and reducing social spending."

Mr. Trudeau was asked about this at the May 30 news conference. He said, "I think we had the assurance that the US administration is determined to deal with the deficit in the out-years. Whether it will be successful or not, it is the financial markets which have to decide that, but there certainly was a thorough discussion of it. It's fair to say that we went as far as we could."

Finance Minister Marc Lalonde told reporters the same day that domestic policies would not be reviewed as a result of the conference. Mr. Lalonde suggested the Canadian government believes it is already practicing what the Summit declaration preaches — policies to generate economic growth without boosting inflation. "There was nothing in the communiqué that we cannot endorse and secondly there is everything that we wanted in the communiqué," he said (*The Citizen*, May 31).

After the Summit, NDP finance critic Nelson Riis issued a press release May 31 which said the government's endorsement of the Summit communiqué was an admission that massive corporate profits would be sought at the price of continuing high unemployment. "Those who have the least to give — the unemployed, the working poor, those threatened by layoffs — are being served up to protect the investments of those who have, all along benefited the most." He specifically mentioned the section of the communiqué relating to the halting of protectionist measures. Ultimately, the government must explain what such a stance means to Canadian workers whose jobs are threatened by cheap imported products, he said.

This concern had also been expressed by PC MPs previous to the Summit. Some Canadian industries have suffered badly as a result of foreign imports and on May 27, concern was expressed about Canada's position. Scott Fennell (PC, Ontario) had told Mr. MacEachen that moving too quickly into free trade would mean a further loss of jobs, "not only in the auto, textile and shoe industries, but in small businesses across Canada." And Bill Jarvis (PC, Perth) had specifically asked Mr. MacEachen about the textile industry — whether the maintenance or expansion of the quotas in that industry would be offensive or a breach of the General Agreement on Tariffs and Trade (GATT). Mr. MacEachen answered that textiles have a special status in the GATT, and that countries including Canada "have had to take measures to protect their domestic industries against very strong competition, particularly from the developing world." He said that there is a distinction between resisting additional protectionist measures and dismant-

ting existing ones, and said that it is the former that he would be stressing at the Summit.

In answer to further questioning May 27 regarding the manufacturing sector, Mr. MacEachen had said:

It seems to me that it would be a great mistake for industrialized countries, having gone through the worst part of the recession and having, in my view, resisted protectionist measures to a great extent, to slide into protectionism now that recovery is beginning. I believe that that would hinder the recovery and hinder the growth of jobs in Canada and in other countries. That is the point of view which I will be expressing at Williamsburg along with the Prime Minister and the Minister of Finance.

The government was also criticized on May 31 for not practising what it had preached at the Summit regarding deficit spending. PC finance critic Pat Carney told the House that Canada's proposed budget deficit was \$31 billion, 50 percent more in relative terms than the US deficit. "If the government feels that massive government borrowing will force up interest rates, shutting down businesses and throwing people out of work, why does the government not take its own medicine?" she asked. Minister of State (Finance) Paul Cosgrove reminded Miss Carney of the items in the recent budget aimed at recovering the deficit expenditures from taxes in the future.

OECD

Ministerial Meeting

External Affairs Minister Allan MacEachen and Finance Minister Marc Lalonde attended the meeting of the Organization for Economic Cooperation and Development (OECD) in Paris May 9. The ministers discussed with their counterparts the interrelated topics of policies for sustained non-inflationary growth; the international trade and payments system; relations with developing countries; and East-West economic relations (External Affairs news release, May 4).

ASEAN

Meeting with Canada

Cooperation between Canada and the nations of the Association of Southeast Asian Nations (ASEAN) was the subject of meetings in Ottawa from April 26 to 27. ASEAN is composed of Indonesia, Malaysia, the Philippines, Singapore and Thailand. The aim of the Canada-ASEAN Joint

Cooperation Committee is to promote and review industrial, commercial and development cooperation envisaged under a 1981 agreement signed by Canada and ASEAN (External Affairs press release, April 25). External Affairs Minister Allan MacEachen opened the meeting April 26 with a speech testifying to the importance of the Canada-ASEAN dialogue, begun in 1977.

Members of ASEAN said after the meetings that they view Canada as a "springboard" to international trade. ASEAN representatives from the Philippines told reporters that ASEAN nations are anxious to promote free trade between their region and Canada (*The Citizen*, April 28).

ORGANIZATION OF AFRICAN UNITY

Canadian Congratulations

Canada congratulated the Organization of African Unity (OAU) on its twentieth anniversary on May 25. The message from External Affairs Minister Allan MacEachen to the OAU Chairman, President Moi of Kenya, extended Canadian good wishes to the group and its citizens, who have "devoted themselves to the attainment of the independence, peace and development of the African continent." The letter said that Canada and Canadians have watched with admiration as OAU members have striven to uphold the high ideals embodied in the OAU charter. "Whenever possible, we have worked together with African states to promote Africa's economic development. We have supported the struggle for African independence in the past and will continue to do so until the decolonization of Africa is complete and the abhorrent system of apartheid has disappeared," the message read (External Affairs press release, May 25).

PACIFIC BASIN ECONOMIC COUNCIL

Canadian Delegation

A Canadian delegation of twenty business executives participated in the sixteenth Annual General Meeting of the Pacific Basin Economic Council (PBEC) in Santiago, Chile from May 9 to 12. The meeting was attended by two hundred executives from seventeen countries. It featured discussions on barriers to trade and investment, energy, telecommunications, investment in the Pacific Rim and financial services in the region.

The Canadian Committee of the PBEC is the sole official private sector adviser to the Canadian government on Pacific economic relations, a press release from the Council stated (April 21). It undertakes to develop closer economic relations with the region.

Policy

FOREIGN

Middle East

There were several statements made in the House of Commons during April and May concerning tensions in the Middle East. Following the April 17 bombing of the US embassy in Beirut, Lebanon, Ursula Appoloni (Lib., York South-Weston) told the House that the event had provoked reactions of horror and revulsion throughout the world. She stated, "I believe that it is imperative for the international community to voice, in the firmest possible terms, its total repugnance for any and all acts of wanton human destruction by whomsoever perpetrated, and that it pursue, with increasing vigor, dedication, urgency and commitment, all diplomatic pressures with a view to achieving equitable and lasting peace in the Middle East."

External Affairs Minister Allan MacEachen issued a statement regarding the bombing on April 20. He said that the attack was particularly tragic because it appeared to be directed against the United States' efforts to secure the withdrawal of foreign forces and to assist the Lebanese government in restoring stability in Lebanon. "I hope this senseless act of violence will not turn the US government from its commitment to prompting peace in the Middle East," he said.

The same week, Israel celebrated its thirty-fifth birthday. On April 22 in the House, Claude-André Lachance (Lib., Rosemont) told the House that Israel had just announced a new settlement in Upper Nablus, a territory where Palestinians and Arabs are in the majority. He said that this new settlement proved that it was extremely urgent for the Israelis and the Palestinians to negotiate a settlement as soon as possible, "so that Palestinians can find a place to live and have a citizenship that is recognized, and Israel can live within recognized and safe borders." He urged the government to "indicate to the government of Israel the need to negotiate."

The denial of civil rights to the Palestinian people was the subject of another statement in the House on April 25. Bob Corbett (PC, Fundy-Royal) told the House that US President Reagan had been quoted as proposing that peace talks in the Middle East be conducted without the participation of the Palestinian Liberation Organization (PLO) because the PLO has never been elected. Mr. Corbett said that the Israeli occupiers of the West Bank and the Gaza have not allowed the Palestinians to hold elections. "I urge the government to tell President Reagan that, if he wishes to see an elected group speak for the Palestinians, then let there be elections. Advise the President that if he cannot convince the Israelis that they must allow the Palestinians civil rights," including elected representation,

then his government should withhold funding which has been going toward building illegal settlements and other activity in the occupied territories, Mr. Corbett said.

The civil rights of Jews in Syria was the subject of a statement on May 18 by Roland de Corneille (Lib., Eglinton-Lawrence). Syria does not permit its Jewish citizens to emigrate, he said, in violation of the UN Charter of Human Rights. He urged Canada to intensify the monitoring of the situation, and let Syria know that Canada is ready to open its doors to the Syrian Jews.

Following an agreement concluded by Lebanon and Israel for the withdrawal of Israeli forces from Lebanon, Céline Hervieux-Payette (Lib., Montréal-Mercier) asked Prime Minister Trudeau May 19 whether Canada would "emphasize the need for making a lasting peace in that part of the world by inviting Syria to withdraw its troops from Lebanon and to sign the agreement." Mr. Trudeau responded that he agreed with the recommendation that Syria withdraw, but said that he did not know how Canada could persuade Syria to adopt this position.

The government issued a press release on May 27 concerning this. It said, "Canada has called for withdrawal of all foreign forces and the restoration of civil authority throughout Lebanon in order to permit the Lebanese government to proceed with the essential tasks of reconstruction and national reconciliation." The statement by External Affairs Minister Allan MacEachen said that Canada welcomed the Israeli agreement to withdraw from Lebanon, and hoped for a successful conclusion of talks between Lebanon and Syria (External Affairs press release, May 27).

Central America: Contadora Group

Canada's support for peace initiatives in Central America was questioned in the House of Commons in May. On May 2, Bob Ogle (NDP, Saskatoon East) asked Prime Minister Pierre Trudeau whether Canada would be willing to become involved with the Contadora Group (Columbia, Mexico, Panama and Venezuela), which is trying to bring about a peaceful settlement of tensions in Central America. Mr. Trudeau replied that the Contadora Group had taken some worthwhile initiatives, and said that Canada was willing to assist in attaining the group's objectives.

Mr. Trudeau was asked again about Canadian support for this group in the House on May 11. NDP external affairs critic Pauline Jewett told the House that the group's proposal was to encourage bilateral negotiations between Nicaragua and the US, and Nicaragua and Honduras. Mr. Trudeau responded that the proposal "is one that we see as constructive and one which we encourage . . . There should be more dialogue between the countries, and there

should even be more dialogue between some of those countries and the US."

The government's position on the Contadora Group's proposal was the subject of a statement in the House May 20. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence) stated:

It has been the view of the government of Canada that the resolution of difficulties in Central America requires a process of discussion and dialogue between the various governments concerned. The government of Canada is prepared to do whatever it can to facilitate and encourage this process if the countries directly concerned feel that Canada can play a useful, positive, and effective role. . . . Canada supports the right of each country to enjoy genuine independence, non-alignment, and stability, without the threat of outside interference.

Southeast Asia

Following increased military action by Vietnamese forces in Cambodia and Thailand, the External Affairs Department issued a statement April 7 expressing Canada's regret for the offensive. "The Vietnamese military offensive began on March 31 and has resulted so far in the destruction of several Khmer refugee camps along the Thai-Cambodia border, the deaths of several hundred Khmer civilians, the displacement of over 40,000 Khmer civilians into Thailand, armed Vietnamese incursions against Thailand and attacks on Thai civilians and property," the press release said. Canada deplored the Vietnamese action, which it said spurned the efforts of the United Nations and individual countries to find a peaceful solution to the problem of Cambodia in accordance with resolutions of the UN General Assembly and the 1981 International Conference on Kampuchea (Cambodia).

Also on April 7, External Affairs Minister Allan MacEachen announced that Canada would grant \$750,000 to the International Committee of the Red Cross, and \$850,000 to the World Food Programme/UN Border Relief Operation in response to appeals on behalf of displaced Cambodians along the Thai-Cambodian border.

DEFENCE

Cruise Missile Testing

The possible testing of the US Cruise missile by Canada continued to concern Canadians during this two month period. On February 10, Canada and the US had signed an "umbrella agreement" on weapons-testing. The signing of this agreement paved the way for the two countries to negotiate a specific agreement for the US to test its unarmed Cruise missile over territory in Alberta and Saskatchewan. By the end of May, the US had not formally requested that Canada allow the tests, but indications from both governments in previous months were that if asked, Canada would agree. The government, faced with massive protests about such involvement in the nuclear arms race, had said that Canada must comply with such a request because of its commitment to the NATO two-track decision, a policy which stipulates that NATO countries will deploy nuclear weapons in Europe at the same time as

seeking agreements with the Soviet Union to reduce weapons. The government of Canada has, along with other NATO countries, argued that the threatened deployment strengthens the alliance's hand at the bargaining table.

Canadians opposed to this position continued to criticize the government in April and May. Members of Parliament for the Conservative Party, although in favor of the testing, were critical of the government's handling of the situation. On April 11, PC defence critic Allan McKinnon made this the subject of an adjournment debate. He pointed out to the House of Commons some inconsistencies in the past year about whether or not the government had in fact received a request to test the Cruise, and whether or not a refusal by Canada to test it would represent a breach of commitment. He said that three different Cabinet ministers had contradicted each other on this matter. "Would the government please tell us what its position is on this vital matter and quit making fools of its members in the process," Mr. McKinnon said.

Stanley Hudecki (Parliamentary Secretary to Minister of National Defence) responded, specifically to questions by Mr. McKinnon about a recent NATO meeting attended by Defence Minister Gilles Lamontagne. At the Portugal meeting, Mr. Hudecki said, "It was widely agreed that the Soviet Union had only been brought to the negotiating table as a consequence of the two-track December, 1979, decision. A strong consensus emerged that the governments of the alliance should continue to support implementation of both tracks of that decision. . . . During that discussion the US Secretary of Defence and NATO Secretary General Luns acknowledged the visible contribution made by Canada to NATO solidarity in approving the umbrella agreement under which Cruise missile flight testing could be authorized."

On April 22, Doug Anguish (NDP, The Battlefords-Meadow Lake) questioned the Prime Minister about Canada's position on nuclear arms, particularly the proposed Cruise testing. He said that because Mr. Trudeau has a very good international reputation, he could act as a mediator to work "toward a meaningful freeze of nuclear weapons, and at some point in the future to work toward the elimination of nuclear arms." Instead, Mr. Anguish said, despite the concerns of the public, Canada is becoming involved in the nuclear arms buildup.

Mr. Trudeau responded by saying that he had done a great deal in Canada and in NATO to "denuclearize our whole approach to defence." The Prime Minister said that he did not think a freeze was a good solution, and favored reductions. "I think there is an honest division of opinion in Canada on whether or not the Cruise should be tested here. All I know is that the matter, whichever way it is decided, will not be the crucial decision. The crucial decision is how quickly the two superpowers are prepared to begin reducing their arsenals of atomic weapons." Mr. Trudeau also said that before Canada agrees or disagrees to test the Cruise, the US must decide if it is ready to ask Canada to test the missile.

Similar questions were asked by Simon de Jong (NDP, Regina East) on April 25. Mr. de Jong noted in the House that two days earlier, 80,000 Canadian had "voted with their feet" in many cities by marching against the testing. Mr. de Jong called for a full Parliamentary debate on the subject, "which would be open and free of party restrictions, allowing each Member to vote according to his

or her conscience." Mr. Trudeau said that he understood the pangs of conscience of those in Canada who are protesting against the eventual testing of the Cruise. But, he said, he was surprised that there had been no similar protestations during the several years when the Soviets were deploying their SS-20s, "replacing their SS-3s and SS-4s by a much more sophisticated and dangerous weapon." He specifically criticized the NDP for not expending any energy to protest Soviet actions.

On April 26, in answer to questions by NDP leader Ed Broadbent, the Prime Minister made similar charges. Mr. Broadbent responded that for a long time his Party has made it clear that it has been opposed to the deployment of the SS-20s, through speeches and through representations to a House committee. In answer to questions about disarmament initiatives, the Prime Minister said that the US had departed from its "zero-option" negotiating stance following the visit of Vice-President Bush to Canada and to European countries. The same day, NDP foreign affairs critic Pauline Jewett made a statement in the House calling for a debate and free vote in the House on Cruise missile testing.

During these late-April exchanges, the NDP MPs had also expressed concern about whether or not Canada had in fact committed itself to the testing. "Are 80,000 Canadians marching in the streets over a decision which has already been taken?" Simon de Jong asked April 25. This concern was repeated on April 29 by NDP defence critic Terry Sargeant, who wanted to know whether "this whole idea of Canada testing the Cruise has gone too far for Canada to turn back." Defence Minister Gilles Lamontagne answered by repeating that Canada was in favor of the NATO two-track decision.

Liberal Members of Parliament also made statements about the proposed testing at this time. Paul McRae (Lib., Thunder Bay-Atikokan) told the House May 2 that he supported the nuclear disarmament movement in Canada. "Earlier this year a Gallup Poll showed that of those [Canadians] who had an opinion, nearly 60 percent opted for not testing the Cruise missile." There had been similar poll results recently in the US, Mr. McRae said. And the US Catholic Bishops had a week earlier called for a halt in the production of new nuclear weapons. "In 1984 Canadians and Americans will be expressing themselves at the polls. Can anyone doubt that the majority on both sides of the border will deal harshly with politicians who are not serious about arms control," he stated.

In support of the government position the next day was Céline Hervieux-Payette (Lib., Montréal-Mercier). She said that Canadians should protest actions by the Soviet Union, and that Members of Parliament should "reflect seriously on the consequences of an intervention not intended to result in a controllable bilateral disarmament," because working for peace is part of the duty of a Canadian parliamentarian.

Demonstrations against the Cruise missile testing in Canada and arms buildup continued at this time. In Ottawa on May 1 there was a "Jobs not Bombs" rally, and on May 9 on Parliament Hill, a Mother's Day march for peace. Visible on Parliament Hill at the same time was a Peace Camp, which had been there for weeks, protesting Cruise testing. All these public demonstrations against the Cruise testing sparked a public response from the Prime Minister. On May

10 Mr. Trudeau sent an open letter to newspaper editors in Canada explaining his position. The letter began:

In recent months I have received a great number of letters and petitions protesting against the possible testing of Cruise missiles in Canadian territory Because this whole question continues to weigh heavily upon the consciences of those in government and the general public, I have now decided to address myself directly to Canadians through this open letter.

The Prime Minister gave an outline of developments which had led up to the NATO two-track decision and its consequences:

Because our [1977] strategy of suffocation was rejected by the Soviet Union, as evidenced by the continued deployment of the SS-20s . . . there was no question of urging its acceptance by NATO countries alone. That is why we allied ourselves with the two-track strategy of our NATO partners Having declared our support for the two-track strategy, Canada should bear its fair share of the burden which that policy imposes upon the NATO alliance. It is hardly fair to rely on the Americans to protect the West, but to refuse to lend them a hand when the going gets rough. In that sense, the anti-Americanism of some Canadians verges on hypocrisy. They're eager to take refuge under the American umbrella, but don't want to help hold it.

The Prime Minister also said that it was surprising that Canadians have been protesting the Cruise testing, but not protesting similar missiles in the Soviet Union. Mr. Trudeau explained:

It is absolutely essential that the United States continue their efforts to negotiate the removal of the SS-20s in exchange for the non-deployment of new American missiles in Europe, or at least to negotiate smaller numbers of missiles. I hope that my explanation of our policy will establish that, were we to agree to collaborate in testing the guidance system of the Cruise missile, it would be because of our solidarity with the other Western democracies, in a world which has turned a deaf ear to our suggested strategy of suffocation.

The open letter was not well received by the NDP. "Does the Prime Minister not know that the American people themselves are increasingly opposed to the continuation of the nuclear arms madness; that the House of Representatives has just passed, 278 to 149, a resolution calling for a mutual, verifiable freeze? Canadians who oppose the further escalation of the nuclear arms race, and Canada's participation in it by testing the Cruise, do so *in concert* with the majority of Americans. Are the majority of Americans anti-American?" Pauline Jewett asked in the House May 10.

Mr. Trudeau was questioned about his position the same day by Mr. Broadbent. While the SS-20 should never have been deployed, Mr. Broadbent said, "the relevant question being pursued by many people now is whether this action by the Soviet Union necessitates a further escalation in the West." Mr. Broadbent said that hundreds of thousands of North Americans, including many experts, have said that now is the time to break the vicious circle of

the arms race. He said that a former head of the US Central Intelligence Agency, Mr. Colby, had recently had an article published in opposition to the Cruise. "The Soviets are certainly not 'superior' to the US in any meaningful way today . . . The present American retaliation potential is absolute," Mr. Colby was quoted by Mr. Broadbent.

Mr. Trudeau responded that he was not in support of US President Reagan's over-all nuclear policy, but was in support of the two-track decision. It was the NATO decision that has led Soviet leader Andropov to twice recently propose reductions of the SS-20s, Mr. Trudeau said. Later in the exchange, Mr. Trudeau continued:

We are saying that in so far as the survival of the United States and the survival of the Soviet Union are concerned, both have cause to fear each other and therefore they are unlikely to start fighting against each other. But what is to prevent the Soviet Union if it wishes to start a limited war in Europe with SS-20s? I do not know how limited it would be, but we know that they have 300 or 400 SS-20s each with three nuclear warheads which are capable of destroying all of Western Europe. How does NATO, which includes countries in Europe, counter that? It can only counter it by saying to the US, "Well, if the Soviet Union attacks Western Europe, you send off your big ones and destroy all of humanity."

This statement alarmed Mr. Broadbent. He referred to it in his own open letter, published in newspapers on May 13. He said:

Quite apart from the "balance of terror" which already exists without the Cruise, I was alarmed by the Prime Minister's discussion, emphasized in the House of Commons Tuesday, of a limited nuclear war. For all practical purposes, the capacity of each side to destroy the other, and much of the rest of mankind, is absolute.

In such a world, to talk of discrete military theatres such as Western Europe, as though a nuclear war could be fought there in isolation, is a dangerous delusion. Yet the Prime Minister's argument for the deployment of the Cruise is based precisely on such a delusion.

In the letter, Mr. Broadbent argued that halting the arms race is the only sane option. "First they built atomic bombs, then hydrogen bombs, then intercontinental nuclear bombers, single intercontinental ballistic missiles, multiple warhead nuclear missiles, and submarine-launched ballistic missiles. The air-launched Cruise missile is one more step down that perilous path — it is a deadly weapon because it is almost undetectable, and is therefore a barrier to verifiable bilateral arms reductions once in its place," Mr. Broadbent stated. Refusing to test such a weapon would be a step toward nuclear sanity, Mr. Broadbent said (*The Citizen*, May 13).

It was reported on May 12 in *The Citizen* that the Defence Department had mounted an information campaign aimed at briefing the public about the government's stance. The campaign includes the training of speakers from the Defence Department, and a completed forty-minute slide show, *The Threat Briefing*. The slide show gives a comprehensive list of Soviet weaponry. "The time has come to present the facts concerning Soviet power to the Canadian people, so that an informed public will be

better able to participate in deciding what Canada ought to do," the text states.

Terry Sargeant (NDP, Selkirk-Interlake) told the House May 13 that the program "is designed to convince Canadians of the government's wisdom in testing the air-launched Cruise missile in Canada, a program that the Minister admitted yesterday in Committee would be biased." Mr. Hudecki answered questions about the reason for the program. He said, "the subject of nuclear warfare is a very complex one, and using nuclear warfare as a deterrent requires a very profound knowledge of situations leading to the present conditions. I believe that this kind of information has not been adequately presented to the Canadian public . . . I feel that what we have been seeing in the press has been biased toward downplaying the goal of the Department of National Defence, which is to create peace as the basis of using deterrents. The cost of the program will be borne by the budget of the Defence department," he said.

Further discussions on the arms race at the end of the month centred around some statements Mr. Trudeau had made in a *Toronto Star* interview. He had said that there was some justification for the arms race protesters' perceptions of US President Reagan as "warlike." (See this issue, BILATERAL — US.)

TRADE/ECONOMIC

Export Development Measures

External Relations Minister Charles Lapointe, in a speech to the members of Commerce Montreal International May 25, outlined new measures announced in the April 17 budget specifically designed to increase Canada's trading potential. These programs will be carried out by the Export Development Corporation. Mr. Lapointe described them:

— The overseas employment exemption from taxation was liberalized to improve the international competitive position of Canadian companies. This measure, which will considerably reduce personnel costs, should encourage our consulting industry and others to work in the developing countries.

— The Program for Export Market Development (PEMD) was enhanced by increasing its funding by \$20 million over the next four years from its present annual budget of \$22 million. Through this program the government shares on a fifty-fifty basis with the private sector the cost of identifying and pursuing export market opportunities.

— The creation of a Special Recovery Export Financing Fund of \$180 million to enable the Export Development Corporation to finance certain projects that it might not otherwise be able to because of funding constraints. This in addition to new programs established by EDC to assist small and medium businesses.

— Tariff rates were lowered on some \$10 million in annual imports from developing countries, under the General Preferential Tariff. This is in keeping with our pursuit of an open and just international trading system in which trade is a two-way street.

Visit of Trade Mission to Southeast Asia

International Trade Minister Gerald Regan led a seventeen-day trade mission to Indonesia, Malaysia, Philippines, Singapore and Thailand, and to Hong Kong from May 3 to 19. The visit was a follow-up to a visit of Prime Minister Trudeau to the ASEAN (Association of Southeast Asian Nations) in January. Accompanying Mr. Regan were about forty representatives of Canadian firms pursuing major commercial opportunities in the region. A press release April 8 announcing the visit stated, "The major sectoral developmental needs of the southeast Asian economies are matched in many respects by Canadian supply capabilities. The mission will particularly focus on marketing Canadian technology and products in transportation, telecommunications, power generation and trans-mission, and resource development including forestry."

The international trade mission began in Hong Kong where Mr. Regan and the delegation met with counterparts. In Indonesia from May 5 to 9, Mr. Regan was present for the signing of two contracts in Jakarta. These contracts between the Indonesian government and Canadian companies were for railroad rails and cars. In addition, the Canadian International Development Agency announced on May 12 that it would provide a ten million dollar grant to the Indonesian government to finance a feasibility study of the irrigation potential of one of Indonesia's most important river systems, the Lower Solo River basin (CIDA press release, May 12). In Manila May 10, Mr. Regan signed a memorandum of understanding for the supply of six 3.1 megawatt wood burning power plants valued at \$29 million. The next day Mr. Regan and the Canadian delegates held discussions with Philippine cabinet ministers regarding trade opportunities in the fields of energy, transportation and communications and natural resources. The final stop of the mission was Kuala Lumpur, Malaysia (External Affairs press releases, April 8, May 4, 5, 6, 9, 10 and 18).

At a press conference in Kuala Lumpur, Mr. Regan announced that a Canadian company, Klockner, Stadler and Hurter, had won a \$200 million contract for a timber processing project in Malaysia. Credit financing will be made up by loans from Canada's Export Development Corp. and Canadian commercial banks. Mr. Regan told reporters that the Canadian government was determined to be as competitive as other countries by supporting its industries through financing (*The Citizen*, May 19).

Support for Textile and Clothing Industry

Support for Canadian garment workers and the industry was the subject of several statements in the House of Commons during April and May. It was also the subject of a press conference April 6, where representatives from the

Canadian industry joined NDP MP Dan Heap (Spadina) in calling for tighter quotas on foreign-made clothing. Mr. Heap stated that the garment industry was the main, direct support of 10,000 workers in his riding of Spadina, and for another 150,000 across Canada. Another 100,000 Canadian workers depend indirectly on the industry. The industry has lost 28,000 jobs in the past year in part because of government policies, Mr. Heap told the news conference. An unjust tax structure favoring mega-projects and high-tech industries is one reason that Canadian manufacturers cannot compete with cheap imports, according to participants at the news conference (*The Citizen*, April 7).

The industry's request for the government to impose unilateral quotas on clothing was the subject of an adjournment debate on April 12. Mr. Heap told the House that the imports represented unfair competition because in the major countries of origin, such as South Korea and the Philippines, wages were excessively low. The Canadian industry was suffering as a result, despite the fact that it was efficient and technically on a par with the industries of other countries.

André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion) responded on behalf of the government. He said that the government was sensitive to these concerns, but was involved in bilateral agreements involving the entire spectrum of international trade. Canada cannot unilaterally change contracts that were entered into on a voluntary basis, he said, or the existing climate of trust would no longer exist. Mr. Maltais also said that short-term measures leading up to negotiations with Korea, Hong Kong and China to make the import quota system more flexible had been announced six months earlier. The government would make a policy statement in the near future, he said.

The next day Jean-Guy Dubois (Lib., Lotbinière) also requested that the government protect the clothing industry. He suggested that the government look into the possibility of applying Clause 19 of the GATT Agreement to ensure that there would be no increase in clothing imports. Recent bilateral negotiations with Hong Kong, Korea, Taiwan and China had not been successful, he said. On April 28, Bill Vankoughnet (PC, Hastings-Frontenac-Lennox) also urged the government to support the industry.

Similar statements were made in the House on April 27, May 27 and May 31 by MPs from the three federal parties. On May 31, External Relations Minister Charles Lapointe told the House that the International Trade Minister would be submitting a paper on the question to the cabinet within the next two weeks.

For the Record

(supplied by External Affairs Canada)

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No. 14 (February 2, 1983) Footwear Import Quotas.

No. 15 (February 10, 1983) Agreement with the United States of America on Test and Evaluation of US Defence Systems in Canada.

No. 16 (February 10, 1983) Official Visit to Canada of the Minister of Foreign Affairs of Nicaragua, February 14-16, 1983.

No. 17 (February 14, 1983) Visit to Canada of the Algerian Minister of Higher Education and Scientific Research, February 14 to 18, 1983.

No. 18 (February 15, 1983) Signature of a Scientific and Technical Agreement Between Canada and Algeria.

No. 19 (February 17, 1983) Japanese Car Exports to Canada.

No. 20 (February 25, 1983) Visit of Minister Regan to Washington.

No. 21 (March 4, 1983) Government of Canada Offers Anti-Terrorist Reward.

No. 22 (March 8, 1983) United States Commerce Department preliminary finding on subsidies to Canadian softwood lumber, shingles and shakes, and fencing.

No. 23 (March 9, 1983) Canadian Contribution to the Objectives of the World Disarmament Campaign.

No. 24 (March 11, 1983) March 14 — Commonwealth Day.

No. 25 (March 11, 1983) Visit to Canada of the Minister of Foreign Affairs of Mexico, March 15-17, 1983.

No. 26 (March 15, 1983) Visit to Canada of the Vice-President of the United States, March 23-24, 1983.

No. 27 (March 17, 1983) \$250,000 to Les Grands Ballets Canadiens.

No. 28 (March 18, 1983) Minister of State (External Relations) to Visit West Africa.

No. 29 (March 22, 1983) Mitel Receives Approval to Sell its SX-20 Branch Exchange Product in Japan.

No. 30 (March 22, 1983) Canada Signs Council of Europe Convention on the Transfer of Sentenced Persons.

No. 31 (March 24, 1983) Visit to Canada of the Moroccan Minister for National Education, March 23-29, 1983.

No. 32 (March 29, 1983) Canada Assumes the Chairmanship of the Chemical Weapons Working Group of the Committee on Disarmament.

No. 33 (April 6, 1983) Man-Sometal Obtains a \$33 Million Contract.

No. 34 (April 7, 1983) Vietnamese Attacks on Cambodian Refugee Camps and Incursions into Thailand.

No. 35 (April 8, 1983) Ministerial Trade Mission to South East Asia Countries.

No. 36 (April 8, 1983) Federal-Provincial Trade Ministers' Meeting.

No. 37 (April 14, 1983) Canada and Japan Sign an Agreement for Reprocessing.

No. 38 (April 14, 1983) Visit to Canada of the Commissioner of State for National Economy, Industry and External Trade of Zaire. April 17 to 23, 1983.

- No. 39 (April 25, 1983) The International Business Research Centre.
- No. 40 (April 25, 1983) Canada-ASEAN Economic Cooperation.
- No. 41 (April 26, 1983) Canadian Participation in the Paris Air Show.
- No. 42 (April 27, 1983) Signature of Canada-Kenya Double Taxation Agreement.
- No. 43 (April 28, 1983) Visit to Canada of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).
- No. 44 (May 2, 1983) Official Visit to Morocco by the Minister of State (External Relations).
- No. 45 (May 3, 1983) Line of Credit with Mexico.
- No. 46 (May 4, 1983) Ministerial Visit to Paris and Bonn, May 9 and 10, 1983.
- No. 47 (May 4, 1983) Minister Regan's Visit to Hong Kong.
- No. 48 (May 5, 1983) Seventh Canada Federal Republic of Germany Science and Technology Consultations.
- No. 49 (May 5, 1983) Minister Regan's Trade Mission to Indonesia.
- No. 50 (May 6, 1983) Minister Regan's second day in Indonesia.
- No. 51 (May 9, 1983) Two Contracts signed during Trade Mission in Jakarta.
- No. 52 (May 10, 1983) Minister Regan's Visit to Manila.
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- No. 54 (May 10, 1983) Official Visit to Morocco by the Minister of State (External Relations).
- No. 55 (May 12, 1983) Minister Announces Names of Canada Export Award Selection Committee and Declares Competition Open.
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- No. 59 (May 24, 1983) Canadian Reaction to the United States Commerce Department's Final Determination in the Countervail Investigation of Canadian Softwood Lumber.
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- No. 61 (May 25, 1983) Appointment of John J. Noble as Official Spokesman and Director of Media Relations.
- No. 62 (May 25, 1983) Canada Congratulates the Organization of African Unity on Its Twentieth Anniversary.
- No. 63 (May 26, 1983) Visit to New York by the Deputy Prime Minister and Secretary of State for External Affairs.
- No. 64 (May 27, 1983) Third Canada-USSR Mixed Economic Commission.
- No. 65 (May 27, 1983) Withdrawal of Foreign Forces from Lebanon.
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No. 82/28 Canada's Position on the Middle East After the Lebanon Crisis. Statement by Pierre De Bané, Minister of State (External Relations), to the Fourteenth Congress of the Centre Québécois de Relations internationales, Quebec, September 30, 1982.

No. 82/29 Arms Control and Disarmament: Towards a Secure World. Statement by Allan J. MacEachen, Deputy Prime Minister and Secretary of State for External Affairs, on the occasion of Disarmament Week, October 24-30, 1982.

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No. 82/31 Call for More Solid Links Between France and Canada. Speech by the Right Honourable Pierre Elliott Trudeau, Prime Minister, to the France-Canada Chamber of Commerce, Paris, November 9, 1982.

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

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Algeria

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China, People's Republic of

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Beijing, December 3, 1982.
In force October 13, 1982.

Egypt

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Ottawa, January 31, 1983.

Development Loan Agreement between the Government of Canada and the Government of the Arab Republic of Egypt.
Cairo, December 8, 1982.

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In force November 8, 1982.

France

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Paris, December 21, 1982.
In force December 21, 1982.

Germany, Federal Republic of

Exchange of Notes between the Government of Canada and the Government of the Federal Republic of Germany amending the Air Transport Agreement signed at Ottawa, March 26, 1973.
Bonn, December 16, 1982 and January 20, 1983.
In force January 20, 1983.

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Baghdad, November 12, 1982.

Jamaica

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Kingston, January 10, 1983.

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Bangkok, January 5, 1983.
In force January 5, 1983.

Treaty on Cooperation in the Execution of Penal Sentences between the Government of Canada and the Government of the Kingdom of Thailand.
Bangkok, January 5, 1983.

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Bangkok, January 5, 1983.
In force January 5, 1983.

Uganda

General Agreement between the Government of Canada and the Government of the Republic of Uganda on Development Cooperation.
Kampala, February 7, 1983.
In force February 7, 1983.

United States

Exchange of Notes constituting an Agreement between the Government of Canada and the Government of the United States of America concerning the test and evaluation of the United States Defence Systems in Canada.
Washington, February 10, 1983.
In force February 10, 1983.

Exchange of Notes between the Government of Canada and the Government of the United States of America constituting an Agreement amending the existing Agreement concerning the use of the National Research Council Space Research Facilities by the United States and extending it for an additional three year period, until June 30, 1985.
Ottawa, October 8 and 26, 1982.
In force October 26, 1982, with effect from July 1, 1982.

Venezuela

Cooperation Agreement between the Government of Canada and the Government of the Republic of Venezuela.

Ottawa, June 25, 1982.
In force December 20, 1982.

2. Multilateral

Protocol amending the Agreement on the Joint Financing of certain Air Navigation Services in Greenland and the Faroe Islands done at Geneva on September 25, 1956.
Done at Montreal, November, 1982.
Signed by Canada at Montreal, November 3, 1982.
Entered into force provisionally January 1, 1983.

Protocol amending the Agreement on the Joint Financing of certain Air Navigation Services in Iceland done at Geneva on September 25, 1956.
Done at Montreal, November 3, 1983.
Signed by Canada at Montreal, November 3, 1982.
Entered into force provisionally January 1, 1983.

Final Acts of the International Telecommunication Conference with annexes.
Done at Nairobi, November 6, 1982.
Signed by Canada at Nairobi, November 6, 1982.

United Nations Convention of the Law of the Sea.
Done at Montego Bay, December 10, 1982.
Signed by Canada at Montego Bay, December 10, 1982.

Agreement establishing the African Development Bank, as amended.
Done at Khartoum, August 4, 1963.
Entered into force September 10, 1964.
Canada's Instrument of Acceptance deposited at New York, December 23, 1982.
Entered into force for Canada December 23, 1982.
Reservation: In depositing its instrument of acceptance, the Government of Canada made the following reservation:
"In so accepting the said Agreement, the Government of Canada, pursuant to paragraph 3 of Article 64, hereby retains for itself the right to tax the salaries and emoluments paid by the Bank to Canadian citizens, nationals and residents."

Restraints growing, trade declining

trade it would be lower). Thus, we will still be able to use the "cheap currency" argument a year hence, if only because our policies are keeping it down.

The main areas of protectionism which are clearly not cyclical in nature (they have been around a fairly long time) are considered to be export subsidies, quantitative restrictions, agricultural trade and trade in high-technology products.

Export subsidies

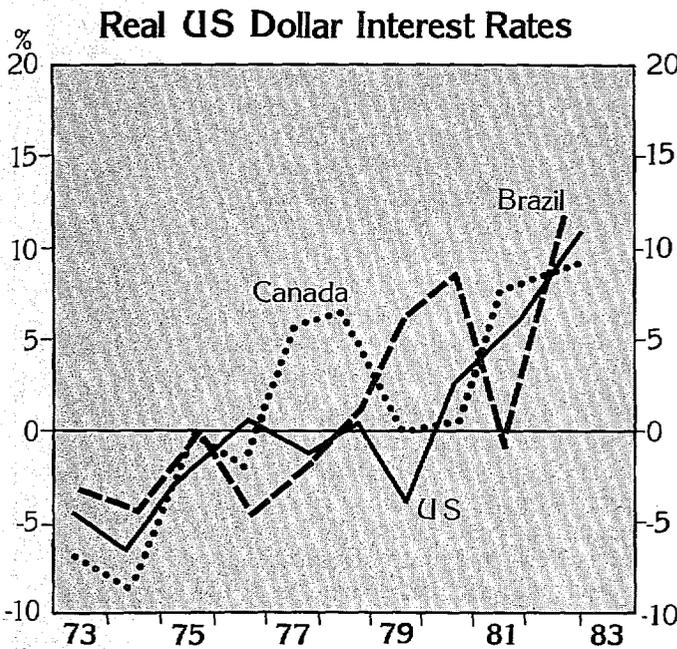
In the industrial countries, export subsidies presently appear to have only one constraint: the ability on the part of individual governments to finance the resulting budget deficits. Politically, they are often hidden behind the veil of "industrial policy," i.e., they are defended as effective

quotas. Indeed, these devices run the risk of undermining GATT and so rendering non-effective one of the few multilateral trade conciliation bodies we have.

Agricultural trade restrictions

Protection of agriculture is well established in most industrial countries, particularly in Europe and Japan. It tends to be closely connected with national considerations of social and regional development and, as such, cannot always easily be identified as a specific "trade oriented" policy. In addition, national policies clearly cannot neglect the need for a minimum level of self-sufficiency or for secure food supplies in general. Thus, we will never be able completely to do without agricultural protection.

One can argue, however, that agricultural protection should not be such that it results in *increased production* by an otherwise inefficient industry. Subsidies should not be so large as to induce farmers to *increase acreage*. It appears that agricultural policies in the European Community are doing just that. Unfortunately, trading conditions in agriculture have never received as much attention within GATT as has trade in manufactured goods. Thus, remedial action, if any, may have to be taken by the producing countries themselves. It should go without saying that agricultural policies which at regular intervals produce floods



Source: The Royal Bank of Canada

Chart 5

means of promoting industries with supposedly good growth prospects. However, experience shows that more often than not such subsidies simply result in an inefficient allocation of resources, both on an international and a domestic basis: revenues flow from the more productive sectors (which can be taxed) to the less productive ones (which require protection). Proliferation of export subsidies cannot be tackled unilaterally or bilaterally — it requires multilateral action under OECD or GATT auspices.

Quantitative restrictions

The GATT principle of non-discrimination bars countries from unilaterally imposing quotas. Consequently, quantitative restrictions tend to take the form of bilateral "voluntary" self-restriction agreements. They are thus in technical accord with GATT because both partners are consenting.

The argument that these agreements at least are in conformity with GATT rules is a thin one though, where the bargaining power of the parties is so unequal as to suggest a dictated agreement. And economically, there is no difference between voluntary export restraints and

	1979	1980	1981	1982
Official	30	32	38	61
of which IMF	-2	0	5	8
Capital Markets	28	28	32	43
of which Banks	26	24	25	30
Short Term	24	34	30	8
of which banks	21	21	27	5
Grand Total	82	94	100	112
Minus: Interest Payments	43	61	83	88
Net Transfer of Financial Resource	39	33	17	24

Source: BIS

Table 1

of subsidized European exports of butter, milk and sugar, and thus artificially destabilize world markets, are not simply a national matter as they affect the entire world trading system.

High-technology

There are few governments which today do not put prime emphasis on high-technology and science-based industries. However, in trying to develop national capabilities in these areas these same governments often ignore the principles of comparative advantage and the primacy of market forces. Obviously no one industrial

Restraints growing, trade declining

country is going to be best in all fields of high-technology.

While this area of protectionism may be the most recent addition, it is nonetheless a crucial one. Government support of any industry which terms itself as being "high-technology" runs the risk of ultimately ending up with mediocre products across the board. The final verdict is not in yet. It may not be too early, however, to suggest that simple paranoia about high-technology competition is neither a good guide nor a good substitute for a realistic industrial strategy in this field.

Trade in high-technology products — including related services — should receive much more attention at international gatherings. After World War II GATT emphasis on trade in manufactured goods led to trade liberalization in that field. This made possible two, if not three, decades of expanding international trade and rising prosperity worldwide. Today we should make sure that we apply the same principles of fair international trade and distribution of resources to those products and services which will spur and dominate economic development in the remainder of this century.

The cyclical reasons for protectionism will soon fade: interest rates have come down already and will likely stabilize at lower levels; inflation is receding; oil prices are down; economic policies in many countries have become moderately expansionary. Before long, growth in the industrial countries will pick up and, one hopes, alleviate one of the reasons for the latest wave of protectionism: the rapid rise in unemployment.

Developing countries

Many scars will remain, however. Developing countries — particularly those which are experiencing debt problems today — will not simply bounce back, even if commodity prices continue to recover in the near term. While many of these countries have been the object of protectionist measures taken by industrial countries, this protectionist action has not been the cause of their present plight — it has only aggravated their situation. Protectionism is as rampant among developing nations as it is elsewhere and many developing countries have over the years created their own protected, inefficient, non-competitive industries, which they can ill afford.

Thus, adjustment will have to take place. As foreign credits do not flow as easily anymore and governments have to cut back on expenditures, some industries in the Third World may find that they cannot survive. Others — in fact, most of them — will remain strong and will be able to build on their competitive advantage. These producers should find ready markets abroad. They should not be blocked by short-sighted protectionist measures because ultimately they must generate the foreign exchange necessary to pay for imports from industrial countries.

Industrial countries

It is tempting to assume that the coming recovery will also take care of the more excessive and hectic forms of protectionism which have recently emerged among industrial countries themselves. To some extent it will. There can be no doubt, however, that many of these measures, rules and regulations will stay. Will the OECD agreement on subsidized export credits ever be stringent enough to eliminate unfair competition? Can we expect import restrictions on Japanese cars to be lifted next year, provided the recovery is in full swing by then? Will the EEC at some point

reduce its farm subsidy program to the point where at least it does not encourage additional production of goods already in ample supply worldwide? I think one is entitled to have some doubts.

Trend to bilateralism

Finally, the most serious threat to world trade comes from a development which has little to do with the present recession: the rising trend towards bilateral solutions.

Merchandise Exports

	Industrial Countries Share in World Exports (%)	Canada's Share in Industrial Countries Exports (%)	Memo Item Canada: Merchandise Exports as % of Industrial Output
1961	73.5	6.9	47.0
1966	75.2	7.2	52.4
1971	77.5	7.7	70.7
1972	77.5	7.2	71.4
1973	75.9	6.6	71.7
1974	68.4	6.5	75.6
1975	70.9	6.0	73.6
1976	69.2	6.4	75.2
1977	69.0	6.1	80.7
1978	71.5	5.6	85.1
1979	69.1	5.5	84.6
1980	66.3	5.5	88.4
1981	66.6	5.9	89.9*

Figures Shown Are: Output (value added) of Agriculture, Forestry, Mining and Manufacturing Industries.

*Estimate

Source: IMF, OECD, Statistics Canada

Table 2

Whether GATT has failed us or we have failed GATT, the fact is that governments increasingly focus on bilateral problems, bilateral exchanges, bilateral trade balances. The multilateral approach — with its established institutions — appears to be not only more cumbersome but also less promising.

This move towards bilateralism, with its implied target of balancing trade bilaterally, carries with it the great danger of slowly undoing what has been achieved over the past decades through a system of a truly international distribution of labor and allocation of resources. We have not reached the point yet where it would be appropriate to speak of the "welfare losses of bilateralism" as opposed to the welfare gains of free international trade. Nevertheless, the threat to our international trading is real. Neither the apparent inability of GATT to bring about more liberal or more satisfactory trade agreements nor the obvious need for Canada to tackle trade issues with the United States on a bilateral basis should permit us to forget that bilateralism as a dominant world trading system would leave only losers, no winners. □

Arms control negotiation: two approaches

by J.D. Toogood

In the latter days of the Carter presidency and the early ones of President Reagan's, efforts toward arms control seemed to be at an across-the-board impasse and a low-key discussion developed in the arms control community as to how best to get them moving. Should a modest approach be taken in the hope that successful small steps might be achieved thereby fostering a climate conducive to more significant progress, or should more ambitious efforts be made from the outset? Whatever the merits of the cases on both sides, the Reagan administration concluded its lengthy review of arms control with the decision to seek "militarily significant" reductions and limitations.

One result of this decision was to change the familiar "SALT" to "START," the significant difference being the shift in emphasis from "limitations" of strategic nuclear arms to their "reduction." A rather less acronymically colorful consequence, but one that is at least as important substantively, was the proposed "zero option" for intermediate range nuclear weapons (INF) wherein the USA seeks the total elimination of that type of nuclear weaponry from the arsenals of both sides.

These two negotiations began last year. But the public discussion that preceded them as to whether to attempt an ambitious approach or one with more modest goals, at least at the outset, seemingly took little account of the fact that in the field of *conventional* arms control in Europe both were already in play, and had been for some considerable time. This remains so today. The two are to be found in the Conference on Security and Cooperation in Europe (CSCE) and the Mutual and Balanced Force Reductions (MBFR) negotiations taking place in Vienna.

The equations of deterrence

Western deterrence rests on three pillars: strategic nuclear forces, theatre nuclear forces, and conventional weapons. START and INF negotiations address the arms control dimension of the first two; MBFR and, in an oblique way, CSCE, address the conventional force dimension. However, these two fora themselves approach the arms control problem from quite different directions: the CSCE strives to "promote disarmament," as the goal is expressed in the Final Act of that conference, by the prior establishment of measures to build confidence. In MBFR, on the other hand, the agreed objective from the outset has been mutual reductions. True, so-called "associated measures" are part of the MBFR negotiating agenda but these are not intended only to build confidence. They are also,

and perhaps more importantly, the instruments to verify compliance with commitments undertaken to reduce and limit manpower. However, in neither CSCE nor MBFR has the process been exclusively modest versus ambitious: the modest seeks to become more ambitious and the ambitious has sought progress by becoming more modest. Thus neither has been static or unimaginative.

In MBFR there are two draft treaties on the table, of which one is more enterprising than the other; in CSCE efforts are currently underway to move from quite modest undertakings to something less so; and late in 1982 President Reagan proposed the addition of certain confidence-building measures to the rather ambitious USA negotiating position on nuclear arms reductions in Geneva. Thus it might be useful here to review the efforts that have been and are being made from the perspective of the "big step-little step" approach to arms control in Europe.

Mutual and Balanced Force Reductions

MBFR is an East-West bloc-to-bloc negotiation aimed at reducing the level of military confrontation in a zone of Central Europe. (West Germany, Belgium, The Netherlands and Luxembourg in the West; and East Germany, Poland and Czechoslovakia in the East. The status of Hungary has yet to be agreed.) At the outset in 1973 the West sought nothing less than the removal of a complete Soviet tank army including armaments, and a scheme of ground force manpower reductions by both sides, including non-Soviet and non-USA participants, that would lead to East-West parity of ground forces at a level of approximately 700,000 men each. For its part, the East proposed a scheme of manpower and armaments reduction in a combination of absolute figures (20,000 men) and percentages (5 percent followed by a further 10 percent of men and armaments).

On both sides, these were most certainly not modest goals and, in 1982 language, they were clearly "militarily significant." Over the first six years of the negotiations both sides made further proposals and counter proposals, all of which retained the common feature of striving for major

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Ambition versus modesty in goal setting

force reduction commitments from the outset. During those years, however, a problem unforeseen at the beginning of the negotiations emerged as the central issue dividing the two sides: disagreement over the existing strength of Eastern forces present in the reductions area (known in MBFR jargon as the "data discrepancy"). The figures tabled by both sides on Eastern manpower strength were vastly different and the West insisted that agreement would have to be reached on them before any reductions could be agreed.

USA vs. USSR replaces West vs. East

The deadlock that developed after 1976 on this issue caused the West to make a significant revision to its negotiating strategy toward the end of 1979. The immediate goal would be made much more modest in the hope of reaching an agreement that could pave the way toward the more ambitious aims that had been sought originally. To this end the West proposed in December 1979 that data agreement be reached on only Soviet and USA ground forces in the area, leaving non-USA and non-Soviet data to a later time; that initial reductions be confined to those forces only (13,000 USA and 30,000 Soviet); and that the issue of armaments reductions be set aside. Accompanying such a less venturesome first-phase agreement would be undertakings to continue negotiations towards the more ambitious goals of former times.

The East appeared to recognize that six years' experience suggested that a more modest objective should be established. In July of 1980 they tabled a proposal of their own analogous to the West's simplified approach but which, ominously, denied the need for any agreement on existing manpower strength in the reduction area. Thus, although East and West remained as far apart as ever on this and other important issues, both had recognized the potential for progress that might be found in a less ambitious negotiation as a first step.

But it did not work. The data impasse remained. In July 1982 after more than two years' frustration since that issue had been simplified, the West reverted to a more ambitious position, seeking a single stage agreement that would commit the sides to the reductions needed to reach parity in ground force manpower at approximately 700,000 and a ground and air force combined collective ceiling of 900,000, based on prior agreed manpower data on all the forces of East and West in the reductions area.

More complications? Or fewer?

Undeterred, during the spring negotiating round this year that adjourned at Easter, the East unveiled a proposal which in part seemed to attain the ultimate in simplicity: no agreement at all. Springing from the Declaration issued at the Prague summit in January 1983, the East proposed in the Vienna forum in February and March:

- a political commitment to freeze (unspecified) existing levels of forces on both sides pending an agreement;
- outside any treaty framework, United States and Soviet unilateral reductions "by mutual example" of 13,000 and 20,000 men respectively;
- an East-West undertaking to take unspecified reductions leading to parity at 900,000 men on each side.

There, pending the resumption of negotiations in late

May, matters rested. The official Eastern position still reflected the less ambitious notion developed by the West in 1979, whereas the position of the West reflected the initial approach that both sides espoused at the outset of the negotiations, seeking specified militarily-significant negotiated reductions.

Before leaving MBFR, though, it should be noted that the foregoing is not intended to be a description of other moves made by both sides over the years. It is instead only a selective account of those proposals that reflect the distinction between the ambitious or more modest attempts to seek progress in the negotiations. Some advances toward mutual ground have been made on certain discrete issues, but this progress has not been the result of the degree of optimism in any particular proposal in play at any given time.

Conference on Security and Cooperation in Europe

In considering MBFR, this article has had to be confined to an examination of negotiating approaches that have so far not been successful. In the CSCE this is not the case. Here one can examine the mandate (Final Recommendations of the Helsinki Consultations, 1973), the negotiated outcome, the record of implementation, and an effort to go further.

As mentioned earlier, the effort in the CSCE was from the outset modest: to build confidence in matters of military security that could lead to the attainment of more ambitious goals at a later time. The provisions within the mandate for the negotiators and the terms of the agreement reached both embody greater and lesser degrees of modesty.

Paragraph 23 of the CSCE mandate required that participants (thirty-three European states plus Canada and the USA) "submit to the Conference appropriate proposals on confidence-building measures such as the prior notification of major military manoeuvres . . . and the exchange of observers by invitation." Participants were also to "study the question of prior notification of major military movements and submit conclusions." Thus there were degrees of modesty: a consensus had to be reached on the notification of major military manoeuvres and an exchange of observers, but the notification of major military movements was only to be "studied" and conclusions advised. (The recondite distinction between a manoeuvre and a movement is fortunately not central to the theme of this article.)

Legislating the honor system

After two years of negotiations the outcome (Conference on Security and Cooperation in Europe Final Act, Helsinki 1975, Chapter 2 [I]) reflected these degrees of modesty and, indeed, refined them. Agreement was reached that it would be obligatory to notify in advance any military manoeuvre of 25,000 troops or more within an agreed area. The notification had to contain certain information and additional information would be given "if possible." It was agreed that participants "may" notify smaller scale manoeuvres, and "may" notify other military manoeuvres. Observers were to be invited "voluntarily," with it being left to the inviting state to determine "procedures and conditions" and to give information "*it may consider useful*" (*italics mine*). The result of the study of notifying major military movements was a recognition that states

Ambition versus modesty in goal setting

"may at their own discretion" make such notifications, but no parameters were stipulated.

It is interesting to note, eight years later, the record of implementation of this range of obligations. At the two meetings that have been held so far to review the implementation of the Final Act of Helsinki, it was acknowledged that all signatories had abided by the sole obligatory confidence-building measure, i.e., notices had been given of all major military manoeuvres. What, then, of the more permissive provisions? Additional information had been included in some notices by states belonging to NATO, as well as some of those made by neutral and non-aligned states, but not in those issued by Warsaw Treaty signatories. Some smaller scale manoeuvres were notified, but again not by members of the Warsaw Pact. No state has yet notified a major military movement or an "other" manoeuvre. Observers were invited to some manoeuvres by states of all three groupings (NATO, Warsaw Pact, neutral and non-aligned), but the procedures and conditions stipulated by host states varied greatly: Warsaw treaty hosts were particularly hospitable socially, while at the same time exercising considerable imagination in ensuring that opportunities for meaningful observation were minimized. Western hosts were much more forthcoming on the professional aspects of observing military activities.

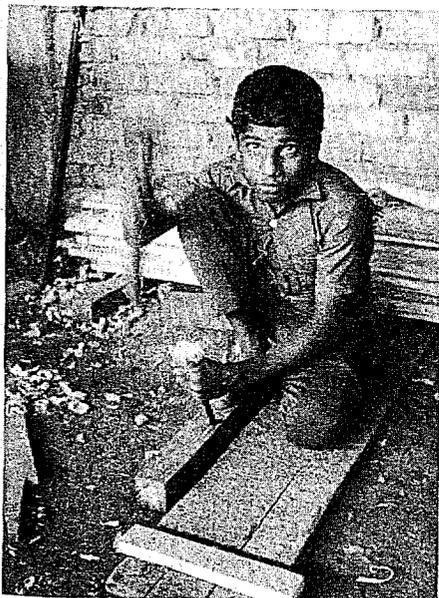
Notwithstanding this rather spotty record of implementation — indeed, perhaps because of it — all CSCE signatories appear to be willing, and in some cases eager, to try to develop the military confidence-building commitments further. The second CSCE Review Meeting may still be in session in Madrid when you read this, but it is widely known that all participants support one version or another of differing draft mandates for a Conference on Disarmament in Europe (CDE). Such a conference would, at least at the outset, focus on the negotiation of further measures to build confidence and, again as a reflection of the record

of implementation, it seems widely accepted that those measures would all be obligatory. Moreover, as a further demonstration of a desire to be somewhat less diffident, the measures to be considered will have the appellation "confidence and security building" measures. This revision from the previous "confidence building" alone suggest that unlike their predecessors whose purpose was, as noted above, to lead to more ambitious goals, the new measures will be intended themselves to build security, as well as confidence, in the course of striving for future disarmament.

Ambitious or modest?

There is a need to be cautious about drawing conclusions from the foregoing, because factors unrelated to whether an approach is ambitious or modest frequently account for progress or a lack of it. Certainly such outside factors were instrumental in forestalling a breakthrough in MBFR when the West reverted to a less ambitious proposal in 1979, but supporters of the modest school of arms control endeavors could well argue that it was still too far-reaching. However, the negotiated outcome of the original mandate of the CSCE, as well as the record of implementation, indicates that there is a minimum level of modesty. Any undertaking below that level is, for practical purposes if not political ones, ineffectual.

Today, the agendas of the four East-West negotiating fora (START, INF, MBFR, CSCE) span the full range of ambition. It may well be that this simultaneity is coincidental, but the efforts to reach any arms control agreements at all are so very difficult that it is no doubt useful to keep plugging away at both ends of the scale of approaches and, indeed, to hope that both might succeed. And while doing so one can observe with some interest the positions as they evolve in both conventional fora as well as in nuclear arms reductions negotiations. □



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China and "Trilateralism"

by Ronald C. Keith

The persisting Soviet initiatives for normalization with the People's Republic of China (PRC), and the interested, but cautious response of the Chinese raises some important questions as to the evolving trilateral geometry of US-PRC-USSR strategic relations. Most worrying in terms of the prospect for world peace is the possibility of global strategic cooperation between any two of the parties against the third. It is perhaps comforting to note that both the Chinese and the Americans in their normalization of 1972-79 formally renounced such "trilateralism," or triangular diplomacy, as inconsistent with their respective national interests, thus the US and the PRC each specifically dissociated the process of normalization from its own bilateral relations with the USSR.

The mere mention of the possibility of Sino-Soviet normalization might, nonetheless, in the minds of some observers invoke the spectre of the Sino-Soviet cooperation of the early 1950s in the global struggle against capitalism. However, an emphasis on Sino-Soviet bilateralism would also appear to be in the interests of all parties concerned. The current Chinese rejection of the "trilateralism" explicit in the Western card analogy ("playing the Chinese card") of Peking-Washington-Moscow relations combines, for example, an ideological attack on "imperialism" with a shrewd and pragmatic conception of national security. In that conception the Chinese stress independence and self-reliant action, as opposed to the seeming restraints and entanglements of formal alliance systems. This practical orientation is consistent with their rejection of "imperialism" in the Third World.

Three worlds

The ideological rationalization of Chinese foreign policy on the basis of Teng Hsiao-p'ing's exposition of Mao Tse-tung's "three worlds theory" has meant that both the US and the USSR have been relegated to the "First World," wherein only imperialisms reside. This theory, however, does allow for momentary political cooperation with the lesser of the two "superpowers" at any given time, but precludes global strategic cooperation with either of them. Furthermore, while the same theory highlights the expansion of China's international relations with the "Second World," which includes Japan, Canada and the Western European countries, it places the greatest emphasis on China's relations with Third World countries. This last emphasis is sometimes underestimated, but China's stance

against "imperialism" in the Third World should not go unnoticed, as it correlates with China's rejection of "trilateralism."

Two hegemonies

The Chinese have of course denounced the militaristic expansionism of an entwined Soviet "hegemony" and a Vietnamese "regional hegemony" in Southeast Asia. However, in the developing context of Sino-American disagreement over the US-Taiwan Relations Act of 1979 and the continued sale of defensive arms to Taiwan since 1980, the Chinese seem to be applying their principle, "Deeds are more important than words," to American as well as Soviet international behavior. In fact the Chinese have rhetorically likened this Act to the "Brezhnev Doctrine" because of its apparently blatant disregard of the sovereignty of states.

That the Chinese would even consider normalization with the Soviet Union must come as a surprise to those who have tended to see Chinese foreign policy exclusively in terms of China's struggle against Soviet "hegemony." The conception of China as totally and globally opposed to the USSR does not, however, exhaust all the possible dimensions of Chinese policy. The Chinese would like the Soviets to demonstrate their good faith by "deed" and in particular to reduce their troop levels on the Sino-Soviet border, but they would also like the Americans to demonstrate their good faith by honoring the commitments given in the joint Sino-American communiqué of August 17, 1982, regarding the reduction of arms sales to Taiwan.

The new Party Secretary-General, Hu Yao-pang, reiterated this latter point at the first session of the National Party Congress in September 1982. During the recent visit to Peking by Secretary of State Shultz in February 1983, there was some surprise over Chinese rancorous remarks concerning American "hegemony." Such remarks are not new in the articulation of the Chinese position in the Third World. The US was placed together with the USSR in the "First World" of Mao's "three worlds theory" in the early 1970s at the very start of the process of Sino-American normalization. Under this theoretical regime, China has been consistently identified as a Third World country which "... will never seek hegemony." The Chinese emphasize their principles of "equality and mutual benefit" and "self-reliance" in conscious opposition to balance-of-power politics, which are described as antithetical to Third World aspirations for national self-determination. More recently in the context of the Cancun conference of October 1981, and during his visit to several African countries in

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late December 1982, Premier Chao Tzu-yang stressed the primacy of Third World relations in Chinese foreign policy. Within the Third World the Chinese have opposed American positions on the Law of the Sea and the New International Economic Order and have clearly dissociated themselves from US positions relating to South Africa, Central America and the PLO.

Trilateralism or bilateralisms

Despite these arguments some observers may still wish to suggest that regardless of the formal protestations of Chinese leaders, the Chinese have historically been very adept at managing trilateral relations. This argument will recall the 1950 Sino-Soviet Treaty of Friendship and Mutual Assistance as a good example of "trilateralism." See Figure 1.

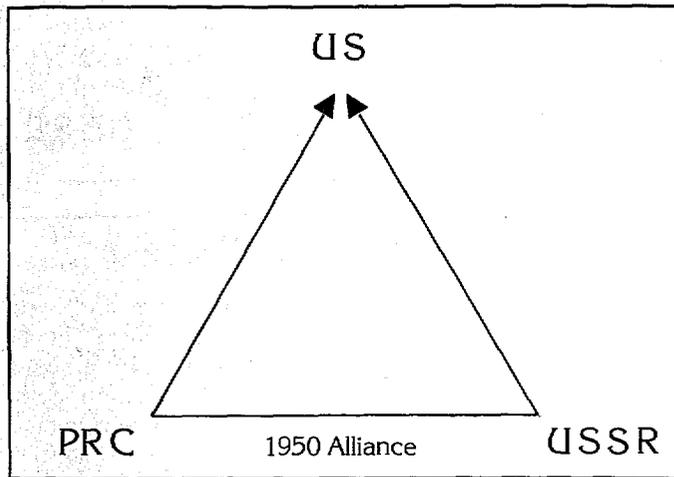


Figure 1. Cold War "Trilateralism"

Such an interpretation, however, must also take into account the history of the underlying tensions in the Sino-Soviet alliance of the early 1950s and the later Chinese view of the Soviet failure to honor their treaty obligations.

The Sino-American negotiations of the early 1970s were predicated upon a mutually-agreed upon "bilateralism," despite Chinese apprehension over Soviet military pressure on the Sino-Soviet border. China would not be played as an American "card" against the Soviet Union, and the Americans for their part preferred a Sino-American bilateralism which would not disrupt the progress of détente and SALT. Graphically this is illustrated in Figure 2. The dotted arrows, indicating strategic flexibility and bilateralism, take into account the historical Sino-American attempt to avoid explicit strategic cooperation which could be construed as an attempt to exploit the obvious opportunity for trilateralism inherent in the Sino-Soviet dispute.

Despite official State Department pronouncements favoring "bilateralism," US political analysis of the late 1970s focused on an apparent imbalance in East-West relations and often speculated on the possibility of strategic cooperation with China as a "quick fix," or adjustment for the Soviet-American geopolitical imbalance. The Carter administration just as persistently affirmed that the US's China policy was not to be taken as a function of US relations with the Soviet Union, and that "triangular diplomacy" was not "an adequate framework in which to view our relations with China." Furthermore this administration

denied that there was any understanding as to a strategic "division of labor" in Southeast Asia.

American moves

The media and some scholars, nevertheless, interpreted Harold Brown's visit to Peking in January 1980, and the decision to sell nonlethal military equipment to China, as well as the granting of most-favored-nation status to the PRC as anticipating the "quick fix." This is graphically illustrated in the solid lines of strategic antagonism in Figure 3. But on the Chinese side, even while there was a growing alarm over the entwining of Soviet "hegemony" and Vietnamese "regional hegemony" in Southeast Asia, there was no attempted "trilateralism." Teng Hsiao-p'ing in Washington on January 30, 1979, stated simply: "We do not need an alliance."

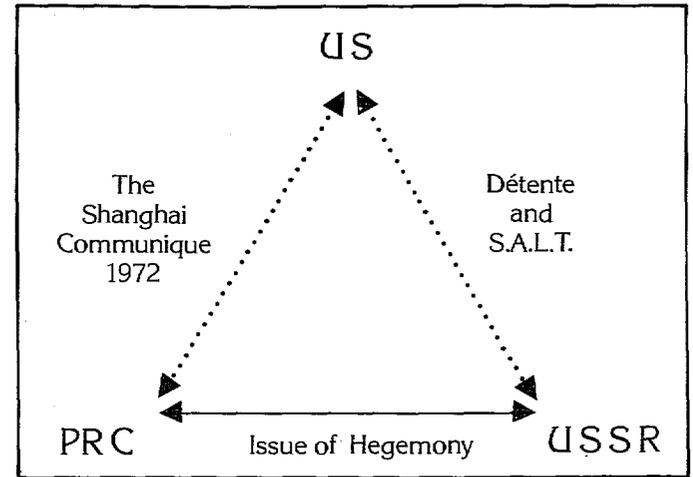


Figure 2. US — P.R.S. Normalization

The Chinese harbored no illusions and knew that Washington would not become involved in yet another traumatic experience in Vietnam, and with utter disregard for Soviet-Vietnamese treaty relations, the Chinese com-

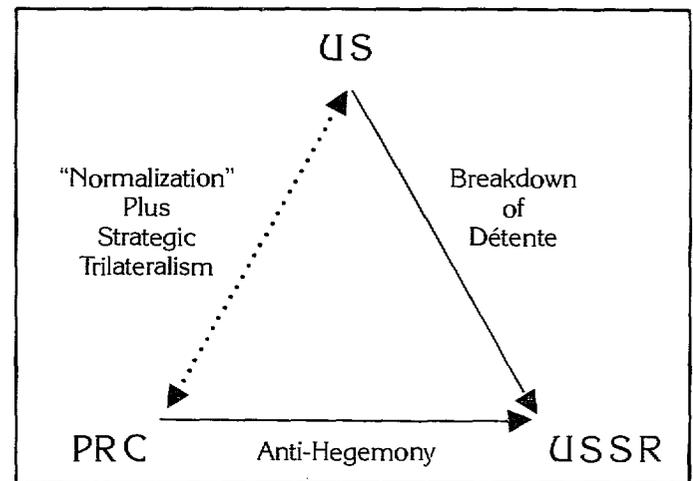


Figure 3. The "Quick Fix"

mitted their forces to battle in North Vietnam. The Chinese "counter-attack in self-defence" stopped at Langson, and the Chinese only threatened Hanoi. The Chinese leadership deliberately drew a parallel with the Sino-Indian border war of 1962, hence the "counterattack" was not a general offensive, but a "deed" which was calculated to

China and the Cold Warriors

demonstrate China's resolve with respect to an apparently threatening "regional hegemony."

Despite American feelings about "parallel strategic interests," the practice of normalization proved to be difficult as the Chinese insisted on distinguishing American "words" and "deeds." Despite the "words" of the December 1978 joint communiqué, the US Congress passed a revised version of the Taiwan Relations Act, which was obviously a political sop to domestic pro-Taiwan sentiment. The Chinese still continue to see this Act as contrary to the principles of normalization, as set forth in the 1972 and 1978 communiqués.

In January 1980 President Carter, in an attempt to silence his critics on the right, lifted his moratorium on arms sales to Taiwan, and the Chinese protested such sales as an extension of the traditional "two Chinas policy." While the advocates of the "quick fix" speculated as to the possibility of increasing Sino-American military exchange in the context of the crisis over Soviet intervention in Afghanistan, the Chinese persisted in an exposition of Mao's "Three worlds theory," which made no allowances for an extensive military exchange with "imperialism." The intransigence of the Reagan administration was seen in China as undermining the initiatives of the PRC for a peaceful reunification of Taiwan with the mainland and as undermining the Chinese strategic position vis-à-vis Soviet hegemony in the East Asian region.

Problems for USSR

Unfortunately, American policy has yet to come to terms with the Chinese historiography of "imperialism" as an important element in Chinese foreign policy. Even if the Soviets decide to commit themselves to an apparently strategically-expensive concession on the Sino-Soviet border, the Afghan and Kampuchean questions will remain as major stumbling blocks in the way of successful Sino-Soviet normalization. Even if the optimal geometric pattern for

international peace, as suggested in Figure 4, should become a reality, both the US and the USSR are very likely to remain in Mao's "First World," as the Chinese will likely continue to identify China as a Third World country, seeking independence from "superpower" politics.

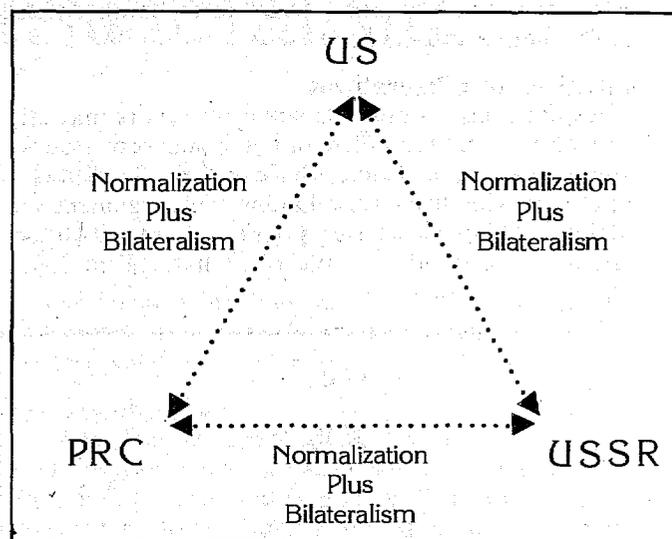


Figure 4. Security Through Bilateralism

The Chinese emphasis on independence and "self-reliance" would seem to preclude "trilateralism" in the form of global strategic cooperation and to favor an equilateral politics based on bilateralism. This orientation was summed up by Premier Chao Tzu-yang, who, in conversation with Prime Minister Thatcher, disputed the conventional wisdom explicit in the familiar card-playing analogy of Peking-Washington-Moscow relations: "We will not play the Soviet card against the US, or the American card against the Soviet Union, or allow any country to play the China card." □

MY FATHER, MARCONI



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Book Reviews

Weighing the Commonwealth

by Arnold Smith

The Commonwealth Experience by Nicholas Mansergh. Revised edition in two volumes. Toronto: University of Toronto Press, 1983, two volume set \$50.00 cloth, \$25.00 paper.

The British built up a vast empire, so a wit once asserted, in prolonged fits of absence of mind. Be that as it may, there can be no doubt that the development of the Commonwealth of Nations has been the product of a series of very conscious proposals and decisions by hardheaded and forward-looking statesmen. In 1969 a distinguished British scholar, at the time Master of St. John's College, Cambridge, published an account of this process from the mid-1830s to the early 1960s. It was a brilliant work, "a definitive judgment" on the Commonwealth idea and experience, as *The Economist* put it at the time, "in a single Gibbonian volume"; written, in the words of the *Glasgow Herald* "with style, wit and edge." As the author explained in his preface its object was not detailed narrative but interpretation and analysis against a chronological background. It was a great scholarly contribution — broad, penetrating, balanced — a masterly volume in the *History of Civilization* series published by Weidenfel & Nicolson under the general editorship of Sir Ronald Syme.

Nicholas Mansergh has now brought out a revised edition in two volumes: the first subtitled "The Durham Report to the Anglo-Irish Treaty," the second volume "From British to Multiracial Commonwealth." For the period up to the early 1960s covered by the first edition this new one is even better, albeit marginally so. The preface to the Second Edition, dated December 1981, begins by explaining that "in the decade since the first publication there have been significant additions to our knowledge and understanding of Commonwealth development and history." It goes on to refer to the opening of the official archives of the principal Commonwealth governments under a thirty year or similar rule, and some other publications of the decade including the diaries of Mackenzie King in his later years.

Changes since First Edition

"The decade since first publication has further witnessed developments," the preface to the Second Edition continues, "which, so it seems at this slight vantage point in time, must necessarily add to the Commonwealth experi-

ence. They include Britain's accession to the Common Market, changes in membership of the Commonwealth, what might be thought of as the climax of the process of decolonisation, the resolution of the Rhodesia-Zimbabwe question."

There are a few paragraphs on each of these developments, always penetrating or pungent — but the reader, or at least this reviewer, regrets that Mansergh did not take the time and space to go further. On the EEC he quotes Heath's statement in October 1971 that Britain's renewed application by no means meant that there was any substance in the allegation that membership would mean that Britain would become increasingly "inward-looking." "Yet the probability remains," Mansergh comments, "that such reassurances may stand less well the test of time than Professor J.D.B. Miller's verdict that 'the importance of the EEC lay in Britain's turning away from the open sea towards the narrow seas.' Were this indeed to be so [it would] remove the fundamental objection de Gaulle had advanced to Britain's Common Market membership. But by the eighties another possibility, envisaged by neither, forced itself into consideration, namely that Britain disappointed in her high expectations in terms of political economic groupings might turn away from the open and the narrow seas alike."

Mansergh's summary of the Rhodesia-Zimbabwe crisis is slight but fair, though he makes no reference to "Oilgate" or the sanctions-busting scandal or British Petroleum's curious role. He is kind about the Commonwealth Secretariat and a "succession of Secretaries-General who by their own enterprise, in conjunction with force of mainly African circumstances, ensured the centrality of the Secretariat organization . . . to the Commonwealth. Without its timely coming into existence it is in question whether the African Commonwealth would have survived the traumas of the Rhodesian crisis."

Surprising omissions

There are surprising omissions in Mansergh's consideration of the thirteen years between the first edition in 1969 and 1982 when the revised edition appeared. There is, for example, no mention of the Heath Government's plan to sell large quantities of arms to South Africa, or of the Singapore meeting of Heads of Government which agreed, in effect, to drop the whole silly idea. (To try to counter Soviet naval build-up in the Indian Ocean and the South Atlantic by a stepped-up alliance with South Africa which would inevitably alienate virtually every other government and people on the shores of both these mighty bodies of water was strategic lunacy.) There is no mention of the

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withdrawal of Pakistan, though there is a brief reference in a footnote to the entry of Bangladesh.

There is no mention of the periodic two-yearly meetings of Commonwealth Law Ministers started in 1965, of the periodic meetings started later that same year of Health Ministers, or of the meetings of ministers with various other portfolios who meet to consult and devise, where possible, cooperative solutions to common problems. There is one reference to a meeting of the Commonwealth Economic Consultation Council in Accra in 1961 where strong and intemperate opposition was expressed to Harold MacMillan's belated desire to join the EEC. But there is no other reference to the meetings of Commonwealth Ministers of Finance, which take place annually, usually in the week preceding the Governors' (i.e., ministerial) meetings of the World Bank and the International Monetary Fund. Yet these meetings are increasingly important in providing an opportunity to explore possible compromise or other solutions to issues on which the rich western and the more numerous and poorer Third World countries are apt to disagree, often to the detriment of all. There are lots of opportunities for informal caucussing among the rich (the OECD and IMF's "Group of Ten," for example) and lots where developing countries can caucus: the so-called Group of Seventy-Seven, the Non-Aligned meetings, the OAU and other regional bodies. The Commonwealth is significant in being one of the few bodies which provides opportunities for informal caucussing among significant members of virtually all regions, races and economic levels. This can be valuable in lessening the real dangers of a retreat into continental isolationisms and alienation. That is one of the reasons I did what I could, in the mid-1950s, when I was Canadian Minister in London, as well as from 1965 on to 1975 when I was Secretary-General of the Commonwealth, to persuade the British to join the EEC and the Caribbean Commonwealth countries to join the Organization of American States.

There is no mention of the Commonwealth Fund for Technical Cooperation, probably the most cost-effective multilateral technical assistance organization, though there is a single reference to the Colombo Plan and later "adaptations of it in Africa." There is no reference to the Commonwealth Foundation established by Heads of Government in 1966, though the sentence referring to the Colombo Plan and the 1959 education conference in Oxford also mentions that there has in recent years been "collaboration between professional organisations and interchange of many kinds," without further elaboration.

The book concludes — virtually exactly as did the first edition — with an analysis of British public opinion's disenchantment with the Commonwealth. "Neither militarily, economically, nor even perhaps politically, could she [Britain] any longer provide, as in earlier years, the solid material basis of Commonwealth or retain, in consequence, her earlier predominance and influence in the shaping of policies. What then was to be her attitude towards it?" Mansergh draws a parallel between Paul Renaud's criticism of General de Gaulle — "Il a voulu que la France soit à la tête de l'Europe, et il n'a pas voulu l'Europe." "That also," Mansergh continues, "had been the underlying British attitude to Commonwealth, her governments desiring leadership, but lacking consistency of purpose in willing a Commonwealth. With leadership to be earned, not conceded, what attitude was to be taken? Even

the posing of such questions, whatever might be the answers to them, indicated that for Britain the age of faith in Commonwealth had drawn to its close." When I was working in Marlborough House, the gorgeous headquarters of the Commonwealth Secretariat, I sometimes told British friends that the attitude implied by sections of their public opinion — "If I can't always be captain of the team I won't play" — was singularly un-British and socially shortsighted. I felt confident that such a silly attitude could be changed. I still do.

The nature of major problems of world politics has changed. Until 1945 the most dangerous issues were relations between nation states in Europe, and the old Commonwealth, though important, was peripheral to them. The most vital problems from here on for a generation or two are in the area of North-South relations. The multiracial Commonwealth is showing itself to have increasing relevance and potentialities to help resolve some of the key North-South issues. But Mansergh seems to have become rather pessimistic. I do not think we can afford pessimistic resignation.

This book is so good, up to say 1960, that one wishes it were better on more recent issues and on those of the future.

*Arnold Smith is a former Canadian diplomat living in Ottawa. From 1965 to 1975 he was Secretary-General of the Commonwealth. The book on his Commonwealth experience is entitled *Stitches in Time: The Commonwealth in World Politics*. It was reviewed in the March/April issue of *International Perspectives*.*

A glut of oil politics

by Jennifer Lewington

Canada's Oil and the American Empire by Ed Shaffer. Edmonton: Hurtig Publishers, 1983, 296 pages, \$27.95 cloth, \$14.95 paper.

"Energy isn't sexy anymore," I was warned in late 1981. Just a few months before, the federal and Alberta governments had ended their holy war on energy, promising harmony for the next five years. World oil prices, having taken off like a jumbo jet in 1979, were at cruising altitude and, if anything, had started nosing down.

But stability in energy politics is a short-lived affair, and energy is "sexy" in a different way today. Now Ottawa and Edmonton no longer squabble over who will profit the most from future high and rising oil and natural gas prices assumed by the 1981 deal. Instead, three years before the pricing agreement expires, the two principal energy players are having to patch over the worst cracks caused by declining world oil prices. Canada, as one wit noted, is the only Western country which secretly prays for a blow-up in the Middle East to prop up oil prices, and with it, Canadian energy policy.

In Canada, energy has been the stuff of high politics for a decade, ever since the first Middle East oil price

shock. Like much of our economic history, energy here is an East-West conflict, worsened of late by the West having practically no voice in the governing Liberal party. Foreign ownership adds a special flavor to the conflict, since fear of growing United States control over a prosperous sector, essential to a strong, independent economy, is rooted in the consumer heartland of central Canada. Not least, prices — up or down — guarantee that oil and natural gas will be stage-centre as East battles West over the degree to which Canada should be insulated from world trends.

In *Canada's Oil and the American Empire*, Ed Shaffer, an economics professor at the University of Alberta, illustrates how petro-dollars make for powerful politics. The author, who acknowledges financial assistance from the federal energy department in preparing his book, charts the enormous influence of the US government and American multinational oil companies on oil developments over the past thirty years. He also chronicles the way in which the US and its multinationals have shaped Canadian energy policy since the early 1960s. The 1961 National Oil Policy, he says, was a product of American government and corporate opposition to construction of an oil pipeline to Montreal. The policy insured that western Canadian oil went as far east as the Ottawa Valley, reserving Quebec and the Maritimes for imports supplied by the foreign firms. At the same time, oil exports to the US jumped 200 percent between 1961 and 1969. "What had been dubbed a 'National Oil Policy' really turned into a 'Continental Oil Policy' with Canadian oil production becoming increasingly dependent on US markets," he concludes.

Then, Professor Shaffer argues, by the early 1970s Canada began to fight back with nationalist economic policies. He credits Ottawa, described as the "national bourgeoisie," with a concerted effort to stem the tide of US corporate imperialism, starting with the Foreign Investment Review Agency in 1974. With the advent of petrodollars in 1973-4, Ottawa was losing out rapidly to the West and the foreign multinationals on a rich and powerful economic tool. So the government created new tools (Petro-Canada in 1975 and the National Energy Program in 1980) to right the balance.

However, Professor Shaffer's thesis is misleading in portraying the federal government as having a consistent economic philosophy on energy and economic policy in the 1970s. Both FIRA and Petro-Canada were products of a minority Liberal government in which the economic nationalist New Democrats held the balance of power in Parliament.

True, the National Energy Program was "the most decisive step the national bourgeoisie had taken to assert its dominance in the field of energy." But the description underplays how the NEP was driven in large measure by Ottawa's need for petro-dollars. Wrapped in the NEP flag of nationalism, Ottawa won a bigger piece of the oil revenue pie and, as well, the public relations war with Edmonton.

In all, Professor Shaffer seems to accept the federal "line" on energy policy too readily. It would have been preferable had he explored the implications of the first Ottawa-Edmonton energy war of 1974-5 for the second war which developed in 1979-80.

The energy debate of the past three years has been too polemical; even with Professor Shaffer's book, the reader is left hungry for some solid morsels of energy analysis.

Unfortunately, he misses one great irony of the NEP: those who suffered least from its effects were the foreign multinationals. Canadian oil companies, encouraged to buy up foreign firms at peak prices, became over-extended when oil prices collapsed. It is a pity, too, that Professor Shaffer only wrings his hands over the use of oil as a political weapon. A more fruitful line of inquiry would look at how, in an oil price slump, the energy power balance between Ottawa, the provinces and the Americans is changing again and, in so doing, rewriting energy policy.

Jennifer Lewington writes on energy and business topics in Ottawa for The Globe and Mail's Report on Business.

Reforming the IJC

by Thomas Keating

The International Joint Commission Seventy Years On edited by Robert Spencer, John Kirton and Kim Richard Nossal. Toronto: University of Toronto Centre for International Studies, 1981, 158 pages, \$10.00.

Anniversaries, particularly those that celebrate many years of service, are momentous occasions. They are an opportunity to reminisce and to contemplate the future. It was appropriate that the seventieth anniversary of the Boundary Waters Treaty was marked by a conference at which sixty scholars and practitioners from Canada and the United States considered the work of the International Joint Commission. Convened by the Centre for International Studies at the University of Toronto, the participants reviewed the historical record and assessed the future role of the IJC, the oldest and most successful bilateral institution. The volume under review here brings together a selection of papers and speeches presented at this conference. It is no doubt a credit to the work the Commission has performed through the years, that much of the book is devoted to its future role in handling the complex trans-boundary water use and environmental issues which are of paramount importance today, just as they were over seventy years ago.

The articles by N.F. Dreisziger and the late William Willoughby provide an historical context for the discussion of reform which follows. The former reviews the negotiations which led to the signing of the Boundary Waters Treaty while the latter examines the Commission's use of its administrative, quasi-judicial, arbitral and investigative powers. Both accounts reflect the tension between the ideal and the possible which has confronted the Commission throughout its history. It is a theme which reappears in the articles by John Carroll, Don Munton and Maxwell Cohen in addressing the issue of reform. These articles present an interesting contrast of concerns and opinions. Cohen, as one would expect from a former Chairman of the IJC, discusses the practical problems confronted by the Commission, including such things as the time and travel demands placed on part-time commissioners, the lack of sufficient financial resources for the technical expertise required, and the ad hoc approach which both govern-

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ments have taken towards the appointment of commissioners. This last problem is evident in the Canadian government's delay of nearly two years in naming a Canadian Co-chairman for the Commission. While the appointment of Blair Seaborn to this office in December 1982 is to be applauded, the delay reflects a lack of commitment on the part of the Canadian government to the work of the Commission.

Carroll and Munton discuss the issue of reform from a somewhat broader perspective. Carroll views reform as necessary if the IJC is to deal effectively with the environmental problems of the future. He argues that the Commission should be strengthened by giving it expanded powers to initiate investigations and to provide it with a greater degree of independence from policy makers in both countries. He also advocates an expansion of the Commission's mandate to encompass other issue areas such as fisheries and communications. Munton, on the other hand, urges a more cautious approach to reform. The emphasis, in his estimation, should be on the possible rather than the ideal given the political and organizational realities. In his view "the causes [of inadequate environmental programs] are not the institutions but the underlying political priorities and public values." Attempts to expand the powers of the Commission or to politicize its activities are unlikely to be successful in the face of governmental opposition. The importance of this overriding political environment is the central thesis in a speech which the late Marcel Cadieux presented to the conference and which is reproduced in this volume.

The IJC faces an uncertain future. The problems with which it has wrestled in the past continue to plague bilateral relations. While the Commission has performed an essential service its capabilities will be rigorously tested in the future. Reforms may be necessary and this book provides an excellent starting point for the discussion. The editors are to be commended for bringing this debate to a wider audience. As most of the contributors to this volume have noted, much of the future work of the IJC will depend on the attitudes of policy makers on both sides of the border. The authors' optimism is guarded.

Thomas Keating is in the Political Science Department at Carleton University in Ottawa.

After Euro-Communism

by Constantine Melakopides

New International Communism; The Foreign and Defence Policies of the Latin European Communist Parties
by Lawrence L. Whetten. Toronto: D.C. Heath and Company, 1982, 262 pages, \$33.75.

Since the Eurocommunist initiatives of the mid-seventies, the communist parties of Italy, France, Spain and Portugal have affected dramatically the world communist movement and the direction of government policy in Latin Europe. There are now rumors that Eurocommunism is moribund, and that a new internationalism will supplant it. Regardless of how exaggerated the former may be, some old questions about Latin Eurocommunism will persist:

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should non-Communists believe in Eurocommunist assurances of respect for pluralism, in the authenticity of their tolerance for NATO and in the sincerity of the condemnation of Soviet expansionism? Exactly who are these Communists and do they warrant our trust?

The answers of Professor Whetten's serious and balanced — if at times tedious — study are premised on a hypothesis. This is that the security and foreign policies of the four parties are far more self-revealing than are the domestic platforms — if only because the myth of Eurocommunist uniformity is thereby refuted and because it is here that these parties aim at their electoral legitimacy in their pluralistic political cultures. Hence the book discusses their views on "high policy" (i.e., defence and foreign policy), within their framework of inevitable ideological paradox and tension. For the four parties must reconcile vested interests in nationalist commitment with duties towards proletarian internationalism. Put otherwise, they must fight elections (but not in revolution) as "Communists," while being neither servile to the CPSU nor blind to Soviet expansionist threats, but being both credible to their constituencies and antagonistic to Soviet monolithic hegemonism.

This conscientious book contains no major surprises or new insights, but it documents quite eloquently what one suspected. For instance, we knew that the Italians and the Spanish (but not the French or the Portuguese) Communist parties subject the Soviets to a persistent critique of their aggressive and therefore anti-internationalist behavior. But few really know the antecedents to the formation, and the precise formulation, of this critique. Similarly, there is here ample verification of four stereotypes: the Italian Communists are the most reliable, marked by imaginative consistency; the CP of Spain aspires to the status of the Italian party; the Portuguese Communists border on neo-Leninism, if not neo-Stalinism; and the French have opted for calculated oscillation. But by revealing their views on security, defence, NATO, détente and disarmament, Whetten has introduced a telling criterion for the self-definition of these parties. Finally, he contributes to our understanding of their current thinking on East-West problems and intimates that nationalism remains more inspiring to communist revisionists than does orthodox internationalism.

Constantine Melakopides is a Research Associate in the Centre for International Relations at Queen's University in Kingston. He contributed an article on the new government of Greece in the March/April issue of International Perspectives.

Looking for trouble

by Val Sears

Border and Territorial Disputes edited by Alan J. Day
for Keesing's Reference Publications. Detroit: Gale Research Co., 1982, 406 pages, \$US75.00.

Nothing is so certain to irritate a nation state as a neighbor treading on its territory. Or at least what the

aggravated nation insists is its territory. At the beginning of June last year — when this volume from the admirable Keesing reference series was published — there were three major wars in progress in different parts of the globe, each demonstrating in its particular way this less-than-novel observation.

In the South Atlantic, Britain was wresting the Falkland Islands back from the Argentine invaders (or liberators). In the Arabian Gulf Iran was fighting with Iraq which was pressing territorial claims. And elsewhere in the Middle East the century-long Arab-Jewish struggle was continuing in Lebanon.

But while these disputes were hottest, it is evident from the 388 pages necessary to describe them, that there were a whole lot more touchy territorial areas around the globe.

Editor Day's purpose is clear enough: "... to present concise accounts of currently unresolved border and territorial issues between states around the world, arranged

alphabetically in five sections covering broad geographical areas." Each account seeks to explain the historical background of a dispute as well as covering recent exchanges and negotiations between the parties. The areas covered are all on land; Day says maritime boundaries and jurisdictions are an increasingly complex question which would require a whole new book. While many of the disputes are familiar — Cyprus, Poland, Gibraltar, Diego Garcia, Mongolia — there are potential flash points little known. Japan, China and Taiwan are all in a fever over the Senkaku Islands; France and Mauritius over Tromelin Island and everyone wants a piece of Antarctica.

For foreign correspondents writing about such places, foreign service officers analyzing them or anyone who simply wants to know where World War III might start, this volume ought to be handy on the shelf.

Val Sears is an Ottawa correspondent for the Toronto Star specializing in foreign affairs.

Letters to the Editor

Sir,

One may argue about the merits of a specific article in any publication — this is a matter of opinion, and you as Editor are entitled to select writings that appeal to you. However, in a publication which has close ties with the Department of External Affairs, the cartoon showing President Reagan with a gun (page 18, March/April 1983 issue) is in extremely bad taste. An apology is in order to your readers who feel embarrassed because of this lapse of judgment.

L.F. Thomay
Montreal, Que.

International Perspectives is an independent journal of opinion on international affairs and Canada's involvement in them. The views expressed belong to the contributors or to their organizations, not to International Perspectives..

Editor

New and Noteworthy

The British Between the Superpowers 1945-1950

Elisabeth Barker

What forces compelled the British to turn away from the Russians as peacetime partners, give up the idea of an independent 'Third Force' role in world affairs, and throw themselves (with extremely mixed feelings) into the arms of the Americans? Using newly released documents, Barker identifies the political, economic, strategic, and psychological factors behind the British actions and reviews the impact on the Labour government of splits within the party over relations with the superpowers. \$20.00

Politics in Britain

AN INTRODUCTION

Colin Leys

This volume presents a concept of politics as the struggles of a people to determine its collective fate. Leys argues that the productive base on which British liberal democracy has rested in the past has been eroded to a critical point, so that right- and left-wing alternatives to it have ceased to be purely theoretical possibilities. He proceeds to consider the distinctive character of capital and labour, changes in the class system, political parties, the development and contemporary organization of the state, and scenarios of the future advanced by right- and left-wing writers.

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IN WASHINGTON, LONDON, AND OTTAWA

Colin Campbell

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James Eayrs

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\$45.00 cloth, \$17.00 paper

UNIVERSITY OF TORONTO PRESS

Planning for the future: what kind of world are we developing?

by Allan Thornley
Information Officer, CIDA

The Chinese symbol for *crisis* combines the ideograms for *risk* and *challenge*. If every crisis contains the seeds for both disaster and opportunity, then indeed we have the good or bad fortune to be living in interesting times.

While global economic downturn has made life difficult for almost everyone, the down side of that crisis looks somewhat different, according to the observer's perspective. Viewed from an industrialized country, it is a question of arrested growth, with all the unpleasant consequences this implies — lost jobs, high deficits, cutbacks and retrenchment in many areas of life, even the threat of deindustrialization. Seen from the Third World, the current troubles are still grimmer — poverty, hunger, debt, and the threat of national bankruptcy and social breakdown.

These two perspectives, however, reveal only facets of the global problematique, only some partial manifestations of a much broader dilemma. On a planet of limited size, with finite resources, total population is increasing rapidly (in some countries, doubling in only twenty years), while the most basic human needs often go unmet; in other places, population growth has been checked, but the life-style and expectations of the people put a heavy burden on the earth.

Combined, the needs or demands of the poor and the rich cast a huge question mark over the future. What are the chances for the two groups to survive and prosper? How can their claims be reconciled, and what kind of world do we need to develop?

Global constraints

Once — it seems so long ago! — the progress of world development appeared simple and certain. It was only a matter of ensuring that the economy grew faster than the population. It was assumed that there would be incremental, linear growth each year, at least in the developed countries, and that the diversion of just a small part of the rich world's annual increase in wealth into development assistance would suffice to help the emerging countries of the Third World reach the point of economic take-off.

In the past decade, that scenario has become implausible. Economic progress has been at best erratic, not automatic, and the global economy has laboured under heavy strains. The focus of short-term thinking has changed —

from how to make growth gallop, to how to survive and regain lost ground.

The focus of longer-range thinking has also changed, even more fundamentally. Since 1972, when the Club of Rome study *The Limits to Growth* dramatically challenged any easy optimism about inevitable, infinite progress, a flood of research and analysis has filled in the alarming details. Experts have measured the risks we face and have warned that:

- per capita production of wood, fish, beef, oil and grain peaked in the 1960s and 1970s and is now falling.
- at least one-fifth and maybe one-third of world cropland is losing topsoil.
- a forest the size of Portugal, or perhaps Cuba, is lost each year, and a fifth of the earth's surface could become desert.
- the Amazon forest produces half the world's oxygen, but 5 percent of it is gone, and the rate of clearing is accelerating.
- trends indicate that cities will become enormous, water will be scarce, the rich-poor gap will grow, erosion and air pollution will worsen and, in Lester Brown's words, we are "on the edge of an environmental crisis that is undermining the global economy."
- in the crucial field of food grains, all regions except Western Europe were net exporters in the mid-1930s; now all are dangerously dependent on surplus crops in North America and Australia/New Zealand — but half the organic matter originally in Canada's prairie soils has been lost or "mined" in a century of cultivation.

The other side of risk, however, is challenge — and the right response is to seize whatever opportunities can be found, or created, so we can help to shape our shared future into something better than it might otherwise be. Even a looming crisis can itself prove liberating, by forcing us to cast off old constraints, to see and think in fresh ways, and to take innovative action.

Creative response

Canada's response to the troubled impasse of world development in the 1980s has been positive. Leadership

has been shown in trying to advance the North-South dialogue, and in working toward a constructive consensus when specific issues arose. Quantitatively, too, Canada took positive action in the field of Official Development Assistance (ODA) by pledging in 1980 at the United Nations to raise the percentage of gross national product (GNP) committed to this purpose. The ODA budget was boosted to \$1.8 billion in the 1983-84 Estimates (compared to an estimated \$1.6 billion last year), keeping it on track to Canada's interim target of 0.5 percent of GNP by the middle of the decade.

Qualitatively, the Canadian International Development Agency (CIDA), the government agency responsible for carrying out most of the official program of Canadian cooperation with Third World countries, has been working hard to ensure that its efforts have maximum development impact — partly by finding ways to stretch the available aid dollars, but also by carrying out some intense rethinking about development in today's and for tomorrow's world.

Shaping the future

This new thinking involves three main steps. First, a deeper level of understanding must be reached of the essential nature and problems of each developing country with which Canada cooperates, including the way its people think, feel and make decisions. Next, planners must look forward twenty or twenty-five years to discern what the future likely holds for a country, based on current trends and probable changes, and they must make the further effort needed to envision a more desirable future. Then, they must come back to the present to ensure that the actions being taken now and in the short term — especially CIDA's investment decisions — are actually helping to bring that preferred future into reality.

Obviously, thinking of this depth and scope cannot be done quickly, perfectly, or once and for all — it must be an ongoing process. The insights it yields must be factored in skilfully to begin having an impact on the real world of dollars, projects and people. This is what is now being attempted by CIDA so that Canada's development assistance can make the best possible contribution to the worldwide effort to shape a better human future.

One practical step taken recently to maximize the quality of Canadian aid is CIDA's adoption of a "country focus" approach, which helps planners escape compartmentalization and avoid routine programming by giving them freedom to choose from the whole range of possible types of assistance. The basic planning unit within CIDA is the Country Programming Team, with members drawn from various parts of the Agency. To achieve a country-specific, future-oriented approach, each team attempts to grasp as deeply as possible the special problems, needs, constraints and possibilities that make up the development situation of a particular country, and to conceive the best possible mix of help Canada can provide — be it bilateral or multilateral aid, non-governmental initiatives or industrial cooperation, or some other form of assistance.

Hard choices

In the real world, however, when CIDA officers must make difficult choices and decisions about potential project, even a deepened understanding of the country involved and greater flexibility in selecting from a broad

range of available aid channels do not guarantee the best possible result. Because Third World countries are poor, there are countless useful things they lack; because aid funds are limited, they must be concentrated carefully on the most vital and essential development work, to achieve the greatest long-range benefits.

Country X, for instance, may request ten locomotives to carry food aid through the country. Analysis may indicate that the same funds spent on maintenance training and spare parts would bring twenty existing locomotives in the country back to working order, yielding twice the benefit. But deeper analysis still might reveal that the money should really be used for extension education so the country's farmers can help it become self-sufficient in food, if the greatest long-term good is to result.

If Canada's contribution to world development is to go beyond the short term and treat causes rather than symptoms, to a greater degree than yet achieved, then the people who do the basic planning and make the daily decisions must have improved tools and new approaches to tackle a difficult assignment. Some of those new tools have already been mentioned — country focus, programming teams — but to work well in our complex, unstable world, decision-makers need much more. They need techniques that will enable them to integrate into their planning the huge changes that lie ahead in such vast fields as population, food, energy and the environment. They need the capacity to plan across extended time horizons, since the real impact of their decisions will come not today but in the world of tomorrow, and even of the next century.

Managers for the future

To help its staff cope with these heavy responsibilities, CIDA has taken several special initiatives over the past year, with a focus on planning for the future. Perhaps the most ambitious has been the creation of special training sessions to help decision-makers, particularly Country Program Directors, come to terms with their demanding role.

The training program has multiple goals. It seeks, among other things:

- to increase CIDA planners' ability to develop assistance programs appropriate to the changing global situation, recipient countries' needs, and Canada's resources;
- to sharpen planners' awareness that countries are interdependent, issues are interrelated, and human life is the heart of development;
- to help senior staff become better "managers for the future," aware that the present context reflects ideas of the past twenty years, and that today's planning must anticipate needs at the end of the century;
- to make planners sensitive to contemporary development thinking, the "futures" approach, the full impact of their decisions, and the need to see CIDA's work (planning, programming and evaluation) as a long-range continuum rather than a series of short, separate steps.

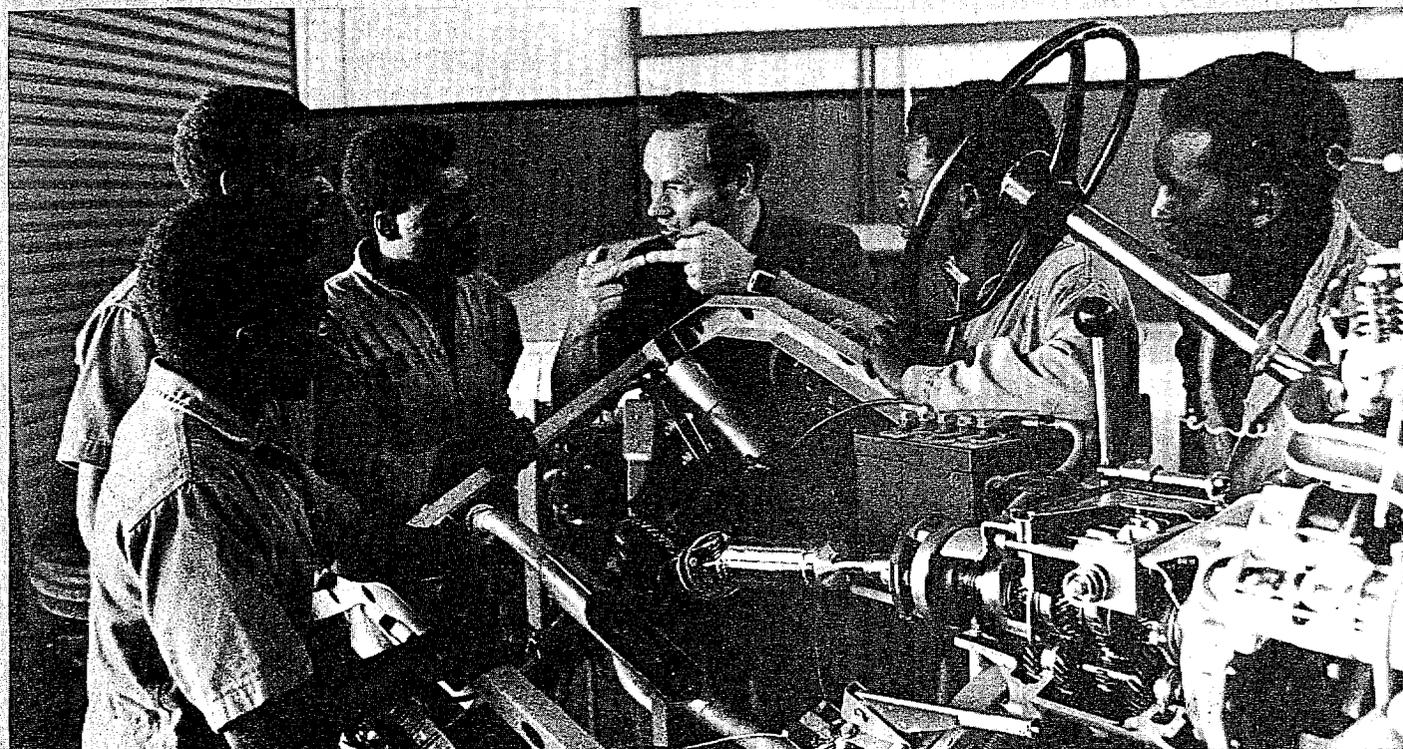
To achieve these far-reaching objectives, participants are immersed in current development thinking through a concentrated mixture of required reading, audio-visual presentations, encounters with subject specialists and futur-

ists from developed and developing countries, and sessions based on brainstorming and Search Conference principles. In addition to this training for country programming staff, the search conference technique was also employed last year in a session for senior CIDA management, and again in the setting of a developing country.

Among the many possible tools, techniques, and innovations available to development planners, the search conference method of long-range planning is one of the more promising. Currently being explored by corporations on this continent as a new tool for improved management,

successful — was a major initiative toward productive and realistic planning, based on awareness that many development investments in the Third World have yielded disappointing results, that change can take many years or even generations to become evident, and that its physical impact is often not as crucial as its impact on people's attitudes.

Kenya was the partner of choice in this planning innovation, for several reasons. It is a country of manageable size, with a reasonably adequate data base, a commitment to development planning, and a very positive record of



Kenya Technical Teachers' College, Kenya

the search conference technique is a top-down, multidisciplinary approach to long-range strategic planning.

Essentially, it sparks consensus and motivates action by drawing together people working on different aspects of the same question, and giving them an opportunity to reach a common understanding of present realities, of the kind of future that currently seems likely to occur, of the different type of future they would prefer to see, and of what needs to be done now.

The search conference approach involves much more than mere forecasting, although it begins by projecting current conditions and trends to give a picture of what the future would hold if things continued in the same way up to, for example, the end of the century. But its essential value lies in the next steps: drawing a more desirable picture of a better future, and working back from that to see what changes must be made if that superior future is to become reality.

Kenya Search Conference

Late last year, the Government of Kenya and CIDA cooperated in a pioneering effort to apply this unusual, future-oriented approach to the development prospects and planning of an entire country.

The conference held in November, 1982 — in effect, a pilot project that could be applied in other places if suc-

development cooperation with Canada. It is at a critical stage in its economic, social and political evolution, and Canada is currently making substantial investments to help it progress (bilateral assistance was more than \$40 million in 1982-83).

The intensive, four-day conference brought together forty senior Kenyans — from seventeen government ministries or corporations, and from the academic and research fields — along with a few Canadian participants. Working in small groups and in plenary sessions, they undertook:

- to review the world situation in which Kenya is trying to develop and compete;
- to examine Kenya's future if present trends (demographic, economic, social, environmental) continue for the next two decades;
- to visualize the nation and society Kenyans would like to be in the year 2000 and beyond;
- to identify obstacles to reaching that goal; and
- to propose actions to remove those obstacles.

The format, though not new or magical, proved a valuable way to bring together people working on interconnected problems so they can share experience, broaden perspectives, and ideally emerge from brainstorming debates with new attitudes, goals, solutions and inclination to act. The same approach can be applied in analyzing a

country or an institution, a sector or a program.

Early reactions suggest that the Kenya conference, the first of its kind in the Third World, was worthwhile. It provided a unique opportunity for wide-ranging exploration of a country's overall future. Feedback from participants indicates that it achieved its general purpose and was helpful in refining their ideas about issues involved in Kenya's next five-year plan. Several found it unsettling to be confronted by too much information and too many conflicting priorities. To a greater extent than anticipated, however, it allowed communication to begin between people working separately on different facets of the same basic problems, and provoked some at least to begin thinking about the real implications of, for example, the high birth rate.

President Daniel Arap Moi endorsed the value of the experimental session by proposing establishment of a Kenya-Canada Long-Range Planning Committee to carry forward the work of the conference. The announcement was given prominence in Kenya's national newspapers, radio and TV. The committee's first major task will be to develop, over the next year or two, a useful econometric model of Kenya based on the best available data on resources, people, industry, agriculture, trade and finance. The model should enable Kenya to improve its long-range planning and make better development decisions.

The search conference technique, as tested in Kenya last November, looks promising — but its value will depend on what it yields over an extended time, and this in turn will depend on whether the Kenyans themselves will find the approach practicable and make it their own. Even if the Kenya initiative thrives, the technique is no cure-all for world development problems: like any other approach, it carries its built-in limits and constraints.

Some developing countries are probably too big and diverse to use it effectively; others have not yet developed the necessary administrative capacity and data base to make any results meaningful. All societies have their own special sensitivities on which debate is inhibited, and some developing countries may feel uneasy about the whole process, seeing it as an imported Western concept. In fact, when foreigners are involved, the search conference approach probably is possible only where a relationship of long-term trust and confidence already exists between two countries.

There are no guarantees when you try something different, and there is no way to compel sovereign governments to give priority to long-range plans. But helping certain countries to explore the potential of the search conference technique is one of many different efforts Canada can make, varying its approach to suit the circumstances of specific countries, as we try to help make our shared, interdependent world a better, safer place for human beings. It may be one step forward on the path toward more effective cooperation, and it may take us a little bit closer to reaching a still better model of development. Defined last year in contemporary terms by Marcel Massé (then President of CIDA, now Under-Secretary of State for External Affairs), this development "is a process by which societies change so that they are able to meet the basic needs of their populations, and is sustainable in the long term, largely within their own resources and in the context of indigenous values."

The Kenyan Search Conference experiment is being

watched by other countries, developed and developing, to see what kind of results it yields. Is the search conference approach really the far-sighted, innovative management tool it seems to be in North America? Can it be applied successfully in at least some parts of the Third World, where the context is bound to be very different? If so — and above all if this approach has any significant effect on the way Third World countries plan — then Canada, by sponsoring the experiment, can stretch the aid dollars involved very far indeed.

The decisions we are making now about world development, the actions we are taking or avoiding each day, are inevitably shaping the world our children will inherit. If we can make the right choices, come to terms with global constraints, and prove ourselves skilled managers for the future, life in that world can offer a good measure of peace, justice and opportunity. The world is investing relatively little in international development, and Canada's contribution can only be a modest part of the overall flow — but, if our priorities are straight and our planning is creative, Canadian development assistance can help change tomorrow's world for the better.

Instant aid

Canada's official development assistance (ODA) at a glance:

- Current ODA budget (1983-84 Estimates) \$1.812 billion
- Canadian ODA last year (1982-83 disbursements) about \$1.60 billion
- Canadian ODA as % of GNP (calendar year 1982) ≈0.42 billion

— Canadian ODA flows mainly through CIDA, but some is channeled through other departments or agencies such as the Department of Finance, the International Development Research Centre, and Petro-Canada International Assistance Corporation.

— Canadian aid takes many forms . . . last year CIDA supported:

- about 900 bilateral (government-to-government) projects in Asia, Africa, the Caribbean and Latin America, in such fields as agriculture, energy, human resources, community development, and food aid.
- about sixty multilateral (international) programs through the United Nations, World Bank, and Commonwealth and Francophone agencies, in such fields as agriculture, food, health, and technical assistance.
- more than 3000 projects carried out by Canadian voluntary agencies, social institutions, and private companies, or international non-governmental organizations . . . mainly small, grass-roots efforts in such fields as agriculture, water, health and education.

Information on Canadian development assistance is available on request from the Public Affairs Branch, Canadian International Development Agency, 200 Promenade du Portage, Hull, Quebec K1A 0G4, tel: (819) 997-6100.

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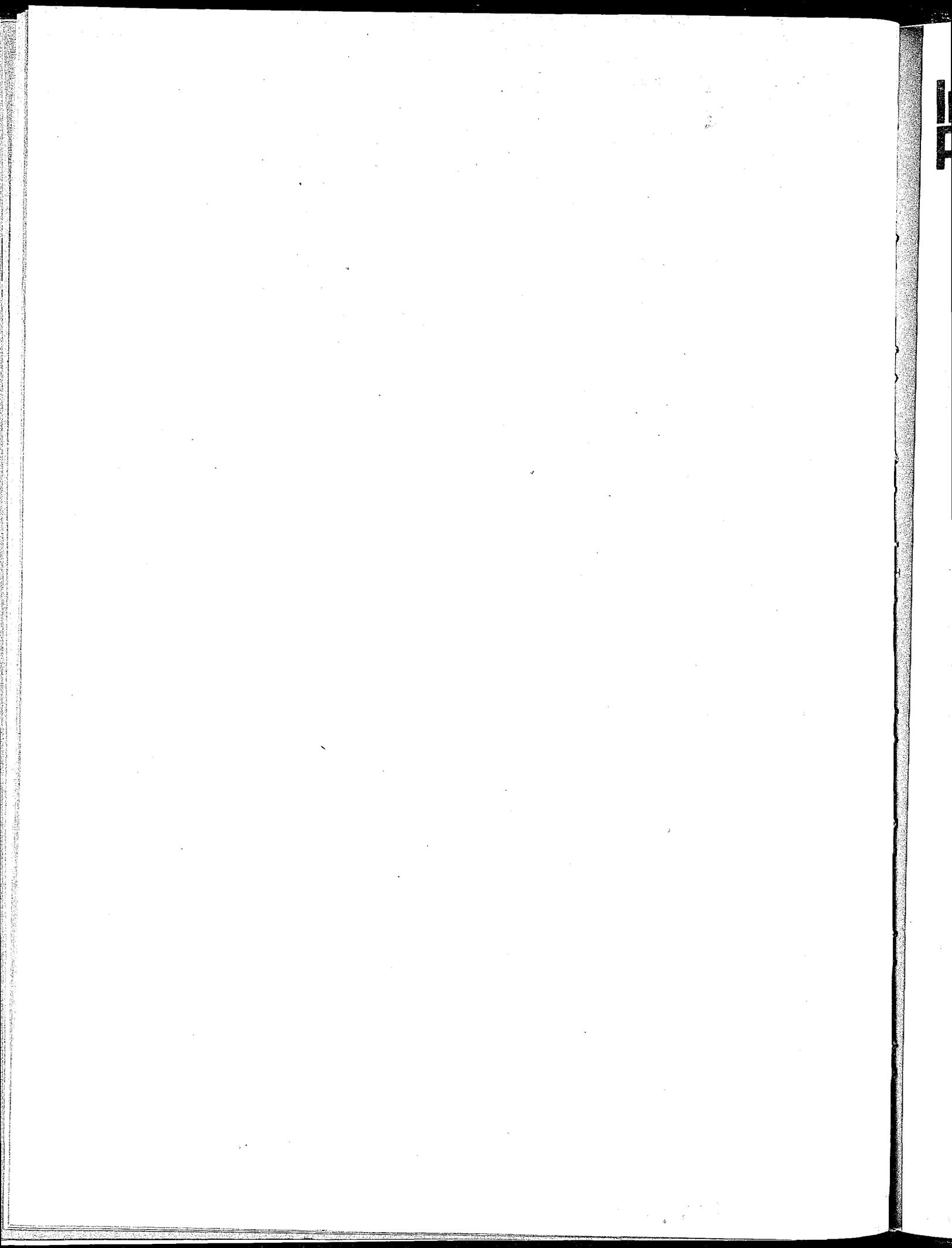
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Canada and the Palestinian question

by Paul C. Noble

Canadian policy regarding the Palestinian question has been marked by caution, even timidity. This is particularly true with regard to the core of the problem: the future status of the Palestinian people. It was not until 1973 that External Affairs Minister Mitchell Sharp publicly acknowledged the existence of a distinct Palestinian identity. After the October War, those whom he had described simply as "refugees" now became "the Palestinian refugees," "the Palestinians" and finally "the Palestinian people." Still, Canadian policymakers were hesitant to come to grips with the future of the Palestinians as a community. In fact, Canadian policy has tended to be several years behind that of the European Community and only slightly ahead of that of the United States.

Canadian policy

When Mr. Sharp stated in the fall of 1973 that the Palestinians constituted a people and should be represented in any negotiations concerning their future, the Canadian government was acknowledging that the Palestinian community had legitimate collective interests and aspirations. However, compared to most western countries, Canada has been slow to give symbolic recognition to this. The European Community took such a step in November 1973 when it endorsed the "legitimate rights" of the Palestinian people. Even the United States, under President Carter, accepted this language in the joint Soviet-American statement of October 1, 1977, and supported its inclusion in the Camp David agreements. Canadian policymakers remained wary of this formula, however. At one level they were unhappy with its apparent openness as well as with the connotations of non-negotiability attached to the term "rights." At another level, there was concern about adverse Israeli reaction. In any case, it was not until 1980 that the term "legitimate rights" entered Canada's diplomatic vocabulary in connection with the Palestinian problem.

In spite of this extreme caution about terminology, by the fall of 1974 the Canadian government had explicitly accepted the need for a *political* as distinct from simply a *humanitarian* solution to the Palestinian problem. This has required it to face two issues.

The first concerns the *process* whereby a political solution should be arrived at. The central issue here has been the Palestinian demand for self-determination. The European Community declared its support for this principle in 1980. Canadian policymakers have been unwilling to accept it for several reasons. To begin with, they believe that the future political status of Palestinian lands should not be

decided by the Palestinians alone. Other parties to the conflict, notably Israel and Jordan, should have a key role in determining the eventual solution. Furthermore, the right to self-determination has been regarded as conferring an automatic claim to an independent state; Canadian policymakers have had serious doubts about the wisdom of such a solution. Finally, the issue of self-determination was a very sensitive one domestically in view of the strength of the nationalist movement in Quebec. This was particularly true after the Parti Québécois gained power in the 1976 provincial election and subsequently campaigned for the self-determination and independence of Quebec.

Ambiguous support

For these reasons, Canada has declined to endorse the right of self-determination for the Palestinians. Instead it has confined itself to such formulas as "the right to political self-expression" and "the right to play a part in negotiations to determine their future." However, in an interview in Europe in June 1980, Prime Minister Trudeau appeared to go beyond existing Canadian policy when he stated that "Canada is in agreement that the Palestinians should determine their own future." The sentences which followed blurred the meaning of this statement, leaving it unclear whether he felt the Palestinians should determine their future alone or whether others should have a role. In any case, this statement was not reported in Canada and was not repeated by Mr. Trudeau or other government spokesmen, with one exception. That occurred in an address by Minister of State Pierre De Bané to the Association of Arab-American University Graduates in October 1982. There has been no follow-up to this.

The second issue confronting Canada has been the *actual form* which a political solution should take. The initial policy statement on this subject was made by External Affairs Minister Allan MacEachen at the United Nations in the fall of 1974 when he supported the establishment of a "Palestinian entity." In an interview with the Canadian Press afterwards, he acknowledged that one form this could take would be an independent Palestinian state. Under his successor, Don Jamieson, Canada retreated to a vaguer, more complicated formula, namely the need for "an appropriate structure for political self-expression within a suitable territorial framework." Mr. Jamieson resisted the use of the term "homeland" to describe this

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Support for Palestinian state

structure even though both the European Community and President Carter had adopted this formula in 1977. It was only three years later, after the publication of the Stanfield report, that the newly elected Trudeau government began to speak of "the legitimate right of the Palestinians to a homeland" adding the phrase "within a clearly defined territory, namely the West Bank and Gaza." While vague on the form such a homeland might take, this formula at least had the merit of ruling out the notion of autonomy for people but not for the land, as well as the view that Transjordan constituted the Palestinian homeland. Although the Canadian government sought to give the impression that it was open to the full range of possible solutions, the tone of its statements as well as its votes at the United Nations conveyed a different message. The reluctance to consider an independent Palestinian state came through in statements such as that of External Affairs Minister Mark MacGuigan in March 1982 that the term "homeland" contained "no implications of sovereignty."

Continuing ambiguity

After Israel's controversial war against the Palestinians (and the Lebanese) in the summer of 1982, Mr. MacGuigan sought to clarify, and perhaps establish more balance in, Canadian policy by declaring that Canadian policy did not preclude the establishment of an independent Palestinian state. This statement was repeated in subsequent Canadian comments on the Reagan plan, in which the President had declared that the United States did not support such a proposal. While not constituting a Canadian endorsement of a Palestinian state, this formula did indicate that it could constitute a legitimate solution.

While displaying only limited responsiveness to Palestinian national aspirations, Canadian policymakers have been less timid in their reaction to Israeli activities in the occupied Palestinian territories. Since the intensification of Israeli colonization efforts in the late 1970s, Canada has criticized and voted against the attempt to bring about a far-reaching transformation of the territorial, demographic and economic makeup of the West Bank. This criticism has been based not only on the illegality of such activities under the Fourth Geneva Convention, but also on opposition to any attempt to predetermine the terms of an ultimate settlement through the creation of *faits accomplis*. In this respect, Canadian policy has certainly been in advance of that of the current US administration. The latter, although urging a freeze on settlement activity, has persisted in treating existing settlements simply as an obstacle to a negotiated peace rather than as illegal in themselves. The question remains, however, whether periodic votes at the United Nations and an occasional sentence or paragraph of restrained criticism are proportionate to the scope and significance of Israeli activities in the occupied Palestinian territories.

Constraints on policy

How can one explain the limited Canadian responsiveness to Palestinian national concerns and aspirations? Several factors are involved.

One factor has been Canada's *conception of its own role in the Middle East* and its *basic approach to the settlement process*. Given our limited involvement and limited leverage in the area, policymakers have argued that it would be unwise and even presumptuous on Canada's part to take a position regarding the terms of an eventual settle-

ment. These should be worked out by the parties themselves and the powers most directly involved. For this reason, it was felt, Canada should avoid any pronouncement on Palestinian national rights and in particular on the claim to an independent state. Two points seem to be overlooked in this argument, however. The first is that by endorsing the incorporation of one or more basic principles in a settlement, Canada would not be deciding anything for the parties, certainly not the details of a settlement. Rather, it would simply be expressing its own view of what is legitimate insofar as the general features of a settlement are concerned. Secondly, Canadian policy has not been consistent in this respect because it clearly has made judgments about the terms of an eventual settlement, notably by insisting on the recognition of Israel's right to exist.

Canada's basic approach to the settlement process has included a similar coolness toward efforts to achieve recognition of Palestinian national claims at the United Nations. Here the international community had formulated general guidelines for a settlement of the Arab-Israel conflict in Security Council Resolution 242 in November 1967. In Canada's view, this contained a balanced and interrelated set of obligations which had been agreed to by all the major powers as well as by most of the parties to the conflict. Canadian policymakers believed that any attempt to alter or go beyond the terms of Resolution 242 would undermine the fragile consensus and hamper chances for negotiations. Hence Canada opposed the addition of any new elements to the basic guidelines contained in Resolution 242, even when these dealt with issues, such as the Palestinian problem, which had not arisen or had existed in a very different form when Resolution 242 was passed.

The conception which Canadian policymakers have of the issues and parties has constituted a second and more significant set of constraints on Canadian policy. Politicians and officials alike have tended to be more sensitive to Israeli than to Palestinian aspirations and concerns. Thus Israel's right to existence has been treated as the central issue in the conflict while Palestinian claims to a national homeland have been viewed as much less compelling or legitimate. Moreover, Canadian policymakers have tended to concentrate on the possible future threat which a Palestinian state might pose both to Israel and to stability in the area. They appear much less concerned about the immediate and massive threat to Palestinian national existence arising from Israeli activities in the occupied Palestinian territories. The danger to regional stability in the event of lack of progress toward an honorable settlement has also received much less emphasis.

Pressures on Canada

The final and perhaps most significant constraint on the development of Canada's Palestinian policy has been the *basic structure of interests* within which Canadian governments have operated. There are two dimensions to this, the external and the internal.

On the *external* front, Canadian policymakers have regarded the Middle East as a region of considerable strategic, political and economic significance for the Western alliance. At the same time, it has been viewed as an area in which the United States was the predominant Western actor. Hence, Canadian governments have generally believed that any diplomatic initiatives for the settlement of the Arab-Israeli conflict should be left to the United States.

Moreover, given this acceptance of the preeminent role of the US and the importance for Canada of good relations with the United States, Canada has been reluctant to adopt divergent positions from its superpower ally on sensitive Middle Eastern issues. Policymakers have feared that such actions would be regarded by the United States as interference in its settlement efforts and could have adverse effects on US-Canadian relations. This deference to US policy on Middle Eastern matters has clearly limited Canada's flexibility on the Palestinian question.

The tendency to use the United States as the point of reference for Canada's Middle East policy was very much in evidence during the tenure of Mitchell Sharp (1968-74), Don Jamieson (1976-79) and Mark MacGuigan (1980-82) as Ministers of External Affairs. The sense of constraint was especially strong when the United States was actively engaged in settlement efforts or had publicly committed itself to a particular approach to the resolution of the Palestinian problem, such as after the conclusion of the Camp David agreements in September 1978. Similar inhibitions have undoubtedly been felt since the announcement of the Reagan Plan in September 1982.

Arab influence weak

The only potential countervailing external pressure has been that from the Arab states. Prior to 1973 Canada had few, if any, direct interests in the Arab world. Consequently, it did not feel vulnerable to pressure from this source. After the 1973 war, however, Canadian economic interests in the Arab world grew considerably. Canada now not only imported more Arab oil but also began to develop markets in the area for some of its goods and services. As the oil producing countries acquired substantial amounts of petrodollars, Canada also benefited from an inflow of Arab funds. As a result, Canada became much more vulnerable to possible Arab pressure. However, the Arab governments have seemingly only used their economic leverage to *deter* Canada from policy shifts in the direction of Israel, particularly highly symbolic actions such as the proposed Jerusalem embassy move and anti-boycott legislation. There are no indications that economic pressure has been exerted to *influence* Canada to modify its policy in favor of the Palestinians. If economic ties with the Arab world have influenced Canadian policy at all, it has been more in terms of the possible gains to Canada to be derived from greater responsiveness to Arab and Palestinian concerns. These considerations do not appear to have been strong enough to offset the other external, as well as internal, pressures against any change in policy.

The final and most direct constraint on Canada's Palestinian policy has been the pattern of *domestic* interests. Here the situation has been unbalanced. On the one hand, the Jewish community, given its concentration in several of Canada's major cities, its affluence, its political organization and its access to community leaders and the media, has been a political force to be reckoned with. Through its untiring efforts in defining issues and supplying information, it has been able to influence the perceptions and judgments of Canada's politicians, opinion-makers and general public. Although policymakers and politicians were favorably disposed toward Israel, the views of the Jewish community on the Middle East conflict were nevertheless constantly brought to their attention. This served not only to reinforce, and possibly even to shape, their

views of legitimacy, but also to make the government aware of the possible political costs involved in adopting positions contrary to those of the Jewish community. This awareness has constituted, and continues to constitute, an important constraint on the development of Canada's Palestinian policy.

Arabs in Canada

The countervailing domestic pressures have been weak. The Arab-Canadian community is small, dispersed and many of its members are relative newcomers to the country. It is also divided, with the Lebanese Christian component not particularly well disposed toward the Palestinians. As a result, this community has had little or no impact on Canada's Middle Eastern policy. Apart from this, the growing economic ties between Canada and the Arab states after 1973 did create domestic interests with a tangible stake in good relations with the Arab world. However, the activity of these economic interests appears to have been limited to *detering* any pronounced pro-Israeli tilt in policy which would antagonize Arab governments (e.g., their successful opposition to the proposed move of the Canadian embassy in Israel to Jerusalem).

Overall, those elements which have favored greater Canadian responsiveness to Arab and Palestinian concerns have been much less active and distinctly less influential than the Jewish community. This was reflected during the 1982 war in Lebanon when Prime Minister Trudeau told a delegation of academics and former diplomats who sought a modification of Canadian policy that his government had experienced little or no domestic pressure for such change. He pointed to the fact that during the six weeks of war up to that point (mid-July), few questions had been raised in the House about Canadian policy. This was in sharp contrast, he said, to the interest shown by Members of Parliament in the Afghanistan, Polish and El Salvador conflicts at their height.

In short, Canadian policymakers have clearly preferred a basically stand-still policy with minor adjustments in phraseology to one of increased responsiveness to the Palestinians. The former approach was considered to involve few, if any, costs to the country or the government. The latter, in their view, ran the risk of significant costs both externally and domestically, and promised no obvious benefits.

Policy alternatives

While the above-mentioned factors should be taken into account, other considerations also need to be weighed in shaping Canada's Palestinian policy.

To begin with, there are considerations of simple justice. One aspect of this is whether the Canadian response to Israeli plans for the occupied Palestinian territories has been proportionate to the scope and significance of those plans. What is involved here is not simply the repressive activity of an occupying power but something more far-reaching. Through various methods, the government of Israel is attempting to transform the territorial, demographic and economic makeup of the West Bank in a fundamental and irreversible manner. These measures include the takeover of substantial areas of land (about 30 percent of the area of the West Bank), colonization (the implanting of some 100,000 settlers by the mid-1980s in addition to the 50,000 already established in the Jerusalem

Support for Palestinian state

area), the control of water resources, the deposition and, in many cases, deportation of the indigenous Palestinian leadership and finally, the encouragement of an exodus of Palestinians. By so doing, the Israeli government is seeking to submerge the Palestinian identity of the territory, attack the very foundations of a Palestinian community and eliminate forever any possibility of a genuine Palestinian homeland. In short, while the attention of Western governments and publics tends to focus on a possible future Palestinian threat to Israel, there exists here and now a direct and massive threat to the very existence of a Palestinian community.

It is possible for reasonable people to disagree about the precise scope of Palestinian rights. It is hard, however, to dispute the fact that the above-mentioned policies of the Israeli government not only violate the most elementary principles of justice but also are highly provocative and dangerous to international peace and stability. It is important that Canada and other Western countries give more prominence to this issue and speak out forcefully against Israeli policies. At the very least, our government has the moral responsibility to inform the Canadian public properly so that it will be able to make informed judgments about the issues. It could also provide increased assistance, through private organizations and other channels, to the people of the West Bank. Ultimately, however, since Canada has little or no material leverage with which to influence Israeli behavior, the best response would be to recognize that which Israel is attempting to deny and repress, namely the legitimate national rights of the Palestinian people.

Palestinians' cause just

Canadian policy regarding an eventual settlement has not been evenhanded. We have not been prepared to accord to the Palestinians the same rights which we insist on for the Israelis. A truly evenhanded policy would require the acknowledgement of the Palestinian people's right to self-determination, including the right to establish an independent state. The exercise of such a right would have to be made contingent, of course, on respect for the national existence and legitimate security needs of Israel. The acknowledgement of these rights is the very least which members of the international community can do for a people who have experienced untold suffering as a result of the decision of that very international community to allocate the bulk of their land to another people. Canada itself supported the principle of a Palestinian state in 1947 when Israel was created. It is only equitable that it do so once again.

There are several interim steps which the Canadian government could take in this direction. One would be to reiterate not only that Canada does not oppose the establishment of an independent Palestinian state but also that such a state would indeed constitute a legitimate solution under certain conditions. Such statements would help sensitize our political representatives, opinion-makers and attentive public to the fact that this was a legitimate outcome, without necessarily committing Canada to it at this stage. Canada could also endorse the "legitimate national rights" of the Palestinians and in particular their right to a "national home."

The case for greater Canadian responsiveness to Palestinian concerns is based not simply on considerations of

justice and fairness, important though these may be. A modification of policy would also serve both the West's and Canada's larger interests in the Middle East. In other words, while there may be some costs, particularly domestic political costs, attached to any policy changes, it should be recognized that lack of responsiveness and inaction will have important costs too. These costs could take several forms.

Increasing instability

To begin with, the failure of Canada and other Western government to exert strong pressure on Israel to halt its expansionist activities and to support an equitable settlement of the Palestinian problem will cause serious harm to the peace process. Such a failure would strengthen the position of the hardliners in both camps and lead to an aggravation of the conflict. Within Israel, it will encourage the hawks to believe that they can engage in the most provocative behavior and get away with it. They will be able to argue convincingly to the Israeli public that they have successfully transformed the situation to Israel's advantage without suffering any significant external costs. So why should any attempt at genuine accommodation be made? By the same token, among Palestinians and Arabs generally the position of the moderates will be further undermined. Here the argument will be that the United States, as well as Canada, will not seriously oppose Israel no matter what she does. Hence what faith can be placed in settlement initiatives coming from these quarters? Indeed, what hope is there of achieving an honorable settlement by peaceful means, it will be argued. To improve the chances for a negotiated peace, Canada and other Western countries must hold out hope for an honorable settlement, not just for Israel but for the Palestinians and other Arab states as well. We must also distinguish clearly between what is legitimate and what is unacceptable in both Israeli and Palestinian policies and behavior. That will help structure the political cost and benefit calculations of both camps and thereby provide the moderates on both sides with arguments to counter their respective hawks.

The second potential cost of the failure to press for a settlement that would satisfy the legitimate national aspirations of all parties would be significant damage to Western interests. The prolongation and aggravation of the conflict would make it difficult for otherwise friendly regimes to work closely with the West and would tend to reinforce relations between other Arab regimes and the Soviet Union. It would thus be an important contributing factor to instability and radicalization in the Arab world with unpredictable consequences for a variety of Arab regimes but especially those associated with the West. Together, these developments would create a climate in which there was increased danger of Arab action against Western economic, political and strategic interests.

Finally, there are potential direct costs for Canada itself. For one thing, our credibility and particularly our reputation for fairness would be seriously damaged. A posture of silence could not help but create the impression among Palestinians, and Arabs generally, that our policy is tilted strongly in favor of Israel. Silence, in other words, would be regarded as tacit acceptance of Israeli policies — as weakness in the face of internal and external pressures. Furthermore, given the significance of

political considerations in Arab economic decision-making, Canadian opportunities to benefit from mid-eastern economic growth will undoubtedly be limited if our policy is seen to be less than evenhanded.

In short, while the costs of inaction and limited re-

sponsiveness to legitimate Palestinian aspirations may not be as immediate or as tangible as those associated with a shift in policy, they are no less real or significant. Those costs should be given much greater weight in the formulation of Canada's Palestinian policy. □

*Reviewing the "Reviews"
Time to do more — and better*

Canadian defence policy

by Martin Shadwick

It may be that some members of the attentive public have not yet called for a formal review of Canada's defence policy but, if so, they are part of a fast-diminishing minority. In the past eighteen months, it would seem that the merits of a green paper, a white paper, or some other review mechanism have been pressed upon Defence Minister Gilles Lamontagne by virtually every strategist, peace researcher, editorial writer and retired general in the country. To these one could add the Opposition defence critics, assorted non-governmental organizations, the Senate Subcommittee on National Defence and, no doubt, many of the men and women currently serving in our Armed Forces.

The growing interest in defence policy is encouraging. It is also reminiscent of the debate which accompanied the famous (or infamous) foreign policy review of 1968-1970. There are, however, a number of intriguing differences. The newly-elected Trudeau government attached considerable importance to the 1968-1970 review and went out of its way to encourage an unaccustomed level of public participation. The current Trudeau government has, for the most part, been unenthusiastic about launching its third major review of defence policy. The debate touched off by the foreign policy review was frequently dominated by calls for a smaller and less NATO-oriented defence establishment. The status quo option (i.e., the continuation of Canada's existing contribution to collective defence) was regarded as scarcely credible by many participants, while the option of a defence buildup was a non-starter. In the current international environment, however, many would suggest that the non-starter of fifteen years ago has become a genuinely viable and perhaps even essential option. If the emergence of this military modernization and expansion option provides us with a different type of debate in 1983, so too should the revitalization of the Canadian peace movement. Although Cruise missile testing dominates the agenda of the peace movement to an unhealthy degree, it has nevertheless focused new attention on such options as withdrawal from NATO and the creation of a Nuclear-Weapons-Free-Zone in Canada. Since this heightened interest in defence policy is likely to continue — with or

without the promulgation of a green or white paper — it may be an opportune moment to survey the major developments in defence policy during the Trudeau years, the rationale for another review, the options which such a review might consider and the state of Canada's military establishment.

First Review

The Trudeau government has formally reviewed Canada's defence policy on two occasions — once during the broadly-based and much publicized foreign policy review of 1968-1970 and again during the more narrowly defined and much less publicized Defence Structure Review of 1974-1975. The first review was not unexpected. By 1968, serious doubts about Canada's military *raison d'être* were being expressed in political and academic circles. In the less polarized, apparently more benign, strategic environment of the late 1960s, did it make sense to maintain Canada's NATO-oriented defence posture of the 1950s? Could the fiscal resources devoted to defence be more productively employed? Did Canada's very membership in NATO not have a negative influence on its freedom to pursue a more "independent" foreign policy?

The new defence policy, as it emerged in stages during 1969, did not reflect the anti-NATO bias of some of the more outspoken critics, but it did signal a shift away from the tenets of Pearsonian internationalism and indicated a significant realignment of Canada's defence effort. It planned a three-year freeze in defence spending, a reduction of almost 20 percent in regular manpower, a diminished role for the reserve forces, a 50 percent reduction in the strength of Canada's overseas NATO contingent, the phased elimination of nuclear weapons, the removal of heavy armor from the land forces, less emphasis on "blue water" anti-submarine warfare and greater attention to the non-military and quasi-military roles of the Armed Forces (i.e., coastal and Arctic surveillance, internal security and

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Reviewing the "Reviews"

national development). The review also advanced a new, but now very familiar, list of defence priorities.

1. The surveillance of our own territory and coastlines, that is, the protection of our sovereignty.
2. The defence of North America in cooperation with US forces.
3. The fulfillment of such NATO commitments as may be agreed upon.
4. The performance of such international peacekeeping roles as we may from time to time assume.

These priorities were reiterated in a subsequent White Paper, *Defence in the Seventies*, which appeared in August of 1971. *Defence in the Seventies* attempted to clarify some of the murkier aspects of the 1969 policy pronouncements. It had not been entirely clear, for example, what the government meant, or expected of the Armed Forces, when it spoke of the "protection of our sovereignty." The protection of sovereignty may be approached in two ways. The first, or "military," approach equates it with security from armed attack. The second approach focuses on largely non-military challenges to sovereignty (i.e., non-compliance with fisheries or pollution regulations). *Defence in the Seventies* made it clear that Ottawa was thinking primarily of the latter when it drafted Canada's first defence priority. It noted that military threats were covered by Canada's participation in collective defence and that, in any event, non-military threats were perhaps the more likely in the 1970s. Other issues did not receive quite the same degree of illumination. One observer, writing in *Survival*, regretted the failure to clarify "the extent to which the first priority must be satisfied before attempts are made to meet the requirements of lower-priority tasks." This led to widely varying interpretations of the priority list and launched a seemingly unending debate on the adequacy of the military's sovereignty protection capabilities. Nor was it clear how Canada could maintain a "highly trained," "well-equipped" and extraordinarily multi-tasked force on the strength of what was still, in spite of a magnanimous 1 percent increase, an essentially frozen defence budget.

Second Review

The financial difficulties of the Armed Forces were belatedly addressed in Defence Minister James Richardson's "modernization and renewal" program of October 1973. This program hinged on increasing the total defence budget by 7 percent per annum for a five-year period, with the bulk of the increase earmarked for new equipment. Unfortunately the energy crisis and double digit inflation quickly rendered it a historical curiosity and produced a full-blown financial crisis for the Department of National Defence. The Department struggled to stay within budget by reducing manpower (from 83,000 to 78,000), slashing operational and training activities (by 30 percent) and deferring scheduled equipment purchases; but it still took a supplementary appropriation of \$275 million to restore some sense of fiscal stability.

These measures, however drastic, did nothing to resolve the basic problem of equipment obsolescence. The magnitude of this problem should not be underestimated. By 1974, Canada was fast approaching — and in some respects had already reached — the point where its Armed Forces would cease to be militarily viable. The Cabinet, although no doubt somewhat perplexed at the need to reexamine defence policy only three years after a White

Paper, consequently had little choice but to initiate a Defence Structure Review (DSR) in November of 1974. To be conducted in three parts, the DSR would assess the tasks of the Armed Forces, the levels of effort at which those tasks should be performed, and the organization and resources required.

Policy remains, costs take off

The major findings of the Review were disclosed, not in a new white paper, but in a surprisingly brief statement to the House of Commons on November 27, 1975. There was a sense of *déjà vu* about Mr. Richardson's statement, for it reaffirmed not only the four basic defence priorities of 1969, but the existing manpower levels and, for all intents and purposes, the existing tasks and commitments of the Armed Forces. His comments on defence procurement and defence financing told a markedly different tale, however. As part of a long-term commitment to the modernization of Canada's Armed Forces, Ottawa announced its intention to acquire eighteen CP-140 Aurora long-range patrol aircraft, a new or refitted main battle tank (ultimately the Leopard C1) and a new fleet of warships (the *City*-class patrol frigate). In all, the capital modernization program amounted to some 400 individual projects over a fifteen-year period. To help pay for this rebuilding, the capital portion of the defence budget would be increased by 12 percent in real terms (i.e., inflation-indexed) each year for a five-year period. It was expected that this, and the indexing of the operating portion of the budget, would eventually increase capital spending to a more realistic 20 percent of the total defence budget. (The DSR formula was replaced in 1979 by the goal, NATO-wide, of 30 percent real growth in the total defence budget.)

Although retention of the four existing priorities suggested little or no shift in the declared foundations of Canadian defence policy, the decisions on procurement and financing revealed a substantial reorientation of Canada's defence posture. Defence policy in the early Trudeau years had been predicated on a less active role in NATO, an apparent willingness to accept, through equipment obsolescence, some blunting of Canada's military professionalism, and greater interest in the non-military and quasi-military tasks of the Armed Forces. The defence Structure Review did not abandon the latter tasks, but it was clearly NATO-centred and, as such, required a much better-equipped military establishment. This reorientation was the product of changes in both the domestic and international environments. With global uncertainty over energy, with inflation, unemployment, underdevelopment and regional instability, *Defence in the Seventies'* assumption of a relatively benign and stable international environment had become decidedly suspect. It had become apparent, too, that East and West held difference expectation — indeed, definitions — of *détente* and that the Soviet Union had embarked upon a disturbing and potentially destabilizing arms buildup. The Soviet buildup encouraged the domestic view that Canada should upgrade its contribution to the collective defence and, at the same time, increased the determination of the Europeans and the Americans to press for such an upgrading. The European ability to influence the DSR was dramatically enhanced by Canada's near-simultaneous attempt, as part of the Third Option strategy, to secure a "contractual link" with the member states of the European Economic Community. In these

negotiations, Canada's allies stressed the importance of Canadian participation in NATO and made it clear that a renewed expression of commitment could influence the prospects for a contractual link. The European concept of linkage between Canadian defence capabilities and the contractual relationship provided the Trudeau government with a powerful example of how military establishments may serve distinctly non-military ends. Other, but lesser, factors in the DSR were Ottawa's realization that defence procurement could serve as a useful instrument of national economic and industrial strategies and that the ability of the Armed forces to meet such commitments as peace-keeping, fisheries surveillance and search and rescue could be jeopardized in the absence of modernization and renewal.

Third Review?

The most basic, but nevertheless convincing, rationale for a third review of defence policy is provided by the age (and certainly the title) of the latest White Paper. In a much-changed world, the conceptual framework provided by *Defence in the Seventies* seems quaint at best and dangerously obsolete at worst. The proponents of a reevaluation concede the more recent vintage of the Defence Structure Review, but note that even it was launched the better part of a decade ago. They note, as well, that the capabilities-oriented mandate of the Defence Structure Review did not include a reappraisal of the four existing priorities or of the basic conceptual underpinnings of Canadian defence policy. The result was a Defence Structure Review which attempted to graft a more NATO-oriented defence posture onto a priority list originally formulated as part of a less NATO-oriented defence posture. Nor are such critics mollified by Ottawa's efforts to include a more detailed "Statement on Defence" with the presentation of the Estimates or by the appearance of a much-condensed "Strategic Assessment" in the annual reports of the Department of National Defence.

Arguments of this nature generally transcend philosophical boundaries — but not always. It should come as no surprise to observe that most critics follow their appeal for a review with their vision of future Canadian defence policy. Many permutations exist, but it is possible to discern two basic schools of thought. The first — and in spite of the proliferation of anti-Cruise demonstrators, still the most common — posits that the existing imbalance in conventional forces between NATO and the Warsaw Pact increases the risk of nuclear war, that it is in Canada's self-interest to make a fair and equitable contribution to the conventional deterrent and that there is currently a serious gap between Canada's defence commitments and military capabilities. The dissenting school of thought holds that Canada can best contribute to the amelioration of the arms race and the prevention of nuclear war through such bold initiatives as withdrawal from NATO and the creation of a Nuclear-Weapons-Free-Zone in Canada.

The first half of the commitment-capability hypothesis hinges on Canada's obligation to provide land, sea and air forces in central Europe, in Scandinavia, in the North Atlantic and in North America. In geographic scope, Canada's alliance commitments are exceeded only by those of the United States. Canada does not, however, possess the military capability to meet these commitments. Proponents of this view acknowledge the progress which has been

made in modernizing the Armed Forces since 1975, but argue that the pace of modernization has been seriously slowed by indecision, financial restraints and Ottawa's disinterest in security matters. The result is a navy which lacks a surface-to-surface missile capability and an anti-missile capability; an air force with embarrassingly few patrol aircraft, two of the most weakly defended air bases in central Europe and, until CF-18 deliveries are completed in 1988, a vintage fleet of fighter aircraft; an army with non-descript air defences and a serious shortage of combat personnel; and a reserve force which can make only a marginal contribution to Canada's total defence capability.

Three solutions

A number of remedies, all of which require at least some increase in defence spending and military manpower, have been prescribed to deal with Canada's commitment-capability gap. One approach is to retain the existing commitments while launching an across-the-board expansion of our military capabilities. A second approach recommends concentration on a smaller range of commitments. The authors of *Canada and Western Security* (R.B. Byers, Margaret MacMillan, Jacques Rastoul, Robert Spencer and Gerald Wright in 1982), for example, suggest an expanded naval and naval air presence in the North Atlantic, a modernized and fully-manned Brigade Group in central Europe and an augmented air defence capability in North America. Canada would, concomitantly, relinquish its commitments to provide land, sea and air forces for the northern flank (i.e., Norway) and air forces in central Europe. Another variant of this approach recommends, paradoxically, the elimination of Canada's land and air role in central Europe in favor of a "northern" defence policy. Such a policy would focus on northern Canada, the North Atlantic and NATO's flank. Yet another variant would concentrate on the defence of North America. The third option — there is always a third option in Canadian foreign and defence policy — argues that it would be militarily and diplomatically unwise to completely abandon any of Canada's existing defence commitments. It seeks, instead, a more limited rationalization, the most efficient utilization of existing resources and, by recent Canadian standards, unconventional means of augmenting the regular force. Option three would retain a commitment to the northern flank but reduce or reconfigure the force so as to better suit Canadian capabilities. The Air Group would remain in Germany but shift primarily to an air defence role. This approach stresses the expansion and modernization of the reserves (with 21,000 reservists and 81,500 regulars, Canada has by far the lowest reserve-to-regular ratio in NATO) and, in light of British experience in the Falklands, the identification, modification and potential mobilization of civilian resources. In other respects, such as the rebuilding of the navy, it would resemble the *Canada and Western Security* model.

Finding the mix

These schemes vary a great deal in marketability. The first approach may close the gap, but it holds little favor because of its cost and doubts as to whether some commitments could be made militarily viable even with additional resources. Some variants of the second approach — notably those which emphasize "northern" or North American defence — are usually dismissed as militarily or diplo-

Reviewing the "Reviews"

matically unrealistic. A hybrid plan which retains the central European commitment while adding an expanded northern flank role has greater credibility, but could be crushingly expensive. On the other hand, the paradigm suggested by *Canada and Western Security* could find a measure of official acceptance. Its attention to maritime defence would obviously find favor in the navy, while the elimination of the northern flank role would appeal to those in the army who see it as a potential, albeit snowy, Hong Kong. The air force, however, would not be easily convinced that the CF-18s currently earmarked for Europe could be more productively employed at home — particularly when the fighter force assigned to, or capable of, domestic air defence will almost double under *existing* plans. NATO would be annoyed by the northern flank pull-out, but could probably be brought on-side by the prospect of much-improved naval and land forces. Europeans historically discount Canada-based forces, but they might be receptive to the CF-18 plan if Canada committed some of the additional resources to the emerging role of North Atlantic air defence. The proximity of the third option to existing Canadian defence policy may, however, make it the most marketable. Option three avoids the wholesale and potentially tricky renegotiation of existing alliance commitments and, in stressing the use of reserves and civilian resources, provides a very cost-effective increment in Canada's total defence capability. The bolstering of Europe's weak air defences with a modern and highly-capable interceptor would presumably be well-received in Brussels.

A radically different approach would attempt to eliminate the commitment-capability gap by simply withdrawing from alliance commitments. Without them, Canada could safely reduce its Armed Forces to the point where they were suitable for such tasks as peacekeeping, fisheries surveillance and search and rescue. Unfortunately, a disarmed or essentially disarmed Canada would leave serious gaps in the western defence network — gaps which the United States would undoubtedly and understandably seek to fill. If Canada balked at the northerly migration of American arms, it could face an intolerable range of sanctions. If Canada acquiesced, it would suffer an erosion of sovereignty and, ironically, the enmity of the Soviet Union (a Canadian attempt to save money by letting the Americans do it may not be so charitably viewed from the other side of the Pole). To retain the confidence of its neighbors, an out-of-NATO Canada might well require a defence establishment as large or perhaps even larger than that currently maintained. There are no simple or inexpensive solutions to the closing of this pervasive gap.

Options and prospects

The Trudeau government has not been entirely oblivious to the need for a *Defence in the Seventies* replacement. In June of 1977 the then Minister of National Defence, Barney Danson, announced that work would begin on a new white paper. This was expected to produce a document ready for Cabinet approval by late 1978 or early 1979. In the meantime, senior officials continued to go through plausible, but not always consistent, verbal gymnastics to explain how the old priorities could support a NATO-oriented defence posture. A number of factors, not the least of which was the electoral defeat of the Trudeau government, conspired against this schedule. The short-lived Clark gov-

ernment, although interested in a review of defence policy, was, for obvious reasons, unable to follow through. The newly-returned Liberals, confronted with the Quebec referendum and a sagging economy, were similarly preoccupied. Nor was the new Minister of National Defence numbered among the supporters of a review. Gilles Lamontagne argued that the time-consuming preparation of a white paper could seriously delay the modernization of the Armed Forces. He acknowledged the age and shifting fortunes of the four old priorities, but argued that the basic list was still valid.

It is therefore encouraging, but not necessarily a cause for optimism, to note that the Minister's latest statements reveal a growing acceptance of the need for a review and the merits of a green paper-white paper approach. The change of heart reflects progress with the modernization program (a review is less likely to cause delay in projects already launched) and Mr. Lamontagne's belief that public debate on the commitment-capability gap "could prove useful as a source of advice to the government." It may also reflect the realization that Ottawa's public relations difficulties over Cruise missile testing are in part attributable to its failure to provide a clear, cogent and up-to-date rationale for Canada's participation in collective defence.

Action now!

The essential point is that Canada must move away from the status quo in defence policy. Ottawa has increased defence spending in recent years, but the budget continues to fall short of the levels needed for timely modernization and for the attainment of reasonable economies of scale. Did it make sense, for example, to spend a small fortune on the development of the Aurora and then buy only eighteen aircraft? The Senate Sub-Committee on National Defence is correct when it observes that the current level of defence spending "does little more than buy the country the worst of both worlds. While the expenditures are large enough to represent a significant charge on the national exchequer, they are too small to produce worthwhile results." This does not mean that we should give up or, conversely, embark on some frenzied superpower-style military expansion. This does suggest that Canada could substantially improve the return on its existing investment in manpower, equipment and infrastructure by funding a relatively modest increase in the defence budget. How modest is "modest?" While there are many intangibles, this course would gradually increase Canada's defence spending from approximately 2 percent of the Gross National Product to between 2.2 percent and 2.4 percent of the GNP. This increase may not be easy to achieve at a time when there are many other claims against the national purse, but it is both necessary and well within Canada's economic capabilities. Canada would still be one of the world's more parsimonious defence spenders and well below the NATO average of 3.4 percent of the GNP.

The combination of a modest increase in defence spending and one of the policy options explored earlier would effectively bridge the commitment-capability gap and, more importantly, contribute to the raising of the nuclear threshold. NATO does not need to match the Warsaw Pact tank-for-tank or gun-for-gun, but it does need essential equivalence in conventional arms. To do otherwise in an era of nuclear parity is to court disaster. □

Myth and magic in disarmament

by James Keeley

The Cruise missile has dominated the nuclear weapons debate in Canada. It provides a visible Canadian link to nuclear weapons and, as such, is the glue holding together a diverse coalition of disarmament groups. Broader and more profound issues, such as the morality of war and of nuclear deterrence, strategic doctrines, and Canada-NATO and Canada-US relations, have also been raised. But one question is seldom addressed: how are we to think about and act in international politics? Yet this is fundamental, for the answer we give here affects all the more specific questions raised by nuclear weapons.

The Canadian disarmament movement is no monolith, but generally speaking it has failed to deal with this issue adequately. Instead, in the assumptions, arguments, conclusions and behavior of many "disarmers," one or both of two difficulties might be found. First, an inappropriate model of politics is often applied to international politics. Second, there is a dangerous concentration on public mobilization, and on myth and magic to generate and sustain that mobilization. The result is a simplistic level of discussion and of thought, which not only injures the effectiveness of the movement but also, if it is effective, could be dangerous to the country by promoting unsound policy. For its own good and for the good of the country, the Canadian disarmament movement must engage in some badly-needed self-criticism of its assumptions, means and objectives.

Political models

Our ideas and expectations about politics are based on our experience and schooling. From these we create a model, a pattern, with which we try to explain things. We try to understand the unfamiliar in terms of the familiar — "that can be thought of like this." If we use a model where it is not appropriate, however, we may be led to unsound conclusions. Most of us know only Canadian domestic politics. That may not be a good guide to understanding international politics.

Canada is a liberal democratic state with a benign history. For all our bickering, we have avoided domestic turmoil, dictatorship and revolution. A broad and deep consensus underlies our society. We use votes, and free and reasoned argument to resolve political disputes. We believe in an ultimate harmony of interests among individuals and between individuals and the community. We believe there may be some truth on all sides in an issue. We enjoy safeguards and remedies against deceit and violence. Internationally, we have been protected by others, rather than

depending on large standing armies posted within our borders. Our world has been dominated by states sharing our fundamental beliefs and amenable to our interests. We have been so blessed, internally and externally, so sheltered from the harsher side of politics, that we take our condition for granted instead of acknowledging its uniqueness.

We assume that others are "just like us" — that they share our basic views of what constitutes rational behavior and desirable goals. If they do not, we think them uninformed, irrational or evil. But people *do* differ, in their concepts of the world, interests, preferences and goals. Politics is based on these differences. It tries to deal with them — not always peacefully. In international politics, the differences are stronger, deeper, more acute than in Canada, and areas of agreement are weaker and more limited. Thus, if we uncritically apply our domestic model of politics to international relations, we may make three common errors. We may place too much faith in vague ideas of a common interest. We may misunderstand the role of force in politics. We may overemphasize the independent role of law.

Un-housebroken world

It is often argued that all people share a "common interest in peace." This is meaningless as stated. The real issues arise only when we state in hard terms what *sort* of peace we want. Goals of "brotherhood" and "harmony" will not do here. The sticking-points in international relations are precisely those issues largely resolved in our domestic politics: choices of political and economic systems, and distributions of power, wealth, authority and responsibility. Some kinds of peace we would find so vicious that we would fight, or threaten to fight, to avoid them. Others might look on our preferred peace in the same way. With our basic agreement in our domestic politics we overlook the possibility of disagreement over kinds of peace, and the depth of that possible disagreement.

Even if our choice was between a nuclear-disarmed world and a dead one (a debatable point, not a self-evident truth), we would still face this problem. We would have to choose among many possible disarmed worlds, and many means of attaining them. We owe our children a living world, but also a world tolerable to our values. We can

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Wanting disarmament not enough

escape this problem only through an abdication of thought and responsibility.

There are two unpalatable truths recognized by all serious students of disarmament but too often ignored or evaded by the merely sincere. First, disarmament talks are not simply about weapons, although these form the ostensible agenda. They are really about the organization of the world — about the kind of peace we want. Second, these talks are political exercises, not merely attempts by two parties, in fundamental agreement, to find a mutually-beneficial solution to a common problem. They are contests for advantage as well as searches for a joint solution. A focus merely on the reduction of nuclear weapons, or merely on nuclear weapons, or merely on agreement, would be insufficient and short-sighted. The larger context and the political implications of proposals must also be considered. A scheme which would reduce levels of nuclear weaponry might have political costs which outweigh its benefits. A victory for groups opposed to the Cruise and Pershing II missiles in the West German elections *might* have prevented their deployment, but would also have had significant negative results as well. Aside from producing damage to relations within NATO, and possible political disarray in West Germany, it would have represented a successful and significant Soviet intervention in West German politics. It would have given the Soviets a multi-faceted political victory at little or no cost.

Place of force

Because we are protected from violence and deceit, we look on the use or the threat of force as abnormal and undesirable. Our domestic success in dealing with force obscures its relevance to politics. International politics has been less successful in centralizing and controlling force, and in preventing the exploitation of the weak by the strong. States will rely more on their own capabilities and less on protestations of good faith than will individuals in a well-ordered society. For many students of international politics, its distinguishing characteristic is the constant and open presence and use of force and threats of force.

But did force ever solve anything? The question reflects a variety of misunderstandings. It may mistake the failure of one state's use of force with the failure of force as such. The American use of force in Vietnam was a failure, but was the North Vietnamese? Although force cannot solve all problems, or solve many problems well, it can set limits to solutions. Through two world wars, Germany has become integrated into the world community, but not as the dominant actor. Force may be most useful when it least needs to be used — when others defer rather than challenge. Force sets basic constraints on policy and, although a blunt instrument, is still a useful instrument of policy.

Since we too readily assume extensive agreement and misunderstand the place of force, we also may misunderstand the place of law. Our domestic situation, with both a strong consensus and a strong centre to enforce the law, provides little guidance for a situation in which the consensus is much weaker and the centre non-existent. Powerful groups may defy the law even in a well-ordered society. In international politics, obedience to the law is particularly dependent on self-interest and enforcement almost exclusively dependent on self-help. Ignoring this, we may emphasize legal formulas while ignoring both the

underlying political problems and the political-coercive basis of any law.

Enforcing compliance

This poses particular problems when we turn to international politics. The League of Nations did not fail because of a defective Covenant, but because some states were unwilling to abide by their obligations and others were unwilling to force compliance. Gas was not used in combat in World War II not simply because of the treaty banning its use but also because its military value was doubtful and because both sides knew the other was prepared to respond in kind if it was used. A mutual pledge of no-first-use of nuclear weapons would similarly be based precisely on the existence of these weapons and a credible threat to use them in response to a nuclear attack. Such a pledge would *not* necessarily prevent their use, and certainly would *not* greatly diminish their importance.

We overlook these foundations of agreements too readily. We might note the legal requirements of a nuclear weapons-free zone in Canada, but do we consider the political-military requirements? How would we verify and enforce such a zone, for example in our Arctic waters? Or are we making the facile assumption that everyone will agree to it and observe it even in the absence of adequate verification and enforcement?

One might say that this is all true, but the point is to change the world, not merely to understand it. Fair enough. But do we want the *consequences* of what we want? Would our desired world stand close scrutiny? If it did, how would we attempt to create it? An effective and adequate program to create another world must be based on an acceptance of the existence of this world. We must not assume away or ignore problems. We must have an appropriate model of international politics.

Myths and magic

If it is to succeed, a political movement must organize and direct public opinion. But often the need to generate public pressure takes precedence over the analysis of the ends which this pressure is supposed to serve. In the disarmament movement, as in other political movements, political myths and magic are important in the attempt to create and sustain public pressure. But an aroused public is not necessarily a well-informed public capable of thinking critically and of making complex choices. Reliance on myths and magic detract from serious thought within the movement and from serious attempts to educate, not merely to mobilize, the public.

Political myths are invocations of powerful ideas and images which touch deep fears and yearnings. These ideas and images may not withstand rational analysis, they may not point to a feasible program, but that is irrelevant. Their primary importance is that they move people to act. There is no deceit here — the purveyors of myths are usually the strongest believers in them. But dependence on myth obscures hard issues of ends and means. Indeed, it leads to inattention to ends and a disconnection of ends and means.

Aspects of myth may be found in the proposal for a global referendum on disarmament. In rational terms, it is extremely unlikely that the Canadian government would seriously make such a proposal, that other states would support it without strong and questionable ulterior mo-

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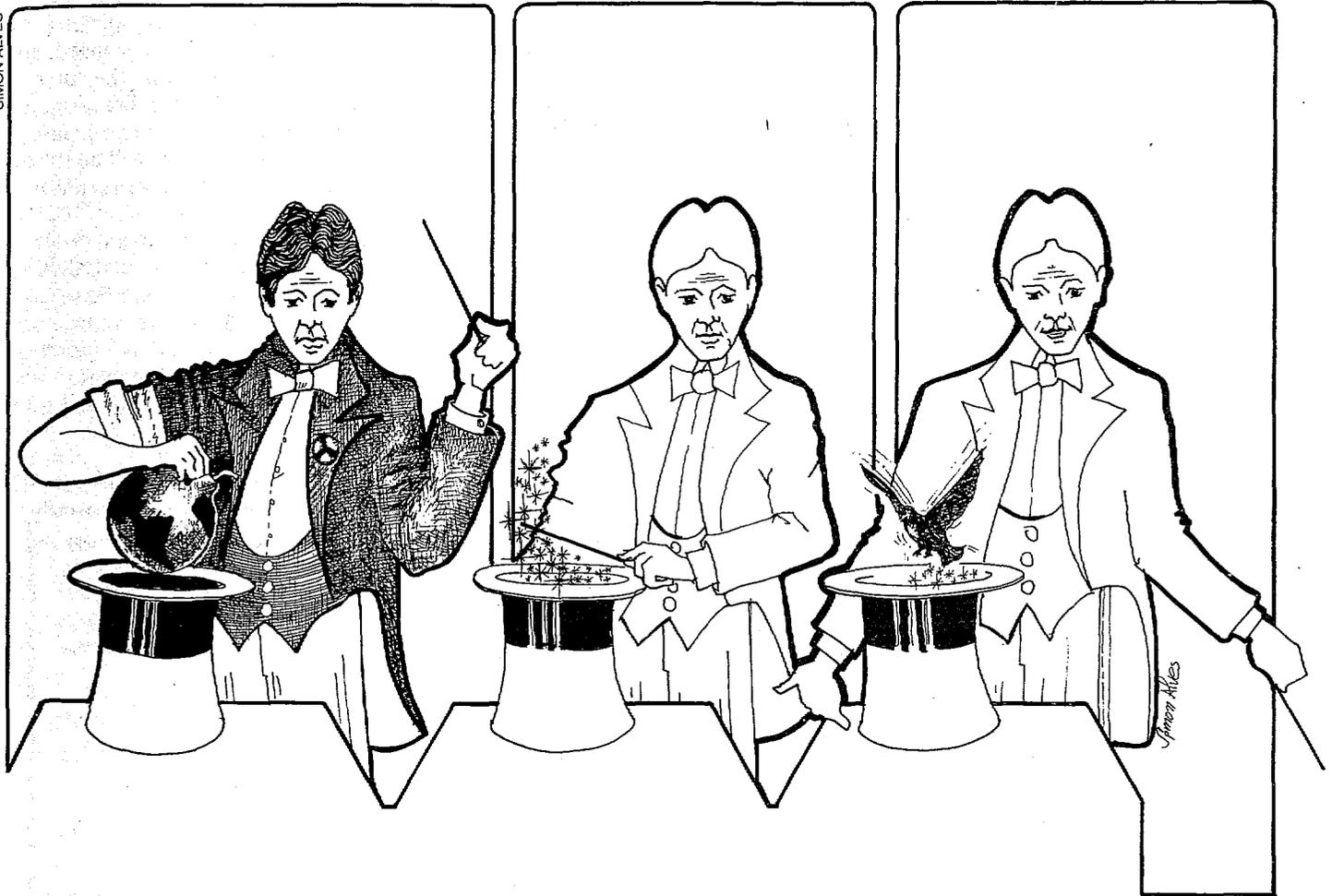
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Wanting disarmament not enough

tives, or that the United Nations would take up the idea and implement it in any meaningful form in the foreseeable future. What the idea does is tap a fear of nuclear weapons and a sense of frustration with the ongoing arms control talks. It is a way of asking the Canadian government to "do something." It relies on not merely a simplified but also a profoundly incorrect model of domestic, much less international, politics — on politically-innocent notions of "Democracy," "The People," and "Peace." It rejects even the

are reassured. Since the manipulation of symbols is an important part of politics, we must expect politics to be particularly susceptible to magic. Arm-waving and muttering mystic syllables cannot get pigs to fly, but *can* create and bring down governments.

Magic tells us that, if we really try hard, if we really want something, we can get it. After all, it worked for Peter Pan. The focus in the disarmament movement on "political will" has elements of this. Given sufficient "political will,"



existence of this world, and so cannot provide a sound basis for the creation of another.

Demonstrations and vigils have mythic elements. These may be calculated means of putting pressure on governments, but also may have other satisfying effects. They may harken back to the brave days of the anti-Vietnam movement, and reinforce a self-image and a sense of solidarity. Many participants may have thought long and hard about the issues, but thought is not necessary to participation, and may even be seen as detrimental to it. Action, after all, is "doing something about the problem," while thought may lead to sobering conclusions that increase rather than dispel doubts.

Legerdemain force

Magic, the manipulation of symbols in an attempt to manipulate the world, is a complement of myth. Political myths use images and ideas to generate means — to mobilize. Magic, particularly the manipulation of words, helps to sustain the myth in the face of questioning. The proper formula is chanted, the proper ritual performed, and we

we are told, we could resolve the nuclear weapons problem. But why is this "political will" lacking? The theory of stupid or mad leaders may be comforting, but bears little relation to political reality. And cannot "political will" promote political foolishness? Mobilization must not be divorced from a consideration of the ends to which it is directed.

Magic encourages us to say something and hope that, by saying it, we make it so. It encourages confusion of a description of a desirable world with a program for attaining it. "The way to a disarmed world is to disarm!" "World peace through world law!" "World federalism!" "Make the United Nations work!" The key question, seldom asked and never welcomed, is "how?" These ignore difficulties rather than solve them. Were our problems so easily handled, they would not *be* problems.

Magic encourages a confusion of the word and the thing, of symbol and reality. It allows us to accept "no first use," "non-aggression pacts," "nuclear free zones" without having to confront their political-military foundations, or

Wanting disarmament not enough

inquire into their viability or their real meanings. These may all be viable proposals, but magic presents them without analysis, offers comfort from the words alone.

Disarmament debate too important to be left to disarmers

The desire to mobilize public energy, the dependence on myth, the use of magic, and the premium on action all detract from sober analysis. Worse, the need to maintain the disarmament coalition inhibits the necessary debate over ends and means within the movement and the real education of the public. More and better demonstrations take precedence. These difficulties may account for a disturbing aspect of the debate in Canada. I refer not merely to widespread misinformation, and to sentiment and desperation masquerading as thought, but above all to a notable inability or reluctance to carry serious thought beyond the recognition that "nuclear weapons are nasty." Beyond this, too often, lie merely good intentions. But good intentions are not enough. A policy that does not work is, above all else, a policy that does not work. The means used to generate and sustain public pressure do not necessarily support, and may even work against, the development of sound policy.

These basic problems of models, myths and magic are

endemic in the Canadian disarmament movement, although they are not evenly distributed. They affect different groups differently. Because they are interconnected they affect some groups more than others, and they are found more in the "grassroots" than in the leadership. But they *are* widespread, and point to an intellectual and an educational failure in the movement. Some results of this failure we see already. Ill-conceived proposals divide the meagre resources of the movement and damage its credibility. Ill-conceived actions damage its legitimacy, yet may only reluctantly be denounced, for fear of splitting the coalition or alienating a fringe. The public is aroused, and panaceas are offered — but once it is clear that the cures do not work, the public may swing in the other direction, not merely lapse into apathy. If the movement fails because of its defects, an important voice in arms policy will be stilled. If it succeeds without correcting its defects, the results may cost us all dearly.

The Canadian disarmament movement has a legitimate and useful role to play in the nuclear weapons debate. But it must earn that legitimacy and fulfill that role responsibly if it is to have a beneficial influence. It is time, past time, for the movement to take stock of itself, not merely to ask how it can be more effective politically but rather to begin questioning its assumptions, its goals, its programs and its tactics. □

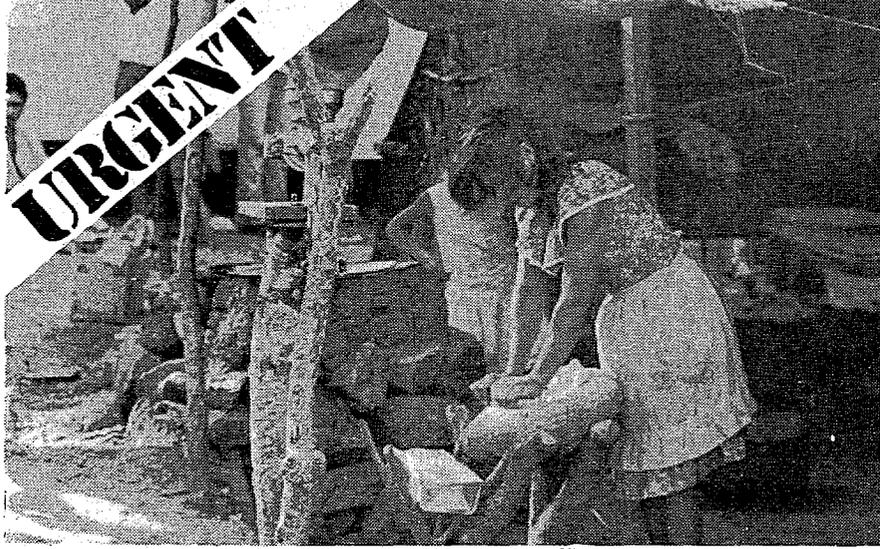


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Canada and the new Pacific

by L.J. Edwards

The current surge of interest and activity in Canada in "things Pacific" is the continuation of a centuries-old process that began with the discovery and early exploration of North American shores by bands of Orient-bound adventurers. From Cartier's wishful christening of the Lachine rapids in 1535 to the remarkable numbers and exploits of Canadian missionaries in Asia in the nineteenth and twentieth centuries, the Pacific world has had an elusive yet siren-like appeal to Canadians. (For the purposes of this article, the Pacific definition includes Japan, China, the Republic of Korea, ASEAN, New Zealand, Australia, Oceania, Indochina, and the territories of Hong Kong and Taiwan. ASEAN is an organization composed of Indonesia, Malaysia, Philippines, Singapore and Thailand.)

Yet, this new attention is more than the revisiting of a romantic past. It springs from a deeper and more genuine outward extension of Canadian interest towards the Pacific, and a greater desire on the part of Canadians to assert our role as a Pacific nation.

There are two principal reasons for this phenomenon. The first is the decline in the economic power of central Canada relative to other parts of the nation, and a decline in the notion — as old as Macdonald's National Policy — that western Canada should look east and not west for its economic well-being. The economic centre of gravity in Canada has moved westward, and with it, the conception of Vancouver as the "back door" to a country facing Europe is being slowly replaced by the notion of a "front door" to the Pacific.

Emerging Pacific

The second change has been the emergence of the Pacific over the past decade as a high-growth region, with remarkable potential. Average growth rates of 6 to 10 percent consistently characterized economic performance in most countries during the 1970s. While the world recession rolled back growth indicators in 1981-82, the fundamentals for lively performance remain throughout the region as a whole: largely industrious populations with a strong work ethic, major resource bases in many nations, entrepreneurial skills and drive, and high labor productivity. Projected rates of growth for the rest of this decade, as measured by several independent forecasters (and assuming a sustained global recovery) are lower than the 1970s but at 5 to 8 percent in real terms (excluding Japan, Australia and New Zealand, where 2 to 5 percent growth predictions are more realistic), still largely exceed the most optimistic projections for OECD countries.

The challenge facing Canada is the forging of a total approach to the Pacific which measures up to the size and variety of the task. No single region combines the variety of societies and cultures, languages, and religions of the Pacific world. The traditional mixes with microchip technology. Economic systems range from state-run socialist to mixed-market to strong free enterprise; political systems encompass feudal sultanates, thriving democracies and communist regimes.

Such realities demand sophistication and flexibility in the Canadian approach. They place a premium on cooperation and coordination among sectors — governments (both federal and provincial), business, cultural and academic. Canadian foreign policy must respond to the new economic dynamism and increasing political weight of the Pacific world and give expression and support to those fundamental political, economic and other goals that Canadians wish to pursue in the region.

Political dimension

The Pacific is assuming ever greater importance in geopolitical terms. The Soviet Union is giving the region increasing attention politically and is expanding its military capabilities and presence. Under its modernization policies, the Chinese giant is embarked on an economic and political course, bringing new dimensions to its regional interests. Vietnam continues to pursue an expanded sphere of influence as the predominant power in Southeast Asia. The promise of economic prosperity is an international drawing card, enhancing the rewards and increasing the political stakes among all players, both inside and outside the region.

As a nation traditionally concerned with global peace and security — and now prepared to be a more active member of the Pacific club — Canada has a compelling political interest in encouraging regional peace and stability, and in being seen doing so. This can be achieved through sustained support for a stronger ASEAN, for the sovereignty and political integrity of our friends, and for a solution to the Cambodia problem. We can encourage Japan to play a greater political role commensurate with its

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World's growth area

economic stake and to take a larger part in regional security, provided it is within the bounds acceptable to other Pacific countries. We can encourage national governments to treat the internal economic, social, political ills — including, where it occurs, the harsh disrespect for basic human rights — that are breeding grounds for instability and targets for mischief-making by outsiders. But we must be ready to give substance to this advice through the provision of effective development assistance and the shaping of bilateral relationships that bring benefits to our partners as well as to ourselves.

Economic perspectives

Canada's broadly-defined political interests in the Pacific are not just confined to promoting peace and security, and to encouraging greater social justice. The region's developing and industrializing economies will play an increasingly vital role in driving the world economy, and take a more active interest in its management, in the evolution of the international trading framework, and in the treatment of certain North-South issues, such as commodities problems.

Such key relationships also serve as the substructure, set the environment and directly assist in the pursuit of Canada's broadening economic and trade interests in the region. Two-way trade with Pacific markets (excluding Indochina) increased approximately 3.5 times from 1971 to 1981, and as a share of our global exports, Canadian shipments have increased from about 7.5 percent to 9.7 percent. Annual growth in exports averaged over the decade ranges from 6 percent (Philippines) to over 31 percent (Republic of Korea), with the figure for most markets substantially above Canada's global figure of 14.75 percent. Japan surpassed the United Kingdom in 1972 as our second largest trading partner (after the United States) and consistently accounts for between 5 percent and 6 percent of our total trade, producing a healthy surplus for Canada. A rough estimate of Canadian direct investment in the region exceeds \$US 2 billion, largely in ASEAN and Australia, while direct investment in Canada from Japan and elsewhere is probably of similar magnitude. Canadian banks have performed most impressively in the region, with a total exposure estimated to be in the range of \$10 billion, laying a mature financial groundwork for Canadian business in the years ahead. The Export Development Corporation has financing agreements and guarantees exceeding \$1 billion with a further \$2 billion line of credit open to China.

While no one expects to see the same rapid rates of growth in trade that occurred in the late seventies, Canada's future economic involvement will be characterized by several general features that should create by 1990 a better, more interdependent and mutually supportive network of linkages than we have today — in all a more durable partnership — and a stronger and wider commitment geographically within Canada to Pacific relationships.

Projects beckon

One feature will be the increase in project-related business (as distinguished from more traditional spot sales and long-term supply contracts). As many as sixty resource and infrastructure-related projects of interest to Canadians are underway or planned within the ASEAN group. Financing requirements alone for these projects easily exceed several billion dollars. China is also pursuing several

similar projects, and should global economic recovery permit, Australia could conceivably resume planning for an ambitious range of resource projects estimated to total \$46 billion in the next decade. This could be complemented by \$6 billion in energy projects in New Zealand. This high incidence of project-related activity will directly stimulate or reinforce several other features: (1) an increase in the export of engineering expertise and other professional services; (2) a trend towards greater Canadian direct investment and joint ventures in the region, particularly in response to pressures for local production and technology transfer; (3) significantly greater potential in most countries for exports of capital equipment and high technology goods; and (4) more complex financial tie-ups among Canadian and foreign banks, the Export Development Corporation and CIDA, in order to compete with the financing instruments available to competitors.

While these new developments are taking shape, the markets already developed for raw and semi-processed goods — especially in Japan, Korea and Hong Kong — and for manufactured goods in Australia and New Zealand, should continue to increase in size. Then, as now, these traditional products will provide on balance greater economic rewards to western Canada. But the *potential* for sales of goods and services to ASEAN countries, China and Korea in such areas as communications, air and rail transport and defence equipment; heightened financial activity; and more affluent markets for manufactured goods, should, over time, bring substantially greater benefits to central Canada. Resource upgrading and further processing of supplies to traditional markets such as Japan should also be of interest outside western Canada. Along with the opportunities for assisting resource and industry development in the Pacific, in ASEAN countries, Australia and China (i.e., hydro, nuclear, oil and gas, coal, petrochemicals, forestry, minerals and metals), and the likely attraction to Canada of Japanese and other investment in all sectors of the economy, prospects exist for a much broader *national* commitment within Canada to more durable relationships in the Pacific.

Tomorrow may be different

There remain, of course, many uncertainties within this admittedly optimistic sketch of increasing involvement with the world's fastest growing region. Sustained global economic recovery might not occur to support this growth; unforeseen economic events could cause one or more of these economies to falter or fail.

Unexpected political developments could also play havoc with the future. The early departure of China's current pragmatic leadership could result in less Chinese interest in cooperation with Western business. The future of Hong Kong, and its consequent economic role vis-à-vis China and the region, still remains clouded, as does the long-term relationship between Taiwan and China. A resumption of tensions on the Korean peninsula or strains in the internal stability of several countries cannot be ruled out. Governments in the region play important, if not central, roles in economic development and project management, and shifts of emphasis in internal priorities, or among partners of preference (for example, pressure in Malaysia to move away from Western economic models), could bear on Canadian interests.

Examples of more specific uncertainties include the

The events of June and July 1983

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"International Canada" is a paid supplement to *International Perspectives* sponsored by External Affairs Canada. Each supplement covers two months and provides a comprehensive summary of Canadian government statements and of political discussion on Canada's position in international affairs. It also records Canadian adherence to international agreements and participation in international programs. The text is prepared by *International Perspectives*.

Bilateral Relations

USA

Agreement on Cruise Missile Testing

On June 13, the United States made the expected formal request that it be allowed to test its unarmed, air-launched Cruise missile over Canadian territory. A month later, the Canadian Cabinet approved the request. The agreement to test the Cruise missile followed the signing by both countries of an "umbrella" agreement last February concerning weapons testing. External Affairs Minister Allan MacEachen informed US Secretary of State George Shultz of the Cabinet decision in a letter dated July 15. He began the letter with a reference to public opinion:

You will recall that when I wrote to you on January 21, I underlined the serious concern of the Canadian people about the decision their government might make on the anticipated US request to test the Cruise missile in Canada. At that time I stressed how important it was for the government to be able to assure the Canadian public that the arms control aspect of the negotiations in Geneva is being pursued as vigorously and as earnestly as is the deployment of new missiles.

Mr. MacEachen also pledged that Canada would be "even more vigorous than in the past in promoting creative disarmament and arms control initiatives."

A July 15 Government of Canada press release described some of the specifics of the Cruise agreement, including its flight pattern over parts of Alberta and British Columbia. The test corridor is to be used during winter months only, and could involve four to six tests per year, the press release stated.

The announcement was made by External Affairs Minister Allan MacEachen and Defence Minister Gilles Lamontagne during a press conference July 15. The *Globe and Mail* reported July 16 that Mr. MacEachen had indicated "that Canada has the right under the agreement to cancel any test flight 'in imperative circumstances' and stressed that Canada might reconsider the testing if an arms control agreement limiting intermediate-range weap-

ons in Europe was signed between the Soviet Union and the United States" (see POLICY — DEFENCE).

US Involvement in Central America

Canada was urged to challenge US Central American policy in various ways during June and July. Although Canada had in previous months been openly critical of some US policies in the region, Rod Murphy (NDP, Churchill) accused the government in the House of Commons June 17 of "silently backing US policy in Central America." He stated that External Affairs Minister Allan MacEachen had, in an early June speech to the United Nations Association in Ottawa, stressed Canada's opposition to armed attacks on legitimate governments in Central America, but had remained silent on US-financed and directed attacks on Nicaragua. Mr. Murphy also said that the Canadian government had not demanded evidence of the existence of arms shipments from Nicaragua to Honduras which the US said justified its support for counter-revolutionary activities in Honduras and Nicaragua; had not condemned the US program of "destabilization" of Nicaragua; and had not challenged the US campaign of disinformation about conditions in Nicaragua. He urged the government to move forward to help Nicaraguans build a democratic, pluralistic and prosperous society.

On June 29, Bob Ogle (NDP, Saskatoon East) told the House that according to a recent report, the US had succeeded in its campaign to make international institutions like the International Monetary Fund, the World Bank, and the Inter-American Development Bank cut loans to Nicaragua but multiply aid to El Salvador and Guatemala. Mr. Ogle called upon the government to oppose IMF loan applications from countries engaging in or condoning "consistent and gross violations" of human rights.

Returning from Nicaragua in late July, NDP external affairs critic Pauline Jewett also said that in that region, it was critically important for Canada to distance itself from US policy. "Canada could protest first diplomatically, and

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then if necessary, publicly, the covert operations and the show of military might (by the United States)," she said (*Globe and Mail*, July 22) (see POLICY — FOREIGN).

Acid Rain

In recent months, there have been signs from the US administration that the problem of acid rain will receive more attention from the US. An official from the US Environmental Protection Agency (EPA), Fitzhugh Green, told a United Nations meeting on transboundary air pollution on June 7 that the Reagan administration had "heightened its resolve to come to grips with the problem . . . President Reagan himself has stepped into the lead by instructing William Ruckelshaus, EPA's new administrator, to make acid rain a top priority" (US Embassy press release, June 8).

Canada and the US, which share the problem of acid rain, have not agreed in the past about the extent of, or solution to, the problem. Canada has claimed that sulphur dioxide emissions from coal-burning generating plants mix with water to form acids in the air which are carried by winds, falling eventually as acid rain. This pollution is responsible for the death of lakes, rivers, fish and forests in certain areas, notably south-central Ontario, southern Quebec, the Maritimes, New England and Appalachia, Canada has argued. Canada's objective is to reduce these emissions by 50 percent by the end of the decade, and has been trying to convince the US to do the same. However, the US has, during the Reagan administration, claimed that more information is needed on the problem before expensive action is taken. But Canadians, including Environment Minister John Roberts, said in June that there have been recent encouraging signs from the US. An article appearing in *The Citizen* June 17 analyzed the US approach to the issue, and also concluded that the present administration appears to have made a policy shift on the problem of acid rain, partly as a result of Canadian efforts to convince US authorities of the urgency of the problem.

In Canada on June 21, the reconvened House of Commons Sub-Committee on Acid Rain began three days of hearings on acid rain. The first witness was Environment Minister John Roberts. Mr. Roberts' speech pointed out the difference between Canadian and US action to date on the problem. He pointed to a recent Canada/US study on the impact of acid rain. The group had concluded that damage was being done to the environment, caused by sulphate depositions. Therefore, Mr. Roberts said, "The inevitable conclusion, it seems to me, is that we should act quickly to bring depositions down to that specified, safe level. However, the American members of one of the working group teams reached a different conclusion. While accepting all of the above premises they were unable to agree that what we have learned so far about damage to hundreds of ecosystems under study, can be applied to those we have not studied. What we need, they say, is more research."

But, Mr. Roberts said, "Until a few weeks ago, I must say that we seemed to be wheel-spinning. I cannot really claim that we are moving quickly now. But there have been some encouraging signs." One sign has been a growing sense of urgency in the American public. For instance, Mr. Roberts said, in May, 194 out of 224 New Hampshire towns had passed resolutions calling for the United States to join with Canada in a cleanup of acid rain. In addition, Mr.

Roberts said that on his most recent visit to Washington, he noticed that Members of Congress showed a widening interest in the subject and a growing conviction that we must act soon. And a recent meeting with Mr. Ruckelshaus was encouraging. "I know he is reviewing the US government position, and I believe he is looking for methods of action, not simply further studies in response to the acid rain challenge," Mr. Roberts said.

The sub-committee held hearings about the subject from June 21 to June 23. It was reported that some invited Canadian companies had declined appearances before the committee. Chairman Ron Irwin claimed that it was those companies which had yet to meet their clean-up commitments that were having trouble fitting the hearings into their schedules. "The ones that are getting on with the clean-up can't wait to take the stand and tell us all about it," Mr. Irwin told reporters (*The Citizen*, June 17).

Following the hearings, four members of the sub-committee went to Washington to meet with key US legislators and administrative officials to discuss acid rain control programs. In an interview in Washington June 28, Chairman Irwin said that a growing number of Congressmen had been introducing control bills, and that it was possible that the White House would introduce controls as soon as this fall (*Globe and Mail*, June 29).

More support for the Canadian position came in late July with the results of a review by the Royal Society of Canada of the joint Canada/US Work Group study (referred to above by Mr. Roberts). The Royal Society concluded that scientific evidence is sufficient to warrant "the prompt introduction of abatement measures . . . The Royal Society panel considered that the Canadian proposal (to reduce emissions by 50 percent) follows naturally from the agreed text of the Working Group Reports. It could not reconcile the US conclusions with the agreed text" (Minister of Environment press release, July 27).

At the end of July, a special US commission on acid rain appointed by Mr. Ruckelshaus presented the EPA official with a 250-page report outlining various options to deal with the problem. One proposal was for the US and Canada to reduce the sulphur dioxide emissions by 50 percent in twenty-one states and Canada, to provide "the most uniform reduction" in the sensitive areas. This reduction would be double what some observers reportedly believed was the Reagan administration's target for emission cuts (*The Citizen*, July 3).

Great Lakes Area Chemical Pollution

In June, concern about the toxic chemical threat to drinking water from Lake Ontario prompted Environment Minister John Roberts to call for a series of urgent meetings among different levels of government and the public. The call came at a June 6 press conference following a tour by Mr. Roberts of four major US chemical dump sites around Niagara Falls, N.Y. that are leaking into the Niagara River. Recent studies have shown that there are hundreds of industries and sewers polluting the Niagara River, with a large variety of toxic chemicals finding their way into Lake Ontario with the potential of contaminating the drinking water of four million Canadians and one million US residents. "Water quality standards exist for only a fraction (43) of the 2,000 potentially harmful substances that have been

detected in the Great Lakes ecosystem," Mr. Roberts said (*Globe and Mail*, June 7).

Mr. Roberts wanted the meetings to address the adequacy of existing health guidelines for toxic chemicals in drinking water and the possibility of adding special filters, such as granular activated carbon, until toxic chemicals can be eliminated from the lake. (The US Environment Protection Agency had announced a day earlier that \$700,000 in special funds had been allocated to start an investigation of how to clean up the "S-Area" dump, which had been referred to by Mr. Roberts earlier this year as "a greater threat to Canadian waters than any other US landfill uncovered to date." The US government is involved in a lawsuit against Occidental Chemical Corp., formerly Hooker Chemicals, which dumped chemical waste into porous rock close to the Niagara River for thirty years until 1975.)

At the news conference, Mr. Roberts also said, "There is no reason to be concerned about the present drinking water quality in the Great Lakes." The next day in the House of Commons, Neil Young (NDP, Beaches) called Mr. Roberts' statements "contradictory." Mr. Roberts explained that while present health standards are being met, there is concern for the longer term development of water quality in the Great Lakes.

A further question by Mr. Young was about the slowness of the US government in cleaning up the dump sites. Mr. Young wanted to know whether the government had considered taking legal action against either the US government or the owners of those dump sites. The Environment Minister said that the government had considered legal action, but had determined that such a course of action would not be useful. Mr. Roberts explained:

We have a variety of means of redress which we exercise with the American authorities. I think it would be unwise for us to abandon, as practically would be the case, our alternative remedies by relying on the court process. If we were to enter legal action it is very possible, indeed probable, that the American administration would say, "Since you entered the legal process we must abide by the results of that process." In fact that process is a very lengthy, time consuming one. While we have supported, in a variety of ways, groups which do intervene in the American legal process, simply in terms of practicality and in maximizing the means by which we have to call upon the American administration for redress, it would be unwise for us to restrain ourselves, or restrict ourselves to the legalistic approach.

Mr. Roberts was also questioned that day by Joe Reid (PC, St. Catharines) about US efforts to remedy the situation. He answered that he had recently met with new US Environment Protection Agency (EPA) head William Ruckelshaus, and had met with the regional EPA administrator June 6. He said that he had been encouraged to hear about the \$700,000 initial fund money to study the toxic site cleanup. There were reasons to be encouraged by the recent attitude of the US administration, the Environment Minister said, but it is still important to make representations to the US authorities.

Georges Bank Dispute

Canada and the US both filed their second written arguments, called "Counter-Memorials," with the Interna-

tional Court of Justice in The Hague on June 28 in the case concerning delimitation of the maritime boundary in the Gulf of Maine area. The first written pleadings in this case had been submitted to the Court in September, 1982, and these first and second written documents were not to be made public until the opening of the oral proceedings in the dispute, expected to be in early 1984. A Canadian government press release June 28 stated:

This case centres on a dispute between Canada and the United States as to the dividing line between their respective continental shelves and 200-mile fishing zones on the Atlantic coast. The same dividing line will also apply to the 200-mile exclusive economic zone recently proclaimed by President Reagan . . . The Canadian Counter-Memorial rebuts the contentions made in the US Memorial regarding the US and Canadian boundary claims in the Gulf of Maine area. It reaffirms the Canadian view that the equidistance line claimed by Canada represents an equitable solution that takes account of all the relevant circumstances.

This dispute had also been brought up in the House of Commons earlier in the month by Lloyd Crouse (PC, South Shore). On June 7, he said that recent US actions could preempt the International Court's decision. "On March 10 President Ronald Reagan proclaimed an exclusive economic zone claiming sovereign rights over all living and non-living resources within 200 miles of United States territories. Following this action a Bill was introduced in Congress that would close the US 200-mile zone to all foreign fishing vessels by the end of 1987, with a gradual phase-out beginning next year," Mr. Crouse told the House. He asked Fisheries Minister Pierre De Bané whether he had made any representations to his US counterparts to safeguard Canadian fishermen's rights on Georges Bank (southeast of New Brunswick). Mr. De Bané responded that he did not think unilateral decisions by either country would have any impact on the International Court's decision.

Salmon Treaty: Stalled

There were attempts to rescue the draft salmon treaty between Canada and the US in late June. The draft treaty, to regulate the harvesting of West Coast salmon with the aim of protecting some seriously threatened salmon stock, particularly chinook salmon, called on both countries to recognize each other's conservation and enhancement efforts and to set allowable catches according to the number of fish returning to rivers within their territory (*The Citizen*, May 19).

It had been initialled by both countries in February after thirteen years of negotiation. Following this, however, Alaska had objected to certain provisions and ratification was stalled. Negotiations had been reopened, and in June, Canada agreed to reduce Canadian fishermen's quota of chinook salmon. But, External Affairs Minister Allan MacEachen told reporters in Vancouver June 24, US negotiators, largely at Alaska's instigation, then insisted that the US quota of chinook salmon be increased as well. Mr. MacEachen was en route to Southeast Asia, where he expected to meet with and discuss the issue with US Secretary of State George Shultz (*Globe and Mail*, June 25).

On June 27, Fisheries and Oceans issued a press

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release on the subject which stated that recent efforts to rescue the treaty had failed. "A number of Alaskan concerns have been met but two issues remain outstanding: the chinook harvest levels for both sides in 1983; and the sharing arrangements for the salmon stocks spawning in transboundary rivers, in particular the Stikine and the Taku," the press release stated.

On the second issue, Fisheries Minister Pierre De Bané said, "It would mean that the United States rather than Canada would be given primary interest in and responsibility for salmon spawned in Canadian rivers. Such an arrangement would be contrary to the provisions of the Law of the Sea Convention regarding anadromous stocks." Mr. De Bané said that while Canada remains willing to negotiate annually a management regime for these transboundary rivers, as would be required by the draft treaty, the right of Canada to pursue its own fishery in its rivers is not open to question.

He said that Canada now had no choice but to press ahead with a responsible management plan which would provide benefits to Canadian fishermen to the extent possible without a treaty. "Throughout this exercise we have made our willingness to proceed with the treaty abundantly clear. Without the treaty both sides are vulnerable. Canada remains willing to sign the treaty but, if necessary, can live without it," the Fisheries Minister said (Fisheries and Oceans press release, June 27).

GATT Ruling on FIRA

An international panel ruled on July 12 that Canada is in violation of one article of the General Agreement on Tariffs and Trade (GATT) with respect to a policy of Canada's Foreign Investment Review Agency (FIRA). The preliminary decision by a neutral 3-nation GATT tribunal was in response to formal complaints registered against FIRA policies last year by the US. (The US has been critical of the agency's function of screening foreign investment in Canada since FIRA was created ten years ago.) While one US complaint was dismissed by the GATT panel, the other, dealing with the FIRA practice of requiring some foreign-owned companies to buy materials in Canada and restrict imports as a condition for allowing them to acquire or set up businesses in Canada, was upheld. It was found that this practice violated GATT Article 3, which requires countries to offer foreign investors "national treatment," the even-handed treatment of foreign and domestic companies. The rejected complaint had been about the FIRA policy of requiring some foreign-owned companies to export from the Canadian branch plants (*Globe and Mail*, July 13).

The full GATT Council representing eighty-nine countries is expected to make the final judgement in October. The GATT Council has no enforcement powers, but member countries could take retaliatory action against Canada.

Industry, Trade and Commerce Minister Ed Lumley told reporters the day of the decision (which had been "leaked" to the press) that it was too early to say whether the panel ruling would result in changes to FIRA (*Globe and Mail*, July 13). *The Citizen* reported July 14 that Mr. Lumley had "played down the significance of the panel report," saying that "the key determination is what the GATT Council thinks of the report." But, *The Citizen* said, Mr. Lumley "acknowledged that the GATT process leaves

room for Canada and the US to try to come to a bilateral solution to the problem before the full Council meets."

Other reaction to the findings came from NDP Trade critic Lorne Nystrom. In a press release July 13, he "warned" the federal government not to use the GATT ruling as an excuse to further weaken the Agency. He said, "The hypocrisy of the United States in even taking this case before GATT is beyond belief. In many ways, the US is the most protectionist country in the world . . . The US has countless 'Buy American' policies. Why doesn't Ed Lumley consider taking the US before GATT?"

US Import Restrictions on Steel

The potential impact on Canada of a series of tariffs and quotas announced by the US administration in early July concerned Canadian officials and business representatives. The Reagan administration announced July 5 that the US tariff on imports of specialty flat-rolled steel would be doubled to 20 percent and quotas introduced on bar, rod and alloy tool steel. The move was to cut US imports of specialty steel products, especially from Europe where government subsidies allow producers to sell below cost in the US. But, *The Citizen* reported July 7, Canadian officials considered the restrictions unfair because the Canadian government does not subsidize the export of specialty steel to the US. The US in fact has a favorable trade balance with Canada in specialty steel. The US market in Canada is twice the volume and three times the value of the Canadian exports to the US, a Canadian embassy trade official in Washington said (*The Citizen*, July 7).

The Canadian government was urged through representations by an official of Atlas Steels Co. of Welland, Ontario (the major exporter of specialty steel) to threaten to penalize imports of US specialty steel as a lever to negotiate exemptions for the Canadian steel, the *Globe and Mail* reported July 7. Representatives from several Canadian federal departments had met following the US announcement, and one official told reporters that it was unlikely that the Canadian government would retaliate. One official said that it might be possible for Canada to make a separate deal with the US, because President Ronald Reagan had directed US Trade Representative William Brock to negotiate orderly marketing arrangements with interested governments (*Globe and Mail*, July 7).

BAHAMAS

Visit to Canada of Prime Minister

Bahamian Prime Minister Lynden Pindling was in Canada from June 26 to July 1. The visit, which took the leader to Toronto and Montreal, began in Ottawa, where Mr. Pindling met with Prime Minister Pierre Trudeau. The two leaders discussed a variety of issues of concern to both countries, mostly business related. One issue discussed was tourism, the main industry in the Bahamas. The number of Canadians visiting the Bahamas has decreased in recent years, from 143,000 in 1978 to 84,000 in 1982. One reason for this, according to a Bahamian official, was that there has been a decrease in flights from Canada to the Bahamas, and an increase of cheaper flights to other southern destinations. Mr. Pindling and Mr. Trudeau discussed the possibility of increasing passenger air service

between the two countries. They also discussed Canadian investment in the Bahamas. Mr. Pindling told reporters that he and Mr. Trudeau had agreed to sign soon a foreign investment insurance agreement giving Canadian investors protection from expropriation and nationalization (*Globe and Mail*, June 28).

CHILE

Canadian Oil Sale

A recent decision to sell oil to the Pinochet regime in Chile was questioned in the House of Commons on June 23. This followed National Energy Board approval in mid-May of a sale of 440,000 barrels of oil to Chile, a decision which NDP MPs protested at the time. On June 23 Dan Heap (NDP, Spadina) told the House that Chile was on the eve of a general strike — a non-violent demand for the restoration of democracy. The Chilean government's response to these demands had been to increase government violence, beatings, killings, kidnapping and jailing of union leaders, Mr. Heap said. He wanted External Affairs Minister Allan MacEachen to explain why Canada had decided to assist the Pinochet regime by selling it oil, and why Canada had chosen to renew the Export Development Corporation's line of credit to that government.

The question of the relationship between forms of economic assistance and collaboration with countries which do not respect human rights was very complex, Mr. MacEachen said. He said that the question had been addressed with respect to Central America by the subcommittee of the Standing Committee on External Affairs. "I found their conclusions reasonably acceptable, namely that in all cases it would be wrong to deny economic collaboration or assistance to a country because of human rights violations. Certainly where the violations are so gross that it is impossible to implement appropriate programs to assist people, then that ought to be a conclusive factor," Mr. MacEachen explained.

CYPRUS

Canadian Peacekeeping Forces

Canada's peacekeeping role in Cyprus, which had been questioned in the House of Commons and elsewhere in recent months, was again the subject of a statement in the House on June 3. Ursula Appolloni (Lib., York South-Weston) stated:

It is reported that on June 1 the Secretary of State for External Affairs (Mr. MacEachen) warned the UN Secretary-General, Javier Perez de Cuella, that Canada might withdraw its troops from the UN Peacekeeping Force in Cyprus. In doing so, the Secretary of State for External Affairs obviously reflected growing Canadian frustration at the apparent inability of the Turkish and the Greek governments to reach a peaceful and equitable solution to the Cypriot problem.

Mrs. Appolloni proposed that because of this, in the

interest of the two disputing parties, the Canadian public and the Canadian Armed Forces, the question might be brought to the attention of, and discussed by, the External Affairs Standing Committee.

Canada's ambassador to the United Nations, Gérard Pelletier, also expressed concern over the situation in Cyprus in June. In a statement to the United Nations Security Council on June 15, Mr. Pelletier said that Canada was prepared to continue its commitment to the UN Force in Cyprus. He told the Council, "We believe that our record in this case and other peacekeeping enterprises demonstrates our consistent determination to act responsibly in the cause of peacekeeping . . . No one can dispute that the presence of the United Nations Force in Cyprus has prevented a re-occurrence of intercommunal fighting and has contributed to the restoration and maintenance of law and order." But, he said:

The primary objective of the Force mandate, however — to facilitate the achievement of a negotiated settlement and return to peaceful conditions — has unfortunately eluded our efforts for over nineteen years . . . My government believes that the two communities of Cyprus and others involved in the dispute have displayed a regrettable lack of will to make the necessary difficult compromises required for a successful political solution. We, therefore, call on those parties to enter serious and fruitful discussions in a spirit of compromise and goodwill. Canada very much hopes that a clear indication of progress will be evident before the end of the mandate period just approved [six months].

EL SALVADOR

Refugees to Canada

On June 17, Employment and Immigration Minister Lloyd Axworthy announced a program which allows about 300 recently released Salvadoran political prisoners and their families to come as landed immigrants to Canada. The government of El Salvador had recently announced an amnesty for some 500 political prisoners in that country. The Canadian offer of asylum represented the largest such assistance internationally. In making the announcement, Mr. Axworthy said that because of concern for the safety of the refugees, every effort would be made to help those who want to leave the country to do so as quickly as possible. He also outlined other Canadian efforts to assist those affected by the unrest in El Salvador, including the raising of this year's refugee target to 2,000 and the acceptance of Salvadorans who face deportation from the United States (Employment and Immigration press release, June 17). In addition, it had been announced June 6 that the Canadian International Development Agency (CIDA) would provide \$975,000 in funds for humanitarian assistance to the victims of the civil war in El Salvador (CIDA press release, June 6).

The first seventeen Salvadoran refugees under this program arrived in Canada on June 29. During the previous two weeks, Canadian immigration officials interviewing in El Salvador had approved the applications for asylum of 138 people, representing 67 of the former prisoners and

their families. Those accepted were "the most urgent cases — those who appear to be in the greatest jeopardy should they remain in El Salvador," an immigration official told reporters (*Globe and Mail*, June 18).

FRANCE

Export Development Plan

The federal government released Canada's Export Development Plan for France on June 14. Following consultations with provincial governments and the private sector in Canada, this plan was prepared to assist the public and private sectors in Canada to expand business in the French market. An External Affairs press release (June 14) stated, "The assessments and proposals it contains form the basis of the federal government's export marketing activities in France over the next two to three years. It is part of a series of market development plans for specific countries, prepared by the Department of External Affairs, identifying significant export opportunities which are consistent with Canadian industrial production and supply capabilities."

Visit of Quebec Premier

Quebec Premier René Lévesque visited France for several days beginning June 25. Quebec and France maintain a "privileged relationship," a relationship which French Prime Minister Pierre Mauroy, on a visit to Canada in April 1982, said should not affect excellent relations with Ottawa. This recent French attitude has been considered by Ottawa an improvement over past French support for Quebec nationalism, which had been viewed as interference by France in Canada's internal affairs. Leading up to Mr. Lévesque's visit were several statements by Prime Minister Pierre Trudeau which followed a meeting with French President Mitterand at the Williamsburg Summit in May. Mr. Trudeau had said in an interview published in *Le Devoir* June 17 that France no longer supported Quebec's demand for full national status at a proposed international conference of francophone nations. Attempts by former French administrations to organize such a summit meeting had failed because of France's insistence that Quebec be given full participating status. They can now go ahead, Mr. Trudeau said in the interview.

During a speech at a dinner in honor of Mr. Lévesque on June 27, Mr. Mauroy stressed that France "forbids itself from interfering in the affairs of others," but assured Mr. Lévesque that France is committed to developing a relationship with Quebec, and will support the province along "whichever road it chooses to take." However, this privileged relationship should in no case overshadow the friendly relations France has with Canada, the Prime Minister said. Mr. Lévesque, in his reply, said that although in the early years France-Quebec relations had centred on culture and education, Quebec now sees economic cooperation as the priority (*Globe and Mail*, June 28).

The following day, the issue of the francophone summit was brought up at a press conference. According to the *Globe and Mail* (June 29), Mr. Mauroy said that Quebec should have its place within a French-speaking commonwealth, but "fell short of backing the province's demand for full government status at a francophone summit." Mr.

Mauroy said that cooperative links between France and Quebec are "exemplary" in many cases.

Mr. Mauroy's comments were praised in the House of Commons June 28 by Marcel Dionne (Lib., Chicoutimi). "Mr. Mauroy also indicated to Mr. Lévesque that the future of relations between France and Quebec must be economically viable, and I emphasize this economic aspect. I must say that I heartily approve of this new approach taken by the French. It is true that we must strengthen our trade, technological and industrial relations with France if we want to see French used more often in trade, business and research . . . We should rejoice in the new relationship being established between Canada, France and Quebec," Mr. Dionne said.

Not praised in the House of Commons were some remarks made by Mr. Lévesque while in France. On June 28 and 29, Liberal MPs from Quebec informed the House of Commons of their indignation about an alleged prediction by Mr. Lévesque that the next referendum on Quebec's independence would be won because today's senior citizens, who voted against independence, will have disappeared.

Neutron Bomb Tested

In the House of Commons June 27, NDP defence critic Terry Sargeant stated that his party condemned a recent explosion of a neutron bomb by France on an atoll in the Pacific Ocean. "The French Defence Minister, Charles Hernu, told the Western German magazine *Der Spiegel* that if French President François Mitterand wishes production of the neutron bomb to begin, such production could begin immediately," Mr. Sargeant said. The neutron bomb is designed to kill people but leave buildings intact, and the NDP is critical of any government which engages in the testing of nuclear weapons with a view to production and deployment, he stated.

GUATEMALA

Plight of Mayan Indians

The Canadian government was urged on June 20 to insist on a thorough international investigation into actions of the Guatemalan government against the Mayan Indians of that country, estimated at one million. Jim Manly (NDP, Cowichan-Malahat-The Islands) told the House of Commons that Guatemala was waging a genocidal war against the Indians. The World Assembly of First Nations had presented the External Affairs Department with information concerning sites where torture and mass executions have taken place. "The time has come for Canada to abandon its policy of silent agreement with the Reagan line that the Guatemalan government is only engaged in protecting the state from Marxist guerrillas," Mr. Manly said.

HAITI

Visit to Canada of Official Delegation

A delegation of Haitian ministers, led by Foreign Affairs Minister Jean-Robert Estimé, met with several

Canadian ministers, other parliamentarians and officials in Ottawa from June 13 to 15. After holding "cordial and beneficial talks," the Canadian and Haitian representatives "expressed the desire of their governments to contribute toward improving international economic relations, especially in the context of North-South dialogue, safeguarding peace and freedom in the world and ensuring respect for the dignity and progress of mankind," an External Affairs press release June 16 stated. The Canadian representatives expressed their satisfaction with and support for the efforts of the Haitian government to: liberalize its institutions; carry out its fiscal and budgetary reform program; improve living standards; and improve social justice. With this in mind, the two parties agreed to pay special attention to the strengthening of trade and industrial relations.

INDIA

Visit of Canadian Foreign Affairs Minister

India was one of three South Asian countries visited by External Affairs Minister Allan MacEachen in early July. The visit, from July 3 to 6, was the first official one by a Canadian foreign minister to India in twenty-eight years, and one of the first visits of any Canadian minister since India exploded a nuclear device in 1974 using Canadian fissionable materials. Mr. MacEachen told a news conference that the visit was "an indication of the gradual but definite effort to resume normal relations with India . . . and represents a desire to regard India as an important partner and a member of the Commonwealth."

Mr. MacEachen held talks with Prime Minister Indira Gandhi, and other ministers. In discussions with the Indian Finance and Industry Ministers, Mr. MacEachen offered Canadian financial support for the exploration of natural resources, and said that Canada would increase footwear and textile quotas for Indian products. He also said that Canada supports India's request for a \$US 2 billion loan from the Asia Development Bank, an external affairs official told reporters (*Toronto Star*, July 5).

Canada is also committed to growth in Canadian development assistance programs in India, a Canadian International Development Agency (CIDA) press release said July 15. One such project, announced on that day, was for assistance to the Indian government in the improvement of human nutrition through a project designed to increase edible oil production. Through CIDA funding, Canada will provide \$66.7 million in canola oil and technical assistance to India over a four-year period. In addition, the press release stated, Canada and India have greatly increased commercial links in recent years.

IRAN

Recent Executions

Following the execution of ten women of the Baha'i faith in Iran, Flora MacDonald (PC, Kingston and the Islands) told the House of Commons June 22 that those living in democracies have an obligation and a respon-

sibility to speak out against such human rights violations. She said that members of the Baha'i faith have been subjected to incredible harassment and torture since Ayatollah Khomeini seized power in Iran, with 130 executions of the leaders of that faith. "Peoples and governments around the world must protest these savage and outrageous acts of violence until the rights of Baha'is to live in peace and security, free to practise their religion, are respected," Miss MacDonald said.

IVORY COAST

Visit of President to Canada

President Félix Houphouët-Boigny of the Ivory Coast was in Canada from June 15 to 17. He met with several cabinet ministers in Ottawa June 15, and the next day met with Prime Minister Pierre Trudeau in Montreal, and attended a luncheon given by Quebec Premier René Lévesque.

It was reported that the talks between Mr. Trudeau and President Houphouët-Boigny focused on North-South economic relations. The President expressed concern with the falling price of coffee and cocoa, his country's top exports, and asked Mr. Trudeau to consider endorsing a fixed world price for the two commodities. Mr. Houphouët-Boigny also stressed agrarian development and the need for Western experts on farm productivity and food processing in the Ivory Coast, *The Citizen* reported June 17. The two leaders also discussed the possibility of a francophone summit, a plan which Mr. Trudeau had also recently discussed with French President François Mitterand.

One agreement was signed between the two countries during the visit — an agreement preventing double-taxation by the countries. It ensures that the 450 Canadian citizens living in the Ivory Coast will pay taxes only to Canada, and the 400 citizens of the Ivory Coast in Canada will pay taxes only to that country (*Globe and Mail*, June 14). "The deal, nine years in the making, is largely aimed at encouraging Canadian companies to invest more in the Ivory Coast, which is negotiating a \$25 million, zero-interest line of credit for Canadian goods and services," *The Citizen* reported June 17.

JAPAN

Car Exports to Canada

It was announced on June 27 that Canada and Japan had reached an understanding limiting automobile exports to Canada. This new agreement replaced an interim agreement, which was due to expire July 1. Previous to the June 27 announcement, International Trade Minister Gerald Regan had been questioned in the House of Commons about the negotiations. On June 17 and 21, Lorne Nystrom (NDP, Yorkton-Melville) had asked Mr. Regan whether Canada was demanding Canadian content in the Japanese cars. One conclusion of a task force on the Canadian auto industry (released in May) had been that foreign auto makers selling cars in Canada be required to procure Canadian parts and labor equal to 60 percent of the value

of their sales. This recommendation was similar to the 1965 Auto Pact with the United States, Mr. Nystrom said, and it would be fair to extend those rules to other companies in other countries. On June 21, Mr. Regan explained that the task force report would be carefully studied by Cabinet. "Only after Cabinet has reached a conclusion on it would there be such action as negotiations on those points with Japan, or on the question of drafting legislation. I think it is important that we have a restraint arrangement in place for at least a further nine months while we proceed with the examination and consideration of the recommendations of the task force," Mr. Regan said. Mr. Nystrom was also concerned that any agreement with the Japanese cover trucks as well as cars, unlike past agreements.

Japanese representatives at this time expressed their opposition to an inclusion of Canadian content requirements in any agreement. In a speech to the Canadian Manufacturers Association in Toronto on June 14, Japanese Ambassador H.E. Kiyohisa Mikanagi expressed "serious concern" about the task force's content recommendations. "I believe that such a request would not only serve as a negative factor for Japan-Canada relations, but would also not serve the true interests of Canada, as these could lead to counter measures, the shrinking of bilateral trade, a detriment to consumer interests and most importantly and more decisively it would encourage protectionist trends in the United States and other countries." Such a request would be contrary to Canada's commitment to oppose protectionist measures, he said. Delegates from the Japan Auto Manufacturers Association also expressed their opposition to legislated purchase quotas. Any forced content requirement would drive up the price of a Japanese car and invite Japan to retaliate, the president of Nissan Automobile Company (Canada) told reporters on June 16 (*The Citizen*, June 17).

The agreement announced June 27 covered only passenger car exports from Japan. An External Affairs press release that day described the agreement:

The understanding will ensure that exports of Japanese passenger cars to the Canadian market will not exceed 153,000 units over fiscal year 1983-84 (April 1, 1983 to March 31, 1984). The understanding is based on an export forecast announced today by the Japanese Ministry of International Trade and Industry (MITI) that passenger car exports to Canada over the fifteen month period, January 1, 1983 to March 31, 1984, will not exceed 202,600 units. It is understood that Japanese passenger car exports will not be concentrated in the last half of 1983.

The press release said that the arrangement would result in a decrease of approximately 18,000 units in the fiscal year 1983-84 over the previous fiscal year. It was forecast that the reduction would mean that the import penetration of Japanese cars in the Canadian market would be below 20 percent.

In the House of Commons that day, Mr. Regan answered questions by Jack Masters (Lib., Thunder Bay-Nipigon) about the agreement. Mr. Regan said that because the agreement runs until next March 31, it places Canada on the same time period as the Japanese-US agreement on imports. In the past, the Japanese have not been prepared to negotiate seriously with Canada before the expiry of US agreements, he said.

The agreement was criticized by the Canadian direc-

tor of the United Auto Workers union, Robert White. Mr. White said that Canada should have negotiated the Canadian content recommendations. He also said that 20 percent of the market, although down from the current 25 percent for Japanese cars, is more than is held by either Ford Motor Co. of Canada, or Chrysler Canada Ltd. in Windsor. And General Motors of Canada said in a prepared statement that although it was encouraged by the agreement, it was disappointed that the quotas do not cover trucks. Also critical, but for different reasons, was the president of the Canadian Association of Japanese Auto Dealers, who said that the limits will mean that Canadians will pay more for Japanese cars (*Globe and Mail*, June 28).

Ban on Canadian Smelt

Fisheries Minister Pierre De Bané was questioned in the House of Commons in mid-June about a Japanese ban on Canadian smelt. On June 15, Robert Daudlin (Lib., Essex-Kent) told the House that "through the unfortunate linkage in the Japanese press or erroneous information on dioxin in the Great Lakes and the freshwater smelt fishery, there have been bans placed in Japan on that particular fish." He said that the ban had resulted in substantial layoffs in ports on Lake Erie, and asked the Fisheries Minister what the government had done to overcome the erroneous information and restore normal trade in smelt with the Japanese.

Mr. De Bané confirmed that the Japanese had linked dioxin contamination of fish in the Saguenay Bay in Michigan, USA, with the Canadian commodity. "I would like to give the firmest assurances that we have tested the smelt exported to Japan from Canada and not a trace of dioxin has been found," Mr. De Bané said. He said that he had sent a telex to all interested parties in Japan through the Canadian embassy there to confirm that there was no dioxin in Canadian smelt.

The next day this effort was called "ineffective" by Bud Bradley (PC, Haldimand-Norfolk). Mr. Bradley proposed that the government consider sending a specialist trained in dioxin testing with some of the latest test results of Lake Erie smelt to the Canadian embassy in Japan.

The ban was lifted by the Japanese on June 22, according to Fisheries officials.

MEXICO

Canadian Assistance

A Memorandum of Understanding was signed in Ottawa July 6 between Canada and Mexico, covering a pledge by Canada of financial assistance of up to \$US 150 million. A press release from the office of the Finance Minister stated, "The pledge was part of a multilateral effort coordinated by the International Monetary Fund to provide financial assistance to Mexico during a period of economic difficulty. The Canadian assistance includes a line of credit of up to \$CDN 100 million guaranteed through the Export Development Corporation (EDC) to a group of eight Canadian banks. This line of credit provides Mexico with short-term financing of Canadian exports. In addition, the Canadian assistance included up to \$CDN 15 million in export credits to finance grain purchases from the Canadian

Wheat Board, and up to \$CDN 15 million to support Canadian sales to Mexico through the EDC."

Finance Minister Marc Lalonde stated that the assistance reflected the high priority Canada accords to its relations with Mexico, an important trading partner. In addition, the assistance will enhance activity and employment in Canada's industrial and agricultural sectors, Mr. Lalonde said.

PAKISTAN

Visit of Foreign Affairs Minister

Pakistan was the final stop for External Affairs Minister Allan MacEachen on an Asian visit, which had taken him to Thailand, Sri Lanka and India. Mr. MacEachen was in Pakistan from July 6 to 8 to consult with leaders on a variety of bilateral and multilateral issues (External Affairs press release, June 6).

Mr. MacEachen told a news conference July 8 that he did not discuss a resumption of nuclear cooperation between the two countries with Pakistani leaders. Canada had assisted Pakistan in setting up a nuclear power plant, but stopped supply fuel to that country after a 1976 Canadian policy decision not to deal with countries which do not adhere to the nuclear non-proliferation treaty or accept safeguards. "For various reasons some countries are not able to accept that type of proposal," Mr. MacEachen said (*Globe and Mail*, July 9).

Canada supports Pakistan's call for a political settlement in neighboring Afghanistan on the basis of a withdrawal of Soviet troops and an honorable return of Afghan refugees to their homes, Mr. MacEachen told reporters (*Globe and Mail*, July 9).

At the same time, a group of Pakistani Canadians were meeting in Toronto to discuss the dictatorship in Pakistan under General Zia, who came to power in 1977. At the meeting they formed the Pakistan People's Party of Canada (Ontario) to lobby the Canadian government for help in restoring democracy to Pakistan (*Globe and Mail*, July 9).

SOUTH AFRICA

Executions Protested

There was a call in the House of Commons June 8 for Prime Minister Pierre Trudeau to issue a personal plea for the lives of three African National Congress (ANC) members, scheduled to be executed the next day in South Africa. On behalf of the NDP federal caucus, Bill Blaikie (NDP, Winnipeg-Birds Hill) joined Amnesty International and other human rights groups in warning "that the executions will only serve to intensify racial conflict in that unhappy white minority rule country." Mr. Blaikie said that

hangings were the first politically motivated executions in South Africa in four years. Canadian officials had made representations to the South African government last fall asking that the sentences be commuted, he said.

Mr. Blaikie also asked Mr. Trudeau to make representations on behalf of Nelson Mandela, "leader of the largest section of the South African population, who is in prison and has lately had the severity of his punishment while in prison increased to the point where he, and other leading political prisoners, are having their survival threatened." In Ottawa July 9, on Mr. Mandela's sixty-fifth birthday, there was a demonstration in front of the South African embassy protesting that country's apartheid policy (*Globe and Mail*, July 19).

SOVIET UNION

Visit by Trade Delegation

The third Canada-USSR Mixed Economic Commission was held in Moscow from June 1 to 3. International Trade Minister Gerald Regan led the Canadian delegation, which consisted of officials from the External Affairs Department, and Canadian businessmen. The officials met with their Soviet counterparts to discuss a range of bilateral commercial issues, and the businessmen had individual meetings with Soviet trade organizations and client users. Meeting with Soviet officials, Mr. Regan emphasized Canada's continuing interest in supplying grains to the USSR. He also stressed the quality and competitiveness of Canadian manufactured goods, particularly for oil and gas machinery and equipment, and products associated with agribusiness (External Affairs press release, June 3).

ZAIRE

Visit of Canadian External Relations Minister

Eight development assistance agreements worth approximately \$25 million were signed between Canada and Zaire during a visit to that country by External Relations Minister Charles Lapointe July 18 to 21. An External Affairs press release July 22 stated, "Canada, in collaboration with the World Bank, will contribute \$15 million to a cattle breeding project in Ituri, whose main objective is to improve cattle breeding techniques in the north-east region of Zaire and to provide veterinary medicines. A second agreement of \$5.5 million is for food aid which will be provided by Canada next year. The other agreements concern financial support for the Counterpart-fund Secretariat, the marketing of plant fibres in the Bandundu region, the creation of a centre for the adaptation of wood-energy techniques, and supplementary support to the state company Forescom and to the Bunia Abattoir."

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UNITED NATIONS

Conference on Trade and Development

The sixth United Nations Conference on Trade and Development (UNCTAD VI) took place in Belgrade, Yugoslavia, from June 6 to 30. Attending were 3,000 delegates from more than 160 countries. The theme for the conference was world economic recovery and development. "In the Canadian view, the conference should serve to set the North-South dialogue on a constructive course and to enhance confidence in the ability of international economic institutions to address the critical problems the world is currently facing," an External Affairs press release June 2 stated.

The conference was the major North-South forum of 1983, and the first such United Nations conference in four years. Shortly before the conference, major developing and developed nations had discussed their aims in separate forums. Seven major industrialized nations had attended the Williamsburg Summit in May, and had issued a 10-point statement endorsing a strategy for global recovery. Developing countries comprising the "Group of 77" had also recently met in Buenos Aires, Argentina.

The proposals which came out of the Buenos Aires conference were a series of measures dealing with commodities, finance and trade. These included: automatic debt relief; an increase in world liquidity through the International Monetary Fund; greater aid; increased private bank lending to developing nations; and freer access for their exports to the northern markets. The Group of 77's official aim is to create a new international economic order biased in favor of the poorer nations, and it had, in the past ten years, been pressing for a restructuring of the international financial system. But, newspaper articles appearing in the *Globe and Mail* (June 7) and *The Citizen* (June 14) stated that the newly proposed measures, which the group wanted implemented immediately, represented a departure from past stances. The aim of restructuring remained, but was not the highest priority. "This more pragmatic and less confrontational stand by the Group of 77 in part reflects its members' frustration with the meagre results of their demands for a radical reshaping of the international economic order" (*The Citizen*, June 14). The *Globe and Mail* said (June 7) that "reflecting this moderate tone, the Buenos Aires platform also called for 'dialogue consensus' with the industrial countries in an attempt to elicit their support and avoid divisive confrontation."

Canadian External Affairs Minister Allan MacEachen headed the Canadian delegation to UNCTAD VI. In a speech delivered June 7, Mr. MacEachen referred to the Group of 77's Buenos Aires statement:

It does not surprise me that their economic analysis is more pessimistic than that which emerged from Williamsburg, both because of the severity with which they have been hit in a time of economic crisis and because the signs of recovery in the Third World remain faint in comparison to the economic problems which they face. Of particular encouragement to me, however, was the tone and spirit which came from both New Delhi [where "non-aligned nations," virtually the same countries as the G-77, had met in March] and Buenos Aires — a call to approach international problems "in a spirit of understanding and cooperation" and to search for answers in a practical and realistic way.

This cooperative approach recognized the interdependence of the community of nations, Mr. MacEachen said. This interdependence was the essence of the UNCTAD conference, he said, and had also been a major theme at the recent OECD Ministerial meeting in Paris, and at Williamsburg:

At the former, we gave ourselves two tasks in relation to our approach to this conference— first, to ensure that all countries would benefit from the economic recovery now getting underway; and second, to recognize that recovery would not in itself have sufficient automatic benefits for the Third World, and that we needed to work together to promote development and tackle the structural problems of underdevelopment and poverty. In Williamsburg, also, we paid considerable attention to what we appreciated was the increasingly important Third World dimension of our economic issues.

However, Mr. MacEachen told the group, in the past such a conference as the Buenos Aires one has frequently placed too much emphasis on the system and not enough on "national will." He continued:

If I have a criticism of the excellent platform which the Group of 77 put together in Buenos Aires, it would be the priority it places on the radical restructuring of present institutions and the creation of yet more mechanisms. It seems to me that in recent years we have, as an international community, spent far too much time in trying to devise

new machinery and not enough in making what we have work better.

"Making it work better," according to Mr. MacEachen, would be to "make our performance match our good intentions." To this end, he addressed the three topics presented by the Group of 77: commodities, finance and trade. For commodities, he assured the conference that Canada would be ratifying the jute, tin and coffee agreements in the near future. For trade, he said that Canada, like developing countries, is vitally interested in restoring a healthy trading environment. "Our first priority should be to achieve a sustained non-inflationary economic recovery. Recovery will generate increases in import demand necessary as a basis for renewed growth in world trade. At the same time, we must continue to resist protectionist pressures. . . . We could move to dismantling barriers as recovery proceeds [but] we do not believe that the answer to our present problems lies in the negotiation of a new set of trading rules."

The most substantive item for consideration, Mr. MacEachen said June 7, was the consideration of international monetary and finance questions. He referred to the Williamsburg consensus:

Our objective will be to examine issues and ideas in ways which can assist the competent financial institutions better to fulfill their mandates, to conduct efficient and timely operations, and to respond to the needs of developed and developing countries alike to a new period of recovery and development.

Mr. MacEachen ended his speech in Belgrade by reaffirming Canada's commitment to increasing the levels of Canadian official development assistance, especially for the poorest countries. He also expressed concern for, and a commitment to, finding stability in energy pricing. "The Canadian Prime Minister just a month ago said Canada was prepared to work with other countries to 'restore a compassionate and disciplined world order.' This is the spirit which should animate our deliberations," he concluded (Statement published by External Affairs).

In the article appearing in *The Citizen* June 14, the difference between the Canadian approach, and that of the developing nations, was summed up:

Where North and South still differ is on whether their growing awareness of such interdependencies means they should completely recast the international economic system or merely tinker with it. The Third World still hankers after its old dream of a new economic order that would take more account of developing countries' interests. The West remains pragmatic, feeling the existing system can be adapted as problems arise.

NATO

Statement by Admiral

In a June interview, retiring chairman of the North Atlantic Treaty Organization's (NATO) military committee, Admiral Robert Falls said that the West could reduce its nuclear arsenal without affecting deterrence. Admiral Falls, a Canadian, was the Alliance's top military adviser before retiring July 1. The article in the *International Herald*

Tribune, which appeared on June 21, quoted Admiral Falls as saying:

If arms-control talks don't work, then it might become necessary to act unilaterally to reduce, especially battlefield nuclear weapons, because we have perhaps more than we need. . . . We had a deterrent at one time that was at a much lower level. We have not managed to keep arms supply under control. But it's not outside the realm of possibility to return to that lower level. . . . If we did that, I think we'd find that we could demonstrate to the Soviets that both sides could stop the proliferation of nuclear arms (*Globe and Mail*, June 21).

He said that he did not question NATO's plan to deploy 572 land-based medium range nuclear missiles in Western Europe beginning in December. But, he said, Western politicians tend to forget the important of submarine-launched missiles, which have an enormous deterrent capability and which should force leaders to think again about the need for new ground-launched systems (*Globe and Mail*, June 21).

The statements were questioned in the House of Commons on June 21. PC defence critic Allan McKinnon told External Affairs Minister Allan MacEachen that although Admiral Falls was under the authority of NATO, his salary was paid by the Canadian Department of National Defence. "Bearing that in mind, would the Minister tell the House if Admiral Falls' statement reflects Canadian government policy?" Mr. McKinnon asked. Mr. MacEachen replied that he had not read the precise words of Admiral Falls, but knew what NATO policy was. He said:

We are always working in the direction not of a unilateral disarmament but in the direction of balanced and verifiable disarmament at lower levels of armaments. That is the policy of NATO. That policy was recently restated at the meeting of NATO Foreign Ministers [June 9-10] at which we, once again, restated the intention of the Alliance to undertake deployment of weapons in Europe unless there were concrete results in negotiations now taking place in Geneva.

The same day, NDP defence critic Terry Sargeant told the House that Admiral Falls' statement had exposed the government's policy of "talking peace while throwing fuel on the arms race." Admiral Falls had "added his voice to those of many other western military leaders in condemning the nuclear arms buildup," he said.

It was reported July 8 that NATO Secretary-General Joseph Luns had "hit the roof" over the Admiral's statements. In a public statement approved by the member countries, Mr. Luns dissociated the Alliance from the remarks. He had also sent Admiral Falls a "private, toughly worded letter of criticism," the *Globe and Mail* reported July 8.

ASEAN

Ministerial Meeting

External Affairs Minister Allan MacEachen attended the Post-Ministerial Meeting of ASEAN Foreign Ministers with Dialogue Partners in Bangkok on June 27 and 28 (ASEAN stands for the Association of Southeast Asian Nations, and consists of Indonesia, Malaysia, the Philip-

pires, Singapore and Thailand. It has formal relations with "dialogue" partners — Australia, Canada, the European Community, Japan, New Zealand and the United States). Both Prime Minister Pierre Trudeau and International Trade Minister Gerald Regan had visited ASEAN countries in the past six months in an effort to further trade opportunities in that region. The efforts had been successful, Mr. Regan had told the House of Commons June 21. There have been "an endless number of contracts which have been signed or are under their last stages of negotiation since the Prime Minister's visit . . . Exports from Canada to Asia over the past year increased at a time when Asia's over-all imports were going down." The Southeast Asian market is Canada's most rapidly expanding market and is of intense importance, Mr. Regan said.

This was also the message from Mr. MacEachen at the Ministerial meeting in Bangkok. Mr. MacEachen praised the economic advances of ASEAN. "Your countries have been successful in blending public and private sector ventures and in attracting foreign participation in the national development effort. That you seem more prepared to view Canada as a mature and logical partner in this process is no doubt a measure of the impact of the visits of both the Prime Minister and Mr. Regan." Mr. MacEachen referred to several recent cooperative ventures between those countries and Canada.

The political importance in the region of ASEAN was also referred to. Mr. MacEachen said that Canada has a political commitment to the Association stemming from the conviction that ASEAN is making a significant contribution to peace and stability in southeast Asia, especially by its approach to the problem of Vietnam's continued occupation of Cambodia. He outlined the common position of Canada and ASEAN:

Canada supports ASEAN in its initiatives to promote a settlement of this problem in accordance with the wishes of the international community as expressed in the Resolutions of the UN General Assembly and by the 1981 International Conference on Kampuchea. Canada shares the view of ASEAN that a settlement of the problem of Cambodia must ensure the right of the Kymer people to determine their own future free from outside interference.

Canada's commitment to ASEAN was also praised by government leaders and the media in the region (*Globe and Mail*, June 28). Two agreements between Thailand and Canada had been signed during Mr. MacEachen's visit — one to provide CIDA funds for the development of Thai mineral resources, and one for a grant for the application of technology to the management of Thailand's natural resources. The *Bangkok Post* praised this Canadian involvement. An editorial appearing June 28 in that paper said, "We are not sure just what Canada gains from the growing friendship between our nations." An important feature of these projects was that "there are no strings attached . . . Canadians will show us how to use the equipment, [but] will not remain here forever," according to the editorial (*Globe and Mail*, June 28).

WILLIAMSBURG SUMMIT

Canadian Participation Questioned

The government was questioned in the House of

Commons on June 1 and June 3 about its contributions at the Williamsburg Summit, which had ended May 30. This followed questioning May 31, also regarding positions taken by the seven nations attending the conference. Two communiqués had come out of the Summit: an economic statement; and a security statement. Both were questioned in the House June 1.

PC finance critic Pat Carney, referring to the economic statement, said that the Summit countries had committed themselves to reducing budget deficits in order to reduce interest rates, and also to constrain government spending. She asked Finance Minister Marc Lalonde, who had attended the Summit, to "explain how he intends to carry out his Summit commitment when his own deficit will increase by 50 percent this year over last year's published estimates, and when his own government expenditures are increasing at twice the rate of inflation."

He responded:

None of the countries concerned is talking in terms of immediate reduction of their deficits. They have all agreed that . . . this action would take time and would have to be done on a gradual basis in the medium term. Therefore there was unanimous agreement that we should take steps to reduce the government deficits and, as the communiqué states, particularly through control of government expenditures.

Mr. Lalonde said that in his April 19 budget, it was forecast that the growth of government expenditures would not exceed the trend growth of the GNP over the next few years. Therefore, he said, the government deficit would gradually and steadily decline in proportion to the GNP over the next four years.

Miss Carney also wanted to know why Mr. Lalonde, at the Summit, had told the US delegation to decrease its deficit, while Canada was expanding its deficit.

While Canada's deficit is high, Mr. Lalonde said again, it would come down gradually over the next few years in proportion to the GNP. "As far as the United States is concerned, it is indeed facing a very serious problem because, not only is its deficit large, but the total amount of money required from the financial markets is huge, over \$200 billion, in an economy which had a savings rate which is about half of our savings rate in Canada." Countries should act together to reduce these deficits, Mr. Lalonde said.

Another aspect of the Summit agreement, protectionism, was questioned by Scott Fennell (PC, Ontario) in the House June 3. "What protections have come in to protect this country against protectionist policies in other parts of the world," Mr. Fennell wanted to know. External Affairs Minister Allan MacEachen answered that there was a particular paragraph in the Williamsburg declaration regarding this which pledged Summit countries to resist further protectionist policies. "If other countries decide to avoid protectionism, that is of benefit to Canada. Further they agreed that, as the recovery proceeds, they would attempt to reduce the existing protectionism. I think the key point in that particular paragraph is the undertaking by the Summit leaders to monitor the implementation of their commitments. That is a new element that has not been evident in previous commitments at the Summit."

Also questioned in the House June 1 and 3 was the security statement agreed to by all seven countries, which

committed the countries to unity in dealing with the Soviet Union over nuclear arms. They declared in the 7-point statement that they would do everything possible to reduce the threat of war through negotiations, and if this didn't work, through deployment of new nuclear missiles.

On June 1, Prime Minister Trudeau responded to questions about this statement by Douglas Roche (PC, Edmonton South), and by NDP external affairs critic Pauline Jewett. He told Mr. Roche that the message conveyed to the Soviet Union was that the West wanted serious negotiations on arms reductions. Miss Jewett also questioned the Prime Minister about statements attributed to US President Ronald Reagan following the Summit. Mr. Reagan had said that in his opinion, "negotiations would not really get down to 'brass tacks' until the Soviets see that we are going forward with the scheduled deployment" of missiles in Europe. Mr. Trudeau said that this view of Mr. Reagan's was not held by Canada.

And on June 3, PC defence critic Allan McKinnon told the House that it had been reported that "one of the Prime Minister's interventions early at the Summit conference was that France and Britain should be prepared to negotiate concerning their independently controlled strategic strategic nuclear forces as if those forces were part of NATO's intermediate range nuclear force." He asked Mr. MacEachen what purpose Mr. Trudeau had had in suggesting that Britain and France "throw away the only bargaining chip they have in this matter."

Mr. MacEachen responded:

At no point did Canada press that the British and French nuclear forces should be put into the INF negotiations . . . What we did suggest with respect to that particular aspect, or at least what we questioned, was whether the type of document we were attempting to put together ought to include specific references to various negotiating positions.

The External Affairs Minister told Mr. McKinnon that the Canadian delegation had had quite an influence on the drafting of the communiqué, and that such a declaration had been a Canadian idea.

WORLD FOOD COUNCIL

Canadian Agriculture Minister Elected President

Agriculture Minister Eugene Whelan was elected president of the World Food Council during the Council's Ninth Ministerial Session, held in New York from June 27 to 30. The Council is composed of thirty-six member countries from all parts of the world, represented usually by their Ministers of Agriculture, Food or Rural Development. "The World Food Council plays a catalytic role, monitoring the world food situation, mobilizing support, and acting as the coordinating mechanism for the food production, nutrition, food security, food trade, food aid and related policies of all agencies of the United Nations system" (External Affairs press release, June 30).

In a speech to the Council June 28, Mr. Whelan reported that the Canadian government had identified food and agriculture as the most important priority for Canada's official development assistance during the 1980s. He emphasized Canada's approach: "the longer term solutions to Third World food problems rest in the national and collec-

tive self-reliance of those countries, while recognizing the need for sustained external assistance to support their domestic efforts."

After being elected president (for a two-year term), Mr. Whelan made another speech June 30. He said that the Council was the world's highest forum for all matters related to food. He continued:

If this Council is going to be effective, it is going to have to be the thing that we designed it to be back in 1974, at the time of the World Food Conference in Rome. It's got to be not only an advocate for increased agricultural development, but it must also be a watchdog. It has got to guard against both kinds of mistakes: doing the things that should not be done, and not doing the things that should be done. The more united and purposeful we are, as a group, the stronger will be our hand in directing agricultural development within our countries, and in guiding the bilateral and multi-lateral agencies involved in food and agricultural development.

An External Affairs press release (June 30) announcing Mr. Whelan's election outlined the Agriculture Minister's goals as World Food Council President. "Mr. Whelan intends to lend his authority to efforts to improve the food security situation of developing countries. He will especially concentrate on overcoming food production constraints in low-income, food deficit countries, particularly in Africa where the problems are greatest."

COMMISSION OF THE EUROPEAN COMMUNITIES

Ottawa Seminar on Technology

The Commission of the European Communities and the Canadian Ministry of State for Science and Technology (MOSST) held a three-day seminar in Ottawa from June 1 to 3 to consider the opportunities and problems posed by the development and introduction of new technologies on both sides of the Atlantic. A program of the European Communities (EC) has been to study the impact of technological change on society. "Given similar concerns in Canada, the seminar provided a timely opportunity for both sides to exchange experiences and perspectives on dealing with" this impact, a June 6 press release from the European Communities delegation stated.

A major report presented at the conference stated that by the year 2,000, technological innovations will mean structural change in occupations for at least 50 percent of the active EC population. The authors of this report told an Ottawa news conference June 3 that Canada faces many of the same problems as Europe in adapting and adjusting to fast-paced change brought about by innovations in technology. In particular, they said, the countries must deal with problems of institutional adaptation to change, competing interests between and within countries, and protectionist attitudes toward industries (*Globe and Mail*, June 4).

"At the seminar's conclusion, officials of both sides agreed to consider further joint examination several issues surrounding technological change, including the consequences on employment, the effect on society of the new information technologies, and the education and re-

training policies required to facilitate adaption to technological change," the June 6 EC press release said.

WORLD COUNCIL OF CHURCHES

Vancouver Meeting

The World Council of Churches held its Sixth Assembly in Vancouver from July 24 to August 10. It was the first conference to be held in Canada, and the first in North America since 1954 (*Globe and Mail*, July 26). In a statement to the House of Commons June 29 before the summer recess, Walter McLean (PC, Waterloo) welcomed the Assembly, and called the conference "one of the most significant gatherings of this decade." He said that attending would be: 930 delegates from 304 member churches around the world, and representing 440 million people in over ninety countries; observers from other major faiths — Jewish, Muslim, Hindu, Sikh and Buddhist; a further 2,000 observers; and 1,000 journalists. Four Canadian Roman Catholics had been appointed by the Vatican as official observers, he said (Roman Catholics are not on the Council), and there would be twenty-five Canadian voting delegates representing other Christian churches.

The speeches in late July were reported to be mostly "hard-hitting" toward those churches that had criticized the Council's involvement in aiding insurgent groups during and following the Council's previous conference in Nairobi in 1975. The moderator of the Council, Canadian Anglican leader Archbishop Edward Scott said in a speech July 25 that churches have failed to respond to modern challenges, and have accommodated themselves to the cultural values. They should become less passive, he said. Predicting that an era was ending, that capitalist and Marxist ideologies were equally incapable of addressing the world's current problems, Scott noted that the demise of these ideologies was an opportunity for churches to escape their "cultural captivity" to secular ideologies, *The Citizen* reported July 26.

Other speakers "echoed" this message, saying it was imperative that the Council and churches around the world avoid making their faith into narrow, spiritual escapism. The President of the World Alliance of Reformed Churches, the Rev. Allan Boesak of South Africa, called upon the churches actively to support oppressed people who take up armed struggle. He said that North American and European churches have been "extremely hypocritical" about the use of violence to bring about social change. "The churches always had theories of a just war. They always believed that a moment would arise when oppressed people arise, when oppressed people reach a point where they have no alternative . . . These churches should not turn pacifist when it's black people who find themselves in that situation . . . When oppressed people . . . pick up weapons, churches must choose for the oppressed people" (*Globe and Mail*, July 26). This was a message sounded often throughout the first days of the conference, the *Globe and Mail* reported July 27.

INUIT CIRCUMPOLAR CONFERENCE

Frobisher Bay Meeting

The Inuit Circumpolar Conference (ICC), which has

been meeting every three years recently, held its third General Assembly at the end of July in Frobisher Bay, NWT. About 250 delegates, and an equal number of observers, attended from Canada, Alaska and Greenland. The conference was sponsored by the Inuit Tapirisat of Canada, and had the theme, "The Arctic — Our Common Responsibility." Within the framework of the theme, delegates were to consider the establishment of a circumpolar Arctic development policy which would serve as a model for northern nations to follow, a conference press release stated July 19.

This press release also announced that the Soviet Union had refused to allow Inuit from Siberia to attend the conference. This decision was received with dismay by John Amagoalik, President of the Inuit Tapirisat of Canada. He said, "This is the third conference to which the Inuit of the Soviet Union have been invited. I am at a loss to understand the paranoia that prevents the Soviet government from allowing participation in the kind of cultural exchange that could go a long way toward dissipating feelings of mistrust among countries." The press release said that initial reaction to the invitation issued in March had seemed positive, but in late May Soviet authorities had declined permission to the Inuit, saying they were concerned about possible political overtones. This was in spite of efforts by the conference organizers to emphasize the largely cultural nature of the conference.

At the end of the conference, the ICC issued a 10-point statement of environmental principles as part of the plan for developing a comprehensive arctic policy for the three governments concerned. It was declared that Inuit have the right to protect and benefit from all governmental decisions affecting the circumpolar environment. Other points included: a commitment to improved education; guidelines to ensure that scientific research benefits the people being studied; and a declaration that subsistence hunting of whales and seals is an "inalienable right" (*Globe and Mail*, August 1).

AGREEMENTS

Child Abduction Treaty

Canada has ratified the *Convention on the Civil Aspects of International Child Abduction*, it was announced June 6. The Convention provides a formal procedure for the prompt return of children who have been abducted from the country where they reside. In making the announcement, Justice Minister Mark MacGuigan said that the Convention was of special significance to Canada because it was based on a Canadian proposal. The proposal had led to the adoption of the Convention at the 14th session of the Hague Conference on Private International Law in October 1980 (Government of Canada press release, June 6).

The Convention extends only to provinces in Canada which have enacted legislation to implement the Convention. These are Ontario, New Brunswick, Manitoba and British Columbia. All the other provinces have indicated their intention of enacting the necessary legislation, the June 6 press release said. The Convention does not come into force until three months after it has been ratified by three countries, and will apply only to those countries which have ratified it. At the time of the June 6 announcement, only France and Canada had ratified the treaty, but

several other countries, including Belgium, Greece, Portugal, Switzerland and the United States had signed the Convention and were expected to ratify it in the near future (Government of Canada press release, June 6). There were no further ratifications of this treaty by the end of July, government sources said.

International Coffee Agreement

Canada announced its decision June 27 to sign the recently renewed International Coffee Agreement. The Agreement is to ensure the maintenance of coffee prices within an agreed price range (\$US1.20 to \$US1.40 per pound). This is the fifth such Agreement since 1962, and Canada has been a member of all of these Agreements. (1981 coffee imports to Canada were worth \$440 million.) Coffee production is limited almost exclusively to developing countries, and ranks second to petroleum in developing country exports. In making the announcement, External Affairs Minister Allan MacEachen noted that Canada's decision to ratify the Agreement provided tangible evidence of Canada's continued commitment to work with developing countries to resolve their trade and economic problems through continued economic cooperation (External Affairs press release, June 27).

International Jute Agreement

Canada will join the *International Agreement on Jute and Jute Products*, which was to enter into force July 1, the

government announced June 27. An External Affairs press release that day said that, "The main element in the Agreement is the establishment of an International Jute Organization (IJO) which will sponsor projects in the fields of research and development, market promotion and cost reduction, designed to improve the competitiveness of raw and processed jute."

Raw jute is a vegetable fibre used principally for the manufacture of cordage, woven carpet backing and burlap for bags and sacks. The main exporter countries are India, Thailand, Bangladesh and Nepal. Canada imports about \$23 million in jute fibre and products annually. This agreement is significant in that it is the first of a new type of cooperative producer/consumer arrangement concentrating on technical and market development measures, as well as improved "market transparency." Other types of international commodity arrangements focus on direct price stabilization mechanisms or market transparency measures alone (External Affairs press release, June 27).

This agreement was negotiated under the Integrated Programme for Commodities of the UN Conference on Trade and Development. External Affairs Minister Allan MacEachen mentioned the jute agreement in his June 7 speech to the conference in Belgrade, as an example of Canada's commitment to finding practical ways and means to lessen the impact of severe price fluctuations on commodities (UNCTAD speech text).

Policy

FOREIGN

Central America

Canada's position regarding conflicts in Central America was again discussed during this two-month period. As in previous months, some MPs in the House of Commons urged the Canadian government to challenge the US administration's Central American policies in various ways, especially regarding that country's support for groups and governments involved in hostilities toward Nicaragua (see BILATERAL — USA).

At a world meeting of Liberals in Toronto in mid-June, Liberal Nicaraguan labor minister Virgilio Godoy told other Liberals that the North American media, especially in the United States, had been presenting a distorted view of Nicaraguan politics. He said that a majority of those in the Nicaraguan government have no political definition, but had united to eliminate the dictatorship of Anastasio Somoza and had stayed in the alliance when the time came to rebuild the country following the 1979 revolution. The Nicaraguan economy has been badly damaged by the military opposition in Central America, Mr. Godoy told the meeting, but the government has a broad base of support.

He also said that Canada has a good reputation in Latin America, and could be a useful interlocutor in resolving conflicts such as the one between Honduras and Nicaragua. Mr. Godoy said that he supports the efforts of the Contadora Group, made up of Colombia, Mexico, Panama and Venezuela, which is trying to negotiate a peaceful settlement in the region.

The Liberal Party of Canada was host to this meeting of Liberals. During the conference, Canadian Immigration Minister Lloyd Axworthy announced Canada's intention to receive about 300 recently-released Salvadoran political prisoners (*Globe and Mail*, June 18). (See BILATERAL — EL SALVADOR.)

Among Canadians to comment on Canada's Central America policy in July was NDP external relations critic Pauline Jewett. Miss Jewett had visited Nicaragua from July 16 to July 20 to take part in that country's fourth anniversary Sandinista victory celebrations (NDP press release, July 14). Upon her return, Miss Jewett gave a press conference about her visit. She said that in her

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opinion, the Sandinistas were genuinely seeking a pluralistic society, and were sincere about holding elections in 1985. Her visit persuaded her that the Sandinistas commanded wide-spread support, and she noted that the presence of non-Sandinista parties in Nicaragua was a fact often omitted by the North American media (*Globe and Mail*, July 22).

She suggested that Canada establish an embassy in Nicaragua, and play a more active role in bringing peace to Central America. Setting up a diplomatic mission in Managua would serve notice to the United States that Canada is encouraging peace initiatives in the region, she said. Canada should also support a six-point peace plan proposed two days earlier by Nicaraguan junta leader Daniel Ortega, which asked for regional negotiations, the end to foreign aid in the Salvadoran civil war, and the outlawing of foreign military bases and training in the area. "I would think that Canada could lend support to every single one" of the points in the plan, she said. She also said that Prime Minister Trudeau should send a message to the Contadora Group backing its efforts (*Globe and Mail*, July 22).

Canada did officially announce its continuing support for the Contadora Group's efforts on July 29, following the meeting of the Group in Cancun, Mexico on July 17. An External Affairs press release July 29 said that the Group had proposed that Central American nations make commitments to:

- end the current state of belligerence;
- freeze the number of offensive weapons at existing levels;
- begin negotiations of agreements to limit and reduce the current inventories of armaments, and develop mechanisms for adequate supervision;
- proscribe the installation of foreign military bases on their territories;
- provide advance notification of troop movements near international frontiers when the size of such movements surpasses previously agreed limits;
- provide for joint frontier patrols or international supervision of frontiers by groups of observers selected by mutual agreement of the interested parties;
- establish mixed security commissions to prevent or to resolve frontier incidents;
- establish internal control mechanisms to prevent the traffic of arms from one country to the other;
- avoid declarations and actions that endanger the development of a climate of political confidence necessary for peaceful solutions; and
- coordinate systems of direct communication among the governments concerned to prevent armed conflicts and to generate an atmosphere of mutual political confidence.

The Contadora Group had also urged that the above measures be accompanied by serious efforts to strengthen democratic institutions, human rights guarantees, political pluralism, citizen participation, and economic development. In announcing the Canadian government's support for this plan, External Affairs Minister Allan MacEachen noted that if implemented, these measures would represent a positive step toward achieving peace in the region. He also said that the above-mentioned statement by Daniel Ortega represented an encouraging and positive step by the Nicaraguan government.

In conveying the text of the Cancun Declaration to Prime Minister Trudeau, Mr. MacEachen said, the Con-

tadora Group had expressed its sincere appreciation for the support by Canada for the efforts of the Group (External Affairs press release, July 29).

Middle East

Several statements were made in the House of Commons in June concerning Canadian Middle East policy. The first was on June 1, the same day that former Israeli Defence Minister Ariel Sharon gave a speech to the "Canadian Friends of Shaare Zedek Hospital in Jerusalem," in Montreal. In the House, Ian Watson (Lib., Chateauguay) noted that an Israeli commission had found that Mr. Sharon possessed ultimate responsibility for the massacre of an estimated 2,500 unarmed, innocent civilians in Lebanon last summer. "This brave Israeli General will be at the Ritz-Carleton in Montreal tonight to sell Israeli bonds," Mr. Watson said. He asked Prime Minister Pierre Trudeau if Mr. Trudeau had any advice for those Canadians "who may be thinking of purchasing Israeli bonds which, in the light of present Israeli settlement policies on the West Bank, are a wonderful investment in world instability and Middle East disorder." Mr. Trudeau replied that he had no advice to give on this matter.

It was reported from Montreal June 2 that Mr. Sharon's visit had "touched off a day of charges and counter-charges by pro and anti-Sharon groups here, culminating in three separate demonstrations" (*Globe and Mail*, June 2). The largest of these demonstrations was attended by up to 1,000 members of about thirty Quebec-based organizations angrily opposed to the visit. Another was a "Pro-Israeli, Pro-Sharon" demonstration attended by several hundred people greeting Mr. Sharon. Among people to protest Mr. Sharon's visit was Yvon Charbonneau, the head of Quebec's largest teacher's union with a membership of 70,000. Quebec Premier René Lévesque also told reporters, "I don't think it's in very good taste, to say the least, for him to come where he obviously . . . is going to be met with demonstrations and, I think, some justified . . . opposition. But it's his God-given right to accept invitations" (*Globe and Mail*, June 2).

Later in the month, on the occasion of the official visit to Ottawa of Mayor Elias Freij of Bethlehem, Claude-André Lachance (Lib., Rosemont) made a statement to the House June 13 regarding Middle East peace efforts. He said:

In view of the two extreme positions taken on the one hand by the Likud, which favors the Erez Yisra'el policy and on the other hand, the secular Palestine favored by Palestinians, in which Jews, Christians and Arabs would live together in the same secular state, it is perhaps a good time to emphasize the preliminary conditions for a negotiated settlement. First of all, mutual recognition of Israel by the PLO and of the PLO by Israel; second, Israel's recognition of the right of Palestinians to autonomous government on the West Bank and the Gaza strip; third, an immediate stop to Israel's policy of establishing settlements on the West Bank; and finally, the adoption by all parties concerned of the Reagan plan as a basis for negotiations. I believe these are the only conditions under which a negotiated and peaceful settlement can be achieved for all the parties concerned.

The next day, Mayor Freij appeared before the Senate Standing Committee on Foreign Affairs. Mr. Freij was ques-

tioned by Senators, and MPs from the House of Commons. In a statement that Chairman George van Roggen called "the clearest statement on that subject that we have heard in six months," Mr. Freij outlined his personal position:

I want the PLO and Palestinians to announce clearly, publicly and squarely that they accept and recognize the right of Israel to exist as a sovereign and independent state, on a mutually reciprocal and simultaneous basis. That will open the door for the PLO and the Palestinians to be given credibility in every capital in the world. Then the Americans will have to talk with us, the Canadians will have to talk with us — everybody will accept the idea of talking with us. That has been my position for the last ten years . . . and it is one which is supported by the majority of our people in the West Bank and in Gaza.

During the two-hour testimony, it was reported that two Liberal MPs from Quebec, David Berger (Laurier) and Marcel Prud'homme (Saint-Denis) "shouted obscenities at each other." Ian Watson was also reported to have argued with Mr. Berger. Both Mr. Watson and Mr. Prud'homme, who is the Chairman of the House of Commons Standing Committee on External Affairs, have been openly sympathetic to the Palestinians (*Globe and Mail*, June 15).

The next day (June 15) in the House of Commons, Mr. Berger apologized to the Senate Committee, and to Mr. Freij, "for some rather heated remarks I made yesterday." He explained that his comments were made out of frustration with the questions of the Committee, which dealt with various aspects of the military government on the West Bank. He said that there had been very little understanding at the hearing of the fact that Israel had been in a state of war for thirty-five years, and that the PLO was an organization which is committed to destroying Israel.

DEFENCE

Cruise Missile Testing

The debate in Canada over whether it should permit the US to test its unarmed Cruise missile over Canadian territory continued in June and July in the House of Commons and elsewhere. In mid-June, Canada received the expected official request from the US to test the nuclear missile system, and granted permission in mid-July. The Cabinet decision followed over a year of controversy about the expected request, and Canada's nuclear weapons policies in general, but did not end the public expression of opposition to such testing.

At the beginning of June, concern was expressed about recent malfunctions of the Cruise missile during tests in the US. On May 24, the second air-launched test of this missile, like the first in December, failed. The missile, launched from a B-52G bomber in Nevada, crashed through error in the desert near the Utah-Nevada state line. On June 1, the US announced that as a result of the crash, it had temporarily suspended further "integrated flight tests," which involve taking the missile aloft in an aircraft, launching it, and controlling it on course to its target (*Globe and Mail*, June 2).

The test failure was brought up in the House of Commons on June 3 by NDP defence critic Terry Sargeant. He said that in a television interview the night before, "an

American observer said that it was entirely possible that a Cruise missile flying over Alberta could take a sharp turn and crash into a populated area." He asked External Affairs Minister Allan MacEachen whether these developments had changed the government's thinking about the proposed testing. (Although at the time Canada had not received a formal request to test the Cruise missile, the government had indicated that it would respond favorably to the expected request, citing NATO commitments as the justification.)

Mr. MacEachen responded that when a request came, Cabinet would examine whether the recent test failures should affect any decision. But, he said, "It seems to me that they do not have very much bearing." Later in the day, he told reporters, "Simply to say that they've found flaws [and that that] is a reason to stop testing doesn't make sense to me. Testing is intended to reveal the existence of flaws . . . I think that the concern can be largely removed by the systems that would be put in place if such testing took place. If this small plane, as I describe it, ever flew over Canada, it would be totally unarmed" (*Globe and Mail*, June 4).

It was also revealed later in the month that Saskatchewan Premier Grant Devine had sent a telegram to Defence Minister Gilles Lamontagne June 3 expressing concern over the expected testing. Saskatchewan Attorney-General Gary Lane quoted Mr. Devine as writing that the "testing should not occur at the Primrose Air Weapons Range [on the Alberta-Saskatchewan border] until such a time as assurance is received that apparent technical problems are resolved and that no mishap results to individuals or property" (*Globe and Mail*, June 15).

Another matter related to Cruise missile testing was raised in the House on June 6 and 7. This had to do with the current testing, under a 1979 agreement with the US, of "low angle radar measurement" equipment in the Canadian prairie provinces. Mr. Sargeant told Mr. Lamontagne that he had learned that one of the main purposes of this project was to improve the survivability of US Cruise missiles. He also said that experts from the Cruise Missile Technology Group of the Massachusetts Institute of Technology had been going on a weekly basis to monitor the radar testing. "They are of the opinion that this testing is being done to prepare computer software to help the Cruise missile fly over terrain in western and central Europe," Mr. Sargeant said. He wanted complete accounting of all projects in which the government was complying with the US government to develop Cruise missile technology.

Mr. Lamontagne responded that the project "has nothing to do with the Cruise missile. It is related to the testing of the low level radar . . . This test program across Canada and the United States is to try to find out how we can eliminate clutter on our radar so that we can identify missiles or low flying aircraft."

The matter was brought up again on June 7 by Mr. Sargeant. Again he wanted to know why the scientists from the US Cruise Missile Technology Group were regular participants in the radar program, and also asked Mr. Lamontagne, "why a Canadian consultant to the program would freely admit that the major spinoff is for the Cruise missile, that the information yielded by the testing will improve the survivability of these missiles?"

Mr. Lamontagne said that when the test agreement was signed in 1979, there was no connection with the

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Cruise missile. He said that at that time, no one knew about the Cruise missile in the United States. "Then, after that, maybe the technology of what they refer to as low-angle radar measurement could be involved in some of the improvements or refinements to the Cruise missile to be tested." Mr. Lamontagne also said that Mr. Sargeant seemed to have an obsession about the Cruise missile, and that this technology could be applied in many other areas. (An article appearing in the *Globe and Mail* June 8 about Mr. Lamontagne's answers said, "In fact, the Cruise has been under serious discussion in the United States since at least 1977. In the spring of 1979, several months before Canada and the US signed an agreement to test the low-angle radar system, NATO countries, including Canada, discussed the deployment of Cruise missiles in Europe.")

The expected request from the United States to test the Cruise missile beginning in early 1984 came on June 13. The government was questioned about this by MPs from both opposition parties that day. Ian Deans (NDP, Hamilton Mountain) said that the communiqué issued by the Canadian Defence Minister that day had indicated that the proposed test program fell within the terms of the Canada-US test and evaluation program agreement, the "umbrella" agreement on weapons testing signed with the US last February. Mr. Deans also said that the communiqué also stated that officials from the defence department would assess the proposed test program. Mr. Deans asked Prime Minister Trudeau whether it would be possible for the request to be made available to Members of Parliament, "in order that we can determine, on behalf of the people whom we represent, what effect this particular proposal or set of proposals will have on communities or areas that will be affected by the testing." Mr. Deans also asked the Prime Minister to undertake not to announce the Cabinet decision while the House was not in session during the summer months.

Mr. Trudeau replied that he did not know whether the request could be made public. The Cabinet decision, he said, would be made in relation to the two-track NATO decision of 1979 (the decision to deploy new missiles at the same time as negotiating with the Soviet Union for nuclear arms reductions). The reply to the request would be forthcoming "as soon as practical," Mr. Trudeau said.

PC defence critic Allan McKinnon also questioned Prime Minister Trudeau and Mr. Lamontagne about the request. He wanted Parliament to debate the request "with the document in our hands so that we will know what we are talking about." Mr. Trudeau noted that the PC party was in favor of the Cruise missile testing, and suggested that an opposition day be used to debate the request. Mr. Lamontagne said, in response to further questions, that the request from the United States was a confidential document and he could not divulge its contents.

A request for a debate was also made by Flora MacDonald (PC, Kingston and the Islands) that day. She said, "One of the great weaknesses of the umbrella agreement is that it does not call for any of the subsequent proposals by the US to be debated in Parliament . . . This is the first request made under the agreement. It therefore becomes a precedent as to how our government follows it. We on this side very much want to see that the precedent laid down is one of having parliamentary debate on the issue."

Both the NDP and the PC Party had been requesting

the Parliamentary debate in previous months. They wanted the debate on a "government day," not an opposition day. On an opposition day, Parliamentary rules stipulate that any vote be considered a vote of non-confidence in the government. For this reason, and because of the tradition of MPs to vote with their party, such a vote would not reveal the real views of MPs. There had been requests in past months for a "free vote," where MPs would not be constrained by party loyalties, and a carrying of a motion would not mean the defeat of the government, which currently has a Liberal majority.

The next day, June 14, an allotted opposition day, the NDP presented a motion concerning the Cruise, under Standing Order 58(9). The motion read:

That this House express its opposition to the escalation of the nuclear arms race by any nation, and, in particular its opposition to Canada's participation by testing in Canada any nuclear weapon or nuclear weapon delivery vehicle such as, and including, the Cruise missile.

NDP leader Ed Broadbent began the debate, and several members from the three federal parties contributed. On behalf of the PC Party, Mr. McKinnon expressed the view of his party. The Conservative policy had been outlined on March 29, he said, after a long and serious caucus debate on the matter. The consensus that had been reached regarding the Cruise had been part of a statement urging the Canadian government to press the Soviet Union and the United States to make progress in the Geneva negotiations for mutual, balanced and verifiable cuts in nuclear arms. "If the negotiations fail and NATO's deployment of Cruise and Pershing missiles proceeds, we support the testing of the Cruise missile delivery system in Canada," the policy statement read.

The NDP's position was also restated June 14. Doug Anguish (NDP, The Battlefords-Meadow Lake) expressed his party's opposition to the testing. He said that an intelligent and compassionate Canadian government would be taking steps to halt the nuclear arms race, and would begin by refusing to test the Cruise missile.

During Question Period that day, which came part way through the debate, Mr. Broadbent again asked Prime Minister Trudeau whether he would "take steps to ensure that his House Leader will view the vote that will take place later today on the important matter of the testing the Cruise in Canada as not being a vote of confidence, and therefore will allow his Members to vote as their consciences dictate." He assured Mr. Trudeau that the opposition would not view such a vote as a vote of non-confidence. Mr. Trudeau declined, citing House rules.

The NDP motion debated was defeated by a vote of 213-34. One Liberal, Warren Allmand, and four Conservatives — John Fraser, Walter McLean, Jack Murta and Douglas Roche — voted with the NDP. Six Liberals asked to be put on the record as abstaining from the vote. Paul McRae (Lib., Thunder Bay-Atikokan) had made a statement to the House earlier that day, explaining his intention to abstain:

I rise to indicate my strong opposition to the flight testing of the air launched Cruise missile. The testing will not add to the ground launch missile being deployed in Europe but is based on SAC needs and the preparation for the production of 7,000 to 8,000 stealth Cruise missiles making,

among other things, long-term arms control impossible.

I object at this point to a polarizing vote in this House on the subject. Since the vote is a matter of confidence in the government, I will not vote against the government. Given the alternatives, and the desire for my government to change its policy, it is my intention, along with some other Members on this side, to refrain from adding to the polarization by not voting, unless the government is clearly threatened.

On June 16, Warren Allmand (Lib., Notre-Dame-de-Grâce — Lachine East) explained to the House his reason for voting against the government on June 14. He stated:

I voted against the escalation of the nuclear arms race by any nation, and in particular against the testing of the Cruise missile in Canada. I did so because both sides now have enough nuclear power to destroy completely — annihilate — the other side and the Cruise missile is in no way necessary to maintain the balance of power and deterrence . . . I argued this position at the Liberal convention last autumn and in many other meetings and writings. There is nothing in the NATO agreements which requires Canada to use or test nuclear weapons . . . Furthermore, Canadian governments for some time have been committed to arms control and disarmament. If we agree to test the Cruise, we would run contrary to these policies.

Another statement regarding the Cruise was made in the House before it recessed for the summer at the end of June. On June 28, Bill Domm (PC, Peterborough) released the results of 2,567 questionnaires distributed in May 1983. The results, Mr. Domm said, showed overwhelming support for NATO's decision to deploy Pershing and Cruise missiles in Europe, and also showed that the majority of Canadians (79 percent) believe Canada should test the Cruise missile. (A previous poll published last January had indicated that a small majority of Canadians were opposed to the testing of the Cruise.)

During June, as in previous months, some Canadians were registering their opposition to the Cruise missile testing in a variety of ways. Since mid-April, a small group had been camping on Parliament Hill to protest such testing. In the House June 9, Neil Young (NDP, Beaches) said that his Party supported the right of the protesters to be there. On June 17, just before a visit of Royal Family members to Ottawa, Eric Nielsen, then PC leader, said that such squatting should not be tolerated, and called the group an "eyesore."

Demonstrations took place in some Canadian cities in early June, including one in Winnipeg June 11 which was attended by 21,000 people (*The Citizen*, June 14). And Operation Dismantle, an Ottawa-based group opposed to the nuclear arms race and in favor of a global referendum on disarmament, announced on June 16 that thirteen respected organizations had joined Operation Dismantle in "taking the federal government to court" if it agreed to test the Cruise. A press release from the organization said that immediately following the signing of such an agreement, they would seek a court injunction to stop the tests. They will argue that such tests would represent an infringement of the right to "life, liberty, and security of the person" under

Canada's Charter of Rights and Freedoms.

The awaited decision came on July 15, and was announced at an early evening (Friday) press conference given by Mr. MacEachen and Mr. Lamontagne. Mr. MacEachen told reporters that the positive Cabinet decision had been to protect "the security of Canada and to ensure the peace in concert with the rest of the [NATO] alliance" (*The Citizen*, July 16). The announcement was the subject of a Government of Canada press release that day. It stated:

The Government has undertaken an exhaustive technical assessment of the proposal received on June 13. There are no safety, security or environmental difficulties or dangers in the proposed test program. There is little or no danger to Canadian life or property. The missile will be unarmed and will be under control at all times. No nuclear, biological or chemical warfare materials will be involved in the tests. The test project conforms to all stipulations of the Canada-USA Test and Evaluation Program concluded earlier this year.

This arrangement will remain in force for the initial five years of the Program, which can be terminated on one year's notice. The Government also has the right to cancel or suspend any specific project. Canadian legislation and regulations fully govern any activities under the Program.

Mr. MacEachen also released the text of a letter sent to US Secretary of State George Shultz that day concerning the government's decision. "Now that we have agreed to participate in the development of a major weapons system, we believe that Canada has an even greater obligation to join in the search for a secure peace," Mr. MacEachen wrote (see BILATERAL — USA).

NDP external affairs critic Pauline Jewett responded immediately to the announcement, saying that Prime Minister Trudeau had "deliberately misled Parliament and Canadians on the Cruise question." She said that the Prime Minister had made a commitment to await the outcome of the Geneva talks on nuclear arms reductions before deciding on Cruise testing. In a statement released July 15, Miss Jewett said:

The Prime Minister told the House of Commons several times this year that his government would judge the success of nuclear arms negotiations in Geneva before making a decision on the Cruise testing. On March 24 and again on June 1, Trudeau said that these talks would determine not only NATO's missile deployment plans, but also Canada's decision whether to test the Cruise . . . The Trudeau government, by giving the go-ahead to the Pentagon for Cruise testing in Canada, has pronounced the talks a failure. This is a blow to the arms negotiation process upon which our survival in the nuclear age so much depends.

Talking later with reporters, Miss Jewett described the timing of the announcement (on a Friday in the summer) as a "sleazy Liberal trick." PC defence critic Allan McKinnon also criticized the timing, because MPs had no parliamentary way to respond. He also told reporters that the government should have waited for the outcome of the Geneva talks before making their decision (*Globe and Mail*, July 16).

For the remainder of the month, many media reports

concerning the Cruise missile testing were about protests in Canada and elsewhere about the decision. On July 18, the moderator of the United Church of Canada, the Rev. Clark MacDonald sent a letter to Mr. Trudeau urging the government to "publicly dissociate Canada from all nuclear-fighting strategies and weapons" (*The Citizen*, July 19). On July 20, the above-mentioned coalition including Operation Dismantle filed the legal documents to challenge to constitutionality of the testing (*Globe and Mail*, July 20). A peace walk from Kingston, Ontario, to the Griffiss Air Force Base in Rome, New York — from which the US B-52 bombers will fly into Canada to test the missiles — began on July 21. Also at Griffiss Air Force Base was a women's peace camp, where Canadians joined thousands of Americans at the end of the month to protest the presence of Cruise missiles at that base (*Globe and Mail*, August 1). Peace rallies took place all across Canada on July 23. The largest was in Toronto, where 5,000 protesters defied police and marched down Yonge Street (*Globe and Mail*, July 25). A coalition of British peace groups also criticized the Canadian government decision in a letter to Mr. Trudeau. They wrote that they were greatly disappointed with the decision because they had looked upon Mr. Trudeau as "one of the few statesmen in the world with a genuine commitment to peace and disarmament" (*Globe and Mail*, July 23). A coalition of peace groups in Ottawa told reporters July 25 that they intended to escalate their protests over the next few months (*The Citizen*, July 26).

Support for the Canadian decision was expressed by West German Defence Minister Manfred Woerner, in Canada for an official visit at the end of the month. He told reporters July 26 that the "wise" decision "proves that the great Canadian nation takes its own share of the burden." He, like Canadian ministers during this time, stressed that the decision was in the interest of NATO. The *Globe and Mail* reported, "Mr. Woerner acknowledged that the air-launched Cruise to be tested in Canada beginning early next year is not a NATO weapon and that the alliance had no role in asking the Canadian government to accept the US testing proposal." But, Mr. Woerner said, "Even if it is an American weapon system, it is in the interest of a whole alliance" (*Globe and Mail*, July 27).

Canadian Disarmament Contributions

Canada's position on arms reductions talks was questioned in June. In the House of Commons June 1, a couple of days after the end of the Williamsburg Summit, which had issued a security statement, Prime Minister Trudeau was questioned about Canadian input into that statement (see this issue MULTILATERAL — WILLIAMSBURG SUMMIT). NDP external affairs critic Pauline Jewett wanted to know what Mr. Trudeau would view as a successful outcome of present Intermediate Nuclear Force (INF) talks in Geneva. Mr. Trudeau answered that he thought that any negotiation which resulted in the complete abandonment of the SS-20s [by the Soviet Union] would be ideal, "but that is the zero option which does not seem realistic to us. I would hope, and the language of the [Summit] communiqué addresses this question, that discussions will permit a level of deployment agreed to in the discussions, or on non-deployment agreed to in the discussions." He said that he thought it would be unwise to put forward any figures at this time. "I hope we will be hearing very specific

proposals, rejected or accepted, before the end of December." Mr. Trudeau also said, in answer to Miss Jewett, and in answer to a further question by Douglas Roche (PC, Edmonton South), that he hoped there would be a conference on disarmament in Europe before the end of the year.

The next day in the House, Mr. Trudeau indicated that differences existed between the Canadian and US positions on the Geneva negotiations. His answer was in response to questions by Miss Jewett about comments attributed to US President Ronald Reagan following the Williamsburg Summit. Mr. Reagan had said that he thought the Soviet Union would not negotiate seriously until NATO had deployed more missiles in Europe. Mr. Trudeau responded, "It is perhaps a view of the future that President Reagan and, I must say, some other participants at the Summit have, that the Soviets will not talk seriously until we begin deployment. That is a view held by some members of NATO and no doubt by others. It is not the view held by some members of NATO, and the consensus of NATO, nor by myself representing Canada."

On June 14, the same day as the House debated Canada's role in testing the Cruise missile, NDP leader Ed Broadbent asked the Prime Minister whether he would urge the US and the Soviet Union to begin negotiations, "with a view of obtaining agreement on a test ban treaty on air-launched Cruise missiles." Mr. Broadbent said that the two series of talks taking place in Geneva on nuclear disarmament do not have any relevance whatsoever to the testing of air-launched Cruise missiles either by the Soviet Union or by the United States. Mr. Trudeau answered that Canada advocates, and is trying to enjoin the major nuclear powers to accept, a general test ban treaty, not just a partial one. He noted that the Soviet Union is also testing Cruise-type missiles. Both sides had rejected the "strategy of suffocation" proposed by Canada in 1978 and 1980, Mr. Trudeau said.

Various disarmament initiatives in which Canada participates were noted in the House on June 17. Stanley Hudecki (Lib., Hamilton West) told the House that he was concerned that many Canadians were not aware of Canada's contributions. Canada has an important say in the INF talks, and the Strategic Arms Reduction talks on inter-continental ballistic missiles; Canada is a full participant in NATO negotiations with the Warsaw Pact on the acceptable number of troops and weapons for each side in Europe; Canada participates in the thirty-five nation conference on security and cooperation in Europe; Canada participates in the UN Disarmament Commission which meets year round; and Canada is one of the few nations which has an official ambassador for disarmament, Mr. Hudecki said.

Senate Report on Navy

A report, in preparation for eighteen months by a sub-committee of the Senate External Affairs and National Defence Committee and released June 15, recommended that Canada rebuild its Navy by 1996. The "scathing" and "unusually strong report" called Canada's Maritime Command "pathetic," a burden to NATO and a threat to peace (*Toronto Sun*, June 17; *Toronto Star*, June 16). "By running down its forces, as it did in the late 1960s and early 1970s, Canada contributed not to raising but to lowering the nuclear threshold," the report said. In its present state, the Maritime Command "which is responsible for the country's

seaward defences, cannot meet its commitments to the protection of Canadian sovereignty, to the defence of North America — much less to NATO.”

The report recommended that Canada spend \$550 million a year until 1996 to replace the outdated equipment. This is about \$6.6 billion over the next twelve years, which represents an 7 percent increase in the defence budget.

Defence Minister Gilles Lamontagne commented on the report to reporters June 15. The *Globe and Mail* reported that Mr. Lamontagne praised the report as a professional job, but said that there was little likelihood its expensive recommendations could be met given the government's deficit of \$30 billion. He also said that “the commitment we have with NATO at the moment is fulfilled very well . . . It could be improved like anything else, but if [the Navy] was useless, we wouldn't be part of NATO and NATO wouldn't care for us.”

However, Mr. Lamontagne said, the report was timely because Cabinet was considering the contract bids for six new frigates. (The report recommended that twelve new frigates be added to the forces, said the *Globe and Mail*, June 16.) The master contract to build the six new frigates was awarded to Saint John Shipbuilding and Drydock Ltd., of Saint John, New Brunswick (*Globe and Mail*, June 30).

TRADE/ECONOMIC

Canagrex Passed

During June, the bill to establish Canagrex was passed by both houses of Parliament and received Royal Assent. Bill C-85, “an Act to establish a corporation called Canagrex to promote, facilitate and engage in the export of agricultural and food products from Canada” was passed by the House of Commons June 13, supported by Liberal and NDP Members of Parliament, and opposed by Conservative MPs. The bill had been before the House for more than a year.

Canagrex has responsibilities for facilitating Canadian exports not already covered by the Canadian Wheat Board or the Canadian Dairy Commission. Agriculture Minister Eugene Whelan said on June 30 in a statement issued by Agriculture Canada that he was delighted that the bill had passed. Canagrex “will help to generate new export markets for Canadian farmers and processors, by bringing buyers and sellers together. It will be especially useful in helping small firms enter the untried waters of new foreign markets,” Mr. Whelan said.

The Agriculture Canada press release stated that Canagrex will operate on the basis of a three-year plan. For the up-coming three years, it will have a budget of \$12.3 million, and will provide the following services:

- market identification and intelligence;
- promotion and information services;
- loans and guarantees;
- joint ventures; and
- selected grants and contributions to help accelerate product development, promotion, or the provision of needed infrastructure.

Restrictions on Clothing Imports

On July 21, the government announced a series of measures to help Canadian clothing manufacturers by

restricting imports to Canada from Hong Kong, Taiwan, China and Korea. In the House in June, as in previous months, the government was questioned about the expected announcement several times, and asked to support the suffering domestic garment industry which is threatened by cheaper imported cloths from low-wage suppliers. The July 21 announcement was made by International Trade Minister Gerald Regan and Industry, Trade and Commerce Minister Ed Lumley. Mr. Regan said that the government's intention was to design measures that would smooth out the domestic situation without disrupting existing long-term bilateral arrangements. Among the measures to control the flow of import shipments was a tightening of customs inspections at ports of entry, and the examining of duty drawback and remission schemes. In addition, the government will assist in the establishment of a private sector task force on strategy, and establish new bilateral arrangements with new suppliers.

Another measure was to avoid the large concentrations of imports in the early part of the year. Certain kinds of clothing, which are already subject to quotas, will be phased in every three months over the year to prevent “bunching up.” The *Globe and Mail* reported July 21 that this would mean that importers of summer clothing from the four affected nations would be allowed to bring in only a portion of their allowable quota at the beginning of the Canadian warm season.

Export Trade Month

Federal and provincial trade ministers have designated October as Canada Export Trade Month, International Trade Minister Gerald Regan announced June 28. During this month, a series of events associated with exporting will take place across Canada, sponsored by federal and provincial trade departments, and Canadian organizations such as the Export Development Corporation. The work of all these organizations will be to encourage and assist Canadians to become involved in exporting. One event planned for the month is the *Third Pacific Rim Opportunities Conference*, to be held in Calgary from October 5 to 7 (External Affairs press release, June 28).

Paris Air Show

Thirty-one Canadian aerospace companies participated in the 35th Paris International Air Show, held in Paris, France, from May 26 to June 5. In a statement April 26, International Trade Minister Gerald Regan had called the exhibit “the most important international aerospace trade show in the world today,” and said that in 1981 the show had attracted industry executives and senior government and military officials from 127 countries. Canada's aerospace industry ranks fifth for sales in the world, and Mr. Regan said he was confident that new Canadian aerospace initiatives featured in Paris would improve the industry's position. “We want this industry to grow and continue its very important contribution to Canada's economy and our balance of trade,” the International Trade Minister said.

AID

Studies by North-South Institute

Two case studies on Canadian aid were released June 23 by the North-South Institute, a Canadian non-profit,

independent research institute, founded in 1976. These separate studies, released in book-form, evaluated Canadian aid programs through the 1970s in Bangladesh and Tanzania, two of the largest recipients of Canadian aid. Two further case studies will be released in the fall, one on Haiti and one on Senegal. This will be followed by the publication of a final, "synthesis" report at the end of 1983.

At a new conference June 23, North-South Director Bernard Wood described the context of the studies:

For three years now the North-South Institute has been evaluating the Canadian aid program, a job which we believe had never properly been done before, either inside or outside the government. During these three years, the aid program has been more widely criticized and questioned than ever before. Foreign aid, like North-South relations more generally, is becoming a central foreign policy question. It may become an important political issue in the next election campaign.

Mr. Wood said the studies on Bangladesh and Tanzania show how Canadian aid programs are, and should be, different in different countries. The reports, however, made similar criticisms of the Canadian aid programs. A press release from the Institute July 23 stated, "Canada's aid has made important contributions to development in both countries, but the authors find that Canada has not been very successful in reaching the poorest in either country." For Bangladesh, author Roger Ehrhardt found that although food aid, which has been Canada's largest single contribution to that country, has indirectly benefited food consumers in the urban and rural areas, "most direct benefit has gone to urban residents and government employees, who are relatively well off."

The studies also found that expenditures on agriculture and rural development, where the beneficiaries of aid are most likely to include the poorest sectors of the population, accounted for only a small proportion of Canada's aid over the period studied (4 percent for Bangladesh between 1972 and 1981; and 7 percent for Tanzania between 1961 and 1981). "This lack of emphasis on the rural areas is in part due to the operational constraints within Canada — the emphasis on the utilization of Canadian resources and the centralization of the decision-making authority," a press release from the Institute June 23 stated.

These bureaucratic constraints involve the Canadian International Development Agency (CIDA), which administers Canadian aid. Canada has three hundred foreign-aid bureaucrats in Ottawa, with only fifty field workers, and this prevents quick, effective response to the needs of poor countries, according to the studies. But, Mr. Woods told the June 23 news conference; "We do not believe that we have easy answers as to how well the whole CIDA program has been functioning, and we will resist easy generalizations. We hope that others will as well. We believe that aid is at a turning point, and that Parliament, officialdom, the media and the public must now be prepared to give the aid program in-depth treatment at the country level before trying to make sweeping judgments of the whole CIDA program." He also said that recent criticism from politicians and the public have brought down tough Treasury Board and bureaucratic controls on the agency (*Globe and Mail*, June 24).

Both studies also showed that what can be achieved with foreign aid is also highly dependent on the recipient

country and the demands it places on the donor.

Mr. Wood told the news conference that the timing of the presentation of the studies was excellent, because "CIDA has a new President after a hiatus of many months and the Agency has not yet been given a formal strategy for its operations, three years after the last one expired." The new president is Margaret Catley-Carlson, who assumed her duties on July 1. On June 22, Bob Ogle (NDP, Saskatoon East) told the House of Commons that Ms. Catley-Carlson comes to the position with a great deal of experience in the field of international aid. He said that he hoped the new president would consider carefully the North-South Institute reports while developing clear, practical goals for CIDA aid. He suggested that the government decentralize decision making; speed up procedures of decision making by placing more staff in the field with more authority; and remember that aid is for the poor, and should be given quickly.

Douglas Roche (PC, Edmonton South) questioned External Affairs Minister Allan MacEachen about government response to the reports on July 23. He said that CIDA had been criticized for its over-centralization, excessively complex approval procedures, and lack of direction and practical goals. Given the new president of CIDA, "will the government produce what has been seriously lacking, a comprehensive development strategy for the eighties, so that Canadians can be assured that our aid will proceed in the smoothest way possible to help the poorest people in the least developed countries?" he asked. Mr. MacEachen responded that those questions were under consideration by the government.

Mr. Roche also wanted to know whether the government would "support the calling of an international financial conference to enlarge the facilities of the international financial institutions, which would resolve the debt crisis that is impairing the least developed countries." Mr. MacEachen said that at the recent Williamsburg Summit, Finance Ministers had agreed, in cooperation with the International Monetary Fund, to examine the circumstances under which the holding of an international monetary conference might be feasible.

Disaster and Refugee Relief

Canadian contributions for disaster and refugee relief were announced in June and July, with funds provided through the Canadian International Development Agency (CIDA). On June 20, it was announced that Canada had offered \$75,000 in flood relief to victims of the torrential rains in Paraguay and Argentina in response to an appeal from the League of Red Cross Societies. Grants to assist drought victims in Ethiopia, totalling \$1.35 million, were committed on July 4.

Two announcements of aid to Afghan refugees in Pakistan were made in July. On July 7, External Affairs Minister Allan MacEachen, while in Pakistan, offered a grant of \$5 million to provide basic food, shelter, medical and educational needs for the refugees, which are estimated at three million in Pakistan. A further \$500,000 in aid to these refugees was offered July 27. Canada has given a total of \$17.3 million cash assistance and over \$38 million in food aid to assist Afghan refugees in Pakistan since the Soviet invasion in 1979, a CIDA press release July 27 noted (CIDA press releases, June 20, July 4, 7 and 27).

For the Record

(supplied by External Affairs Canada)

Recent Department of External Affairs Press Releases.

- | | | | |
|--------|--|--------|--|
| No. 67 | (June 2, 1983) UNCTAD VI. | No. 81 | (June 27, 1983) Canada to Sign International Coffee Agreement 1983. |
| No. 68 | (June 3, 1983) Minister Regan's Visit to USSR. | No. 82 | (June 27, 1983) Canada to Join International Jute Agreement. |
| No. 69 | (June 3, 1983) NATO Ministerial Meeting Paris, June 9-10, 1983. | No. 83 | (June 27, 1983) Japanese Car Exports to Canada. |
| No. 70 | (June 6, 1983) ASEAN Ministerial Meeting Bangkok, June 27-28, 1983. | No. 84 | (June 28, 1983) Canada Files Second Written Argument in Gulf of Maine Boundary Case. |
| No. 71 | (June 6, 1983) Official Visit to South Asia by the Deputy Prime Minister and Secretary of State for External Affairs, June 29 to July 8, 1983. | No. 85 | (June 28, 1983) Canada Export Trade Month. |
| No. 72 | (June 6, 1983) Canada Ratifies Convention on International Child Abduction. | No. 86 | (June 30, 1983) The Minister of Agriculture Elected President of the World Food Council. |
| No. 73 | (June 9, 1983) Namibia. | No. 87 | (July 12, 1983) The Minister of State (International Trade) to Attend Two International Meetings in the United Kingdom. |
| No. 74 | (June 9, 1983) Official Visit to Canada by the Secretary of State for Foreign Affairs of Haiti. | No. 88 | (July 15, 1983) Canada Agrees to Test Cruise Missile. |
| No. 75 | (June 14, 1983) Hawker Siddeley Signs Contract in Indonesia. | No. 89 | (July 15, 1983) Minister of State (External Relations) to Visit Central Africa. |
| No. 76 | (June 14, 1983) Canada's Export Development Plan for France. | No. 90 | (July 21, 1983) 1982 Canada-Belgium Literary Prize to Canadian Poet François Charron. |
| No. 77 | (June 16, 1983) Joint Communiqué Issued at the Conclusion of the Visit to Canada of the Secretary of State for External Affairs. | No. 91 | (July 22, 1983) Visit of the Honourable Charles Lapointe Minister of State (External Relations) to Zaire July 18 to 21, 1983. |
| No. 78 | (June 16, 1983) Meeting of Second Canada-Senegal Bilateral Commission. | No. 92 | (July 25, 1983) Canadian Participation in the 1984 Louisiana World Exposition. |
| No. 79 | (June 22, 1983) Visit to London, England, by Minister Regan. | No. 93 | (July 28, 1983) Canadian Reaction to the United States Commerce Department's Preliminary Determination in the Anti-Dumping Investigation of Canadian Round White Potatoes. |
| No. 80 | (June 24, 1983) Visit to Canada of the Minister of Industry and Trade of Israel. | | |

Canada

trend in several countries towards the use of counter-trade as payment for Canadian goods, a form of transaction which Canadian business has been, initially at least, ill-equipped to handle. The region also offers a ready supply of cheaply produced manufactured goods, threatening the viability of several Canadian industries, especially in textiles and footwear. The way Canada handles this threat will have an effect on regional receptiveness to Canadian goods and services. Also important will be our ability to meet the competition in third markets from other Pacific nations — in terms of quality, cost, reliability of supply, and attractive financing. Commodities competition will come principally from Australia, followed by ASEAN and by China. Japan and the USA will be tough competitors in the bidding for project-related service and equipment contracts in ASEAN, China and elsewhere.

Cultural, social and humanitarian ties

Sound political relationships and economic ties of interlocking benefit form two of the three elements in an effective long-term strategy towards the Pacific world. The third element is the laying of a broader groundwork of understanding between societies and cultures that will support these more substantive structures and help us weather the occasional storms that arise as nations increase their interdependence and become increasingly vulnerable to each other's actions.

This has been the motivation behind the notion of a Foundation in Canada for Asia and the Pacific, now being established following consideration of a study commissioned from Vancouver businessman John Bruk by the Secretary of State for External Affairs (*Asia Pacific Foundation*, 1982, 17 pages). Prompted by the realization that "something was missing" in our collective approach to the region, this Foundation will strive to develop a greater appreciation of Canada in the Pacific, and of the Asia/Pacific world in Canada, and to build "bridges" of activity with the region serving all facets of relations. Through a wealth of possible activities, it can build handsomely on what is currently being achieved in the way of cultural exchanges, journalists' visits, academic interchange, inter-company executive experience and business training, sports events and language teaching. As a Canadian initiative it will be seen in the Pacific as reinforcing Canada's commitment not only to the political and economic future of the region, but to the preservation and enrichment of the societies and cultures of the area.

Particularly valuable will be the enhancement of educational exchange and opportunity. The ASEAN states, China and the states of the South Pacific are in particular need of the educational services and training facilities that Canada can provide. A remarkable number of students from the Pacific are already studying in Canada, carrying back knowledge and we hope, a certain affection for and understanding of Canada which will be of importance as these individuals pursue careers in business, government, education and elsewhere. In 1982, over 32,500 visas were issued to students from the Pacific region, accounting for 50 percent of all student visas issued in that year.

Role of refugees

Canadian interests are also being expanded and assisted through the enlarged number of refugees and

immigrants who have come to Canada in recent years — strengthening the web of family ties across the Pacific, enriching the cultural mosaic, advancing knowledge and levels of interest in Canada for the region, and bringing industrious workers and entrepreneurial skills into the Canadian economy. While immigration from the Pacific has already declined from the 41 percent of total intake (largely boat people) recorded in 1980, it will still play a significant role in building Canada's identification with the Pacific, especially as immigrants settle outside Western Canada. In time it may begin to accomplish for the Pacific what European immigrants at the turn of this century have achieved in developing Canada's transatlantic personality.

Canada's absorption of 75,000 Indochinese refugees since 1979, and the assignment of almost \$25 million to refugee relief in the region, have been welcomed by ASEAN states and others as humanitarian acts, helping local governments contend with the unavoidable socio-economic consequences of the Indochinese conflict, and underlining once again our preparedness to accept the responsibilities of a Pacific nation. Canada's program of development assistance over the years has also become a key element in our Pacific policy. From 1976 to 1981, Canada contributed almost \$175 million in bilateral assistance, and a further \$240 million through the Asia Development Bank, but disbursed to the broader Asia/Pacific world. Most of the money has gone to helping ASEAN countries promote their economic development, contributing at the same time to greater social justice and political stability, themselves prerequisites to sustained growth and new business relationships with Canada.

New Pacific, new Canada

Canada's interests in the Pacific have been undergoing a fundamental qualitative change. From a nation whose earlier association with the Pacific has been very much secondary to other international preoccupations, Canada has begun to identify itself, and a part of its own future well-being, more directly with the Pacific.

The innovative joint efforts by business, government and academic/cultural persons in several recent enterprises are particularly illustrative of this new attitude. Academic institutions organized a number of consultations on the Foundation idea involving businessmen and officials. Two Pacific Rim Opportunities Conferences have been held, one chaired by government (1980) and the second by business (1982). These will likely become annual events. Following the approach taken elsewhere in the region on the notion of a Pacific Community, a Canadian committee for Pacific Community work was created in early 1983 made up of representatives of business, government and academia.

Having begun as an area of interest primarily for western Canada, the Pacific region is in the process of becoming a focus and attraction for *all* of Canada. Its development potential contains opportunities for Canadians in all sectors, in all walks of life, from all parts of the country. As a national enterprise, the fuller evolution of Canada's Pacific dimension to complement its Atlantic, continental and other ties, should contribute to a Canada more at ease and in harmony with itself both economically and politically as it prepares to greet the twenty-first century and the coming "Pacific Age." □

The rhetoric of Canadian aid

by Peter Fleming and T.A. Keenleyside

In a recent issue of this journal (November/December 1982), Professor David Cox discussed the disparity between Prime Minister Trudeau's stirring speeches on the subjects of North-South relations and arms control and actual government performance in these areas. Cox noted that Trudeau's addresses had "moved far away from his concern in the early seventies with the notion of national interest, emphasizing instead the themes of international community and responsibility." However, at the same time, Cox stated that there was "little or no translation of general purpose and declaration into specific policies, and no fruitful confrontation of the difficulties and costs which independent initiatives would pose." Thus, he concluded that the Prime Minister "has not succeeded, assuming this to be his intention, in focussing the energies of his various administrations on the grand themes that he has quite persuasively identified in his foreign policy speeches." In other words, an image of Canadian developmental and disarmament preoccupations and concerns has been fostered, both at home and abroad, which is at variance with the substance of policy.

It is the purpose of this article to examine the discrepancy between Canadian rhetoric and reality in one of these issue areas — that of Third World development. This exploration, rather than focussing exclusively on the speeches of the Prime Minister, will analyze as well statements emanating from the Secretaries of State for External Affairs and other government officials. It takes as its data base the *Statements and Speeches* series published by the Department of External Affairs, the purpose of which, as explained by the Department to the authors, is "to project publicly government policy on a wide variety of international issues" and thereby to make available to Canadians, and to a lesser degree individuals abroad, "authoritative information about Canadian government positions on various international issues concerning Canada." Over the Trudeau years from April 20, 1968, until the end of 1982, 383 issues of *Statements and Speeches* were released (excluding those of the Clark interregnum). They thus provide a sizeable body of documentation for an assessment of the type of image the Trudeau governments have attempted to cultivate, as well as for an exploration of the shifting pat-

tern of emphasis on development over the past fifteen years.

Most talked about subjects

At the outset, it is worth noting that it was appropriate for Professor Cox in his article to focus specifically on the themes of North-South relations and arms control, for they are, in fact, the two most emphasized in government statements and speeches dealing with foreign policy. Figure 1 divides the releases into various themes on the basis of the principal focus of each for subjects accounting for 1 percent or more of the total. It reveals that the theme of arms control and disarmament was the one most frequently stressed over the period 1968-1982, with forty-three speeches (11.2 percent of the total) dealing predominantly with this matter. However, it was followed very closely by the theme of Third World development, the dominant subject of thirty-nine (10.2 percent) of the government releases. Surprisingly, these two issue areas received even greater attention than Canadian-American relations and economic and commercial policy.

Turning specifically to the focus on Third World development, counting both statements and speeches dealing principally (i.e., more than half) or partially with this topic, 121 (31.6 percent) of the releases discussed some aspect of this subject, reflecting once again the high profile of the developmental issue in government pronouncements. A count was also undertaken of the number of column inches in each release dealing with development relative to the total number of inches in all of the statements and speeches. Using this measure, 18 percent of the entire content of the series over the period 1968-1982 was found to be related to this theme. Figure 2 displays this attention to development on a yearly basis, thus enabling an examination of the trend over time. In general, it can be said that there has been some upward movement in the emphasis placed on Third World development, but there have clearly been periods of significant decline.

Aid parallels Liberal fortunes

The fluctuating pattern suggests that the political stability of the government has been the most important determinant of the degree of focus on this matter. The early period, which featured the reestablishment of a strong Liberal Party majority in Parliament and the phenomenon of "Trudeaumania" provided the circumstances in which the Prime Minister could concentrate on foreign policy

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themes of his own liking. This period was thus characterized by a steady increase in the attention given to development, stimulated by the publication in 1970 of *Foreign Policy for Canadians*. This set as one of the priorities of Canadian foreign policy the achievement of international social justice through, *inter alia*, an expansion of Canada's developmental assistance activity. In late 1971, however, political support for the Liberal Party declined steeply, precipitated in part by worsening unemployment. In the face of this domestic challenge, Third World development as a theme in *Statements and Speeches* went into an eclipse, and this continued during the period of minority govern-

resulting from the call for the establishment of a New International Economic Order which emanated from the Sixth Special Session of the UN in April 1974. The development theme peaked in popularity in 1975, a year that involved a number of major conferences dealing with this issue, including the Commonwealth Heads of Government meeting in Kingston, Jamaica, the Seventh Special Session of the UN in New York and the opening session in Paris of the Conference on International Economic Cooperation, co-chaired by Canada. This was also the year of publication of a new developmental policy paper, *Canada, Strategy for International Development Cooperation, 1975-1980*. This

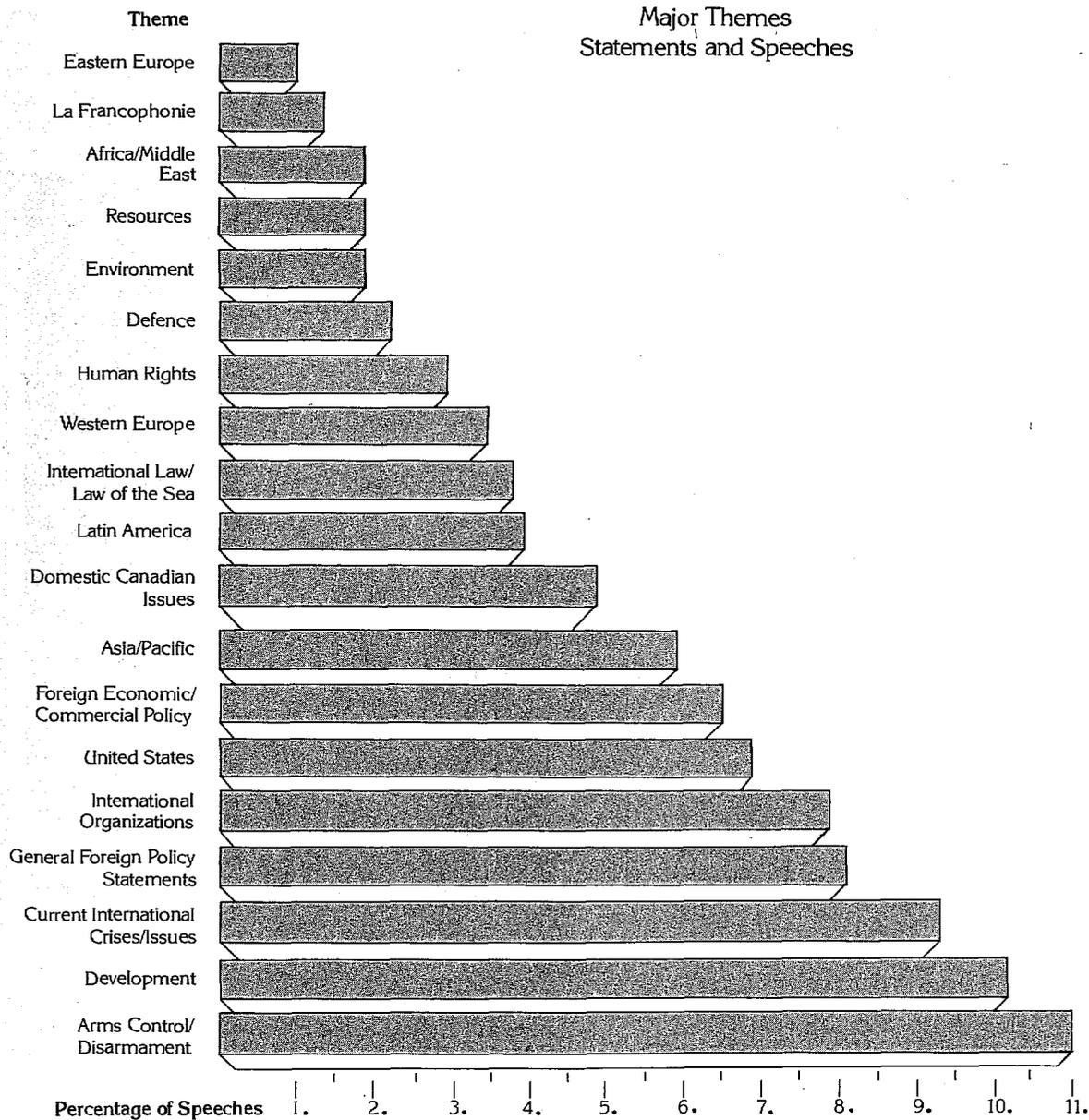


Figure 1

ment from October 1972 to July 1974, when it seems to have been deemed prudent to avoid emphasizing publicly aspects of foreign policy that might be construed as altruistic.

The restoration of a Liberal majority in the July 1974 election, however, freed the Government to give renewed attention to development, as Figure 2 indicates. During this period, it was no doubt spurred on by external pressure

document became a topic of discussion in several subsequent statements and speeches. Once again, however, as Liberal popularity began to decline in the face of record post-depression unemployment and soaring inflation, so too did the attention accorded the development theme in the run-up to the 1979 election.

The period of the most recent Trudeau Government

Talk, action and Liberal fortunes

has shown a repetition of the pattern described above. The reestablishment of a Liberal majority in February 1980, combined with such external forces as the publication of the Brandt Commission's *North-South: A Program for Survival* and the North-South summit at Cancun, Mexico, stimulated a new emphasis on the developmental issue in 1980 and 1981. However, with the Liberal Party once again in domestic political trouble, a decline commenced in 1982. We find then, that periods of domestic political (and economic) difficulty seem generally to have corresponded with a decreasing focus on development in government statements and speeches, while in times of domestic political security the government has been more responsive to ex-

ternal pressure to give attention, at least verbally, to the needs of the world's most disadvantaged peoples.

ternal pressure to give attention, at least verbally, to the needs of the world's most disadvantaged peoples.

in the 1960s, 0.7 percent by the Pearson Commission in 1970, and 0.7 percent by 1985, 1 percent by the end of the century proposed by the Brandt Commission in 1980. Canada has appeared responsive to the promulgation of these targets, especially in the periods of Liberal political security noted above. On twenty different occasions in releases in the *Statements and Speeches* series the Trudeau administrations have pledged to increase the level of Canadian aid as a percentage of gross national product in accordance with the proclaimed international goals.

Yet the reality of Canadian developmental assistance has been a failure to date to meet the percentage figures verbally embraced. Figure 3 shows the percentage of Cana-

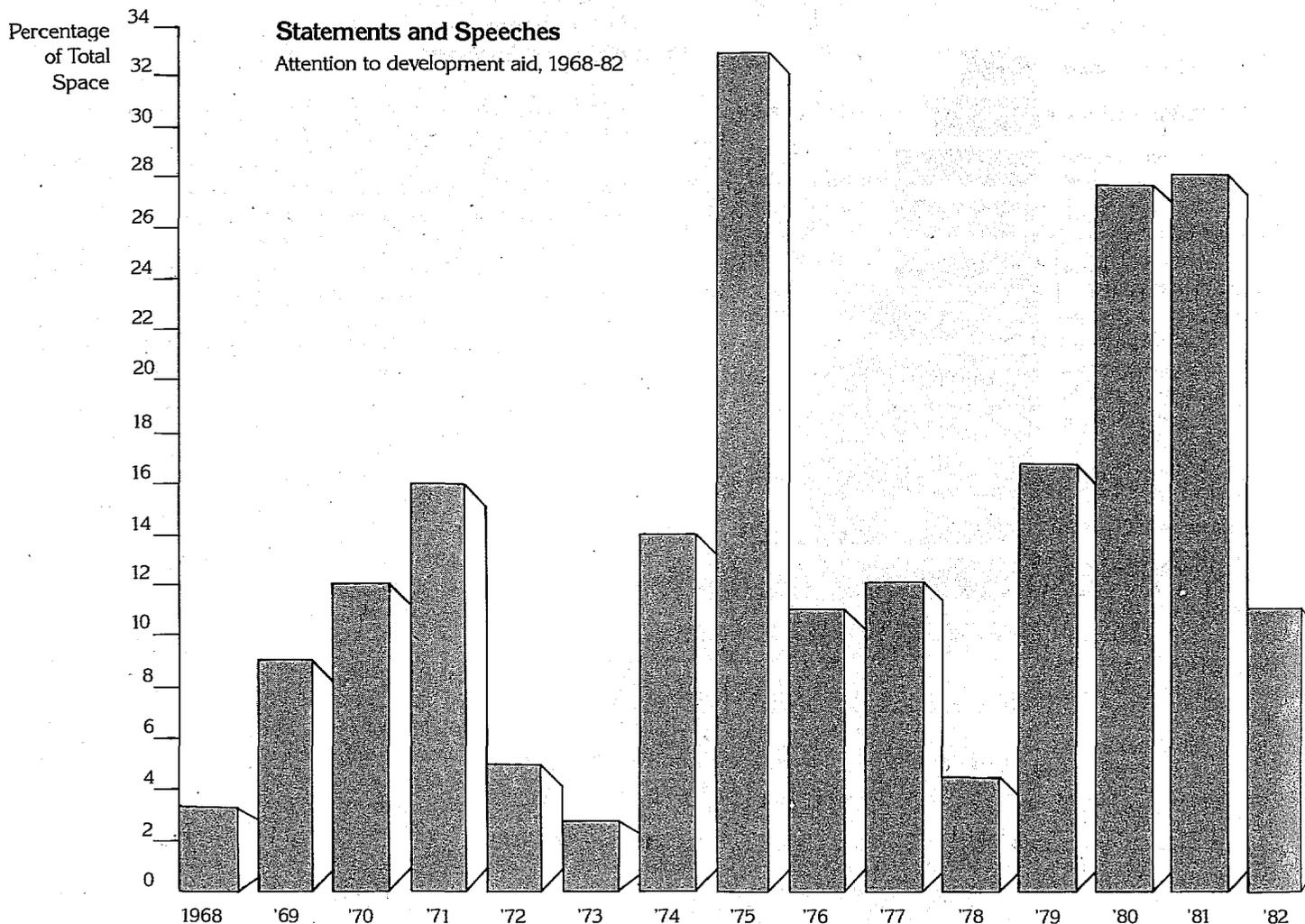


Figure 2

ternal pressure to give attention, at least verbally, to the needs of the world's most disadvantaged peoples.

Undershooting the target

It is, however, in an analysis of the actual content of government statements and speeches on Third World development that one uncovers the disparities between the rhetoric and the reality of Canadian policy. One of the dominant international developmental issues of the Trudeau era, for instance, has been the question of the Western industrialized countries increasing the proportion of their gross national products devoted to aid. At various times over the past two decades, different international targets have been advanced — 1 percent of GNP by the UN

dian gross national product accounted for by official developmental assistance for each year from 1968 to the 1981-82 fiscal year. While it indicates somewhat of an upward trend to 1975, when the high point of 0.56 percent was reached, the figures have remained consistently well below the UN and Pearson Commission goals, with the average over the period being only 0.44 percent. Indeed, since 1979, the yearly percentage of GNP in the form of aid has once again been regularly below 0.5. In the face of this unimpressive performance, there has been of late subtle retreat from a firm commitment to the Brandt Commission target. For example, in a January 1982 address, Mark MacGuigan stated that "Canada is committed to donating point five percent of its gross national product as aid by 1985 and will

endeavor (emphasis added) to go even beyond to point seven percent by the end of the decade" (*Statements and Speeches*, No. 82/2).

What type of aid?

A prominent developmental issue over the Trudeau years, pertaining to the type rather than the amount of assistance, has been the matter of giving attention to the social dimension of aid, that is, to providing assistance at the local community level that is "people-oriented" and designed to have an immediate impact in raising the standard of living of the poorest in the developing countries. Increasing focus has thus been directed among many of those concerned with development not so much at the importance of raising the aggregate wealth of developing countries, but at contributing to the more equitable internal distribution of their national incomes. Once again, Canadian statements and speeches have given attention to this subject. Over the fifteen years under study, there were twenty-two references to Canada's emphasizing this type of developmental assistance, more than the number of mentions of any other specific form of aid. In reality, however, there has been little shift in the orientation of Canadian aid towards assistance of this nature. Indeed, no major redirection is really possible so long as Canadian bilateral aid is heavily tied to the provision of Canadian goods and services, for, as Professor G.K. Helleiner has noted, "the

Statements and Speeches to this subject, the largest number (twenty-four, or 43 percent) dealt with what can broadly be characterized as the humanitarian motive, that is, an altruistic concern to alleviate conditions of poverty in the Third World. Yet, without the necessary policy adjustments being made to enable Canadian bilateral aid to concentrate on "grassroots" development, the alleged humanitarianism underlying Canadian developmental assistance will remain more a claim than a reality.

Aid "Yes." trade "No"

Finally, one of the most telling examples of the variance between the image projected of Canadian developmental preoccupations and actual performance is in the area of non-aid contributions to the developmental process. "Trade not aid" has been a clarion cry of the Third World since at least as far back as the First United Nations Conference on Trade and Development in 1964. It became a subject of increasing prominence in the mid-1970s with the holding of the Sixth Special Session of the UN and the convening of the Conference on International Economic Cooperation. Both of these focussed on the question of structural changes to the international economic system (in such areas as tariffs, commodity price stabilization agreements and monetary reform) that would be of benefit to the developing countries. With the growing international attention to this subject, it featured increasingly in Canadian

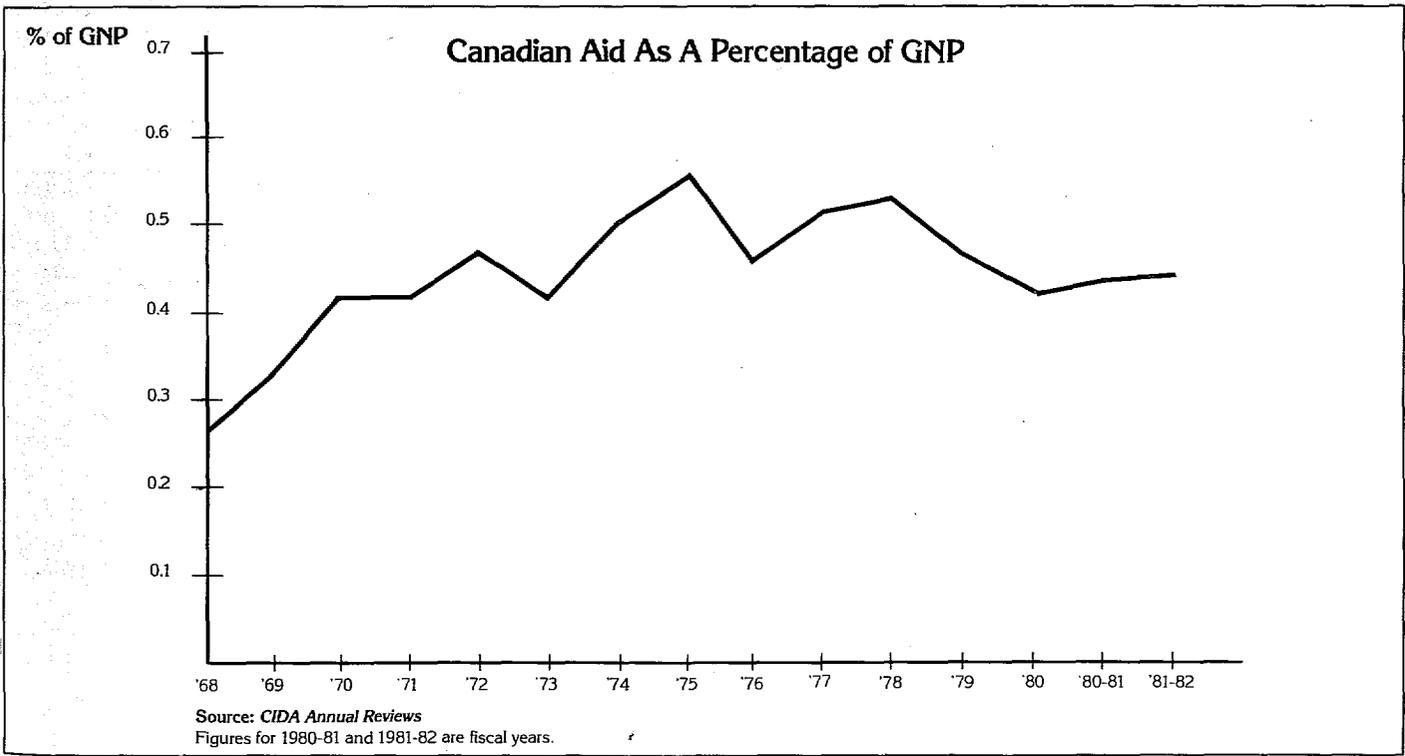


Figure 3

small-scale and rural development schemes which are ostensibly those to which priority is now to be given cannot be effectively financed through tied aid, since they require, above all, local materials, local labour, and simple techniques rather than imported goods and services" (*International Development Eight Years on*, *International Journal*, Spring 1978).

Interestingly, on the topic of motivations for providing developmental assistance, of the fifty-six references in

policy statements, with the high points corresponding once again with the years of Liberal political confidence. Over the years under study there was a total of forty-seven references in *Statements and Speeches* to Canadian support for non-aid efforts at Third World development; 38.8 percent of the releases dealing with development touched on this issue.

In actual practice, however, Canadian non-aid initiatives have been limited in number and scope. For example,

Talk, action and Liberal fortunes

the General Preferential Tariff for developing countries, adopted in 1973, has been criticized not only for the modesty of the preferences offered, but for the scheme's built-in safeguards against injury to domestic producers and for its exclusion of a number of products of particular export potential for developing countries, including textiles, clothing and footwear. As well, Canada has continued to impose various quantitative restrictions on most of these excluded imports. Indeed, the number of products and countries subject to import restraints in the areas of textiles and clothing has increased significantly in recent years. Further evidence of Canadian protectionism harmful to the interests of developing countries was apparent in the Tokyo Round of multilateral trade negotiations when Canada made no tariff reductions on some goods of importance to them, and much less than average cuts on such items as clothing, textiles, leather goods and footwear. The negotiation of commodity agreements is another area where Canada's declared support for non-aid initiatives has not been matched by deeds. Only modest progress has been made in ensuring better and more stable prices for the staple exports on which many developing countries are dependent, and Canadian negotiating positions have often reflected economic self-interest rather than a commitment to finding

non-aid solutions to development (as in various talks on sugar pricing). It is the Trudeau governments' indifferent record on matters such as these that has led to the widespread criticism that, stirring language notwithstanding, Canada's response to the appeal for a New International Economic Order has been both dilatory and diminutive.

In sum, government statements and speeches have reflected a vigorous effort, especially when political circumstances seemed favorable, to create a positive image of Canada both at home and abroad as a country concerned with the issue of Third World development. However, actual performance in such areas as increasing aid relative to the gross national product, reorienting assistance towards rural community development, and focussing on non-aid solutions to the problem of development has been disappointing. These subjects, it is true, have received considerable attention whenever it has been deemed feasible to give expression to the Prime Minister's globalist predilections and to respond to international pressures. Yet, little of substance has resulted from the periodic reaffirmations of intent. As a consequence, the Government has demonstrated an inability to transform much of its rhetoric into reality, and the favorable public image projected thus is by and large specious. □

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African refugees and Canada

by John R. Rogge

The number of refugees in Africa has grown rapidly over the past twenty-five years, and since the mid-1970s there has been an alarming acceleration in growth rates. From the first movements out of Algeria in the late 1950s, their numbers grew throughout the 1960s, passing the one million mark around the turn of the decade. By the late 1970s, largely because of escalating conflict in the Horn of Africa, as well as the independence war in Zimbabwe, the number passed three million, and currently the total of refugees recognized by the UNHCR (High Commission for Refugees) is around 2.7 million. Moreover, in addition to the "officially recognized" refugees, there is also a very large group of other refugees, such as those displaced within their own countries, that brings the total number of displacees in Africa close to the five million mark.

Not only has there been a rapid surge in the numbers of refugees in recent years, but there have also been fundamental changes in the causes and characteristics of refugees. These changes are affecting an ever increasing proportion of the total refugee population, and this is necessitating a reappraisal of the African situation by many of the traditional immigrant and refugee receiving countries of the Western world. During the 1960s and much of the 1970s, it was generally accepted by the international community that locally developed solutions were the most realistic strategies with respect to Africa's refugees. However, over the past five years or so, the changing character of much of the refugee population, together with the increasing experience with resettlement of Third World refugees such as the Indochinese, is leading to growing pressure among African refugees, as well as among some governments of asylum states, that permanent resettlement solutions be implemented. Prior to the 1980 Refugee Act in the United States, there had been virtually no resettlement of Africa's refugees outside of the African continent. The Refugee Act established an annual ceiling of 50,000 refugee immigrants, and while it was primarily directed to the SE Asian and Cuban resettlement need, the Act also resulted in a quota of 3000 being established for Africa. Thus began the first significant overseas resettlement program for Africa's refugees.

Canada has followed this trend on a more modest scale, setting targets of 500 for 1981 and 1982. For 1983 the target was doubled in recognition of the increasing demand by Africans for permanent resettlement. It is especially significant to note that Canada has increased its target for Africa at a time when overall refugee intake has stabilized

and quotas for SE Asia have declined. This article examines some of the changing dimensions of the African refugee phenomenon, and assesses the implications of these changes on Canada's policy of granting permanent asylum to refugees from the Third World.

Africa's refugees

There are currently over twenty countries in Africa harboring refugees. Some have been supporting refugees for the best part of two decades. Table I summarizes the size and principal directions of the continent's refugee flows. Not included in this table are displacees who are granted asylum but not accorded legal refugee status; refugees who have become permanently settled and granted citizenship of their country of asylum; intra-nationally displaced people; and refugees who have recently repatriated.

Recognizing that many of the asylum states rank among the world's poorest, the burden which the support of refugees places upon national infrastructures and economies is frequently too much for these states. The high concentration of refugees in many of Africa's asylum countries is best illustrated by ratios of refugees to local population, such as Somalia 1:4, Djibouti 1:11, Burundi 1:19 and Sudan 1:34. These national ratios for Africa compare with ratios of 1:46 in Pakistan, 1:90 in Hong Kong, 1:138 in Malaysia and 1:191 in Thailand, and with ratios of recently resettled refugees to indigenous population in Canada (1:324), Australia (1:332), USA (1:374) and France (1:780). Clearly such data point to the extent to which Africa has had to find local solutions to its refugee dilemma, and are responsible for the rising vocal call from African asylum states for a greater sharing of the refugee burden within the international community.

The question is whether this sharing of the burden should take the form of more material assistance to the asylum states to help them find lasting and just local solutions, or whether the assistance should also include a greater level of transfer of refugees to third countries of permanent asylum outside Africa. Canada's contribution

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Millions of hungry

has so far been primarily with aid towards local solutions. The recent establishment by Canada of a resettlement quota for African refugees represents therefore a significant change in policy, and a recognition that the sharing of the refugee burden must also include some measure of resettlement solutions. However, since there are 2.7 million recognized refugees and the combined resettlement quota for Canada and USA is only 4000, the question is where and upon whom the respective resettlement agencies should focus their activities. It is therefore useful to examine some of the recent changes in the character of African displacement, since this helps to isolate regions

and populations upon which third country resettlement programs should primarily focus.

New factors

1. Rural-Urban origins. Until recently, almost all of Africa's refugees were rural-to-rural migrants. As such they were invariably lacking education or vocational skills, and thus possessed few if any attributes required for their successful resettlement in traditional immigrant receiving countries in the industrialized world. It was far more logical and economic to promote their resumption of traditional agricultural livelihoods in countries of first asylum. Over the past five years, however, this situation has begun to change. The proportion of refugees gravitating to urban areas has increased dramatically, and it is now estimated that 30 percent of refugees are domiciled in towns. It is among these urban refugees that there exists considerable potential for resettlement in industrialized countries, since many have the necessary levels of education and skills, as well as language facility, that would assist their economic and social integration. Asylum states where significant numbers of refugees of urban origin are found are shown in Table 1. The potential pool of qualified urban refugees may well exceed a quarter of a million.

The two regions with the highest proportion of refugees of urban origin are southern Africa (Republic of South Africa and Namibia) and the Horn of Africa (primarily from Ethiopia). In the former case, the refugees are generally politically active and determined to return home once independence or majority rule is achieved. Therefore, while a few opt for resettlement, the majority prefer to remain in Africa, and especially in the "frontline" states.

For Ethiopians, and especially Eritreans, however, the spectre of a never-ending conflict is fostering an increasing feeling of hopelessness among the refugees and thus is causing them more and more to embrace opportunities for permanent resettlement. It should be noted that the Eritreans come from the region of Ethiopia that was very highly developed during the Italian colonial era. Even after Italy's departure, the Asmara-Massawa region was undoubtedly the most industrialized in the Horn of Africa. Much of its population was educated and vocational, and technical and professional skills were widely entrenched. Consequently, this refugee population is perhaps more than any other in Africa qualified for relatively effective integration into western settlement countries. The principal strategy currently adopted by Sudanese authorities for these urban refugees is to resettle them on organized rural settlements as agriculturalists. However, this option is unpopular and increases the demand for permanent resettlement overseas.

2. Long-term and short-term situations. Most refugees in Africa, as well as most of their host governments, continue to regard exile as a temporary rather than permanent phenomenon. Eventual repatriation remains for most the general expectation. Herein lies a major contrast between the African experience and that of postwar Europe, or more recently that of SE Asia, where from the outset the refugees had reconciled themselves to the fact that their exile was permanent. However, a realistic appraisal of many of the political, social or ethnic dilemmas that are responsible for current refugee migrations, suggests that an increasing percentage of the refugee population is destined to remain in exile for a long time, if not permanently.

African Refugees Under UNHCR Mandate, December 1981

Country of Asylum	Est. Numbers	Principal Origins
Algeria	2,000 165,000	Various (u) Western Sahara
Angola	70,000 18,000 5,600	Namibia (u) Zaire ... R.S.A. (u)
Botswana	1,300	R.S.A., Namibia, Angola (u)
Burundi	234,600	Rwanda, Zaire
Cameroon	110,000	Chad (*)
Djibouti	31,600	Ethiopia (u)
Egypt	5,500	Various (u)
Ethiopia	11,000	Sudan
Kenya	3,800	Ethiopia, Rwanda, Uganda (u)
Lesotho	11,500	R.S.A. (u)
Nigeria	105,000	Chad (*)
Rwanda	18,000	Burundi, Uganda
Senegal	4,000	Various (u)
Somalia	700,000	Ethiopia
Sudan	419,000 110,000 16,000 5,000	Ethiopia (u) Uganda Chad (*) Zaire
Swaziland	5,600	R.S.A.
Tanzania	164,000	Burundi, Zaire, Rwanda
Uganda	80,000 32,000 1,000	Rwanda Zaire Sudan, Ethiopia (u)
Zaire	215,000 75,000 11,000 22,000 1,800	Angola Uganda Burundi Rwanda Zambia
Zambia	37,000 5,700 4,800 2,200	Angola Zaire Namibia (u) R.S.A. (u)
Other countries	2,500	Various (u)
Total	2,706,500	

u — denotes that refugee population includes significant "urban" component.
* — believed to be largely repatriated during 1982.

Source: UNHCR Report on UNHCR assistance activities in 1981-82, United Nations, Geneva, 1982.

Table 1

There are already several second-generation refugee populations. Since few African states are prepared to grant citizenship to long-term refugee sojourners, or even to their children born in exile, such refugee populations will remain alien in their adoptive states. Only Tanzania and Botswana have offered citizenship to some of their refugees.

While rural refugees have little alternative but to accept such conditions, the more vocal and aspirant urban refugees are becoming less prepared to live with such uncertain and limiting status. Permanent resettlement in countries where full citizenship rights are attainable, therefore becomes an attractive alternative to them. This is especially so among Ethiopian refugees in Sudan, and in recognition of this demand, the United States allocated 1000 of its 3000 African resettlement quota to Ethiopians in Sudan in both 1981 and 1982. Canada has also placed emphasis upon resettlement from this region.

3. *Changing causes of refugee exodus.* From the time the refugee problem began in Africa in the late 1950s up to the mid-1970s, one of the principal causes of flight was warfare between anti-colonial guerrilla movements and colonial authorities. When independence was eventually achieved, refugees were able to repatriate. This happened in Algeria, Guinea Bissau, Mozambique and Zimbabwe, and would also have happened in Angola had independence not been followed by protracted civil war. Currently, however, only Namibia and South Africa remain in this category, although the latter's case is not quite as simple. Elsewhere in Africa, other more complex causes have evolved which are less likely to be resolved in the short or medium term. The prospects for repatriation of refugees is therefore less certain, which is adding to the demand for permanent resettlement elsewhere. Moreover, while African asylum countries often willingly accepted refugees fleeing colonial warfare, in part because of the knowledge that they would return when the war was won, but also because of ideological commitment to liberation wars, their attitudes to contemporary refugees are less sympathetic. They therefore become less willing to make the sacrifices which refugees burden them with, and instead are more vocal in demanding that the international community share in the task of settling refugees.

4. *Local spontaneous or organized settlement.* Since most of the continent's refugees were drawn from rural agricultural backgrounds, and since land scarcity is not generally as acute a problem in Africa as in SE Asia, it is understandable that most of Africa's rural refugees readily found local solutions to their needs by either spontaneously integrating with indigenous populations, or settling on government sponsored agricultural settlement projects.

For the continent's growing urban refugee population, however, no similar clear-cut settlement options have yet appeared. In African cities, skilled and educated refugees are competing with local populations for limited employment opportunities. Frequently restrictions are placed upon their employment, which result in many remaining unemployed or having to take menial jobs out of sheer desperation. In either case, a potentially valuable manpower resource thereby remains untapped or underutilized. Consequently, more and more urban refugees seek the opportunity of permanent resettlement to countries where their skills can be effectively utilized. Apart

from the Sudan, the problem of how best to accommodate urban refugees exists in Kenya, Egypt, Djibouti, Botswana and Zambia. With only Canada and USA currently having specific programs for resettlement from Africa, the annual quota falls well short of potential demand. European countries which have been active in resettling SE Asians have yet to open their doors to Africans, except for occasional "family reunions." This situation illustrates the incongruent policy towards African refugees vis-à-vis other world refugee arenas, and especially when compared to SE Asia from where well over a million refugees have been

**Refugee Resettlement
in Western Industrialized Nations
1975-1981**

Country of permanent asylum	5-year resettlement total*
Australia	44,000
Austria	3,700
Canada	74,000
France	68,700
Germany (FRG)	28,300
Norway	2,300
Sweden	6,100
Switzerland	5,300
United Kingdom	23,800
United States	595,200

* The majority of these totals were from Indochina
 Source: Employment & Immigration Canada, *Indochinese Refugees: The Canadian Response 1979-1980*, Ottawa, 1982, p.33.

Table 2

resettled, the majority of which came to western industrialized countries (Table 2).

African refugees in Canada

Canada has had a long history of refugee assistance and resettlement. Its policies have evolved to meet changing needs, and two principal elements can currently be recognized. One is to share the international burden by meeting mass resettlement needs; the other is to provide extra-territorial protection through resettlement for individual cases. A high proportion of the total refugee intake has in the past been based upon individual case selection. Moreover, most of Canada's efforts until recently focussed upon needs created in Europe, although since the early 1970s the Ugandan expulsion of its Asian community and the sizable exodus from Chile has led to a widening of the source areas for resettlement. But it was with Indochina in the latter half of the 1970s, that Canada's refugee policy took on a truly worldwide dimension. The resettlement of 70,000 Indochinese in Canada between 1975 and 1980 was the single largest mass immigration from a Third World region in Canada's long immigration history. While not without problems, this migration demonstrated that gov-

Millions of hungry

ernment and private agencies can jointly mobilize the necessary resources to meet a mass resettlement need.

What therefore is the likelihood of some of Africa's large refugee population also benefitting from the type of programs that emerged for Indochina's? Table 3 summarizes the number of Africans landed as refugees in the first years of the African "quota." Not included in this table are other African refugees arriving under special permits and "refugees-sur-place." The latter group are persons coming to Canada under normal visitor visa provisions, but who subsequently, for fear of persecution because of radical

tion that may be asked is why the total of refugees landed in Canada during the period 1980-82 is considerably less than the quota for those three years. Indeed, given that only 571 refugees were landed, what justification was there for doubling the 1983 quota to 1000?

There are two reasons for this failure to meet the earlier smaller quota. Firstly, Canada's focus upon African refugees has been primarily directed to individual cases rather than attempting to meet mass resettlement needs. The second factor which explains the modest number is the newness of the policy towards resettling Africans and the time-lag in implementing it in the Canadian embassies responsible for selecting and processing refugees for resettlement. In contrast to the USA, which annually sends a large team of immigration officers into asylum countries to select and process refugees for resettlement en masse, Canada has been dependent upon referral of individual cases to its embassies by UNHCR. The processing time by the embassies is a protracted one, each case moving through four stages: the establishment of whether indeed there is a need for resettlement; a review of whether the individual is likely to be able to achieve self-sufficiency within one or two years; the mandatory medical and security checks; and finally the establishment of whether the individual falls within the government quota, or whether a private sponsor is available for him.

Do they know they can come?

It is clear that the small number so far admitted to Canada does not reflect any lack of demand for resettlement. The USA has had no difficulty filling its annual quota. In 1982 for example, 1,189 Ethiopian refugees left Sudan for resettlement abroad, of which 923 went to the USA. Moreover, for every Ethiopian accepted for resettlement to the USA, there are several unsuccessful applicants. During this writer's six-month visit to Sudan during 1982, it was clear that the number of unsuccessful applicants greatly outnumbered successful ones. I found, too, that few of the unsuccessful refugees were even aware that Canada also had a resettlement program. Since in Sudan's case, the Canadian embassy responsible for processing refugees is located in Cairo, and the embassy responsible for Somalia is in Kenya, it is understandable that considerable logistical constraints in promoting and executing the Canadian resettlement program exist.

Notwithstanding this, some streamlining of procedures by Employment and Immigration is underway, and, given the ever increasing demand by urban refugees for resettlement, it is highly probable that during 1983 Canada's resettlement of African refugees will reach the 1000 quota. In so doing, Canada will have moved from a purely individual case-approach to African refugees to one that is more comparable, albeit on a smaller scale, to the mass resettlement strategy that was applied with respect to SE Asia. □

African Refugees Resettled in Canada by Region of Initial Destination 1980-1982						
Country of Origin	Canadian Destination					Total
	BC	Prairies	Ont.	Que.	Maritimes	
Algeria				1		1
Angola			2	1		3
Botswana		1				1
Burundi				4		4
Cameroon				1		1
C.A.R.				1		1
Djibouti		2				2
Egypt		2	4	2		8
Ethiopia	8	215	144	26	5	398
Ghana			4			4
Kenya			1	2		3
Lesotho		2				2
Libya		1	1	1		3
Malagasy				2		2
Malawi		1			1	2
Mozambique			1			1
R.S.A.	6	32	18			56
Rwanda	1	2	4	4		11
Somalia		8	2	1		11
Sudan		4	3			7
Uganda		10	19		1	30
Upper Volta		1				1
Zaire		1	3	13		17
Zimbabwe			2			2
Total	15	282	208	59	7	571

Source: Employment & Immigration Canada

Table 3

changes in government in their home country, are unable to return. In 1980-81 for example, some fifty-seven such refugees were permitted to remain in Canada, the largest group (thirty-six) of which were from Ethiopia.

Table 3 shows that Ethiopia is the principal source area of refugees being resettled in Canada (69.7 percent), with South Africa a distant second (9.8 percent). The current Canadian emphasis continues to be placed upon the Horn with a quota of 300 being allocated to the Cairo embassy (primarily for Ethiopians in Sudan) and 325 allocated to the Nairobi embassy (aimed largely at Somalia). The ques-

Urban crisis in the Third World

by Richard Sandbrook

Ours is the century of urbanization. In 1900, less than 14 percent of the world's population lived in towns and cities. By the year 2000, this proportion will have risen to over 50 percent; the urban population will have increased by fourteen times to over three billion. Two-thirds of these urbanites will live in the Third World.

This historic transition is generating monumental problems. The nature of this "urban challenge" will be familiar to anyone who has lived in or visited a large Third World city.

Urban challenge

The fundamental problem is the lack of productive employment. Rural stagnation and the concentration of public and private investment in one or two urban centres promotes a massive rural-urban migration. The urban labor force thus increases annually by 5 to 10 percent, but the capital-intensive pattern of industrialization generates insufficient jobs to absorb the army of jobseekers. This oversupply of urban labor limits the growth of urban wages, and swells the "informal sector" — the hordes of petty artisans and apprentices, traders, hawkers, providers of petty services, casual laborers and beggars. *Unemployment* in the Third World cities rarely exceeds 12 percent. This rate is not higher because jobseekers, in the absence of social security, must accept virtually any source of income in order to subsist. This generates a far greater problem — *underemployment*. An underemployed person is one whose productivity and/or hours of work are too low to yield an adequate and reliable income. The underemployed and unemployed together constitute one-third to one-half of the urban labor force in such countries as Brazil, Peru, the Dominican Republic and Tanzania. These people and their families are the urban poor.

Urban poverty is evident in inadequate housing and services. The booming demand for housing encourages land speculation and escalating rents and land prices. Hence, the poor are driven into the unhealthy nooks and crannies of the inner city and the peripheral squatter settlements. One-third or more of the population of the larger cities must subsist in these often illegal peripheral squatter areas, the *bidonvilles*, *favelas* or *turgurios*. Cramped quarters, constant noise, disease, inadequate nutrition and interminable trips to and from work sap the energy, and thereby reduce the productivity and prospects of the urban poor.

Air pollution is also a common hazard. Mexico City, São Paulo and Hong Kong exist in blankets of smog. Ex-

panded vehicular traffic and transfer from the North to the South of dirty industrial technologies and plants are to blame for this. Unlike the other problems, however, air pollution is "democratic": the respiratory ailments associated with it reduce the life span of rich and poor alike.

Roots of the urban crisis

These problems emerge in the course of capitalist development. But capitalism did not "cause" urbanization: in Latin America and Asia, and to a more limited extent in Africa, urban forms predated its emergence. Prior to imperialist penetration, the towns' social and economic lives were oriented to administrative and religious functions and/or precapitalist economic activities and trade. This continues to be the case of such cities as Ibadan in Nigeria. But capitalism has had a crucial influence on most urban patterns. And insofar as its impress has varied from one country to another, the pattern of urbanization and the intensity of the urban challenge have also varied.

Three phases or levels of capitalist development are broadly distinguishable, each of which is linked to the emergence of a more complex division of labor within the global economy. Each implies new problems and opportunities in urban development. The three levels coexist in the developing world today, indicating the diversity of both the "Third World" and the "Third World city."

Classic dependency, the simplest phase in the global division of labor, emerged with the industrialization of Western Europe. This was (and remains) the pattern in which the industrializing or industrialized economies supplied manufactured goods to the peripheral territories in exchange for primary products — minerals, agricultural raw materials or foodstuffs.

Classic dependency has a limited impact on urbanization, mainly because wage-employment opportunities were largely rural — on plantations, farms and mines. Even construction work, concentrating on the building of railroads, roads and irrigation schemes, was largely rural. Internal migration was therefore mainly rural-rural, not rural-urban.

Nevertheless, imperialist priorities in the late nineteenth and early twentieth centuries influenced the loca-

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tion and hierarchy of towns. A key city developed: this was often the hub of administration and the export-oriented commercial economy. The remaining urban settlements were mainly regional centres of control and administration, and trading centres which connected the primary producers in the various regions to the export houses in the major port. The requirements of classic dependency molded not only the functions, but also the location of urban areas. If the major economic function of the towns was to transmit the primary products to the major port, and thence to the overseas market, the appearance of towns at junction points along the railways and at natural harbors was logical. The size and hierarchy of urban settlements was also conditioned by economic and administrative requirements. On the one hand, the limited administrative and commercial roles of secondary towns restricted their size. On the other hand, the hypertrophy and primacy of the major city is attributable to its concentration of functions during the colonial era.

Given the modest urbanization associated with classic dependency, an urban crisis does not normally emerge in this phase. Today, though, all but the poorest of the overwhelmingly rural low-income developing countries have reached high levels of urbanization. This comes with a more complex economy.

Incipient industrialization ushered in a second phase in the evolution of the world economy. Industrialization began in the more advanced Latin American countries in the early twentieth century, and gained impetus from the dislocation of trade occasioned by the Great Depression and World War II. Elsewhere in the Third World this phase followed the war. Industrialization was not only belated but limited in scope. Characteristically, manufacturing development extended (and in most cases continues to extend) only to some local processing of raw materials and the local assembling or fabrication of consumer goods that were formerly imported. Nevertheless, there was a shift in the international division of labor. The peripheral economies continued to supply mainly primary products to the world market. The industrial economies provided less in the way of finished manufactures than in the previous phase, but more capital and intermediate goods and locally-unavailable raw materials. Technology transfer was and remains the preeminent form of dependency in this phase.

Incipient industrialization modifies the urban pattern associated with classic dependency. Although the hierarchy and location of urban settlements remain unchanged, the tempo of urban growth accelerates. Rural-urban migration explodes because of urban-based investment and relatively high industrial wage rates, frequently combined with increasing rural inequality and population pressure upon the land. Urban growth is, moreover, concentrated in one or two cities, to the extent that a single metropolitan area accounts for 50 or 60 percent of the total urban population in many countries.

The logic of capital accumulation underpins this hyperurbanization. The largest city, particularly if it is the seat of government, offers considerable locational advantages to large firms. Generally the economic and social infrastructure is most highly developed there. Skilled and semi-skilled workers are abundantly available. The high-income consumers of the goods produced by import-substituting firms are also close at hand, thus reducing the firms' marketing costs. A final attraction is proximity to the

public bureaucracy. Where the state plays a central role in economic life, the managers of large firms will be anxious to maintain contact with key governmental decision-makers. The invariable consequences of these exigencies is the emergence of one or two major poles of urban agglomeration. The better-endowed cities attract industry and commerce, justifying further public expenditure on infrastructure, whereas the poorly endowed towns attract little investment, and fall even further behind.

The urban crisis dawns at this point. The rapidly expanding urban labor force outstrips employment generation in the modern sector and swells the mass of underemployed. Simultaneously, there is a growth of urban classes and strata with a vested interest in the existing pattern of development. The middle classes — technicians, technobureaucrats, professionals and businessmen — expand in numbers, wealth and political influence. And the transnational corporations build up a large stake in the productive apparatus of booming metropolises.

The most recent stage in the evolution of the international economy is sometimes referred to as the **new international division of labor**. This phase, which only a handful of Latin American and Asian countries has yet attained, involves a "deepening" of industrialization. This process can take one or both of two directions. One is the development of a diversified industrial economy oriented largely to the internal market. This economy produces not only the range of consumer durables familiar to Western countries, but also many of the intermediate products and some of the capital equipment required by the industrial sector. Alternatively (or in addition), the Newly Industrializing Countries (NICs) base their industrialization largely upon the penetration of export markets in manufactured products. While some of the larger Latin American countries — Brazil, Mexico, Argentina and Colombia — approximate the first pattern, Taiwan, South Korea, Hong Kong and Singapore have been the exporters.

The NICs undergo an extension of the urban trends of the second phase. These countries are, or soon become, predominantly urban. Indeed, their cities superficially resemble Western ones. There are the same subway systems and superhighways clogged with cars; the same middle- and upper-class suburbs; the same city centres filled with skyscrapers, chic shops and familiar advertising of consumer products; and the same pall of pollution. But the similarity is only superficial; for parallel to the Western-style city grows the city of the poor. This is the obverse — not the world of apartment blocks, automobiles, superhighways and well-paid jobs. Rather, it is the world of shanties, bicycles, rutted dirt streets and unproductive, though hard, work. Yet the development paths that produce the first world also produce the second. Only in such NICs as South Korea and Taiwan, where an agricultural revolution accompanies industrialization, does capitalist growth seem capable of absorbing the labor force into productive activities.

Patterns in policy response

Thus far, not much has been said of the policy factor. It appears that economic change, linked to global processes, spontaneously shapes the urban condition of the Third World. This oversimplification does contain an element of truth; it is unusual for governments significantly to alter the trends sketched above. What poor countries need is greater

national self-reliance, balanced rural-urban growth (often necessitating agrarian reform), industrialization geared to mass basic needs, and more equality in income distribution. What most get is just the reverse, since existing economic patterns suit the interests of the national and international power structures well enough.

Yet public policy in some countries has responded to the urban challenge. This response is ineffective, however, if urban reforms are attempted in isolation. Such major urban problems as insufficient productive employment and inadequate housing and services are insoluble problems unless tackled on a national basis. Consider, for instance, the well-documented paradox that a policy to generate urban employment will, in the absence of a broader program attacking rural poverty, merely augment urban underemployment by stimulating higher rates of rural-urban migration. The lesson is obvious: urban development must be seen as an integral aspect of *national* development.

Various national development strategies try to structure the town-country relationship in different ways — either explicitly (in development plans) or implicitly. The variety of these strategies can be grouped into three development orientations: conservative modernization, reformist capitalism, and revolutionary collectivism. This typology puts in relief the diversity of policy responses.

1) Conservative modernization. This is an exclusionary approach to capitalist modernization based upon a tripartite alliance of foreign capital, domestic big business and the state. The implicit terms of this alliance vary — from contemporary Chilean neo-liberalism to Mexican state capitalism — depending upon which partner is dominant. Whatever the specific features, the government tries to foster local enterprise and attract (and squeeze) foreign investors. The state also seeks to control or demobilize all mass organizations, especially trade unions and peasant associations. The aim is to facilitate capital accumulation at the expense of social equity. Since this orientation requires considerable coercion, authoritarian, especially military, regimes are its natural champions.

Hyperurbanization and urban dualism are byproducts of this approach, inasmuch as the government *reinforces* those market forces conducive to uneven spatial and social development. The stimulation of the oligopolistic, foreign-dominated, and largely urban, modern sector receives highest priority. In practice, this means that public resources flow disproportionately to the capital-intensive sector, and perhaps secondarily to the fostering of large-scale, mechanized agriculture. The agricultural goal is to boost output in order to raise export earnings and feed the growing urban population — but without damaging the dominant landed class. Equity considerations are ignored regardless of whether the government publicly advocates “rural development” or even “agrarian reform.”

The poor therefore pay a high cost for modernization on the Western model. With the deepening of industrialization and the growth of the cities, the locus of poverty shifts from the rural to the urban areas. The justification for this path is that the productivity of the modern sector and the pull of market forces will eventually draw the poor into productive employment. But, given the projections on the growth of the labor force and modern-sector employment,

this is a forlorn hope in such countries as Brazil, Mexico, Kenya, Indonesia and Pakistan.

2) Reformist capitalism. This is an inclusionary approach in which a political group articulates an alliance between a segment of the middle classes and elements of the urban and rural poor, especially organized workers. In its more usual democratic form — as in Eduardo Frei's Chile — the reformist party links the previously excluded classes to the state. The party shapes and aggregates the demands of trade unions and peasant associations, and may organize these where they do not exist. Reform capitalism may also be promoted by a military regime, as in Peru following the 1968 coup. Military governments must develop state-controlled corporatist structures to harness the workers, peasants and squatters to the new order.

Reformers attempt to remove some inequalities, raise living standards and lay the basis for national industrialization — but without the elimination of private property. The government extends public services, subsidizes low-cost housing and squatter-upgrading schemes, and provides cheap credit to those previously ineligible. Agrarian reform is critical in countries with concentrated landholdings. This involves land redistribution, technical and credit assistance to smallholders, as well as the expansion of public services in the countryside. If this program succeeds in raising both rural output and incomes — as in Taiwan — it spurs industrialization by creating a new rural demand for domestic manufactures.

In principle, reformist capitalism can adequately respond to the urban (as well as rural) challenge. It does so by fostering both a balanced rural-urban development that slows cityward migration and a national industrialization geared to a mass domestic market. In practice, however, this approach is highly vulnerable because it rests on a fragile political base. The government can really only simultaneously provide benefits for the poor and maintain profitable conditions for the rich in conditions of rapid economic growth. When growth falters, a reformist government must choose sides. In a world in which nationalist populism raises the suspicions of powerful domestic and foreign actors, the possibility of reversion to conservative modernization is ever-present. Hence, the decline and fall of reformism or social democracy in the Third World, e.g., Chile, Uruguay, Argentina, Brazil, Jamaica and Sri Lanka.

3) Revolutionary collectivism. Alternatively, a political group builds its base solely upon the workers, peasants and perhaps petty bourgeoisie in order to expropriate large-scale private property and make a transition to “socialism.” What usually eventuates is more properly designated “bureaucratic” collectivism than socialism or communism. While the people theoretically own the means of production through the state, the power of the party and state bureaucrats is supreme.

The bureaucratic collectivism of Cuba or North Korea is authoritarian, but it is nevertheless concerned with raising the living standards of the rural and urban poor and transforming the town-country relationship. One aspect of the egalitarian thrust is the minimization of the rural-urban gaps in living standards, amenities and prestige. Rural development takes the form of the establishment of collective forms of agriculture and the provision of the same public services as the urban population enjoys. As well,

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centralized planning allows in principle for the building of linkages between agriculture and manufacturing industries, to their mutual benefit.

In sum, revolutionary collectivism can reduce the uneven spatial and social development characteristic of capitalist growth. With balanced rural-urban development, an egalitarian income structure, enhanced national self-reliance, and industrialization based on mass demand, the urban challenge is largely met. This is true even in the case of Cuba, where 65 percent of the population is urban. Obvious social costs are involved in this path: in the initial violent struggle, the persistence of authoritarianism, and

the economic shortcomings peculiar to collectivist production. But these costs fall on shoulders largely different from those in the other two development paths.

Economic change, flowing from the evolving opportunities posed by the global economy, shapes the pattern of urbanization, and the nature of urban problems. But this is not an economic-determinist argument. Economic forces do not act spontaneously or in an unmediated way upon urban areas. Instead, the state, itself linked in complex ways to society and foreign interests, promotes development strategies that reinforce, deflect or neutralize the impact of a developing global capitalism. □

Book Reviews

By and about John Holmes

by Robert Jackson

An Acceptance of Paradox: Essays on Canadian Diplomacy in honour of John W. Holmes edited by Kim Richard Nossal. Toronto: Canadian Institute of International Affairs, 1982, 202 pages.

The UN Galaxy edited by James Eayrs and Robert Spencer. Toronto: University of Toronto Press, 1980, 205 pages.

These two volumes can be reviewed together most economically by centring on John W. Holmes — his philosophy, style, research methods and views on Canadian foreign policy. The first volume was written to honor his work in the Canadian foreign policy community, and in the second he is the author of the lead article.

As Kim Richard Nossal, the sensitive editor of *An Acceptance of Paradox*, describes his celebrated teacher, Holmes has had three careers — as diplomat, as teacher and as moving force in the Canadian Institute of International Affairs. Forty years ago, he joined the Department of External Affairs where he performed in a variety of tasks culminating in his appointment as an Assistant Under-Secretary of State. In 1960, at the age of fifty, Holmes resigned from the foreign service in circumstances which Nossal, whose resumé is otherwise succinct and complete, does not make absolutely clear. A "free" man, Holmes then devoted himself to revitalizing the CIIA as the main

instrument of public education about Canadian foreign policy.

During this period in particular, the philosophy of Holmes was unveiled in lecture after lecture, essay after essay. He came to distinguish himself as one of the country's finest essayists.

An Acceptance of Paradox opens with a synthesis worthy of the master himself. In it Denis Stairs describes the pedagogics of Holmes. The digest indicates that the corpus of Holmes's writing is founded on the idea that conflict is endemic to life and that the duty of politicians, diplomats and statesmen is to find orderly resolutions to hostile differences. Holmes's philosophical roots are embedded in pragmatism. As Stairs puts it:

In such a world — empty of absolutes — the ends of politics cannot be divorced from the means, and the quality of a foreign policy comes to be defined as much by its style, tactics and choice of instruments as by its ultimate purpose.

It is this prudent pragmatism which gives strength to Holmes's prognostics on politics. Who else in Canada would take on the peaceniks in the 1960s by arguing openly "What we must resist is their claim to messianic certainty."

Moderation or indecision?

Professor Stairs, however, is not an idolater. His synthesis points at the underlying intellectual problem in Holmes's approach. Holmes advocates moderation, style and reasoning but avoids hard choices. He writes like a civil servant, posing the choices for his masters but he rarely chooses for himself. As Stairs puts it, his observations "rarely take the form of arguments for this policy or that, for one side or another." Even Holmes would probably

agree with this admonition. His writings show that he believes such a position emerges from the complexity of the issues of world politics. Others, less charitable perhaps, might conclude that his writings do not obtain the level of analysis or strength to form conclusions from the various factors. The "acceptance of paradox" may indicate an inability to decide — but of course, like Aristotle, Holmes would argue that moderation is itself a virtue.

As a stylist Holmes is almost without peer in the international relations community. Listen to the cadence of Holmes's writing in "The Way of the World":

Iconoclasm and defiance are in fashion. The howls of the macho school for crude assertions of virility are matched by the wails of the utopians, paralyzed by the challenge of an international system devised by man rather than by God.

Sometimes, but rarely, the Holmes-spun style can get a bit carried away, as in his description of the essence of the United Nations, "to define this workable system could be to destroy it . . ."

The method

The research method of Holmes and his students is essentially that of case-study analysis. As such it has all the weaknesses and strengths that obtain with this particular methodology. As Holmes uses the method it is history with wit and charm. But it is essentially atheoretical and uncomparative. As Danford W. Middlemiss says in his fine summary of Canadian-US cooperation, the method is to focus on "the perceptions, motivations and behaviour of the key persons responsible for the formulation and implementation of economic defence co-operation with the United States 1940-63." And this is basically true of the other five case studies in *An Acceptance of Paradox*. They run the gamut from Bennett's Far Eastern Policy; Relations with China in the 1940s; Pearson, Holmes and the Struggle with the Bureaucratic Right; Canada and the Test Ban Negotiations; Canada and the Rhodesia issue; and Trudeau at Singapore.

The array of topics is impressive. Alas, the research methods do not always keep pace. The following quotation describes one method employed:

I was fortunate to hold interviews with sources who were privy to policy documents or who participated in the events under examination, but who have chosen to remain unidentified. In addition, I had access to classified files and private papers which cannot be cited.

It is difficult to assess such work. Is it scholarly? Do the interviewees bias the findings? Does objectivity hold sway over subjective enthusiasm? In short, why are these versions of particular episodes to be believed when others could be written with the opposite conclusions?

If *An Acceptance of Paradox* is basically a brilliant tribute to Holmes, *The UN Galaxy* is not. The good sense displayed in many of the articles notwithstanding, the book in fact duplicates the reputable *International Journal*, the quarterly of the Canadian Institute of International Affairs. The collection is quite uneven and cannot compare to the more homogeneous volume of essays edited by Kim Nossal. One of the articles, though interesting in itself, that by Robert W. Cox on "The Crisis of World Order" seems to be out of place in a general book on the UN.

Read together however, these two volumes of essays

are a tribute to the sharp, pragmatic, skeptical views of John Holmes.

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Domestic double agent

by John Starnes

The Informer (Confessions of an Ex-Terrorist) by Carole de Vault with William Johnson. Toronto: Fleet Books, 1982, 282 pages, \$16.95.

Carole de Vault's book probably will not command a wide English-speaking readership in Canada, and especially west of Toronto. However, it deserves to be read by all those who wish to know more about the events leading to the October Crisis in Quebec in 1970, and something about the psyche of some French-speaking Quebecers. Those considerations aside, the book has intrinsic value. It is well written (the translation is skillful) and it makes interesting, and sometimes exciting, reading. It is also a document of some importance, not only in understanding Quebec's past, but also perhaps in glimpsing its future.

De Vault's vivid descriptions of life in the small village of Sainte Anne de la Perade, on the north shore of the Saint Lawrence River, not far from Quebec City, where she lived for the first five years of her life with her grandparents, in the house built by her great-grandfather, are worth the price of the book. Witty, incisive, although not malicious, her comments about rural life in Quebec immediately following World War II, sometimes are extremely funny, and filled with insights for those *Anglais* who want better to understand their French Canadian partners in Confederation.

She comes across as a complex and sensitive woman, who has told her unusual story with extraordinary frankness and a minimum of self-pity. It is a strange story, which manages to convey the atmosphere of unreality in which Carole de Vault carried out her dual role of terrorist and double agent (for the FLQ and the Montreal Police). Particularly interesting are her not always successful attempts to explain her different motives. For example, why she first became involved with the FLQ, and why subsequently she decided to work against them?

Given the law enforcement framework within which she worked to provide information to the police about the FLQ, the title chosen for the book is not surprising. However, I think she more nearly resembles those men and women who sometimes act as "double agents," in the lonely, nether world of counter-espionage. Since it is obvious she has mixed feelings about the role she played, her choice of the more pejorative word "informer" may have been deliberate. However, the term serves to deflect the reader's attention from the difficult and dangerous tasks she undertook.

She appeared to possess many of the qualities which

Book Reviews

would have made her a good double agent. By definition, a double agent is a traitor, but few double agents in my experience can be viewed as mere police informers or "stool pigeons." Carole de Vault appears to deserve better than to be known by the sobriquet "police informer."

It is a pity the McDonald Commission, whose analyses of events in Quebec in the early 1970s were sadly lacking in depth and cohesion, did not call her as a witness. They could have benefited from her testimony. Her story of the manner in which she was treated by the Keable Commission raises numerous questions about that body, and casts a curious light upon its work!

It is unfortunate that the authors of *The Informer* were not able to include an index and a chronological table for the benefit of readers and researchers who will wish to use it as a reference book.

John Starnes is a former Canadian diplomat and was the first civilian Director General of the RCMP Security Service. He is the author of the spy trilogy The Dissemblers, the first two titles of which are Deep Sleepers and Scarab, published by Balmuir Books in Ottawa. The third volume, Orion's Belt will appear this autumn.

Strangling world trade

by Andrew R. Moroz

Developments in International Trade Policy by S.J. Anjaria, Z. Iqbal, N. Kirmani and L.L. Perez. Washington: International Monetary Fund, 1982, 130 pages, \$US5.00.

This book provides further work by the Fund Staff on trade policy issues and developments. In two earlier studies, (*The Rise of Protectionism*, 1978, and *Trade Policy Developments in Industrialized Countries*, 1981), the Fund staff examined the major trends, issues and developments in international trade, with the main focus on the commercial policies of the major industrial countries. *Developments in International Trade Policy* continues the work on trade and protectionism in industrial markets and extends the discussion to trade and protectionism in agricultural markets.

The authors wisely avoid the attempt to either document in detail all the developments or provide an all-encompassing statement on trade policy. Instead, they focus on a number of major developments to illustrate the nature and extent of the key issues, problems and themes dominating trade policy. The examination is further enhanced by the intelligent use of statistical tables to list the trade policy actions and instruments employed by the major industrialized countries.

The central problem of trade policy is the "urgent need for structural change." Past trade liberalization and

international monetary cooperation has produced a highly interdependent and integrated Western economy. The expansion of trade and financial flows has stimulated the spatial dispersion and international specialization of industrial production. This had led to increased import competition, particularly from Japan and the newly-industrialized countries, in industries traditionally associated with the industrialization and industrial base of the older developed economies.

The response to the need for structural adjustment is frequently the demand for trade protection. As in the discussions on trade policy developments in steel, automobiles, textile and clothing, shipbuilding, electronics, and footwear and other leather products demonstrate, it is politically convenient for the affected industries to blame import competition when the main cause is something else, for example, technological change, and the major problem is domestic structural rigidities, not import competition.

The discussions also highlight the key characteristics of the current protectionism. There is a preoccupation with bilateral trade balances and patterns; in virtually each case, the policy action is directed at a specific exporter. Non-tariff barriers have replaced tariffs as the principal form of protection, and frequently the non-tariff barrier instruments employed are outside of the explicit regulation of the GATT.

The survey of agricultural trade focuses on the implications of agricultural policies on world trade and resource allocation. The discussion addresses directly the inherent problems and costs of using trade policies to reach domestic socio-economic goals in the dairy, grain, meat, and fats and oils industries. Nor is this problem limited to the agricultural sector. As the brief discussions on trade in services and specific horizontal trade issues such as domestic subsidies and performance requirements further illustrate, domestic actions can have significant impacts on trade flows, efficient allocation of resources and economic welfare.

It becomes evident in reading the study that the multi-lateral economic system faces major challenges. The historical distinction between the trade policy sphere and the domestic policy sphere has disappeared in all economic sectors because of global economic integration and the emergence of governments as major economic actors in national economies. The bilateral approach to domestic structural problems in specific sectors undermines the multi-lateral, non-discriminatory system developed through the GATT. The use of non-tariff barriers outside the regulation of the GATT increases the uncertainty faced by exporters in international markets. The resistance to undertake structural adjustment of trade threatens to erode the past gains from international cooperation and jeopardizes the ability of Third World countries to fully develop and solve their balance of payments and debt problems.

For an increasingly integrated and complicated world where trade, investment, exchange rate and debt problems are highly interdependent, the authors have provided a solid and very useful survey of international trade policy.

Andrew Moroz is an economist on the staff of the Institute for Research on Public Policy.

November/December 1983

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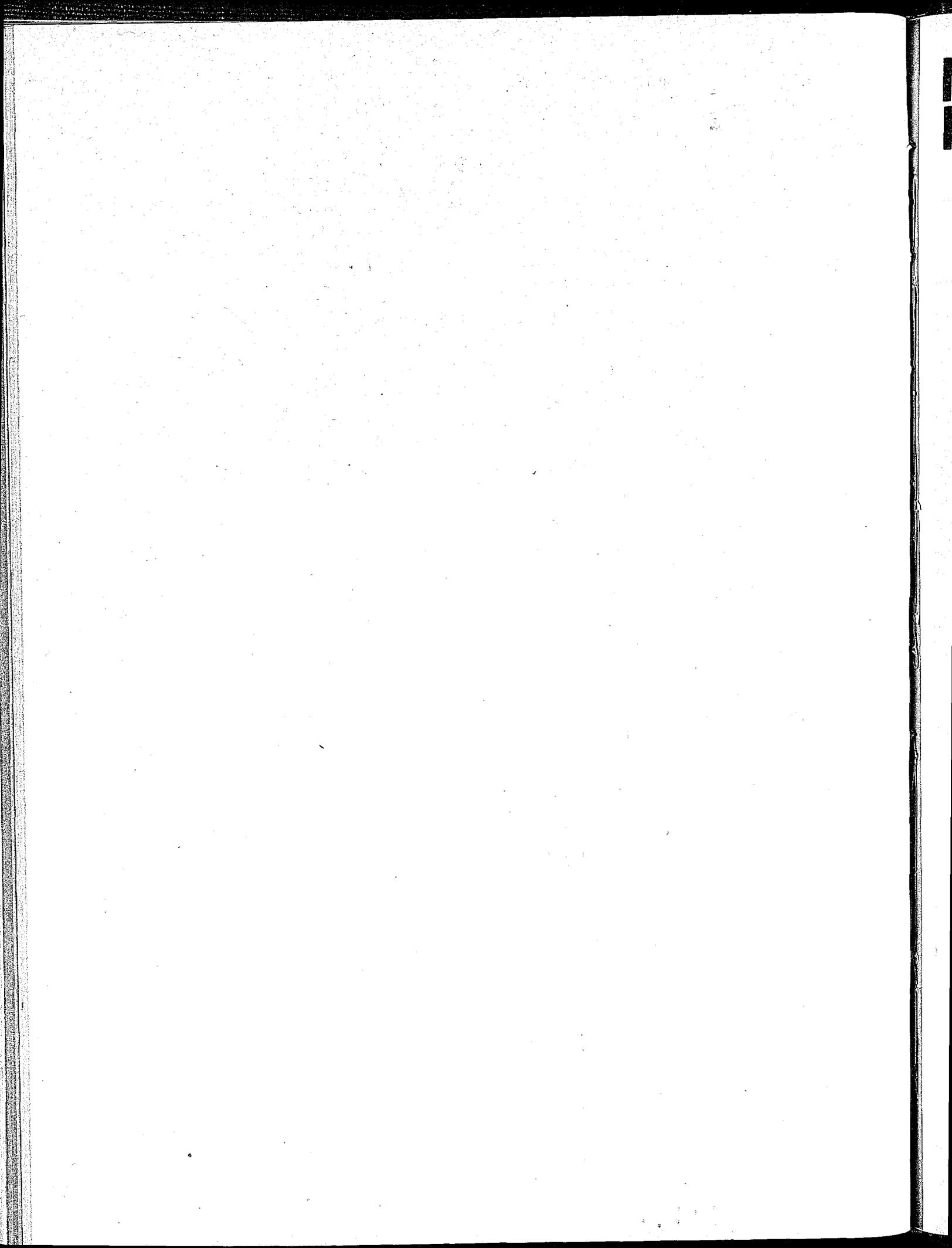
Unleashing the IJC

Does foreign aid help?

Fixing human rights abroad

Spain tries democracy

Mr. Benjamin Rogers
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Ottawa Ont K1Y 0H6
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International Perspectives

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Editor's Note:

Before Newfoundland joined Canada in 1949 the status debate had included substantial sympathy for joining the US in some way. The Americans never revealed their attitude to this prospect, and in this issue Paul Bridle shares with us some original research into just what the Americans were up to during those pre-Confederation years. Our relations with the US are nowhere so equal as in the International Joint Commission — our three equals their three. But now the Americans have brought some enthusiasm to their participation. In their article Professors Schwartz and Jockel see an expanding role for the IJC, perhaps extending to acid rain. Gary Gallon returns to *International Perspectives* with a question about the value of development aid. What happens to what we give? Would the poor be poorer without it?

Spain has had an elected government for seven years, the last of those years with a socialist one. But Franco's old gang — mostly military — are still out there, and H.P. Klepak of the Collège Militaire Royal in St. Jean sees some delicate balancing ahead if the democratic experiment is to work. MP Douglas Roche has been a foreign affairs expert in his Progressive Conservative party for years and has served in many international capacities. No one is more addicted to peace, and he here offers some of his proposals for helping it along. Sheldon Gordon of *The Globe and Mail* examines Canada's record in expressing and delivering support for victims of human rights violations abroad. The record is mixed, but there seems to be more "expressing" than "delivering" — although even the "expressing" has had its bad moments. The Auto Pact between Canada and the US was a great thing when it began in 1965. Lately though, the pressure of Japanese competition in both the US and Canada has eroded the pact's ability to solve our auto industry problems. "Are there any solutions" Andrei Sulzenko wonders — and finds few.

Last issue I mentioned the demise of "International Canada," the External Affairs-paid centre supplement which this journal had been carrying since mid-1982. Well, something happened and it is back in this issue. Happy return, "International Canada!"

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Increasing power of IJC

by Alan M. Schwartz and Joseph T. Jockel

Even the most dedicated Commission-watchers were surprised in June 1982 by the International Joint Commission's *First Biennial Report Under The Great Lakes Water Quality Agreement of 1978*. In that document — submitted to the governments of Canada and the United States — the IJC cast off much of the political reticence which had characterized its work. It vigorously criticized Washington for failing to fulfill its obligations under the 1978 Canada-United States agreement. As surprising, perhaps, as the document's tone, was the fact that it had been signed by an American section recently appointed by President Reagan (who, in an unprecedented move, had fired all the previous members).

The Report is to date the most outward manifestation of the changed circumstances in which the IJC has found itself in recent years, more particularly since the 1972 signing of the first Great Lakes Water Quality Agreement. In fact, the role of the Commission has been changing from non-partisan fact-finder, to environmental lobby within government.

The IJC owes its existence to the Boundary Waters Treaty of 1909. That agreement stipulated that there would be a Commission of six members, three appointed by the President of the United States, three by the Governor-in-Council of Canada. The Commission's main role was that of a fact-finder.

It is this fact-finding or investigative function which has involved the IJC in matters of environmental quality. The custom sprang quickly into existence that neither government would refer a matter to the Commission without the consent of the other, although unilateral referrals were permitted by the treaty. The very fact that Ottawa and Washington, according to mutually observed custom, would first agree to refer a matter to the IJC in order for it to proceed, has gone a long way to depoliticizing the Commission's work. In general, for most of the century, the two governments have referred local, specific matters to the Commission, especially those requiring a good deal of technical investigation.

IJC feels its way

The Commission, in turn, has had a history of further depoliticizing issues. First, it has placed a good deal of emphasis on technical expertise. Its standard operating procedures entail establishing at the outset a scientific board, with manpower drawn from governmental agencies on both sides of the border. The Commission itself deliberates only after hearing from its scientific board. Secondly, the IJC has eschewed publicity and the potentially atten-

dant sensationalism. Its reports have for the most part been models of restraint, politeness and helpful encouragement. Indeed, few Canadians or Americans are aware of the Commission's existence, including those living in the areas where its work has the greatest impact. Thirdly, the individual commissioners have tended to act impartially, disregarding national allegiances. The two governments, it should be added, have tended to respect the impartiality of the Commission: there was little evidence (prior to the coming to power of the Reagan Administration) of the appointment process being used to further narrow national interests or of pressure being applied to members of the Commission. Of the more than 100 References the IJC has had before it since 1912, only three times has it divided along national lines, or failed to reach an agreement because of national division.

The IJC's role and procedures have their academic supporters and critics. Chief among the former has been Don Munton of Dalhousie University. Munton argues, in essence, that the IJC has succeeded because of its restricted role and careful approach. He underlines the Commission's "recognition of and sensitivity to the political context — in the broadest sense, within which it functions. The Commissioners have generally accepted the limitations of their mandate, have consulted with government officials at least on major questions, and have offered pragmatic recommendations that were not obviously outside the realm of what was politically possible." Critics have argued that the IJC was capable of tackling broader environmental issues with greater assertiveness. Foremost among those who have championed change is John Carroll of the University of New Hampshire, who has argued that the Commission should be freed of the two gatekeepers, the Department of External Affairs in Ottawa and the State Department in Washington, which have the preeminent voices in determining whether a reference to the Commission should be made. The Commission, in Carroll's view, should be allowed to undertake studies of transboundary environmental problems on its own initiative ("initiate its own references"), to make recommendations to the two govern-

The authors are on the faculty of St. Lawrence University in New York State. Alan M. Schwartz is Director of its Environmental Studies Program. An aquatic ecologist, he has written on a wide diversity of environmental topics. Joseph T. Jockel is Director of the Canadian Studies Program. A political scientist, he has written on Canadian foreign and defence policies, and Canada-US relations.

Environment winning

ments concerning the findings of those studies and to publicize its work.

New role — 1972

Even as the debate on IJC autonomy was underway, the Commission was changing. A key threshold was crossed with the signing of the 1972 Great Lakes Water Quality Agreement which gave the Commission *ongoing* surveillance and monitoring responsibilities, in effect a continuing reference. This put the Commission in the position of permanent environmental watchdog.

The Commission, however, was given no authority to go with its expanded investigative function. Implementation of the necessary measures needed to reduce pollution in the lakes remained the responsibility of the two federal governments, the states involved, and Ontario. After the 1972 accord went into effect there was some movement toward the upgrading of US sewage treatment plants and the building of new municipal plants, but the impoundment of federal funds by President Nixon in 1973 considerably slowed this process.

It soon became apparent that even without the impoundment of funds, the December 1975 deadline for reaching the water quality standards set by the 1972 agreement were too optimistic and would not be met. As watchdog, the IJC was obliged to point this out. The IJC's impatience with the two governments — especially the US government — showed in the Commission's reports on the Agreement, yet the tone in these documents was constrained, and efforts were obviously made to be complimentary wherever that was possible. In short, although critical, its criticism was muted, in keeping with the Commission's traditionally low-profile and cautiously "political" approach.

Because the goals of the 1972 Agreement had not been met, and because the IJC had pointed out new problems in the lakes — in particular pollution by toxic substances and from non-point sources (those sources not directly attributable to an identifiable source such as a factory or sewage treatment plant) — both federal governments agreed to negotiate a new accord. A new Great Lakes Water Quality Agreement was signed in 1978 by the Secretary of State for External Affairs, Don Jamieson, and the US Secretary of State, Cyrus Vance. The changes in the 1978 Agreement from the 1972 one were striking. Formal deadlines of 1982 for municipal pollution abatement and 1983 for industrial pollution abatement were set. New, more stringent phosphorous loading reductions were established. A long list was developed of hazardous polluting substances which could not be dumped into the lakes. Included were sections dealing with non-point source pollution from the air, and from such land-use activities as agriculture and rural forestry. In short, the new agreement held out considerable hope that a renewed effort on the part of both countries was about to be made in cleaning up the Great Lakes. The IJC was generally pleased with the new agreement; its reports which had mixed critical comments with compliments seemed to have paid some dividends.

Watchdog with bark

The 1978 Agreement also continued the permanent watchdog role which the IJC had acquired in 1972. The Commission turned to the task of monitoring the compliance of the two parties. But upon assuming office in 1981

President Reagan fired all three Commissioners on the US side, at a moment when there were two vacancies on the Canadian side. Thus, at an important time in the process of cleaning up the Great Lakes, the Commission was in the unprecedented position of having five vacancies. Mr. Reagan appointed three new commissioners in 1981, all viewed as conservative Republicans, installing Robert C. McEwen as Chairman of the US section. It was this essentially new (and on the Canadian side, still incomplete) Commission which took on the task of preparing the first biennial report on the implementation of the 1978 agreement. The President's new appointments were seen by many critics at the time as being just one more dimension to the administration's overall assault on environmental agencies. This assault was taking the form of substantial budget-cutting, and the appointment of known critics of the environmental movement to positions of power. Indeed, the nomination of Mr. McEwen, a former Republican Congressman, was greeted with public concern by certain American environmental organizations. Reflecting the American unease, the *Winnipeg Free Press* commented, "President Reagan may as well have appointed three billy goats to guard a lettuce patch as to name the current members of the IJC to watch over the purity of boundary waters." These Commissioners had a "terrible or questionable track record and little should be expected from them."

While the new Commissioners were still considering drafts, the United States General Accounting Office (a semi-autonomous watchdog agency which reports to Congress) issued two broadsides of its own. First, in May of 1982 the GAO released a report entitled *A More Comprehensive Approach Is Needed To Clean Up The Great Lakes*. This was followed in June by a second document, *International Joint Commission Water Quality Activities Need Great U.S. Government Involvement*. Most significantly, both reports were prepared with the encouragement and substantial assistance of the IJC staff. The May report concluded that "although the lakes are cleaner, the United States is finding it difficult to meet agreement commitments." The GAO went on to chide the United States for a "lack of overall strategies for dealing with Great Lakes water quality problems." The June 1982 GAO report took the US government to task for failing to respond to Commission requests for information, for providing only scant advice to the IJC's Water Quality Board, and for Mr. Reagan's sacking of the entire American section.

Now, watchdog with bite

Then, in July of 1982 the Commission released its own *First Biennial Report Under the Great Lakes Water Quality Agreement of 1978*. The document constitutes the most biting critique of governmental performance which the IJC has ever issued in its seventy-year history. In it the IJC all but abandoned its traditionally muted approach. Symbolizing the Commission's approach in the document was its citation of President Reagan's May 1981 address to the Canadian Parliament, which the IJC called "the most important and encouraging statement by the President of the United States." After quoting Mr. Reagan's pledge that the United States would cooperate further in the cleanup of the Great Lakes, the Commission went on in its report to say that it is "hopeful that Executive Branch agencies in the United States will embrace the President's commitment

and insure, through the adequate provision of resources for Water Quality Agreement work, a continued commitment to the fulfillment of the purpose and the General and Specific Objectives set forth in the 1978 Great Lakes Water Quality Agreement." This is, in fact, coming as close as diplomatic language can permit to accusing the United States government (in particular its Chief Executive) of

First Biennial Report the IJC pronounced itself,

. . . of the view that an evolution in its focus from primarily engineering-scientific concerns, to incorporate matters of social relevance, institutions and human concerns may be of benefit in assessing whether the requirements of the Agreement are being adequately met . . . The Commission therefore feels it should consider a "broadening" of its base of information in order to establish a process for understanding the human context of Great Lakes goals and achievements.

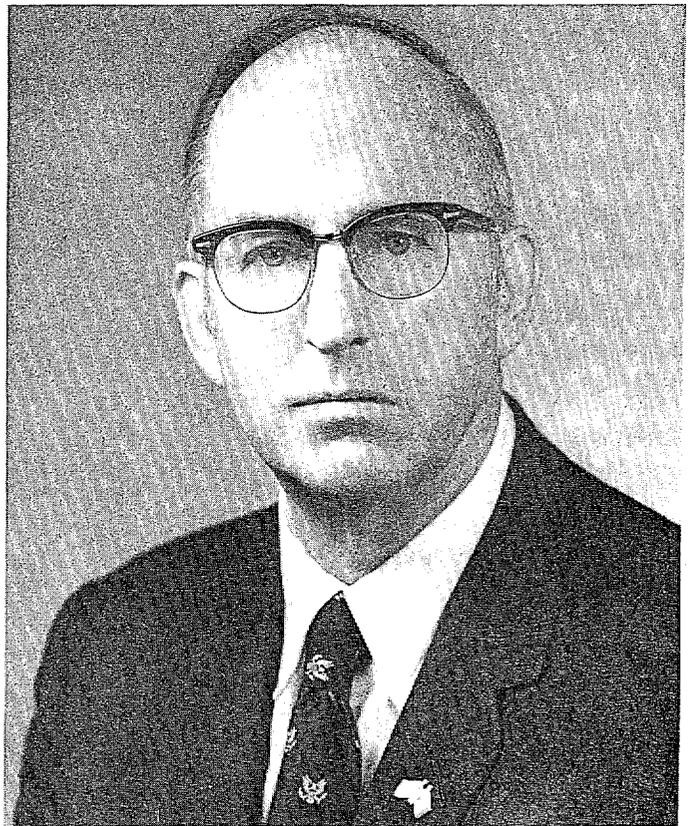
Origins of the new tone

How did such a change in approach come about? The critical tone was initiated in a draft of the biennial report, written by frustrated staffers (in particular, Canadian staff) who were encouraged by Commissioner E. Richmond Olson of the Canadian section. It was also Mr. Olson who encouraged the staff to draft the section calling for a new, expanded role for the IJC, based on the concept of social relevance. A senior official in Ottawa has described Mr. Olson as a man who embraced a social-political approach to environmental matters and a man "who was going to

INTERNATIONAL JOINT COMMISSION



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hypocrisy and failure to fulfill international obligations.

It was the failure of the United States government to spend the necessary funds, especially those needed for research and surveillance activities which most rankled the Commission. It alluded to "proposed U.S. budget cuts" and warned that,

Monitoring and research functions are essential components of the [1978] Agreement for they provide a means of assessing progress and a framework for understanding the problems of the Great Lakes Basin Ecosystem. Without such a framework, there is no rational basis for assessing whether or not there has been progress toward maintaining and restoring the physical, chemical, and biological integrity of the Great Lakes Basin Ecosystem.

Funding was not the Commission's sole concern though. With respect to toxic substances the IJC noted: "A clear sense of unity and direction on issues central to the Agreement is required. The sense of drift is nowhere more apparent than with the issue of toxic and hazardous substances." The words "the Commission again recommends" are peppered throughout the report, indicative of the IJC's frustration with past recommendations that had not been acted upon positively.

Finally the Commission proposed a new — if still largely unclear — role for itself. In the last paragraph of the

stick a poker in the ribs of those who thought that technical experts can provide all the answers."

There were now five commissioners, all new boys, wanting to get along. The new US Chairman, it also turned out, was in fact supportive of the goal of improving water quality in the Great Lakes. Mr. McEwen had represented for six terms in Congress the far northern section of New York State, a district which included the state's St. Lawrence shore and part of its Lake Ontario shore. A sportsman and a boater, he had a house overlooking the St. Lawrence River. Thus the issue of water quality, remote to

Environment winning

some people, had a real personal meaning for him. Nonetheless, the new Commissioners were not to be pushed too far. They insisted that the language of the early draft be changed. That draft was not only biting critical but waxed philosophical as well. Inflammatory charges were punctuated with references to the Club of Rome, Rachel Carson, etc. When the early draft was shown to Mr. McEwen he tossed it down on the table with the comment, "If I sign this I might as well sign my resignation." The citations from environmental literature were dropped and the language was toned down — somewhat.

Once the IJC's Report was released the response from Canadian officialdom to it was almost unanimously positive; most of the criticism had been levied against the United States. In fact, the Government of Canada and the Government of Ontario formally stated their "wish to compliment the Commission on the presentation of a thorough and searching examination of the issues involved in Great Lakes Water Quality matters." The Canadian support was almost embarrassing. One US Commissioner told the Canadians to "please stop complimenting us on this; it's not good for our reputation."

Ripples in Washington

On the other hand, compliments were not handed out so widely in Washington. The Report was published without advanced release to either the State Department or the Environmental Protection Agency, the two US bodies with responsibilities under the Great Lakes Water Quality Agreement. It was this lack of consultation, as well as the tone of the Report, which especially irritated officials in the State Department's Office of Canadian Affairs. The Department was also upset over the fact that in contrast with earlier IJC reports on the Lakes, very few positive elements had been noted. As to the matter of expanding the Commission's role to include social issues, the State Department was exceedingly clear in its reaction. The Commission was told "rather than a broadening of the Commission's Great Lakes focus as proposed, the State Department believes that the Commission should continue to devote its effort with greater precision" to the technical questions specified in the 1978 accord. As this was later paraphrased in the Department of External Affairs, "State told the IJC to go back and play shoemaker, and stick to its lasts and soles."

Whereas the State Department was chiefly concerned with the manner in which the Report had been prepared and released, the EPA was incensed at the content. According to one senior EPA official, the reaction at the highest levels of the Agency was as if "a hand grenade had been thrown into the tent." Both Ann Gorsuch and John Hernandez, at the time Administrator and Deputy Administrator of the EPA, were furious at the Report, given its criticism of the EPA for not acting more forcefully in meeting US obligations. Certainly there were methods by which EPA could have punished the IJC: the Agency could have withheld or slowed down its cooperation in IJC activities, including those related to the Great Lakes, for the Commission is heavily dependent in its work on such cooperation. Thus, as a senior EPA official put it, "The IJC Biennial Report almost backfired."

Connections help

It did not though. Punitive measures never materialized. Moreover, the release of the IJC Report, coupled

with the GAO's reports, propelled the EPA to review entirely its Great Lakes programs. Several factors helped shape that result. First, middle-level EPA officials worked hard to blunt the anger of Gorsuch and Hernandez by pointing out that some of the criticism leveled by the IJC in its report had merit. Secondly, although some viewed the IJC as naive for issuing such a stinging public report, the Commissioners in fact were not babes in the political woods; they had full knowledge of the implications of the Report, and were expecting some controversy. They had good reason though to believe that they would be protected from its effects. Their ties to the White House, especially those of Commissioner L. Keith Bulen, were closer than those of Ms. Gorsuch. Mr. Bulen, an attorney, had been a senior official in the Reagan transition team. In fact, President Reagan and Vice-President Bush had recently met with the Commission, the very first encounter of its kind. In addition, Chairman McEwen, being a former six-term Republican Congressman, had extensive contacts on Capitol Hill. Discussions between McEwen and his former congressional colleagues certainly did not harm the IJC's position once the firestorm broke out. In short, Mr. Reagan's dismissal of the previous Commissioners and replacement of them with his own men, far from weakening the Commission, as many had feared, actually strengthened it considerably.

New IJC emerging?

The two Great Lakes Water Quality Agreements presented the Commission with what was, in effect, a permanent reference. As a result, the Commission, and in particular, its staff, have come to see the role of the IJC not merely as a fact-finder on matters of concern to the two countries, but rather more as a watchdog or spokesman for environmental quality itself with respect to the Great Lakes. This has put the Commission in a new position, unimagined by the drafters of the Boundary Waters Treaty, who had the model of a tribunal in mind. The Commission has come, in effect, to act in Washington as a semi-autonomous *lobby from within* for the Great Lakes' water quality. This has thus far not been the case in Ottawa as the Canadian Commissioners have felt no need to push the Canadian government. It is, after all, the United States and not Canada that has provided most of the obstacles to the implementation of the Great Lakes Water Quality Agreement.

In so acting, the Commission has stood on potentially hazardous ground. The senior leadership of the EPA might have crippled the Commission. Much more basically, though, if truly incensed, either government could have reduced the Commission's involvement in Great Lakes water quality matters by dragging its feet or by reducing its contributions to IJC budgets. That this did not occur does not negate the fact that its possibility must stand as a warning to the Commission and its staff that it cannot go too far. To be sure, the Commission in 1982 was protected by its broader, and in some ways, unusual circumstances. The Reagan administration, already involved in a highly publicized imbroglio with Canada over strategies to deal with acid rain, would not have wanted to provoke another row with Canada over environmental matters if it could be avoided. But of equal if not greater importance, the Commission acted as a well-connected lobby: its staff was able to provide useful information to a cooperative GAO, and its political links to the White House and Capitol Hill

Environment winning

further than political circumstances safely permit.

Both governments are now struggling with finding a structure for addressing the acid rain problem. Some group agency will have to assume the task of ongoing research and monitoring of both the symptoms of the acid rain problem and progress, or lack thereof, of abatement strategies. Will the governments turn to the IJC? Indeed, it is how both governments view the IJC's success, or lack thereof, in handling this ongoing reference on the Great Lakes, that will determine in part whether the matter of acid rain will be referred to the Commission. This fact is certainly not lost on those Commissioners who ardently desire the IJC to play a key role in the resolution of the acid rain dispute. □

afforded it protection. In short, those who argue that the IJC has been successful because of its circumspection should not be discounted. The 1982 Report was dramatic, but ultimately it did not represent an irresponsible, daring, or politically naive effort on the part of the Commissioners: their political flanks were well protected.

The temptations will remain in the coming years for the Commission to continue its newly-assumed role. The "permanent reference" in the 1978 Agreement alone will insure the presence of such temptations, a fact which will confront the Commission this fall as it begins the process leading to its next biennial report. The IJC has no guarantee, though, beyond that which is supplied by its own prudence, that in any given circumstance it will not venture

Food for thought . . .



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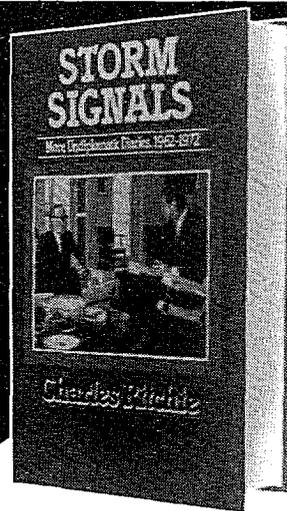
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The Canadian government and human rights abroad

by Sheldon E. Gordon

"Everybody talks about human rights, but nobody does anything about them." It is tempting to use that paraphrase in describing the approach of the Canadian government to the promotion of respect for human rights abroad. But even that paraphrase understates the problem. Not only does the Canadian government usually feel that it lacks the leverage to do anything about rights abuses, it often is reluctant even to talk about them.

That is a harsh judgment, one which requires a context. It begs the following questions: (1) Does human rights advocacy have any impact? (If not, there is no point in the government engaging in it as an act of self-righteousness.) (2) Do other governments champion human rights? (If not, it would be unfair to single out Canada's for special censure.) (3) Do the Canadian people care about human rights abroad? (If not, their government cannot be faulted for reflecting their attitudes.) (4) Is there sufficient information on which to assess the government's record? (If not, there is the danger of an unbalanced judgment based on fragmentary evidence.)

An assessment of the effectiveness of human rights advocacy must begin with the acknowledgement that much of it is bound to fail: we live in a wicked world where efforts to make governments conform to international human rights law is an uphill struggle. According to US-based Freedom House, only 33 percent of mankind enjoys full political and civil rights. In more than fifty countries, citizens can be detained without trial or charge. Governments in more than twenty countries have been responsible for politically motivated killings in the past three years, according to London-based Amnesty International.

Yet the situation is not hopeless. Foreign outrage appears to have contained, if not remedied, many rights abuses. Amnesty International points out that the "prisoners of conscience" whom it champions tend to be released relatively earlier than those whose cases are not taken up, even in the Soviet Union. The Canadian branches of Amnesty have been able to celebrate the release of over 100 of their "adopted" prisoners in the past five years. If Amnesty's letter-writing and lobbying tactics can accomplish such results, the voice of government can be presumed to count for even more. Indeed, the Canadian government itself affirms the importance of government

advocacy, if only by the lip service it pays to the principle of supporting human rights.

Do Canadians care?

There is no doubt that the Canadian public is concerned about human rights issues abroad. Members of Parliament see this concern reflected in their mail. Amnesty International, the senior rights movement in Canada, has 12,000 volunteers drawn from the ranks of housewives, students, teachers, other professionals, and trade unionists. The Canadian churches have become vocal champions of human rights, especially in Latin America. Groups of expatriates, including Pakistanis, Filipinos, Eritreans, Poles and Chileans, use the freedom of their new surroundings to agitate against oppression in their homelands.

This growing constituency could be offset if human rights advocacy were to threaten Canadian business prospects. But it is significant that the Canadian Labour Congress, whose members would suffer if Canada lost economic opportunities, is a conspicuous proponent of human rights activism by the Canadian government. Moreover, other trade-reliant nations pursue rights advocacy without compromising their export capability. Holland and Sweden, which are comparable to Canada both in their vulnerability and in their leverage, have been notably more aggressive in promoting rights abroad.

A comprehensive view of Ottawa's actions to alleviate repression is elusive. To the extent that "quiet diplomacy" is used by the Canadian government, our foreign affairs leadership is constrained from taking credit for its initiatives. Only a few human rights activists are aware, for example, of a recent occasion on which Prime Minister Pierre Trudeau wrote personally to a foreign leader urging the release of a prominent political prisoner. Since the communication was handled secretly in the hope of maximizing its effectiveness, there have been no press reports or other forms of publicity surrounding it.

Positive government action

The government also has not publicized its policy of banning the sale of military equipment to regimes which might use it against their own people. This policy makes Canada one of only five nations which restrict military sales involving repressive regimes. (The impact of the policy, however, has been lessened in recent years by shifting the onus of proof within the government to those officials opposing a particular sale. Previously, the onus had been on those officials favoring it.)

Nonetheless, the government has received credit, and

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rightly, for several other actions. During the past decade, the Canadian delegation at the United Nations Commission on Human Rights has shown leadership in focusing attention on human rights violations in Cambodia, Uganda, Guatemala and Poland. It even criticized the UNCHR for its indifference to Idi Amin's reign of terror (which Canada tried unsuccessfully to have made the subject of an international investigation). Also at the UN, Canada proposed and helped to finance the 1981 study by Prince Sadruddin Aga Khan on the role of human rights abuses in triggering mass refugee flows.

Through both bilateral and multilateral channels, Canada has been a dedicated proponent of the right of Soviet Jews to emigrate, and has promoted family reunification across the East-West divide. At the Helsinki Conference on European security and cooperation, which concluded in 1975, Canada played a useful role in pressing these and other "third basket" human rights issues (though it was not as active as The Netherlands in drawing up these proposals and was a rather muted voice at the recent follow-up conference in Madrid).

Some Canadian diplomatic representatives abroad have displayed a commendable commitment to human rights. Amnesty's Canadian coordinator for Singapore and Malaysia has praised Canadian envoys in those countries for bringing Amnesty concerns to the attention of the authorities there. But these worthy initiatives tend to be the exceptions.

Too much government inaction

The prevailing pattern, though, from the Prime Minister on down, has been one of timidity and often appalling indifference. Thus, although the government imposed sanctions against the Jaruzelski regime following its repression in Poland, Mr. Trudeau undermined this protest by carelessly stating that martial law was preferable to civil war.

Even the Prime Minister's silences, however, can be disconcerting. During official visits to Canada last year by the leaders of Pakistan, South Korea and Equatorial Guinea, Mr. Trudeau was tight-lipped, publicly and privately, about their oppressive rule. During his visit to the capitalist nations of southeast Asia last January, Mr. Trudeau told reporters he had no intention of "trying to right any wrongs that may be taking place in these countries" — adding gratuitously "no more than I would like visitors to Canada to tell us how we should have dealt with the FLQ crisis when some of the terrorists in Canada were put in jail." The Prime Minister was thus equating the acts of a democratically-elected Canadian government to suppress violent separatism with the persecution by authoritarian regimes of dissidents whose only offense was in criticizing the powers that be. Perhaps the kindest explanation of this bizarre comparison was provided, inadvertently, by Mr. Trudeau when he told reporters who asked his views on the human rights situation in Malaysia: "I don't know, honestly. I have not the information at this point to make a judgment."

The External Affairs Department seems, if anything, even less attentive to human rights concerns than is the elected political leadership. Whereas the US State Department, even under the Reagan Administration, has maintained an assistant secretary for human rights, External has no comparable senior official whose full-time

responsibility is to develop and coordinate policies on human rights. Canada's stand on issues coming before the United Nations Commission on Human Rights is formulated by officials in External's UN Social and Humanitarian Affairs Division, which is habitually understaffed. Responsibility for human rights policy on a bilateral basis is dispersed among various geographical bureaus, whose officials tend to be preoccupied with issues directly affecting Canada. In the field, too, Canadian officials concentrate on improving bilateral relations or trade ties with the country to which they are posted. There is little time to tabulate, let alone try to rectify, rights abuses.

Protest till it hurts — almost

Examples of the Department's lacklustre approach to human rights can be found in examining its policies with respect to South Africa and Latin America. It is true that Canada closed its trade commissioner offices in South Africa in 1978, discontinued the provision of export credits and established a code of conduct for Canadian corporations doing business there. But these were largely cosmetic gestures. Two-way trade between the two countries has increased six-fold in the past decade, helped along by the activities of a trade promotion officer within the Canadian Embassy in Pretoria and the provision of export insurance by Ottawa's Export Development Corporation. (By contrast, the US, Denmark, Norway, Sweden and Holland all restricted their export insurance for South Africa in the late 1970s.) The code of conduct was intended to encourage Canadian companies operating in South Africa to do so on the basis of equal treatment for all employees, but it is entirely voluntary. Few Canadian companies even bother to submit reports on their degree of compliance, and the Government makes no systematic assessment of their performance. (By contrast, Sweden dismissed codes of conduct as nothing more than a public relations exercise and enacted legislation prohibiting all new Swedish investment, loans and capital exports of any kind to South Africa in 1979.)

When a church NGO official suggested several months ago that at least corporate reporting under the code should be made mandatory, he was told by one senior External Affairs official that "We would need a display of consensus from the Canadian public." How this "consensus" was to be "displayed" was not made clear. A fellow diplomat, who represents Canada on the UNCHR, was sufficiently candid at this private NGO consultation to admit that he was tired of always having to invoke the independent habits of the corporate sector as an explanation for Canada's inaction in South Africa, but that the inclusion of the Trade Department into External made progress less likely than ever.

In Latin America — not overdoing it

Similarly, External Affairs gave short shrift to the report of the parliamentary sub-committee on Canada's relations with Latin America. The MPs proposed a Human Rights Association of Parliamentarians which would monitor respect for human rights, "especially in countries with which Canada has important relations." Replied the Department: "We doubt whether a committee of a national parliament such as that of Canada could be assured access to countries where human rights are of concern." This response overlooked the fact that the parliamentary sub-committee was able to visit sixteen Latin American states, many of which are human rights offenders. It also over-

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looked the successful intercession of several MPs visiting Uruguay to avert the planned arrest of a Jesuit priest who had offended the regime.

The MPs' proposal that Canadian trade officials take human rights into account when they advise on trade and investment prospects was also dismissed. External maintained there was no necessary relationship. It is true, of course, that a repressive government may provide a favorable climate for foreign business. But that is a dangerously short-sighted calculation, as shown by events in Cuba: the Batista regime was kind to foreign investors, but its repressive rule led to the Castroite revolution, which eventually expropriated foreign (including Canadian) assets.

It is instructive to compare Canada's reactions to Argentina in two different situations. When Argentina invaded the Falklands, Ottawa recalled its ambassador and imposed economic sanctions. No such display of disapproval occurred, however, when the Argentine junta was making war on its own people. When the junta tried last April to close the books on the "disappeared" with a statement pronouncing them all dead, the US, Italy, Israel and Spain, among others, voiced criticism. Canada said nothing. At times, the willful blindness of some Canadian diplomats to the welfare of oppressed peoples in Latin America has been an embarrassment even to External. Ambassador Andrew Ross described the victims of persecution in post-Allende Chile as "riff raff" in a leaked cable. More recently, Ambassador Douglas Seers was accused by Canadian MPs visiting Nicaragua of one-sided perspective. Both envoys were soon reassigned, but their attitudes suggest that External should do more to sensitize its diplomats to human rights. It should be standard departmental practice to have diplomats briefed, prior to their postings, by Canadian NGOs with first-hand experience in the field.

Aid divorced from human rights

While External has been loath to use bilateral diplomatic channels for human rights lobbying, the Canadian International Development Agency has been even more reluctant to use aid as leverage. As one CIDA official put it: "If we cut off aid to every client which has some human rights abuses, we would have no aid program left." No one, however, has suggested such an indiscriminate approach. Instead, CIDA could penalize those regimes which are particularly oppressive, or particularly dependent on Canadian aid. Haiti, which is tyrannically ruled and counts Canada as its second largest aid donor, would seem suitable for sanction. Guyana, which until recently looked to Ottawa for one-third of all its foreign aid, might also be an appropriate candidate. CIDA might at least emulate the practice in the US where the executive branch gives Congress an annual update on the human rights performance of all aid recipients. Or it might adopt the "point system" used in-house by a former British Labour government to grade aid recipients on their respect for human rights. Where CIDA has suspended aid (to Idi Amin's Uganda, to

Guatemala, El Salvador and Surinam), it has done so without any systematic basis.

Multilateral aid — another declined lever

While the Government is bashful about withdrawing bilateral aid, it is positively obsessive about not using multilateral aid for human rights leverage. External Affairs Minister MacEachen has rejected proposals by the churches that Canada cast its vote in the World Bank and regional development banks to penalize human rights offenders seeking loans. Ottawa has a purist conviction that these international financial institutions make exclusively financial decisions which must not be politicized. The Scandinavian countries, by contrast, have no such qualms. They insist that multilateral aid decisions sometimes must take account of human rights conditions, since widespread repression can ruin a country's chances of using the aid money effectively. In 1981, when a \$36 million loan application by El Salvador came before the International Monetary Fund, the West European countries abstained because of doubts that the loan could be justified on purely economic grounds. The Fund's technical staff refused to support the application (which is almost always decisive) yet the US, supported by Canada, voted for the loan, and it was granted. So much for non-politicization.

Even if Canada did take human rights considerations into account in its voting, the Canadian vote is not weighty enough to be decisive on most loan applications (though in the close vote approving an IMF loan of \$1.07 billion to South Africa in 1982, Canada's 4 percent voting share was enough to swing the outcome). But a more rights-conscious voting stance by Canada would be useful in pointing the way for these influential institutions to evolve. The regional development banks would be the best place to start.

Such an approach would be in keeping with an emerging international ethic which holds that states have a duty not only to respect human rights at home, but also to promote them abroad. This duty may even supersede the traditional doctrine of non-interference in the internal affairs of sovereign states. The UNCHR was the first international institution with a mandate to probe the human rights practices of individual states, but its work has been supplemented on the regional level by the European Human Rights Court and the Inter-American Human Rights Commission. Canada has flirted with the idea of associating itself with these two regional bodies (especially the latter, through membership in the Organization of American States) but never followed through. This is not surprising. It need only be recalled that, in 1948, Canada abstained on the original resolution to adopt the UN Declaration on Human Rights and, until 1963, did not accept a seat on the UNCHR.

If, in the years since, Ottawa's box score on human rights shows that it has made a few hits, it also demonstrates that it has scored too few runs — and left too many players on base. □

The aid fix: pushers and addicts,

by Gary Gallon

What if there were no aid? What would have been the development patterns within the Third World during the last three decades without official development assistance being given from the Canadian International Development Agency (CIDA) and the Export Development Corporation (EDC) and their counterparts in other industrialized countries?

To begin with, development in the Third World would have been decidedly slower. Large infrastructure projects for transportation, energy and industry would be fewer, and commercialized urban areas would be smaller. Modern medicine would have been much more slowly introduced. The "Green Revolution" may not have happened. Chemical fertilizers and pesticides may not have been as broadly introduced. Natural resources may not have been as quickly developed.

From another perspective, however, no aid would have presented a number of opportunities for Third World countries to establish their own development patterns and lifestyle directions built on more solid foundations characterized by slower but steadier growth rates.

Price of aid

There is little question that, generally, aid has helped countries rapidly develop certain sectors of their economies and improve the average living standards of some people. But the aid has been costly. It has perpetuated the "dominant-subservient" role of industrialized and Third World countries, locking many developing countries into economic dependence on industrialized countries. It has led to the destruction of indigenous cultures and to the degradation of the environment. Aid has fostered the disastrous rural-to-urban migration which blights most developing countries' cities with crowded slums and poverty-stricken rural areas.

No aid, in effect, would have removed the shackles of "strings-attached" money and opened the way for developing countries to establish their own development agenda. Rather than focussing on the narrow conduit of cheques from the donor countries, political leaders of the Third World could turn their concentration towards the resources of their own people and draw on them to build a publicly-involved development process. The process would not have been easy. However, in the long run it could have proved more viable than the "drug-like" dependence on regular injections of cash we have instead.

Corrupting the donor

Despite its altruistic beginnings, not visible today, aid from Canada and the other donor countries is given for a

number of purposes other than for the transfer of wealth. Third World development became a secondary objective. The primary objectives are to:

- promote strategic and military influence;
- support donor country industries through "tied aid";
- create markets in the Third World for industrialized country goods and services; and
- increase the flow of natural resources from the Third World to the industrialized countries.

Strategic and military influence is primarily a game for the United States and the Soviet Union, with other donor countries playing similar but smaller roles. Their strings-attached aid dances around the Middle East, Africa and Asia, rewarding obliging Third World countries for their strategic and military favors.

Aid that is tied with a promise that the receiving country must buy the goods and services from the country that gives the aid should more correctly be called Industry Aid, not Third World aid. More than 80 percent of CIDA's bilateral aid is tied. And CIDA's aid to multilateral agencies such as the World Bank, the International Development Agency (IDA) and the United Nations Development Program (UNDP) is given with the understanding that Canada receive close to an equal amount back in the form of contracts for Canadian industry. The only aid that is not tied is that which CIDA gives through Canadian and international non-governmental organizations (NGOs).

Abuse of tied aid

Tying aid is not bad in itself. Defined amounts of aid given to a Third World country could certainly be used to purchase Canadian products when they are needed. It is when they are not needed, or when they are part of a development approach which is inappropriate, that tied aid distorts the purpose of aid. Instead of remaining a secondary factor to the development needs of Third World countries, tied aid has become primary factor for Canada and the other industrialized countries (except for Sweden and Denmark, which have maintained their priority perspec-

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tives). As a result, every year at budget time, the Canadian government's considerations are:

- How many Canadian jobs can CIDA's aid create?
- Which ailing Canadian industries can the Government prop up with CIDA contracts?
- Which Canadian companies operating overseas require such facilities as roads and electricity to be built by CIDA?

Not unexpectedly, strong industry lobbies have sprung up in Canada to protect their tied aid work.

In effect, the aid needs of the industrialized countries overpower the aid needs of the Third World countries.

What Canada gave

Canada provided \$1.478 billion in Official Development Assistance in the year 1981-82. A little over \$666 million was provided in the form of bilateral (country-to-country aid to seventy-nine Third World countries, primarily in Africa and Asia. Bilateral aid is directly "tied" to the purchase of Canadian goods and services. Another \$531.5 million was disbursed through multi-lateral sources: \$109 million was given to the World Food Program to purchase Canadian grains for distribution overseas; \$296 million was given to international financial institutions including the Asian and African Development Banks, and the International Development Association (\$164 million) of the World Bank; and \$47 million was given to the United Nations Development Program. While these institutions have the freedom to choose the contractors they wish to undertake the projects they fund, Canada and the other donor countries like to operate with the understanding that the funds they give are returned in the form of contracts for their companies. The majority of CIDA's untied aid flows through NGOs — \$166.5 million in 1981-82.

With deliberate aim, aid is thrown out like a boomerang, not to land in the Third World, but to return to the designated spot in the donor country.

The subsequent distortions to Third World development are enormous. Large scale, centralized technological projects are chosen over village-scale people-oriented projects. Northern "experts" are parachuted in with their suitcases full of new technologies. Corporate interests are put above public interests. The industrialized urban centres grow while the rural villages languish. A few benefit greatly while the majority receives a trickle of improvements — or nothing.

Canadian beneficiaries

Massey Ferguson Ltd., Canada's large tractor and heavy equipment manufacturer, depends on CIDA for much of its Third World export contracts. Recently, CIDA's aid has helped Massey survive a severe economic downturn.

In 1981 CIDA provided the funds for the export sale of 25 percent of De Havilland's Twin Otter aircraft and 40 percent of Buffalo aircraft exports. Over one-quarter of Bombardier Co. Ltd.'s locomotives produced in 1981 were sold to African countries with assistance from CIDA and the Export Development Corporation. Hawker Siddeley of Canada Ltd. sells millions of dollars worth of forestry and

sawmilling equipment as well as railway rolling stock each year to CIDA-supported projects.

Lavalin Monenco, the SNC Group and Shawinigan Engineering, lead the group and lobby government for the lucrative contracts that await the successful bidders. Lavalin employs over 5,000 people and has undertaken projects which include powerline construction in Cameroon and Mali and irrigation programs in the Sahel.

Canada's SNC Group, which employs 3,700 people, has had hydro-electric contracts in Tunisia and helped build cement factories in Morocco and Algeria. The Shawinigan Group comprising thirty companies helped build the Kpong Dam in Ghana, a coal thermal plant in Botswana and transmission lines in Tanzania.

The list of Canadian beneficiaries goes on to include provincial crown corporations such as Quebec Hydro and Ontario Hydro which have consulting contracts in a number of developing countries related to electrical development. As one Ontario Hydro engineer put it, "Energy growth in the domestic market has come to a virtual standstill . . . We've got to diversify, find export markets to which to sell our services."

Making new consumers

The third factor distorting Canadian aid is the subtle push to create new consumers for Canadian products. This requires that people in the Third World begin to acquire western life-styles. The majority of CIDA projects supports the Third World cloning process. For example, there is CIDA's ill-fated attempt to bring wheat farming and factory bread to Tanzania. Bread has never been a mainstay of the Tanzanian's diet. "Posho", or white maize, and bananas, are the primary foods. White bread, a relatively "new" food for Tanzanians, is available from any one of the hundreds of small community bakeries that have sprung up across Tanzania. Thus, in a country where food shortages are rampant Canada ignored the need for traditional foods and brought in a whole army of prairie farmers, complete with mechanized farming equipment, and established Saskatchewan-size wheat farms. At the same time, CIDA contracted a Canadian firm to build a huge centralized "modern" bakery in Dar Es Salaam. Millions of dollars were spent with the understanding that such projects would put Tanzania on the road to being a regular customer for wheat farming equipment and bakery parts and supplies.

Two years ago CIDA created the Canadian Renewable Energy Facility (CREF) with the specific mandate to develop markets in the Third World for Canadian solar and renewable energy companies. Canada's own market is not yet large enough to support the many Canadian companies that sprung up during the height of the energy crisis. To survive they have turned their attention to the Third World. CREF, with a modest \$10 million budget provides funds specifically for developing commercial opportunities. It provided a quarter of a million dollars each for small-scale hydro programs in Swaziland and Sierra Leone, and \$125,000 each for solar programs in Kenya and Egypt.

Competition for Third World renewable energy markets is tough. France, West Germany and the United States are aggressively marketing their wares, hoping to hook developing countries on their particular equipment for long term sales potential.

But CIDA has not stopped pitching. When Prime Minister Trudeau promised \$25 million to help the

drought-stricken Sahel region of Africa in a speech given to the 1981 UN Conference on New and Renewable Sources of Energy, no one was sure how the funds would be spent. A year later, CIDA sent a consultant to the Sahel with a mandate to develop a program that would rely on Canadian technology. His proposal: to install millions of dollars worth of solar water pumps.

The fourth factor distorting aid is the tendency to provide infrastructure to support Canadian and other multinational corporations with resource extraction and the flow of resources north. CIDA builds roads for logging, erects hydro-electric dams for mills and refineries and expands harbors for shipping. In Sri Lanka, for example, CIDA committed \$76 million for the construction of the Maduru Oya dam that will supply electricity to the Mahaweli Project which, among other things, will include a "free port" (no taxes) industrial park that will host corpor-

through corruption. It is not uncommon for this figure to jump as high as 50 percent.

The corruption can occur in any number of ways:

- pay-offs to officials for permits and authorizations related to development projects;
- skimming from the aid payments, falsifying the accounts;
- providing inferior construction materials, or using less material than required; and
- failing to complete the project, selling off project equipment and supplies.

Part of the problem is in the very nature of aid. The large giving, or transfer, of resources elicits strong responses by individuals or groups to want to take a piece of the pie. The feeling is that it is a cash giveaway anyway, so why not take before it gets to its destination. It is not seen



SIMON ALVES

ations wishing to make use of cheap Third World labor to assemble finished products for the industrialized countries.

Third World distortions

The transfer of aid also requires judicious and wise management of the funds by Third World decision-makers. They have a responsibility to their people to choose and manage aid processes within their countries that provide the best possible benefits. Aid given with the best intentions may be rendered ineffectual if it is not handled properly by Third World politicians and government officials.

The biggest problem is with corruption. Almost every large aid project is hit with Third World officials who wish to line their own pockets. The issue is a sensitive one. Neither CIDA nor the officials in the developing countries like to talk about it. When they do, the corruption problem is almost always played down. But it exists. An average of 20 percent of CIDA's funds and supplies are siphoned off

for what it really is — the nation's wealth, usually extracted through much toil and sweat during colonial times, being returned by the industrialized countries which benefitted from the original transfer of wealth from south to north.

Sometimes — too much corruption

In Kenya a mammoth, unfinished power alcohol plant sits in Kisumu as a monument to a project killed by corruption. The plant was to produce fifty million litres of ethanol a year from molasses in the sugar-producing region of Kenya. The ethanol would be blended with gasoline and so reduce Kenya's demand for imported oil. Construction was funded by a number of donors. But corruption was rife from the high to the lowest levels. The unfinished plant ended up costing more than three-times the estimated cost and the cost of constructing a similar plant in Zimbabwe. It was like pouring money into a sieve. Finally the donors stopped further funding.

The scramble for a piece of the pie persists right

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through to the local level. When a French agency wanted to place a test solar water-pump in a Tanzanian village to augment supplies from a faraway stream, the Chief demanded it be placed next to his hut. He wanted to control it and sell the water which had previously been a free commodity.

The desire and the opportunity to enhance their personal wealth has led many Third World government officials to make decisions on development not in the best interests of their country. This takes the form of not choosing the most appropriate project. For example, it is easier to siphon funds from an expensive, capital-intensive project, than from a number of smaller projects involving community participation. Thus, the hydro-electric project is inclined to be chosen over rural village reforestation programs.

Then there is the influence of the multinationals. They require concessions and infrastructure (such as power, water and transportation support) before they commit themselves to establishing a manufacturing plant in a Third World country. They need the support and cooperation of the ministers and government officials involved. The companies apply pressure and offer enticements to secure cooperation. The Third World representatives who help do very well for themselves. As a result, programs to assist multinationals often take precedence over other projects.

Wrong models

There is another factor that comes into play as well. Most elites in the Third World have experienced the high consumption lifestyles of the Western countries, many having spent time in sumptuous surroundings during their years in university overseas. A desire develops to have their countries rapidly achieve duplicate patterns of development. The bright lights of the city are alluring. International airports and high-rises are a must. Urban development and industry become the focus. Forgotten are the majority of the people in the country who live in the rural areas. The narrowing focus on building larger cities leaves in limbo the fate of the surrounding countryside. Health and education languish. Fuelwood and other forms of cheap energy vanish. Farmland is lost to cash crops that service the incomes of the urban rich. The remaining marginal lands suffer from over-crowding and soil erosion. The destitute migrate to the cities in a desperate bid to survive.

Haiti, for example, has opted for a series of river dams to supply electricity to new export industries in Port-au-Prince, instead of proceeding with fuelwood and agriculture programs that would benefit so many more people. To add to the problem, the dams, especially La Chapelle, will flood precious valley farmland and permanently inundate fields that could supply food to 20,000 people. The project, partially supported by CIDA, which funded the hydrological survey, is being protested by 200 missionaries who have sent letters expressing their concern to the Canadian Government.

This fixation by the Third World elite on duplicate development is tearing the cultural and social fabric of Third World countries. However, the attitude sits well with policy-makers in aid agencies who need to move their supplies and services.

Giving corrupts, receiving corrupts

It is the nature of aid that a number of negative aspects are associated with its transfer. These aspects are human

and cannot be entirely eliminated. No donor country is capable of providing aid without corrupting its original purpose. Instead of making development the priority, the priority has become twisted to represent donor national interest, involving strategic factors, corporate aid and market development.

On the receiver side, it is impossible not to want to divert some of the "free" cash injections into one's own pocket, and to direct the development to meet the needs of a few who are striving to achieve industrial and urban development even though that development only copies the North. Having directed all their attention to the aid injections, Third World leaders have ignored their own resources and established a drug-like dependence — a habit, like heroin, which is hard to kick. Withdrawal and the rebuilding of internal strength and integrity can be a shaky process. In the long run, though, it is necessary in order to develop a healthier and stronger Third World.

The industrialized countries — the "drug pushers" — benefit from the Third World dependence. And while the pushers are not dramatically increasing the fix, they continue them at levels which maintain the habit.

But aid imperative

In spite of all this, aid can help. In spite of all this, we must do it. Lester Pearson, Canada's Prime Minister who was the architect of CIDA's aid program, stated in 1969 (in his book *Partners in Development*) that "Aid is a moral obligation for those who have, to share with those who have not." The Canadian Government must rediscover the meaning of the message and apply it vigorously. It must separate foreign aid from the purpose of aiding Canadian companies. The strong lobby mounted on Parliament Hill by the consulting engineers and industry groups must be resisted. Canadian industries will benefit in due course from selected projects that require their participation. But they should not be allowed to dictate policy to CIDA regarding official development assistance.

The new emphasis on "developing human resources" in the Third World through aid, adopted by CIDA under former President Marcel Massé, should be pursued. This is the way to support sustainable, self-reliant development that reflects cultural requirements and environmental constraints. CIDA has many dedicated people who are working to make aid function in the spirit espoused by Pearson. They have initiated a number of innovative programs divorced from tied aid and not influenced by the other spin-off considerations. CIDA has also expanded its support to programs sponsored by Canadian and international NGOs. Their work has also been effective in reaching the needy in the Third World. This kind of work in CIDA should be encouraged and expanded.

The problems on the developing countries' side are not insurmountable. It is a matter of increasing the awareness of government officials and politicians to the long-term benefits to be derived from effective projects and of instilling a sense of commitment and cooperation. Blunting multinational enticements and changing outdated CIDA aid policies will help to reduce corruption.

The answer then becomes "yes, aid" — but aid modified to clear off the barnacles and silt that has been allowed to impair its effectiveness. □

The machinery of peace

by Douglas Roche

In June 1982 the United Nations Second Special Session on Disarmament opened — with the closing words of the First Special Session in 1978 still reverberating around the General Assembly:

Removing the threat of a world war — a nuclear war — is the most acute and urgent task of the present day. Mankind is confronted with a choice: we must halt the arms race and proceed to disarmament or face annihilation.

Urgent as those words are, they did not propel the Second Special Session towards a comprehensive program for disarmament. The failure of UNSSOD II was a reflection of the mistrust, conflict, growing sense of insecurity, and resort to force that characterize international relations today. The Soviet Union and the United States blamed each other — provoking India to declare that the survival of mankind is being jeopardized by the narrow approach of the powerful nations whose military power is more important to them than “the special responsibility they owe to ensure world peace and security.”

Is it any wonder then that fear, anger, despair now characterize the most thoughtful and concerned citizens everywhere as they observe a political leadership that is steering us into conflict rather than community. In Canada, 53 percent of Canadians feel current East-West tensions could lead to war.

Middle powers not impotent

What is the role for Canada at this tense and critical moment? By ourselves, Canadians cannot, of course, ensure peace. But we can raise our voice and increase our actions, responsibly and productively, in the international forums to help build the “machinery of peace.”

A place to start, on which a political consensus can be built inside Canada, is to work for the implementation of the concept of common security, advanced by both the Palme Commission and the leaders of the Non-Aligned countries. Published too late to influence UNSSOD II, the Palme Report is now being advanced by the Chairman, Prime Minister Olof Palme of Sweden. Basing its proposals on the “principle of common security,” the report recommends the removal of battlefield nuclear weapons from central Europe, and procedures to strengthen the Security Council's capacity to preempt conflicts.

Among the twenty measures to be achieved within the next two years, the report recommends:

- opening of talks on the establishment of a battlefield nuclear weapon-free zone in Central Europe;
- Soviet-American agreement on rough parity in

intermediate (medium)-range nuclear forces at a level which means that NATO will forego the introduction of a new generation of intermediate-range nuclear missiles in Europe;

- agreement on a comprehensive nuclear test ban; and
- devising specific national plans for releasing resources from defence budgets for foreign development assistance.

Palme's concept of common security replacing deterrence stands in sharp contrast to those leaders who still argue that security can only be ensured by deterrence.

Non-Aligned pressure

The Palme approach was repeated by the leaders of the Non-Aligned countries at their summit in New Delhi last March. Their final communiqué emphasized that the greatest peril facing the world today is the threat to the survival of mankind from a nuclear war.

Disarmament, in particular nuclear disarmament, is no longer a moral issue; it is an issue of human survival.

The Non-Aligned leaders insisted that renewed escalation of the nuclear arms race and reliance on the doctrine of deterrence “has heightened the risk of the outbreak of nuclear war and led to greater insecurity and instability in international relations.” Holding that security can only be ensured by nuclear disarmament under effective international control, they called for a global nuclear freeze, a prohibition of the threat of use of nuclear weapons, and immediate negotiations for an “international instrument” to control nuclear disarmament.

Canada, to the credit of this country, once pioneered in the dispatching of peace-keeping forces to trouble spots. Now is the time, with other like-minded nations, for Canada to pioneer in furthering the proposal for an international instrument and to help to establish the permanent machinery of peace to ensure a common future for all the nations of the world. That machinery would include:

- an international inspection organization able to monitor disarmament, using both satellites and

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No intention to right wrongs

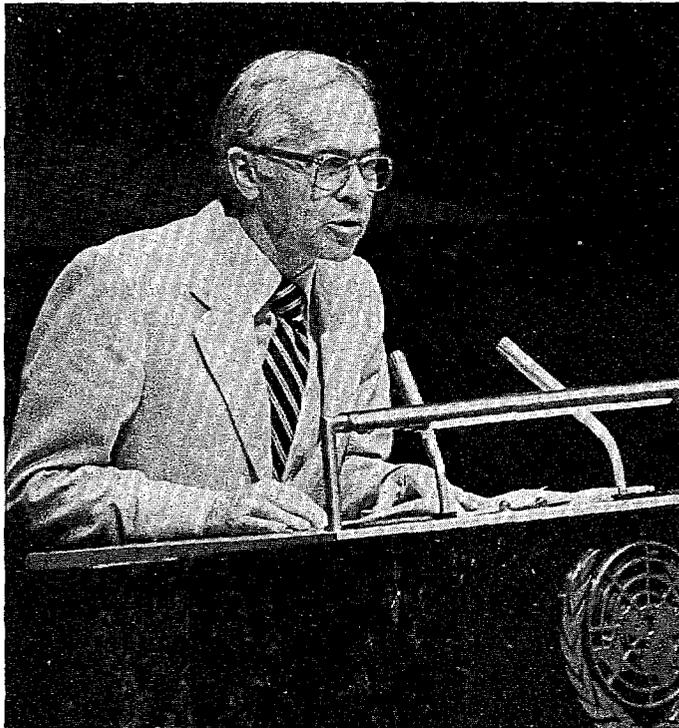
on-site inspection, to verify arms agreements, and to observe world military deployments;

— a world peace force individually recruited under the authority of an improved Security Council, to enforce arms reductions and prevent rearmament;

— an effective system of world courts and arbitration tribunals to strengthen the rule of law in international conduct; and

— a world development fund through which a fixed proportion of the resources made available through disarmament would be devoted to development in the poorest nations.

Even if the achievement of comprehensive disarmament is many years away, it is essential for the world community to come to grips with the implementation of a



Douglas Roche addressing UN General Assembly

reliable world security system. This security system is what the peace movement of the 1980s demands. It can be achieved.

Superpowers need help to disarm

Many historical landmarks demonstrate that human societies are capable of political adaptation when new technological conditions require it. People who centuries ago fought each other across the jurisdiction of warring feudal baronies now live at peace with each other within a single

nation state. In more recent times, the Soviet Union and the United States once took the first step to general disarmament, but then, lacking sufficient political will, stepped back. In a 1961 agreement, known as the McCloy-Zorin principles, the two governments promised to negotiate an agreement which would "ensure that disarmament is general and complete and war is no longer an instrument for settling international problems." Arms reductions would be "accompanied by the establishment of reliable arrangements for the maintenance of peace."

The superpower deadlock is a crisis for all humanity. It can be turned into an opportunity if the middle-power nations mount an initiative to transform disarmament from a hazy, distant goal into an immediate aim of diplomacy. An active negotiating role by heads of governments from all regions of the world would help bridge the psychological abyss dividing the Soviet Union and the United States. These middle power leaders must combine their strengths, meet one another, prepare a common set of equitable proposals for the superpowers, and commit themselves to the obtaining of a global treaty for disarmament that is mutual, balanced, verifiable and enforceable. Let them go personally to present their joint proposals to the Security Council.

Keep the pressure on

This is the kind of responsible, even-handed action that the peace movement is crying out for. I believe the heads of government from Mexico and Canada, Sweden and India, Nigeria and Romania, Ireland and Yugoslavia, with the help of others throughout the world, can influence the leadership of Moscow and Washington.

It is clearly in the interests of both superpowers to respond favorably. Steps towards an alternative security system would strengthen the global and national economies, free enormous resources for development, and facilitate the rescheduling of debt repayment. The Soviet Union and United States together could save as much as \$1,000 billion on military expenditures from 1983 to 1988. If only one-third or one-fifth or one-tenth of these savings went into a World Development Fund, development prospects would be radically transformed and the global economy both strengthened and stabilized.

The opportunity to help build the machinery of peace challenges Canada. How much more valuable and inspiring would these initiatives be than contenting ourselves with testing the Cruise missile system as our contribution to peace.

There is a responsible role for Canada to play in building the conditions for global peace, and I sense that growing numbers of Canadians want our government to play that role. □

The events of August and September 1983

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international canada

"International Canada" is a paid supplement to *International Perspectives* sponsored by External Affairs Canada. Each supplement covers two months and provides a comprehensive summary of Canadian government statements and of political discussion on Canada's position in international affairs. It also records Canadian adherence to international agreements and participation in international programs. The text is prepared by *International Perspectives*.

Bilateral Relations

DENMARK

Marine Environment Cooperation Agreement

In Copenhagen on August 26, Minister of Indian and Northern Affairs, John C. Munro, and Danish Minister for Greenland, Tom Hoeyem, signed an Agreement for Cooperation Relating to the Marine Environment.

Intergovernmental discussion of ecological implications and consideration of cooperative measures to protect the marine environment, which began in 1976, were prompted by the beginnings of exploration for oil and natural gas beneath the waters lying between Canada and Greenland and by proposals for new development projects in both countries. The discussions eventually led to the Canada-Denmark Marine Pollution Contingency Plan of July 11, 1979. This was superseded by the Marine Environment Cooperation Agreement which was agreed to in principle in June 1982.

As economic activities in the areas of Nares Strait, Baffin Bay and Davis Strait — all of which lie between Canada and Greenland — increase, the risk of environmental damage increases. Under the Agreement either country can request an investigation of any violations of regulations for the prevention, reduction and control of pollution in the area. The Agreement also calls for "cooperation in scientific research and for the exchange of information and acquired data relating to pollution of the arctic marine environment, and provides for cooperation in the identification, monitoring and review of vessel routing areas outside territorial waters with a view to protecting the marine environment and enhancing the economic and social conditions in the area."

The Agreement contains two separate annexes which deal with pollution incidents which result from offshore hydro-carbon exploration or exploitation and those which result from shipping activity (External Affairs press release, August 27).

FRANCE

French Government Vessels in Gulf of St. Lawrence

On August 11, the French Navy frigate, *Le Henaff*, and the seismic ship, *Lucien Beaufort*, were sighted when they arrived in the Gulf of St. Lawrence to begin work on part of

the Continental shelf. The seismic ship, an oil exploration vessel, was carrying out surveys near the French islands of St. Pierre and Miquelon. Upon being informed of the presence of the gunboat, the Canadian Government asked the French Government for a full explanation.

An oral protest was made at the French Embassy in Ottawa immediately after the ships arrived and a note demanding the withdrawal of both ships was delivered shortly after. Canada had taken special offense because the gunboat was in waters that are subject to peaceful negotiation. A French Embassy spokesman, however, downplayed the naval intrusion. "It was a peaceful mission," the French official said. "This warship was not on a military mission. It was on an ordinary mission to assist fish boats" (*Globe and Mail*, September 30).

Lloyd R. Crouse (PC, South Shore), speaking in the House of Commons on September 30, questioned the French assertion that the mission was one of assistance: "It is my information that the French (ships) . . . were not there to assist fishing boats, as claimed, since the three or four trawlers operating off St. Pierre and Miquelon were on refit in August." Mr. Crouse then asked Jean-Luc Pepin, the Acting Prime Minister, the real purpose of the ships and whether it were true that France was issuing exploration permits for oil and gas within their claimed 200-mile zone which is really Canada's exclusive economic zone.

Mr. Pepin affirmed Mr. Crouse's facts as basically correct, outlined the steps taken by the Canadian Government at the time of the sighting of the two vessels, and answered Mr. Crouse's question by reiterating the Canadian position:

The French tended to downgrade the significance of "the coincidence" in which two ships happened to be in the same area at the same time, one, a seismic ships [sic], and the other, a military ship. This has also been the subject of discussion on the negotiations with respect to the state of the French request for the extension of the continental shelf around St. Pierre and Miquelon, the Canadian position being that we recognize the 12-mile territorial zone, but we do not recognize the extension.

France is claiming rights over a 200-mile economic zone southward from the two islands which lie about 12

miles from the Newfoundland shore. Canada, for her part, is willing to recognize a 12-mile territorial zone. In 1967, both sides agreed to a moratorium on commercial or industrial activity in the area. Because of this agreement, the extent of gas and oil fields in the disputed zone is unknown but because major deposits have been found nearby, it is probably worth developing the area. The seismic mission could be interpreted as an activity which should be precluded by the moratorium.

Mr. Crouse was more concerned with the implications for Canadian fishing rights. He expressed the fear that if French claims were to be accepted, it would mean the loss of rights on St. Pierre Bank for Canadian fishermen. "If this is followed through it could well mean the total destruction of a \$75 million scallop fishery in Atlantic Canada."

Mr. Pepin gave his assurances to Mr. Crouse that "the discussion on the extent of the zone recognized by the Canadian Government around St. Pierre and Miquelon is following diplomatic channels." The Canadian Government had repeatedly stated its willingness to discuss further with the French and, to that end, it had been decided to hold another meeting on the subject in the spring.

The gunboat was last sighted on August 20, and the seismic exploration ship left the area on August 30.

LEBANON

Aid and Immigration

In the last few days of August, an increasing level of violence marked the end of the relative calm in Lebanon. In a press release of September 1, the Canadian Government deplored the violence and gave its support to mediation efforts. The Government stated that President Gemayel's calls for a national dialogue among all Lebanese offered the best chance of emerging from the impasse and reinforcing the authority of the Lebanese government.

On September 27, Minister of Employment and Immigration, John Roberts, told the House that the special immigration program for Lebanon, announced in June, would remain in effect. Under this program, Lebanese visitors to Canada, upon expiration of their visitor status, may extend their stay by one year, if they wish, with permission to work. After one year, each case is reviewed and a decision made whether or not to grant landing in Canada. Canadian citizens or permanent residents who have relatives facing hardships in Lebanon, may sponsor those relatives even if they would not ordinarily qualify for selection. Mr. Roberts added that although our visa office was operating normally, few Lebanese residents had applied to come to Canada.

In September, External Affairs Minister Allan MacEachen met with representatives of the Lebanese community in Canada. He expressed the Government's distress at the continued fighting and assured them of Canada's support. He repeated these assurances to a larger audience in his address to the United Nations General Assembly at the end of the month: "Canada strongly supports Lebanon's sovereignty, independence and territorial integrity. Foreign troops must withdraw unless they are present at the specific request of the legitimate government of that country."

On September 21, in answer to a question from Marcel

Prud'homme (Lib., St. Denis), Mr. MacEachen told of Canada's contributions to assist those who were suffering in Lebanon: "This year we have already provided several hundred thousand dollars to the International Red Cross. Just recently we received an appeal to which we responded by providing an additional \$500,000 to help those currently affected by the violence in Lebanon."

Prime Minister Trudeau, in a press "scrum" held after meeting with UN Secretary-General Pérez de Cuellar, on October 1, dismissed the possibility of Canadian involvement in Lebanon: "I fail to understand how the Syrians particularly insist that there be no United Nations presence. I am not sure who they are going to get as neutral observers. Certainly, in the case of Canada, we would not envisage being there in circumstances other than being under the United Nations flag. So, there is no question of our involvement."

NAMIBIA

Granting of Independence

When Zimbabwean Prime Minister Robert Mugabe visited the United States immediately prior to his mid-September visit to Canada, he urged the United States to apply pressure on South Africa and to threaten sanctions in order to hasten independence for Namibia. Although Canada is a member of a five-nation group seeking a solution to the issue of South Africa's refusal to grant Namibian independence, Mr. Mugabe did not attempt to push Canada for particular action or did he express displeasure with Canada's continuing trade with the South Africans (*The Citizen*, September 17).

In his address to the United Nations General Assembly, External Affairs Minister Allan MacEachen stated Canada's position on Namibia; that Namibia should be granted its independence whether or not Cuban troops were withdrawn from Angola. The first step would require South Africa to end its incursions into Angola and its intervention there. "It [South Africa] cannot seek unilaterally to reshape the region: boundaries and sovereignties must remain inviolate."

Secondly, once South Africa withdrew from Namibia and thus removed the threat from Angola, which had declared that it would then have no desire or need to rely on foreign troops, those troops would leave.

Thirdly, without the implementation of resolution 435, there could not be peace in the region.

Finally, Mr. MacEachen said, "a fourth step should follow. UNCTAD is at present studying Namibia's economic and social needs. The international community will need to provide assistance to an independent Namibia. Canada stands ready to play its part."

SRI LANKA

Eruption of Violence

In a press release of August 5, External Affairs Minister Allan MacEachen expressed the concern of the

Canadian government and people over the violence in Sri Lanka. He said that he hoped that Sri Lanka, a fellow Commonwealth member, would be able to restore order and thus start on the road to reconstruction and national reconciliation.

Mr. MacEachen stated that an appeal for assistance, if launched by an "appropriate internationally recognized humanitarian organization" would be met sympathetically by Canada.

That same day about 400 Sri Lankans of Tamil origin marched in front of the Sri Lankan High Commission in Ottawa. They claimed several thousand Tamils had died in the violence and they appealed to the Canadian government to pressure the Sri Lankan government to respect human rights (*The Citizen*, August 6).

A letter to the *Montreal Gazette* of September 13, praised the role of Canadian Embassy (High Commission) personnel: "During the fighting, Canadians had, according to the writer, tracked down Tamils who were Canadian residents, brought them to safety, and arranged for their departure. Visas for visits to Canada by Tamils had been processed with utmost efficiency. The writer ended on a note of high praise: "The Canadians have proved once again they are a leading example to the world as to the role of an embassy in protecting its citizens and residents in a foreign country."

On September 27, in answer to a question in the House, Employment and Immigration Minister John Roberts said that the special immigration program which had been announced for Lebanon in June (see *Bilateral — Lebanon, Aid and Immigration*), had been extended to Sri Lanka as well.

TAIWAN

Trade Relations With Taiwan

On September 21, Mr. Otto Jelinek (PC, Halton), introduced a Private Members' Motion in the House of Commons. The motion had been drafted earlier in the year by members of the Canada-Taiwan Parliamentary Friendship Committee, of which there are sixty or seventy bipartisan Members of the House of Commons and of the Senate. Mr. Jelinek moved:

That, in the opinion of this House, the government should facilitate the growth of commercial, cultural and other forms of contact between the people of Canada and Taiwan through (a) the establishment of a bilateral, non-diplomatic presence between Canada and Taiwan, including the issuance of visas directly in Taiwan and Canada thereby adopting the practice of Japan, the United States, and most other western industrialized nations (b) the enhancement of trade links between Canada and Taiwan, including (i) the encouragement of export trade by Canada to Taiwan through the granting of credits and other forms of support to Canadian businessmen (ii) the establishment of direct air links between Canada and Taiwan by non-flag carrier airlines (iii) the adoption of any other practical mechanism to encourage industrial

and other non-diplomatic contact between Taiwan and Canada.

In support of his motion, Mr. Jelinek cited the trade and consequently, employment benefits, which would accrue to Canada once trading links and business were facilitated through the issuance of visas. He specifically recommended the sale of CANDU reactors which would, he said, inject one billion dollars into the economy and create 25,000 new jobs.

Mr. Jelinek noted that Canada would be able to continue to enjoy diplomatic relations with the Peoples' Republic of China "without loss of face or trade potential." In short, Mr. Jelinek and his colleagues believed that, should this motion become policy, "it would lead toward realizing and utilizing the full potential that exists, a potential able to create tens of thousands of jobs in Canada and that would inject billions of dollars of much needed capital into our economy."

Bob Ogle (NDP, Saskatoon East), foresaw difficulties in the long-term relations with China, relations which he saw as being extremely important especially to his province of Saskatchewan. Saskatchewan had developed and was continuing to develop strong export ties to China. Lorne Nystrom (NDP, Yorkton-Melville), speaking later in the debate, confirmed Mr. Ogle's statement: "Saskatchewan exports over half its commodities to China, including wheat and potash. That country happens to be very important to the economic well-being of my constituency . . . What is important to the economy of Saskatchewan is very important to the economy of all of Canada."

Mr. Ogle expressed the fear that ignoring the sensitivities of the Chinese government and people on the subject of Taiwan could lead to the deterioration of the relationship between Canada and China. He cautioned members that it was important for Canadians in general, including himself, to be aware that they did not completely understand or sense "the tremendous political, cultural and historical problems that exist between China and Taiwan. "They (the Chinese) do not see Taiwan as an independent country. They simply see it as one of the provinces of China that, in a sense, is acting illicitly."

On the possibility of potentially increased trade, Mr. Ogle was skeptical and he questioned Mr. Jelinek: "Would it truly result in Canadians having more jobs, or would this just build up a trading possibility in Taiwan that, in the final event, would take away from what Canadians are already doing and what Canadians are already exporting?"

Both Mr. Ogle and Mr. Nystrom emphasized that it was not their intention to suggest cutting off trade with Taiwan, only to remind Members of the intra-Chinese sensitivities involved.

Yves Demers (Lib., Duvernay), thought Canada should let those countries settle their own disputes while establishing links with Taiwan as outlined in the Motion. This would, in Mr. Demers's mind, result in several thousand jobs in Canada, "for the most part in high technology areas where salaries are high."

Robert Coates (PC, Cumberland-Colchester), found it difficult to understand why the Government refused to sell nuclear power stations to the Government of Taiwan which was willing to provide safeguards, yet sold to Romania and Argentina despite the fact that the Canadian government disapproves of their forms of government.

UNITED KINGDOM

Visit of Prime Minister Thatcher

British Prime Minister Margaret Thatcher paid a two-day visit to Canada at the end of September. During her stay in Ottawa Mrs. Thatcher met with Prime Minister Trudeau and his Ministers and was paid a courtesy call by Leader of the Opposition Brian Mulroney. It was reported that Mrs. Thatcher and the Canadian ministers discussed ways to improve trade and investment between Canada and the UK. Private talks between the Prime Ministers included such topics as NATO, the Geneva arms reduction negotiations, the situation in Lebanon and the Korean Air Lines tragedy. (*Globe and Mail*, September 27).

On Monday, September 26, Mrs. Thatcher addressed a joint sitting of the House of Commons and the Senate. The theme of her speech was that it was time for freedom to take the offensive. She denounced the Soviet Union and the propaganda it puts forth and voiced her support for NATO and its ideals: "We in NATO threaten no one. We come together not to attack others but to defend our own. We shall engage in the battle of ideas. We intend freedom and justice to conquer . . . it is not part of our policy to impose our beliefs by force or the threat of force."

Mrs. Thatcher cited the links between Canada and Britain and said that her government is "deeply interested" in Canada. In addition to NATO, she spoke of other common international commitments which Canada and Britain share:

As founder members of the Commonwealth we have a special opportunity to join with that unique gathering of nations to preserve and extend the heritage of ideals which are the essence of the Commonwealth . . .

As members of the economic Summit, Canada and Britain again share a distinctive responsibility to apply the energy and experience of the world's most advanced and successful economies to the serious economic and financial problems which face so many countries, to preserve and extend the world's free trading system, to bring to the developing countries aid, advice and help as they tackle their own formidable difficulties.

As founder members of the United Nations — we shall both continue to take a special interest in world security, and in peacekeeping and the work of its specialized agencies.

According to *The Citizen* of September 27, Mrs. Thatcher's speech was praised by Cabinet ministers. Defence Minister Jean-Jacques Blais said that the speech showed her "strong and determined advocacy for NATO solidarity." Pauline Jewett (NDP, New Westminster-Coquitlam) called the speech "a great disappointment and even more warlike than I had expected."

USA

Appointment of Canadian Affairs Chief

On September 13, the US State Department announced the appointment of James M. Medas as the new deputy assistant secretary with specific responsibilities for Canadian affairs. The appointment was accompanied by a

title change in the regional desk which handles Canadian matters from the Bureau of European Affairs to the Bureau of European and Canadian Affairs.

In response to the announcement, Canadian Ambassador Allan Gottlieb denied speculation that Medas' appointment was simply cosmetic and expressed the confidence that it "will facilitate the conduct of relations" between Canada and the US. He added that "having as senior an official as the deputy assistant secretary full time on Canada will increase access to senior levels."

In the same report in the *Montreal Gazette*, Mr. Jacques Roy, deputy head of the Canadian Embassy said that the appointment meant that Canada would be the only country with its own State Department section to deal with its affairs.

The *Winnipeg Free Press* approved both the name change and the appointment of Mr. Medas who was, "well respected for the skill with which he handled his White House task of establishing friendly liaison with Democratic and Republican state governors. That suggests a personal tact and capability that can only help Canada-US relations."

Garrison Diversion: Construction of Lonetree Dam

Despite the fact that a US Environmental Protection Agency study had been highly critical of the Garrison Diversion Project, the United States Government ordered a contract to start construction on the Lonetree Dam. This would, if completed, damage the Manitoba fish and hurt commercial fishing according to Dan McKenzie (PC, Winnipeg-Assiniboine), who asked in the House on September 15 what action the Government was taking on this development.

Gerald Regan, Minister of State (International Trade) replied that the United States Government was fully aware of the Canadian government's position in relation to the Garrison Project and that it was "unfortunate" that the US had undertaken the action with regard to Lonetree without having settled the whole question of the Garrison matter with Canada.

When asked why Canadian officials were not fully consulted before the US went ahead, Mr. Regan said that it was true that the Canadian Government had been surprised to learn of the US plan for the awarding of the Lonetree contract. He added that Canada had already, in the past, indicated to the US its concern on this matter and that Canada continued to believe that consultations were the most effective means of resolving Canada's concerns.

On that same day, Charles Caccia, Minister of the Environment, in response to an inquiry from Terry Sargeant (NDP, Selkirk-Interlake), stated that he had taken the opportunity, during a meeting with the Secretary of the Interior in Washington, to register "as clearly and as strongly as possible," the concern of Manitobans and of the Government of Canada on that particular issue. The Secretary of the Interior had indicated to Mr. Caccia that, at least during his incumbency, the American initiative would be limited to the construction of the Lonetree Dam. That was the extent of the commitment the Secretary was willing to give.

Mr. Sargeant further questioned the Minister on the steps he was taking to ensure that the US would not proceed beyond phase one of the current design (Lonetree Dam), and those he was taking to get the US to agree that

the Garrison Diversion Project should be redesigned and re-authorized in order that it have no adverse effect on the waters and fisheries of Manitoba. Mr. Caccia replied that Mr. Sargeant had just outlined exactly the representations which Canada had been making and would continue to make to the Secretary of the Interior.

ZIMBABWE

Visit of Zimbabwe Prime Minister Mugabe

Zimbabwean Prime Minister Robert Mugabe arrived in Canada on September 15 for the start of a six-day official visit with politicians, academics and farmers. This was the African leader's first visit to Canada since Zimbabwe gained independence in 1980.

Mr. Mugabe's first stop was in Nova Scotia where he met Lieutenant-Governor J.E. Shaffner, Premier John Buchanan, and was guest of honor at a state banquet hosted by External Affairs Minister Allan MacEachen. Earlier in the day he had spoken with students at Coady International Institute, St. Francis Xavier University, and told them that the establishment of a democratic political order was only the first stage in the achievement of victory for developing nations. The second stage, he said, could only be achieved by arming oneself with the knowledge necessary to overcome illiteracy, poor health standards, and a lack of facilities such as roads and housing. Zimbabweans, he said, were interested in learning how the Canadian people had transformed Canada and made it an example to be followed by developing nations (*Halifax Chronicle-Herald*, September 16).

Mr. Mugabe also visited Mount Saint Vincent University at which his sister had completed a three-year study program. After his visit, Dr. Margaret Fulton, school president, said that with the "right kind" of help from the federal government, Mount Saint Vincent would embark on a new program of cooperation, aimed at forging a strong link with Zimbabwe under the Department of Home Economics "with particular reference to child studies and the distant education program." Dr. Fulton expressed the hope that such a program, aimed particularly at improving the condi-

tions of women and children, would, by taking education into the villages and bringing with it literacy and nutrition, help to lay the foundations of a strong society.

Dalhousie University President, Dr. Andrew MacKay, said that Zimbabwe intended to develop further ties with Dalhousie through programs of education in administration and public service. CIDA has provided more than one million dollars' worth of aid through Dalhousie's Centre for Development Projects since 1980 (*Halifax Chronicle-Herald*, September 16).

In Ottawa, the Zimbabwean leader was received with full military honours, including a nineteen-gun salute. During his meetings with Prime Minister Trudeau and other Cabinet ministers, Mr. Mugabe expressed his appreciation for Canadian aid over the past three years.

The highlight of Mr. Mugabe's Ottawa visit was the signing of a development agreement which reaffirmed Canadian aid to Zimbabwe. Under the existing five-year agreement, Canada has committed approximately fifty million dollars between 1981 and 1986. Much of this was through industrial projects and supplying, under contract, high school and vocational teachers. The new agreement set out terms for housing, customs duties, etc., for the Canadians who work in Zimbabwe.

Mr. Mugabe met with Saskatchewan Premier Grant Devine, toured a Saskatchewan farm, and took time out from his official schedule to visit the seat of the Marist brothers, renowned and influential teachers in Zimbabwe, located in Montreal.

Toronto was Mr. Mugabe's last stop. While there he met with ninety businessmen at the Royal York Hotel and told them that he would welcome investment in agriculture, manufacturing and heavy industry.

In his only scheduled speech, before a capacity audience of 1,800 at the University of Toronto's Convocation Hall, he turned aside criticism of his human rights record. He emphasized the need for aid to his and other Third World countries: "We strongly believe there is a connection between violence on the one hand, and deprivation and exploitation on the other." In his view the unequal relationship between the wealthy industrialized nations and the impoverished Third World is "perhaps the most dangerous threat to peace and security in the world today" (*Toronto Star*, September 21).

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Multilateral Relations

UNITED NATIONS

Unusual UN Summit

In New York, Indira Gandhi, Prime Minister of India, organized an informal summit of twenty heads of government, timed to coincide with the opening of the United Nations' General Assembly. The meeting, according to a senior Canadian official, succeeded in its principal intent which was "to let world leaders get to know one another better and to better understand one another's 'hangups'" (*Globe and Mail*, September 28).

The main topics discussed were disarmament, peace, Third World development, and ways to strengthen international institutions such as the United Nations and the International Monetary Fund. The meeting was dominated by North-South issues: Indian officials reported that Prime Minister Trudeau and Tanzanian President Julius Nyerere were among the most active participants in debating the failure of rich and poor nations to reach agreement on international economic reforms.

The "summit" was the second session arranged by Mrs. Gandhi during that week.

Creation of UNIDO as a Specialized Agency

The transformation of UNIDO (United Nations Industrial Development Organization) into a specialized agency was made at the request of developing countries which believed that the specialized agency status would enable UNIDO to "more effectively promote and provide appropriate assistance to the development, expansion, and modernization of industries in developing countries, as well as to strengthen global industrial cooperation" (DEA press release, September 19).

On September 19, it was announced that Canada had ratified UNIDO's constitution which will enter into force as soon as financial arrangements concerning its transformation into a specialized agency are finalized.

CSCE

Final Session of Madrid Meeting

The Madrid Meeting of the Conference on Security and Cooperation in Europe (CSCE), concluded with a

Ministerial Session which met from September 7 to 9. The Madrid Meeting, which first convened in November 1980, had taken three years of tough negotiating before representatives of East and West were able to agree on an updated version of the Helsinki accords. The original accords were signed in 1975 by government leaders from Europe, the United States, Canada and the Soviet Union at the first security conference held in Helsinki.

The Final Document promised to do the following: Promote and encourage the exercise of human rights and basic liberties; recognize the freedom of any human being to worship and practice, by himself or collectively, a religion in accordance with the dictates of his own conscience; condemn terrorism, including in the field of international relations and to declare themselves determined to take, both at the national and international levels, the measures necessary to suppress it; respect the workers' right to freely set up labour unions, join them and enjoy the prerogatives that are recognized by international law; expedite dispatching of requests for family reunions; recognize the freedom of access to diplomatic and consular missions (*New York Times*, August 17).

However, François de Rose, former French Ambassador to NATO, writing in the *New York Times* of August 17, claimed that "every single one of these guarantees is nullified by another little paragraph tucked into the agreement that says that the rights thus listed will be exercised 'in accordance with the legislation of the States concerned.'"

The document also contained provisions for the continuation of the CSCE process through another follow-up meeting in Vienna in 1986 and a series of meetings of experts to deal with individual questions. Among those would be the Meeting of Experts on Human Rights, which was sponsored principally by Canada, and which is due to meet in Ottawa in 1985. There was also provision for a Conference on Confidence and Security Building Measures and Disarmament in Europe, which will begin in Stockholm early in the new year (see Multilateral — Disarmament).

Canada's delegation was led by the Honourable Jean-Luc Pepin, Minister of State (External Relations). Mr. Pepin indicated Canada's approval, along with that of the other

thirty-four participating nations, of the draft final document (see Foreign Policy — Korean Airliner Incident, September 7).

DISARMAMENT

Disarmament

In his September 27 speech to the United Nations General Assembly, External Affairs Minister Allan MacEachen expressed his regret that the Committee on Disarmament had not established a working group on arms control and outer space, especially in light of Prime Minister Trudeau's warning to the Second Special Session on Disarmament in which he said that "we cannot wait much longer if we are to be successful in foreclosing the prospect of space wars." Canada had been continuing its research programs on both the legal and technical aspects of space disarmament, and was prepared to cooperate fully in the detailed examination of issues, he said. In view of the immediacy of the issue, Mr. MacEachen urged the establishment of a working group early in the 1984 session.

Mr. MacEachen expressed pleasure with the progress which had been made in the area of chemical weapons, especially with the complete document, approved by consensus, which outlined the elements of a convention on the prohibition of the development, production and stockpiling of chemical weapons, and on their destruction. He stated Canada's position on verification: "We recognize the absolute necessity of verification if we are going to make real progress in international disarmament and arms control negotiations . . . We have been making available increased funding for research which will help in the technical and practical aspects of verification."

Prime Minister Trudeau, answering questions during a "scrum" following his meeting with United Nations Secretary-General Pérez de Cuellar, on October 1, looked to the January meeting of the Conference on Disarmament in Europe in Stockholm for some steps toward disarmament. "I think we will never be able to play the same role in Geneva, where the two super-powers are sitting down, as we could in Stockholm or, hopefully, as we might have been able to in Vienna at the MBFR (Mutual and Balanced Force Reduction talks) . . . I don't think we can expect to interject ourselves into the super-power dialogue — or lack of it — but I think we can, within the Conference on Disarmament in Europe, create a climate and a tone for exchanges which might have, indirectly, influence on the talks in Geneva."

Mr. Trudeau also discussed Canada's NATO role vis-à-vis the CDE: "I have to take into account that we are members of NATO . . . and that I don't believe that at this stage we can in any way waffle or hesitate on the pursuance of the two-track NATO decision of 1979 . . . We have got to be consistent and follow the two-track decision and hope that both sides, when they get to five minutes to midnight in terms of the deployment, will have a breakthrough — but I think that we would weaken the chances of that breakthrough if we went back on the December 1979 decision."

When asked whether he would be willing to go to Moscow, Mr. Trudeau replied that he could not see any usefulness in his travelling to either Moscow or Wash-

ington at that time. He said that he had great hopes for the January meeting as it would be a meeting not only between the superpowers but between the countries of East and West which could, he hoped, find the means to reduce the level of tension between the two blocs.

NATO

Canada and NATO

Only a "dramatic change in Canadian public opinion" could lead to the withdrawal of Canada from NATO, according to External Affairs Minister Allan MacEachen during an interview on CTV television August 14. In his opinion, the debate on the Cruise missile would not result in that dramatic change. He did acknowledge the impact of the Cruise debate, however: "I think there are relationships between the decision on the Cruise and our membership in NATO that we may want to discuss, but certainly the loss of membership in NATO is not, in my view, an option."

Mr. MacEachen said he realized that the Government decision to allow the United States to test the Cruise missile navigational system over northwestern Canada might be "the chief item of concern in the minds of Canadians" but he found it "difficult to disentangle the over-all concern about disarmament from the specific question of testing the unarmed cruise missile."

As he saw it, deterrence has been a basic tenet of the security of the NATO allies for thirty years and "a necessary part of the deterrence policy is a nuclear deterrent." He did not believe that Canada could separate her ability to defend her democratic way of life and open society from the security of the United States or the other NATO allies. Such security was indivisible, he said.

During the program Mr. MacEachen explained that nothing appeared to have been done about creating parity in conventional weapons because the Soviet Union refused to acknowledge that it has a massive conventional superiority in Eastern Europe in comparison with NATO and its allies. For this reason, reduction of conventional forces in a balanced way would be impossible unless there was an absolute reduction on the part of the Soviet Union. Reduction of conventional or nuclear forces on both sides would, in his words, "be a spectacular breakthrough for East-West relations."

CENTRAL AMERICA

Central America Peace Plan

On September 16, Bob Ogle (NDP, Saskatoon East), drew the attention of the House to the announcement that the foreign ministers of nine Latin American countries had reached agreement on a plan for peace in Central America.

The plan had been endorsed by the four Contradorean countries (Columbia, Mexico, Panama and Venezuela) which had previously made proposals for peace and, for the first time, by Guatemala, Costa Rica, El Salvador, Nicaragua and Honduras.

The plan called for "first, immediate and progressive disarmament after an inventory of arms in the region; second, a reduction in the number of foreign military ad-

visers; and third, a permanent dialogue between the governments and their internal opposition movements to lead to precise electoral processes." The document had gone to the governments of all nine countries for approval.

Mr. Ogle called upon the Canadian government to support "in a much more obvious way," the efforts of the Contadoran group to bring Central American conflicts to the negotiating table, and to use every diplomatic means to push for the withdrawal of foreign forces from the area.

In his address to the United Nations' General Assembly on September 27, External Affairs Minister Allan MacEachen welcomed the initiative of the Contadora group in working with the five countries of Central America to find a path toward reconciliation. Mr. MacEachen saw the initiative as providing a basic framework for stability and cooperation, within which the root causes of the region's problems could be more constructively attacked.

Mr. MacEachen stated that one factor critical to the success of the Contadora initiative would be a positive response from all parties concerned to President Reagan's offer of verifiable demilitarization. This he saw as essential if an effective settlement in Central America were to be achieved. To that end, Canada would support concrete proposals by the Contadora group to stop the process of militarization and to verify and monitor the progressive withdrawal of all foreign military personnel from the region. In addition, if renewed efforts by the five Central American countries were to lead to agreement among them on a common approach to economic and social planning, Canada would increase contributions to the necessary regional infrastructure projects.

A number of newspapers noted that Mr. MacEachen had hosted a dinner for the Contadora nations, at which further options for the region were discussed, which reinforced Canadian support for the Contadora initiative.

CARIBBEAN

Caribbean Basin Initiative

In July 1981 the Foreign Ministers of Canada, Mexico, Venezuela and the United States met at Nassau and

agreed to do what they could to stimulate economic and social development in the countries of the Caribbean Basin area. This stimulation was to be created by means of bilateral programs of cooperation without military considerations or political preconditions, and by cooperation with international financial and economic development institutions. On March 15, 1982, Columbia joined the other four countries. At that time, the five Foreign Ministers, meeting in New York, affirmed their determination to make sustained and long-term efforts to revitalize the economies of the Caribbean Basin region and to facilitate their self-sustaining growth and social development. These efforts were to be made in close cooperation not only with the countries of the Caribbean Basin area but with each other.

In January 1981, Canada had announced its intention to double its total aid flows to the Commonwealth Caribbean to a total amount of \$350 million by 1986. This was followed by an announcement, in February 1982, of its intention to allocate up to \$106 million to the countries of Central America over the 1982-87 period.

During the period 1980-83, Canada's contribution to the Caribbean Basin area amounted to approximately \$216.3 million. This was made up of approximately \$130 million for the Commonwealth Caribbean, \$50.9 for the Central American countries (Honduras — \$15.1 million; Nicaragua — \$12.5 million; El Salvador — \$10.3 million; Guatemala — \$6.8 million; Costa Rica — \$4.8 million; Panama — \$1.4 million), \$30.5 million for Haiti and \$4.9 million for the Dominican Republic (DEA press release, August 29). In addition, 98 percent by value of all Canadian imports from the Caribbean Basin area are admitted duty free or given preferential access to Canadian markets.

The press release also noted that Canada had taken the view that the main cause of the political and military instability in Central America was an inadequate social and economic development and that there was more than ever, an urgent need to provide economic cooperation and assistance. For this reason, Canada welcomed the August 5 signing by President Reagan of Public Law 98-67, which included the remaining elements of the United States' contribution to the Caribbean Basin Initiative.

Policy

FOREIGN

Korean Airline Incident

September 1: Following an announcement by United States' Secretary of State George Schultz that Korean Air Lines' Flight 007, carrying 269 people including Canadians, had been shot down without warning by Soviet warplanes near the island of Sakhalin, Acting Prime Minister Jean-Luc Pepin summoned Alexander Novikov, Chargé d'Affaires of the Soviet Embassy in Ottawa, and demanded "a complete explanation for the reasons for this unprovoked attack." Mr. Pepin said that the Government was "shocked and saddened by the news," that Canadian lives had been lost, and that "the Soviet action against an unarmed civilian airliner is totally incomprehensible and is unacceptable."

Mr. Pepin added that his representations to Mr. Novikov would be matched at the highest level by the Canadian Ambassador. He expressed condolences to the families of Canadians who had died, to the Government and people of the Republic of Korea and those of other countries which had also suffered "by this inexplicable act" (External Affairs press release, September 1).

The Chargé d'Affaires of the Permanent Mission of Canada to the United Nations addressed a letter to the President of the Security Council in which Canada associated itself with the call for an urgent meeting of the United Nations Security Council. The letter read as follows:

I wish to associate my government with the request, made by the Government of the United States of America and the Republic of Korea, for the urgent convening of a meeting of the Security Council to consider the facts and serious implications of the destruction on August 31, 1983, by the airforce of the Soviet Union, of the Boeing 747 passenger aircraft of Korea Airlines.

The Government of Canada deplores the destruction of this unarmed civil aircraft and the killing of innocent passengers, including a number of Canadians. These actions are flagrant and unacceptable violations of the norms and practices of international civil aviation and international law (External Affairs press release, September 2).

September 2: The Soviets made their first response to the jet's disappearance through the official news agency, *Tass*, which reported that on August 31, a Korean plane had flown for more than two hours on a course 500 kilometres inside Soviet airspace. *Tass* made no mention of an

attack, saying, "the intruder plane left the limits of Soviet airspace and continued its flight toward the Sea of Japan. For about 10 minutes it was within the observation zone [of radar] . . . after which it could be observed no more" (*Globe and Mail*, September 30).

External Affairs Minister Allan MacEachen, in his first statement to the public, expressed "the uncertainty and apprehension which this wanton and seemingly uncontrolled resort to the use of force must cause in the minds of all those who had hoped for an improved level of trust in East-West relations." He added that, "the world expects the Soviet leadership . . . to abandon its current stonewalling and come clean about this terrible hit and run tragedy" (*Hansard*, September 12).

At the special emergency session of the United Nations Security Council the Canadian Ambassador reiterated the Canadian position:

The deliberate in-flight destruction of this civilian, unarmed, easily identifiable passenger aircraft by sophisticated fighter aircraft of the Soviet Union, no matter where it occurred, is nothing short of murder. It is a flagrant attack on the safety of international aviation which should never have occurred and must not be allowed to occur again (*Hansard*, September 12).

September 3: Mr. MacEachen sent personal messages of condolence to the Canadian families which had suffered a loss. In his message he stated that "the grief of those Canadians is made more difficult to bear by the callous and incredible Soviet reaction" (*Hansard*, September 12).

September 5: Canada banned landings in Montreal by Aeroflot, the Soviet national airline, for sixty days, demanding an explanation for the destruction of the jet, an apology and compensation. Plans to conclude a memorandum of agreement between the Government of Canada and the Soviet authorities with respect to the future use of Gander as a refueling base were suspended. In announcing the ban, Mr. MacEachen urged that the Canadian action prompt the Soviet authorities to review the merits of continuing the evasion of their responsibility for the deaths of 269 people (*Hansard*, September 12).

September 6: *Tass*, for the first time, admitted that the KAL flight was "stopped" by the Soviets. It insisted that a Soviet pilot used the "generally accepted call signal on the international emergency frequency." Another *Tass* state-

ment said "The anti-aircraft defences fulfilled the order of the command post to stop the flight," adding that 007 was emitting coded radio signals "that are usually used to transmit intelligence information." Earlier, a Moscow TV commentator had said the Soviet pilots had "fulfilled their duty in defending the security of the motherland" (*Globe and Mail*, September 30).

September 7: Performances of the Moscow Circus in Halifax and several other cities were cancelled to be followed by a Soviet decision to cancel the entire Canadian tour. Premier Buchanan, in explaining the cancellation said, "We felt honor-bound to support the sanctions against the Soviet Union as a result of the outrageous KAL disaster" (*Globe and Mail*, September 8).

Korean-Canadians and their sympathizers protested outside the Soviet Embassy in Ottawa.

The Madrid Meeting of the CSCE was to have celebrated the success of the thirty-five nation conference on European security. The meeting was, however, overshadowed to a great extent by the KAL disaster and the charges and counter-charges which the incident had provoked. Minister of State for External Relations Jean-Luc Pepin, "reiterated in the presence of Soviet Foreign Minister Gromyko, Canada's now firm demand for an urgent investigation under UN and ICAO auspices for the improvement of aviation regulations to prevent a recurrence of such a tragedy; for immediate compensation and for the Soviet Union to meet international obligations of the most fundamental and humanitarian kind" (*Hansard*, September 12).

September 8: In a formal note addressed to the Soviet Embassy, the Department of External Affairs repeated its protest of September 1, and its demand for compensation:

In the absence of a complete and satisfactory explanation, the Department of External Affairs wishes to protest this incident in the strongest possible terms. The Department is of the opinion that the actions of the Soviet military in destroying a civilian airliner constitute a flagrant breach of general principles of international law as well as of well-established rules and procedures of international civil aviation and cannot be justified on legal, moral or other grounds. The Department of External Affairs has the further honour to refer to the speech of the Canadian Ambassador to the Security Council of the United Nations on September 2, 1983, in which the Government of Canada called for immediate compensation for the families of the victims of the disaster. The Government of Canada hereby formally reserves all its rights in the matter of compensation for the loss of Canadian lives.

According to the *Toronto Star* of September 9, the delivery of the note was difficult:

The top Soviet diplomat in Canada touched off a diplomatic incident here yesterday when he furiously refused to accept a formal note from the Canadian government demanding compensation for the ten Canadian victims of the Korean airliner massacre . . . He angrily refused to accept it in person from External Affairs' top legal adviser, Leonard Legault, and told him to mail it to the Soviet Embassy. Then he added: "I think you've

got the wrong address on it anyway. You should send it to the US government."

September 12: Parliament resumed after the summer recess and the principal subject of Question Period was the KAL disaster and its aftermath. The newly-elected Leader of the Opposition, Brian Mulroney, led off the questioning, asking the Prime Minister to inform the House of the action taken "to ensure that massive and exemplary damages are secured on behalf of the grieving families, in the interest of the Canadian people."

External Affairs Minister Allan MacEachen told Mr. Mulroney of the note which had been delivered to the Soviets both in Ottawa and in Moscow (September 8), and assured him that Canada would pursue efforts to secure compensation not only bilaterally but also through the UN, through ICAO, and in concert with the United States and South Korea.

Mr. MacEachen also assured Mr. Mulroney that the government had taken steps to assist Canadians stranded in the USSR and to assist them financially so that they would not be out of pocket because of the situation.

Mr. MacEachen told Progressive Conservative external affairs critic, Sinclair Stevens, that the government would be "undertaking consultations and discussions with family members before we make a lump sum demand upon the Soviet Union." He also indicated that he did not foresee an early resolution to the compensation problem: "I believe it will take some time and considerable effort to secure results because of the unsatisfactory attitude which the Government of the Soviet Union has taken as a result of this particular incident."

New Democratic Party Leader Edward Broadbent asked whether the Soviet Union had yet acknowledged moral responsibility and, if not, what action the government had planned to bring forward such acknowledgment. Mr. Broadbent saw it as a necessary first step for receiving compensation. Mr. MacEachen told the House that not only had the Soviet Union not accepted any responsibility, it had transferred responsibility for the event to the United States. The Soviets had also served notice that they would repeat the action if necessary. In such circumstances, it was incumbent upon the Canadian government "to continue to assert aggressively (a) their responsibility and (b) the necessity of compensation, not only in our direct contacts with Soviet officials, but also at the United Nations and at the International Civil Aviation Organization."

Later in the day Mr. Broadbent, seconded by Pauline Jewett (NDP, New Westminster-Coquitlam) moved "the adjournment of the House under Standing Order 30 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the immoral shooting down of a South Korean civilian aircraft by the Soviet Union resulting in a loss of 269 lives including those of ten Canadians. Such a grave incident," Mr. Broadbent said, "demands immediate government action to ensure the protection of Canadians and citizens of other countries who travel on civilian aircraft on international routes."

The House agreed to the urgent debate on that particular issue and the debate was scheduled for eight o'clock that evening.

Mr. Broadbent began the debate. He expressed the moral outrage which his party and all of Canada felt: ". . . no matter of national security, no concern about the possibility of espionage, no alleged serious commitment to the

defence of one's national borders, can ever justify the wanton murder of 269 innocent human beings." Mr. Broadbent asked the government to persist in its demands for compensation and the acceptance by the Soviet Union of its moral responsibility: "The Soviet Union must not be allowed to simply cynically hope that this issue will disappear. I repeat, the Secretary of State for External Affairs on behalf of the people of Canada must be persistent in his demand that the Soviet Union acknowledge moral wrongdoing." He suggested that the time had come to demand morality in international politics in the hope that, by clearly letting the Soviet Union know its behavior was unacceptable, it [the Soviet Union] and others might think twice before acting in such a way again.

Mr. MacEachen briefly outlined the actions which Canada had taken to date. He described for the House the role which Canada had played in the international process:

Canada has held the Soviet Government to account for the lives lost in this tragedy. We have underlined our demands by action and in every instance we have shown the way by taking the lead as a clearly aggrieved nation. Canada was the first country to suspend Aeroflot's landing rights and no one else has decided on as lengthy a suspension as Canada. Canada was the first country to suspend arrangements to expand facilities for Aeroflot at no small cost to our own Canadian interests. We were the first country to call for generous and immediate compensation for the families of the victims.

Mr. MacEachen also noted the private actions taken by "individuals and groups acting independently of national governments." He mentioned the cancellation of a business promotion trip to Moscow by the Alberta Minister of Economic Development, the cancellation of a cultural delegation visit to Odessa headed by the Mayor of Vancouver, the actions taken by Canadian airline pilots and longshoremen and the outrage of Canadians in every walk of life which had led to the cancellation of the performances of the Moscow Circus.

With regard to economic sanctions, Mr. MacEachen did not visualize them as potentially influential:

First, we think it is important to keep the Soviet Union enmeshed in the international system, not driven further into siege mentality. Second, the lessons of economic sanctions are that their effectiveness is impaired by damage to ourselves by the actions of others which tend to undercut the sanction, and, in the case of the Soviet Union by the continental almost autarkic nature of the Soviet economy . . . the measures we are pursuing are selective, restricted to the civil aviation sector and managed within a time frame permitting review, extension or withdrawal depending upon events and the behavior of the Soviet Union.

Mr. MacEachen reassured the Commons that Canada would pursue the compensation issue to its limit: "I assure you, as I do the families, that should Soviet recalcitrance to discuss the issue continue the issue will move to a prominent place in our entire bilateral relationship."

Sinclair Stevens, Progressive Conservative external affairs critic, proposed an amendment to Mr. Broadbent's motion.

That the period after the word "routes" be deleted

and the following words added immediately thereafter: "therefore this House directs the Speaker to convey to the Chairman of the Presidium of the U.S.S.R. Supreme Soviet the unanimous condemnation by this House of the conduct of the Soviet government in the destruction of this defenceless, civilian airliner and the 269 souls aboard."

While the three parties were reaching a consensus on a final motion, Minister of Transport Lloyd Axworthy explained more fully the suspension of Aeroflot flights into Mirabel:

. . . it [the suspension] was quite deliberately chosen because it was carefully within the boundaries of the jurisdiction of civil aviation itself, which clearly brings home the argument that the whole question of reciprocity, of one country being able to exchange its passengers and travellers with another, has to be held in abeyance until that issue is resolved, and the rules established for that particular sense of communication and travel.

Towards the end of the debate, Mr. Broadbent moved, seconded by the Secretary of State for External Affairs and the Honourable Member for York-Peel (Mr. Stevens) as follows:

That the attack on the Korean Airlines passenger plane on August 31 by Soviet military aircraft resulted directly in the loss of 269 lives including ten Canadians;

That this utterly unjustifiable resort to the use of weapons of war in the interception of defenceless civil aircraft contravenes universally held standards of civilized international behavior and international law governing civil aviation;

That the Soviet Government has provided neither a credible explanation of the circumstances nor any full acknowledgement of responsibility, appears unrepentant and unwilling to co-operate in international efforts to prevent a repetition of this tragedy;

Therefore, this House expresses its profound sympathy to the bereaved families of the victims; Condemns the unwarranted attack on the destruction of the Korean airliner on the order of the Soviet authorities;

Demands a full and truthful explanation of this brutal act from the Soviet Government;

Demands that the Soviet Union co-operate fully in any impartial investigation under the auspices of the United Nations and of the International Civil Aviation Organization to prevent any repetition of such a tragedy;

Demands that the Soviet authorities immediately offer full and generous compensation to the families of all victims including Canadians; and

Directs the Speaker to convey the text of this motion to the Chairman of the Presidium of the U.S.S.R. Supreme Soviet.

The motion was unanimously adopted.

The federal government made an exception to its ban on Aeroflot landings when it agreed to allow Aeroflot to send a cargo and a passenger plane to fly the Moscow circus animals and performers home.

September 14: External Affairs Minister Allan MacEachen, in response to a question from Sinclair Stevens (PC, York-Peel), told the House that Mr. Kornienko, Soviet

Deputy Foreign Minister, had said that "compensation should be paid but not by the Soviet Union." He went on, "What I have read is an acknowledgement by the Soviet Union that there is a liability, an obligation, that must be met." Mr. MacEachen outlined the further steps to be undertaken in securing compensation: ". . . we have begun and will continue consultation with the bereaved families on the question of compensation . . . Once we have completed that process we intend to make a claim in a single presentation to the Soviet Government. That is our bilateral approach . . . I believe the Soviet Union has full responsibility which it has not yet acknowledged."

September 16: Twenty-six of the thirty-three member countries on the International Civil Aviation Organization council supported a resolution to initiate an immediate impartial investigation into the shooting down of KAL 007 by the Soviet Union. The resolution urged the Soviet Union to "assist the bereaved families to visit the site of the incident and return the bodies of the victims and their belongings promptly" (*Globe and Mail*, September 17).

September 20: Minister of Transport Lloyd Axworthy put forward a Canadian proposal to prevent such a tragedy happening again. Any country which used military force against an airliner which had gone off course would be subject to sanctions. Any airline whose commercial aircraft refused to obey international rules of military interception, including orders to land, would be subject to sanctions. These sanctions could include asking that the aircraft be impounded at its next point of landing and held for inspection, and a suspension of the rights of overflight.

September 21: The Toronto International Festival cancelled the planned visit of the Symphony Orchestra of the Soviet Union for three performances at the festival in June. Although Premier William Davis had indicated earlier that he would prefer to have the visit cancelled, the board of directors' unanimous decision was an independent one and not due to political pressure. Festival Chairman Pauline McGibbon said board members "felt compelled to register their anger" (*Ottawa Citizen*, September 22).

September 28: Soviet leader Yuri Andropov made his first response to the incident. He said it was "a 'sophisticated provocation' masterminded by U.S. intelligence and used to push more military spending through Congress" (*Globe and Mail*, September 30).

External Affairs Minister Allan MacEachen announced in a press release that:

. . . the Canadian Ambassador in Moscow has rejected as totally without foundation a statement by an official of the Soviet Foreign Ministry which protests the Canadian measures against the Soviet airline "Aeroflot" alleging they are in breach of the 1966 bilateral air agreement with the Soviet Union and which claims compensation for material damages.

The press release stated further that: Irrelevant claims, which are as baseless in law as in fact, cannot alter its [the Soviet Union's] responsibility for a flagrant breach of general principles of international law as well as of established rules and procedures of international civil aviation.

Mr. MacEachen noted that Canadian demands for an explanation, including his own note to the Soviet Foreign Minister, were still unanswered.

In the House of Commons, Speaker Jeanne Sauvé reported on the progress of the resolution which was

adopted unanimously following the emergency debate of September 12, and which she had been directed to convey to the Presidium of the Supreme Soviet of the USSR.

As I was directed, I asked the Chargé d'Affaires of the Soviet Embassy to present himself at my office so that I could deliver the resolution to him. He did come to my office on September 22, 1983, but informed me that he was under instructions not to accept the text of the resolution.

It is clear that I was and will be unable to communicate the text of that resolution to the Presidium through the usual diplomatic channels. I have, therefore, done my best to comply with the order of the House, and I must say to the House that, from the conversations I had with the Chargé d'Affaires of the Soviet Embassy, my feeling is that the opinion of the Parliament was well understood by him and that possibly that opinion was conveyed to the proper authorities in Moscow.

The Soviet Chargé d'Affaires' refusal to accept the text of the resolution was deplored by New Democratic Party leader Edward Broadbent, ". . . I am deeply disturbed by what can only be described as a contemptuous action by the Soviet Union with regard to this motion . . . in my view that amounts to a contempt of Parliament."

He suggested that it might then be appropriate for the Secretary of State for External Affairs, on behalf of the Government of Canada, "to request now that the Chargé d'Affaires come to him, as the appropriate Minister in the Government of Canada, to explain why such contemptuous behavior should be taken by the Soviet Union . . ."

Speaker Sauvé said she would prefer to seek other channels as "a message which was transmitted by the Secretary of State for External Affairs has not been received, has been refused here in Ottawa. Also a message which was conveyed by our Embassy in Moscow was refused . . . I do not feel it would be proper for Parliament to delegate that responsibility, unless the House decides unanimously otherwise."

It was decided that the Speaker examine all means at her disposal and advise the House Leaders of her conclusions so that they could then make new recommendations to her.

DEFENCE

Constitutionality of Cruise to be Tested

A coalition of Canadian anti-Cruise groups won a preliminary legal skirmish on September 16, when Federal Court judge Mr. Justice Alex Cattanach agreed to hear arguments in a constitutional challenge to the missile testing program.

The Government, after much Cabinet debate, had agreed in July to permit testing of the guidance system of unarmed US Cruise missiles across parts of the Northwest Territories, British Columbia and ultimately at the air weapons testing range at Cold Lake, Alberta. This terrain is similar to parts of the Soviet Union.

Peace groups stepped up their opposition to the testing, contending that the Cruise missile deployment represented an escalation of the arms race and therefore a

threat to all humanity. The coalition, in its legal battle, said that because the arms race endangers humanity, Cruise testing would violate the constitutional guarantees of life, liberty and security as set out in the Charter of Rights and Freedoms.

In the light of Justice Cattanach's decision, Pauline Jewett (NDP, New Westminster-Coquitlam), asked the Prime Minister whether, in view of the fact that the constitutionality of the Cruise missile agreement was to be tested in the Federal Court of Canada, the Government had informed the Government of the United States that the agreement would have to be suspended until there was a final court ruling on its constitutionality.

Mr. Trudeau replied that he felt Miss Jewett's question premature. Miss Jewett then asked if the Government would halt further plans and preparations until the court ruling was final. Mr. Trudeau pointed out to her that the Government was not in the process of testing at the present time and that tests, if they did take place, would only do so in the new year (*Hansard*, September 16).

On Monday, September 19, Justice Minister Mark MacGuigan, speaking outside the Commons, explained the Government's decision to appeal the ruling by Justice Cattanach: "What we felt we must establish are the rules under which Cabinet decisions as a whole can be reviewed by the courts" (*Globe and Mail*, September 20).

New Democratic Party Leader Edward Broadbent interpreted Mr. MacGuigan's statement as a ministerial expression of a legal opinion. He said that Mr. MacGuigan's statement "implied that decisions by the Cabinet affecting the rights of citizens can be made independent of the Charter." In his opinion, "This Charter applies to the Parliament and Government of Canada in respect of all matters within the authority of Parliament" (*Hansard*, September 20).

Mr. MacGuigan replied that the Government was asking for an appeal in order to clarify whether the tradition that certain questions, such as the prerogative of the Crown or the executive, still existed and, if so, where the boundary line should be re-established.

TRADE

Canadian Trade Policy for the 80s

On August 31, the Honourable Gerald Regan, Minister of State (International Trade), announced the results of the federal government's review of Canadian trade policy. The review represented the outcome of a comprehensive effort to define the nature, objectives and priorities of Canadian trade policy for the 1980s.

The Minister noted that the competitiveness of Canadian industry was the fundamental key to a strong trade performance. He stated: "It is essential that our costs not increase more rapidly than those of our competitors. We have not done well in the improvement of productivity in recent years. Improvement of performance in this regard is the key to maintaining a competitive position in world markets."

The Minister pointed out the vital importance to Canada of an effective multilateral trade and payments system and described a strengthened multilateral system for trade

as essential to Canada's future well-being. For that reason, Canada would be giving that objective first priority in the GATT and in working with her principal trading partners.

Quadrilateral Trade Ministers' Meeting

The sixth in a series of Trade Minister's meetings which began last year in Key Biscayne, Florida, was held in Ottawa on September 26 and 27. The meeting was chaired by the Honourable Gerald Regan, Minister of State for International Trade of Canada, and was attended by Ambassador William E. Brock, United States Trade Representative, Mr. Wilhelm Haferkamp, Vice-President and Commissioner for External Relations of the Commission of the European Community, and Mr. Sosuke Uno, Minister of International Trade and Industry, Japan.

The *Globe and Mail* points out that, as the meetings had no formal, pre-arranged negotiating agenda or clear institutional role, and they were not expected to produce decisions on trade issues, it was difficult to put one's finger on what was accomplished. The press release stated that the meeting provided a useful opportunity for the Ministers to meet together to review the general trade situation and to discuss trade matters between individual countries. They specifically discussed ways of maintaining and strengthening the international trading system and of achieving early and meaningful progress to that end. According to the *Globe and Mail*, "Mr. Regan was more optimistic than trade ministers in the past have been since the recession caused a reduction in world trade flows and triggered a proliferation of protectionist acts and demands for such acts." He said that he was satisfied that the move towards the dismantling of barriers as the recovery occurs was good and there was a will to move in that direction.

Prospects and possibilities for dismantling trade barriers and for making further progress in trade liberalization were discussed. This included ways of further strengthening the various codes negotiated in the Tokyo Round and means of providing for the transparency of safeguard actions not subject to the notification requirements of the GATT. The General Agreement on Tariffs and Trade, which is the international treaty governing world trade, permits nations to take action to protect industries against damage from a flood of imports. At the same time it sets down rules for such safeguard actions.

Mr. Regan noted that some countries have been acting to stem the flow of imports without informing GATT or going through the prescribed international "drill" to justify their actions (*Globe and Mail*, September 28).

AID: CIDA

Government Decision to Cease Funding SUCO

The decision by the Government to cease funding SUCO (Service universitaire canadien outre-mer) as of March 31, 1984, was unprecedented. It was the only time in fifteen years of working with non-governmental organizations (NGOs) that the Government has had to take such steps. In the case of SUCO, the decision was reached only after several attempts to strengthen SUCO's administrative and financial control system had failed.

SUCO cooperants in the field, worried about their

futures once CIDA funds ceased, had written anxious letters to Margaret Catley-Carlson, President of CIDA, and to the Honourable Jean-Luc Pepin, Minister of State (External Relations), whose responsibilities include SUCO. On September 29, Mr. Pepin wrote to the cooperants, outlining the reasons for the Government's decision and reassuring them as to their own immediate futures: "Up until March of 1984 you will remain SUCO cooperants If, after March 31, 1984, SUCO, without CIDA funding, cannot provide for your needs, the Government of Canada will keep you on the job until the end of your contract."

Mr. Pepin also described the manner in which the transition will take place in April: "CIDA will first negotiate with SUCO, which has indicated the desire to do everything it can so that overseas programs are not handicapped It is possible that parts of existing programs may continue to be managed by SUCO without CIDA funding. The funding for the balance of the program could be funded by CIDA perhaps via non-governmental organizations." He ended on a note of optimism for the Canadian Government's cooperant program: "We even have the hope that a greater number of cooperants will, like yourselves, become volunteers in development. To this end, the Government is increasing the 1984-85 budget to \$7 million (an increase of 21 percent) in order to send francophone cooperants overseas" (CIDA press release, September 30).

HUMAN RIGHTS

Call for Release of Anatoly Scharansky

September 15 marked the halfway point in the prison sentence of Anatoly Scharansky, the Soviet dissident who was arrested on March 15, 1978, and convicted of spying. He was sentenced to thirteen years in prison.

The Parliamentary group on Soviet Jewry, under the chairmanship of Jim Peterson (Parliamentary Secretary to the Minister for Economic Development and the Minister of Science and Technology), drew the attention of the House to the plight of Soviet Jewry on that anniversary. Mr. Peterson declared that conditions for the Jewish community in the Soviet Union had further deteriorated, emigration had slowed to a trickle, those who applied for and were refused exit visas were harassed, and Soviet propaganda was rife with anti-Semitism. Anatoly Scharansky was depicted as one of the victims of those Soviet efforts to stamp out Jewish communal life.

Mr. Peterson, on behalf of this group, called on the Soviets "to show that they can live by the standards of the international community . . . to free Scharansky." He finished by pledging the efforts of his group "so that Scharansky and all others like him may enjoy fundamental human rights."

For the Record

(supplied by External Affairs Canada)

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II. Recent publications of the Department of External Affairs.

1. Press Releases

- No. 94 (July 29, 1983) Central America Peace Initiatives.
- No. 95 (August 5, 1983) Situation in Sri Lanka.
- No. 96 (August 8, 1983) Meeting with Australian Deputy Prime Minister and Minister of Trade.
- No. 97 (August 25, 1983) Diplomatic Appointments
 Mr. Léopold Henri Amyot (53) originally from Québec, Québec, to be Ambassador to Morocco, replacing Mr. Gilles Duguay.
 Mr. Reginald Hardy Dorrett (52) originally from Saskatoon, Saskatchewan, to be Ambassador to the Philippines, replacing Mr. Edward L. Bobinski who will return to Canada.
 Mr. Anthony Tudor Eyton (42) originally from Québec, Québec, to be Ambassador to Brazil, replacing Mr. Ronald S. MacLean who will return to Canada.
 Mr. John MacLeod Fraser (48) originally from Montréal, Québec, to be Ambassador to Yugoslavia with concurrent accreditation to Bulgaria, replacing Mr. James G. Harris who has returned to Canada.
 Mr. John Edward Guy Gibson (45) originally from Hamilton, Ontario, to be Ambassador to Colombia, replacing Mr. G. Douglas Valentine who will return to Canada.
 Mr. William John Jenkins (51) originally from Vancouver, British Columbia, to be Ambassador and Permanent Representative to the Organization for Economic Cooperation and Development in Paris, replacing Mr. Randolph A. Gherson who will return to Canada.
 Mr. Wilfrid Lavoie (61) originally from Mont-Joli, Québec, to be Consul General in Melbourne, Australia, replacing Mr. Bernard A. Gagosz.
 Mr. Joseph Anthony Malone (41) originally from Edmonton, Alberta, to be Ambassador to Haiti, replacing Mr. Howard Singleton who will return to Canada.
 Mr. John P. Schioler (50) originally from Winnipeg, Manitoba, to be Ambassador to Egypt with concurrent accreditation to the Sudan, replacing Mr. Robert Elliott who will return to Canada.
 Mr. Jacques Simard (41) originally from Québec, Québec, to be Ambassador to Romania, replacing Mr. P.M. Roberts.
 Mr. Donald Sutherland McPhail (52) originally from Halifax, Nova Scotia, to be Ambassador to the Federal Republic of Germany with concurrent accreditation to Berlin, replacing Mr. Klaus Goldschlag who will return to Canada.
- No. 98 (August 26, 1983) Signing of the Canada Denmark Environment Cooperation Agreement.
- No. 99 (August 25, 1983) Message of Condolence to Family of Senator Aquino.
- No. 100 (August 29, 1983) Consultative Committee for the 49th Parallel Gallery in New York.
- No. 101 (August 29, 1983) Caribbean Basin Initiative.
- No. 102 (August 30, 1983) Visit to Canada of the Minister of Foreign Affairs of the Netherlands, September 22-24, 1983.
- No. 103 (August 29, 1983) Canadian Reaction to Soviet Statement Concerning the Geneva Talks on Intermediate Range Nuclear Forces.
- No. 104 (August 31, 1983) Canadian Trade Policy for the 80s.
- No. 105 (August 31, 1983) Visit of People's Republic of China Foreign Minister to Canada.

- No. 106 (September 1, 1983) Appointment of John M. Powles as Commissioner General for Canada at Expo 84 New Orleans. accreditation to Nepal, replacing Mr. John G. Hadwen who will return to Canada.
- No. 107 (September 1, 1983) Situation in Lebanon.
- No. 108 (September 1, 1983) Downing of South Korean Passenger Airliner.
- No. 109 (September 2, 1983) Canada Calls for an Urgent Meeting of the United Nations Security Council.
- No. 110 (September 6, 1983) Ministerial Session on the Madrid Follow-up Meeting of the Conference on Security and Cooperation in Europe, September 7-9, 1983.
- No. 111 (September 7, 1983) Canadian Reaction to Soviet Government Statements on Korean Airlines.
- No. 112 (September 8, 1983) Comments on KAL Incident Before Federal/Provincial/Territorial Conference on Human Rights.
- No. 113 (September 8, 1983) Canada Formally Communicates with Soviet Union on Question of Compensation for Canadian Victims of Korean Airlines Crash.
- No. 114 (September 9, 1983) Diplomatic Appointment
Mr. Georges H. Blouin (62) originally from Montréal, Québec, to be Chief of Protocol, replacing Mr. L.H. Amyot whose appointment as Ambassador to Morocco has been announced.
- No. 115 (September 9, 1983) Diplomatic Appointments
Mr. Sydney George Harris (53) originally from Nakina, Ontario, to be Consul General in Cleveland, U.S.A., replacing Mr. Norman W. Boyd who will return to Canada.
Mrs. Irene Elizabeth Johnson originally from Winnipeg, Manitoba, to be Consul General in Philadelphia, U.S.A., replacing Mr. Willard G. Pybus who has retired.
Mr. Alan Pittman McLaine (51) originally from Ottawa, Ontario, to be Ambassador to Poland with concurrent accreditation to the German Democratic Republic, replacing Mr. John Fraser whose assignment as Ambassador to Yugoslavia with concurrent accreditation to Bulgaria has been announced.
Mr. Charles Jordan Marshall (54) originally from Windsor, Ontario, to be Ambassador to Pakistan, replacing Mr. William T. Warden who is appointed High Commissioner to India.
Mr. Noble Edward Charles Power (51) originally from Montréal, Québec, to be High Commissioner to Barbados with concurrent accreditation to Dominica, Grenada, Antigua, St. Lucia, St. Vincent and The Grenadines, the West Indian Associated States and Montserrat, replacing Mr. Allan B. Roger who will return to Canada.
Mr. Charles F. Rogers (50) originally from Hamilton, Ontario, to be Consul General in Buffalo, U.S.A., replacing Mr. William R. Van who will return to Canada.
Mr. A. Percy Sherwood (51) originally from Ottawa, Ontario, to be Ambassador to Iraq, replacing Mr. Witold Weynerowski.
Mr. C. John Small (63) originally from Chengtu, China, to be Ambassador to Malaysia with concurrent accreditation to Brunei, replacing Mr. Gerald F.G. Hughe who will return to Canada.
Mr. Lawrence Austin Hayne Smith (53) originally from Vizagapatam, India, to be Ambassador to the Netherlands, replacing Mr. Georges Blouin who will return to Canada.
Mr. William Thomas Warden (49) originally from Niagara Falls, Ontario, to be High Commissioner to India with concurrent
- No. 116 (September 13, 1983) Visit to Canada of the Minister of Foreign Affairs of Norway, October 2-5, 1983.
- No. 117 (September 13, 1983) Death of Canadian Journalist in Lebanon.
- No. 118 (September 15, 1983) Diplomatic Appointment
Ambassador Marion Adams Macpherson (59) originally from Moosomin, Saskatchewan, to be the first woman Deputy Commandant of the National Defence College, Kingston, replacing Mr. Victor Moore who is retiring.
- No. 119 (September 15, 1983) St. Kitts and Nevis Independence.
- No. 120 (September 16, 1983) The Department of External Affairs Participates at "Travel Show" — London, Ontario.
- No. 121 (September 19, 1983) Canada Deposits Instrument of Ratification for the Creation of the United Nations Industrial Development Organization as a Specialized Agency.
- No. 122 (September 19, 1983) Visit of Director General of the International Atomic Energy Agency (IAEA) to Canada.
- No. 123 Mrs. France Morin to Become the New Director of the 49th Parallel Gallery in New York.
- No. 124 Diplomatic Appointments
Mr. John Alan Beesley, Q.C., (55) originally from British Columbia to be Ambassador and Permanent Representative to the Office of the United Nations at Geneva with concurrent accreditation to GATT and as Ambassador to the Committee on Disarmament, replacing Mr. D.S. McPhail who has been named Ambassador to the Federal Republic of Germany.
Mr. Maurice Danby Copithorne (52) originally from Vancouver, British Columbia, to be Commissioner to Hong Kong, replacing Mr. Allen Kilpatrick who has returned to Canada.
Mr. James Angus Elliott (46) originally from London, Ontario, to be Consul General to Dusseldorf, Federal Republic of Germany, replacing Mr. J.M.T. Thomas.
Mr. Gilles Mathieu (50) originally from Montréal, Québec, to be Ambassador to Turkey, replacing Mr. Marc Baudouin who will return to Canada.
Mr. John Lawrence Paynter (42) originally from Vancouver, British Columbia, to be Ambassador to Thailand with concurrent accreditation to Vietnam, replacing Mr. Fred Bild.
Mr. Peter McLaren Roberts (56) originally from Calgary, Alberta, to be Ambassador to the USSR, replacing Mr. G.A.H. Pearson who will return to Canada.
- No. 125 (September 27, 1983) Deputy Prime Minister and Secretary of State for External Affairs to Lead the Canadian Delegation to the 38th Session of the United Nations General Assembly.
- No. 126 (September 28, 1983) October is Canada's Export Trade Month.
- No. 127 (September 28, 1983) Quadrilateral Trade Ministers' Meeting.
- No. 128 (September 28, 1983) Canadian Response to the Soviet Claim for Damages to Aeroflot.

Trying democracy in Spain

by H.P. Klepak

In December 1976 the Spanish people approved through a referendum King Juan Carlos's preferred path for Spain — a return to democracy along the Western European pattern. Seven years later much has changed but democracy still seems strong, more firmly established than it ever had been in Spain's troubled past.

After the referendum accepting the democratic option, elections were held in 1977 and a centrist government, based principally on the *Unión del Centro Democrático* (UCD), was elected. It set to work immediately establishing the basis of the new Spanish constitutional monarchy. Domestically, it produced a national constitution, started to curb the power of the armed forces (the main prop of the Franco regime), and began the decentralization of the Spanish political system. Internationally, it stressed entry into the European Economic Community, NATO, and the Western European community as a whole, while still attempting to play a role in Latin America, Africa and the Arab world.

Major gains on some fronts were made, particularly related to the strengthening of the new regime. The immense popularity of the King helped greatly in this. Economically, however, the situation was far from favorable. The recession deepened almost everywhere in the late seventies and Spain felt it keenly. Inflation soared to 25 percent early in the period and unemployment became a major problem — particularly jarring as work had been plentiful in the last years of the Franco regime. This state of affairs was constantly made much of by the large rightist element of Spanish society.

Other difficulties also hampered the smooth transition to democracy. Several *coups manqués* demonstrated the frustrations of the army at its loss of power and at its inability to stop what a large element of its members considered a drift to the left and a disastrous loss of Spain's traditional values. Most observers agree that only the courage and the calm, speedy reactions and good sense of King Juan Carlos made it possible to quell effectively and quickly these dangerous movements which continued to reveal the weaknesses of the fledgling regime.

The struggle against Basque terrorism, considered by many liberals to be a feature particular to the Franco regime, far from being over, grew in intensity after the death of the "Caudillo." Army officers have been a favorite target of the nationalist extremists, and the intention seems to be to frustrate even further the armed forces and thus to imperil the democratic system.

New elections were held in October of 1982 and these overturned the rump of the UCD which had survived that

coalition's disastrous internal squabbles. The electorate opted instead for the *Partido Socialista Obrero Español* (PSOE) under its leader Felipe González. Spain's first left wing government since the Nationalist coup of 1936 took office amidst rumors of an army coup — rumors which proved false, as did suggestions that the youthful socialist leader's policies were going to be radical.

New Socialist government

The Socialist government's main concern, since taking office in late 1982, has been the economy. An increasing number of sectors of the economy is stagnant and unemployment is rising. The peseta had drifted steadily downward against the dollar and most other major currencies, and UCD-imposed official devaluations have been followed by similar actions by the new administration. Meanwhile prices continue to rise.

Despite a declared program of increased state intervention in the economy, mild agrarian reform, and an increased labor role in the political and economic structures of the economy, the first economic goal of the Socialist government seems to be to assure the world and national business of its realism and hard-nosed approach to Spain's economic situation. This appears to have been largely achieved.

Politically, the new government had not made any terribly striking initiatives, although it has pressed further and faster on many sensitive issues. For example the creation of a Spanish state based on an increased element of federalism, begun by the UCD, has been fostered and given continued emphasis by the PSOE. This trend is disliked by the armed forces, who see it as the beginning of the end for Spanish national unity. But it is dear to the left and reflects, in 1936 terms, Republican and not Nationalist feelings about what the essence of Spain is.

An even more striking blow at the old military, but one which is received less emotionally by them, is the reform of the armed forces themselves. The UCD government had already begun this development, with a program of reducing the army's political role, rejuvenating the officer corps and the senior NCOs, and restructuring the top-heavy command and control arrangement. The PSOE has carried on this program, is implementing plans to cut the absolute and relative size of the army, and is reorganizing the deployment of the forces to reflect external, not internal,

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One year of socialist government

threats. The navy and air force are receiving relatively greater attention than the army and this also reflects the government's concept of the land force. It is seen as vital to national defence, but also as too political, more interventionist than the other two services, generally more conservative and more organized for internal security operations than for defence against foreign attack.

The army's connection with the national police force and the famous "guardia civil," both organizations traditionally officered from the serving ranks of the military

emphasized during the Franco era despite their rather dubious reality, are nonetheless still "pillars" of Spanish foreign policy. Both the UCD and the PSOE have given more than lip-service to Madrid's relations with these countries, but the returns seem to be minimal, except that King Hassan seems to be willing to keep the Spanish enclave issue (the continued occupation of Ceuta and Melilla in Morocco by Spain) on a back burner for the time being.

Perhaps the most striking change in foreign policy between the UCD and the PSOE has been the difference in attitudes on the subject of Spain's entry into NATO. The previous government was determined to take Spain in and, in fact, did so late in its term, thereby leaving the Socialists facing a *fait accompli*. The PSOE had consistently opposed entry, even if it had done so in a confusing and internally divided fashion. It had continued to insist that the referendum-weary Spanish people should be consulted before entry was sought. This did not happen and the PSOE, now in power, has evolved steadily toward a pro-NATO stance. Nonetheless, the new government quickly "froze" Spain's integration into the Alliance, and is standing by its offer to hold a referendum eventually on whether Spain should remain a member.

Continuing perils

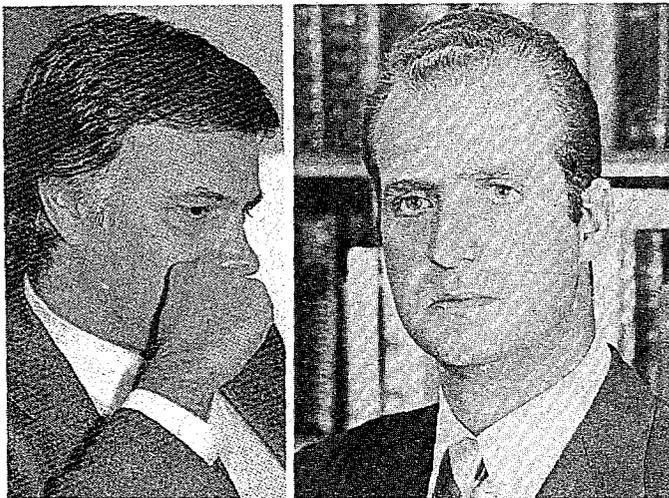
Thus Spain's socialist government, and the constitutional monarchy as well, may appear relatively secure as the new democracy heads into the mid-1980s. Nonetheless, threats do exist which could, if not handled well, undo the work of eight years of fairly steady democratic achievement. Several are visible.

Probably the most serious of these threats is the stagnation of the economy. A nation accustomed to something like two decades of nearly full employment experienced, in the year of the PSOE electoral victory, 16 percent unemployment, the highest figure in Western Europe. This is coupled with an inflation rate which, although down from the average of the years of UCD rule, still runs at 14 percent. And the balance of payments is not favorable. Were it not for remissions from Spaniards working abroad, and massive earnings from tourism, Spain's foreign currency problems would be chronic. Stagnation affects agriculture (which accounts for 18 percent of the work force), light industry, heavy industry such as shipbuilding — virtually the whole of the Spanish economy. This situation tends to strengthen the hand of both extremes of the political spectrum who seek to discredit the work of both the centre-right UCD and the centre-left PSOE.

Worse yet, the economic future is clouded. The EEC, long touted as the only way forward for Spain, now accepts Spain as an attractive political partner, but not as an economic one. The French especially, fear Spanish competition within the Community, particularly in light industry and agriculture. The generalized recession in Western Europe has made this potential competition seem much more threatening than it was considered fifteen years ago. Spaniards, who long felt they were being held at arms' length by Europe only because of the nature of the Franco regime, feel cheated to discover that with that obstacle out of the way, they are still not quite "clubable" — but this time for economic reasons. The refusal of the EEC (essentially of France) to set a timetable for Spain's entry has depressed further almost all elements of the economy.

These economic doldrums, accompanied by the social revolution in the country, the depopulation of much of the

EMBASSY OF SPAIN



Prime Minister Gonzlez and King Juan Carlos

forces, is also being reduced. Lastly, for the first time, a civilian holds the post of Defence Minister.

Divisive changes

Other reforms, discussed by the UCD but not carried out, are also now to the fore. These include the thorny issues of divorce and abortion. The very powerful force represented by the Church has remained largely aloof from the democratization process. Its obvious pleasure with the King and with the orderly and generally peaceful transfer of power after Franco's death has meant it conservatism has not posed a real challenge to political change. On these two social issues, however, its voice is increasingly heard and there is no doubt the country is quite divided on these questions.

Internationally, the new socialist government has continued the UCD's drive to link the country more strongly with Western Europe, and particularly to gain admission into the EEC. While the PSOE is perhaps farther from seeing that grouping as a panacea for Spain's economic difficulties than were previous administrations, the Community is still regarded as a *sine qua non* of Spanish prosperity.

Not surprisingly, the PSOE has gone to even greater lengths than the UCD to continue the opening of greater diplomatic, trade and cultural connections with the Eastern bloc. The popularity of the Spanish democratic experiment has also opened up further possibilities for Madrid to undertake diplomatic initiatives in Latin America. The King's prestige in that part of the world has made royal visits to the area a common and effective way to set the stage for a greater Spanish role there. Madrid hopes that Spanish trade with these countries will soon match their new-found interest in the mother country.

The Arab and African connections of Spain, much

countryside, the ravages of some regional unemployment situations, and the great rise in crime, constitute a serious threat for a regime from which so much is expected. This economic crisis helps sustain the atmosphere of doubt about the success of the democratic experience. This effort was already threatened, but is now directly and repeatedly by rightist elements in the army.

Army discontents

Although the military threat to the regime seems to have moved off centre stage since the abortive coup of February 1981, it is probably too early to dismiss repetitions of that sort of event. Many factors have contributed to the undoubted decline of military involvement in politics. These include the determination of the King, who is also Commander-in-Chief, to push forward along the democratic path. There are also clear indicators of the popular will to support him in this initiative. Then there is the reform of the army itself, particularly the retirement of senior officers of advanced age, almost all of them "victors" in the Civil War.

Nonetheless, the Army is frustrated over the economic mess Spain is in, disconcerted by what it sees as excessive decentralization of the state, unhappy still in many cases about the legalization of the Communist party, uneasy with reforms of its own house, angry over the loss of professional prestige, and furious about terrorism, particularly in the Basque country. While the armed forces are probably under control at the moment, especially through the King, a decline in its eyes in one or more of these situations could change things dramatically. There is no tradition of political indifference in the officer corps and that strong corporate sense still lives.

Whether or not regional separatisms are serious, and whether or not terrorism is out of hand, there is one development of the last twelve to eighteen months which seriously worries many longtime observers of the Spanish scene. This is the almost total polarization of the political scene. The main centrist party, the UCD, fell from 35 percent of the popular vote in 1979 to 7 percent in 1982. In that year the Socialists took 202 seats (46 percent of the popular vote) of the 350 in Parliament. The rightist *Alianza Popular* took 106 seats. The centre has been all but wiped out and the consensus government of the first years of the constitutional monarchy has been replaced by confrontation politics. While some movement away from consensus was to be expected in a more firmly-seated democracy, those who know the frequent extremisms of Spanish political history often fear that extremist tendencies are still

powerful in the new Spanish state. After all, they point out, a leftist Parliament with little central ground, but with a large and vocal Right, with crime in the streets, considerable terrorism, rapid social change, economic stagnation, and rising regional separatism, was largely the recipe for the outbreak of the Civil War in 1936. While agreeing that 1983 is not 1936, they urge caution when predicting smooth sailing for Spanish democracy.

Some good signs

This having been said, several elements in the evolution of Spanish society point to likely success. The bourgeoisie is stronger and more numerous now. The King is immensely popular, a strong proponent of democracy, and a clear focus of loyalty for the armed forces. Democracy is also appreciated by a large majority of the population even if disillusionment with it is now growing. Finally, Spain is increasingly tied to Western Europe and most Spaniards feel this is as it should be, even though at times its results may be disappointing.

In this external context, Spain can be expected to continue to focus attention on its only real option — the EEC. NATO will be the subject of considerably greater debate with, at best, slow incorporation of Spain into full membership. The PSOE will, in all probability, increasingly back the alliance and Spain's membership as the party gets even more experience in government. The popularity of Latin American links will continue to attract Madrid's attention to that part of the world, and the Afro-Arab role of Spain will be given at least lip-service for historic reasons and hoped-for future advantage. This continuing "apertura" to the world should carry on reinforcing the Spaniards' acceptance of the democratic system as natural for his time in history and his country's place in geography.

Consequently, I feel that the Spanish democratic experiment, barring a major disruption, will continue to go forward into the mid-1980s. That experiment needs time and stability to settle itself into Spanish consciousness as something natural and permanent, not just another stage of the country's political experience. Terrorism, reactionary elements in the army, separatism, political polarization — all these can damage the process. However, none is likely to stop it if the economy can be improved, or at least not further weakened, in the years ahead. If, however, social and economic disruptions reinforce further the anti-democratic elements so evident in Spain, then even the impressive strengths of the democracy mentioned above may be insufficient to keep extremism, always present in Spanish politics, from gaining the upper hand. □

*Confederation, status quo or dominion?
Was US involved?*

Canada, the US and Newfoundland, 1946-48

by Paul Bridle

*The author is the editor of two volumes of documents about Canada's relations with Newfoundland in the pre-Confederation period, the second of which, **Canada-Newfoundland Documents, Volume 2, 1941-1949, Confederation**, is about to be released by the Department of External Affairs. (The first volume, on defence, civil aviation and economic affairs, was published in 1974.) In this article Mr. Bridle, on the basis of recent research in the National Archives in Washington, DC, supplies the missing piece in the historical jigsaw — the attitude of the United States toward Newfoundland's political future as it was evolving to 1948.*

When Franklin D. Roosevelt and Mackenzie King met at Hyde Park in 1941 Roosevelt told King that after the war Canada should take over Newfoundland. The Prime Minister subsequently told J.W. Pickersgill that, in his opinion, the Americans really wanted Newfoundland for themselves. Pickersgill, on his part, and other Canadians inside and outside government, reflected that Canada could hardly afford an Alaska on its Atlantic coast. In 1946, when the Canadian government's policy toward Newfoundland was very much in the formative stage, the likelihood that sooner rather than later an unattached Newfoundland would drift into the United States' orbit was one of the considerations most earnestly advanced by officials. And was it Ireland someone said was dragged kicking and screaming into the twentieth century? Those same officials, when they occasionally reproached themselves with conspiring to rob Newfoundland not only of her poverty but also of her innocence, concluded that, whatever the Irish had done fifty years before, in the second half of the twentieth century Newfoundlanders were bound to seek security — if not with Canada, then with the United States.

At least as far as Canada was concerned, in the crucial years 1946-1948 the US government adopted a correct attitude toward the future of Newfoundland. Its diplomats never sought information to which it was not entitled; it made no effort to influence events in Ottawa or in London; and it made no overtures to Newfoundland. Indeed, as is now clear, at a critical juncture it leaned over backwards to make sure that Newfoundlanders were not induced to be-

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lieve that there was an easy route to closer economic relations with the United States.

Yet in those same decisive years we in the Canadian government never knew what the US government was really thinking about Newfoundland's political future. Depending on the road Newfoundland decided to travel, how did the United States see its interests being affected — interests such as defence, mineral resources and civil aviation? In the last analysis was Mackenzie King's cynicism well founded? On July 29, 1948, when Garland Richardson, US Consul in St. John's, asked me whether the Canadian government had decided to go through with confederation on the basis of the vote in the second referendum, and I said that it had, did the expression on his face reflect disappointment, relief or just that he understood me? Documentation in the National Archives in Washington, DC, provides answers to some of these and related questions and allows one to pretty well guess the rest.

Debate begins.

In December 1945 the British government announced that there would be elected in Newfoundland a National Convention "to examine the position of the country and to make recommendations to His Majesty's Government as to possible forms of future government to be put before the people at a National Referendum." The Convention got to work in September 1946. During the following eight months it went a long way toward determining how Newfoundland would fare on its own; in May 1947 it sent a delegation to London to see what continuation of Commission of Government would entail; and in June it despatched a delegation to Ottawa to ascertain what confederation with Canada might mean. Throughout this period the United States seems to have adopted a business-as-usual, wait-and-see attitude.

Late in the summer of 1947, about the time the Canadian government finally decided to draw up what amounted to tentative terms of union, the United States appointed Wainwright Abbott, a senior and experienced diplomat, Consul-General in St. John's and otherwise strengthened its representation there. About this time, too, the Consulate-General began to receive informal but nonetheless official instructions from Washington to assume a hands-off posture when confronted with questions about Newfoundland's political future. This it consistently did until the issue was settled in 1948.

This policy was maintained even though early in 1947 a contrary strain began to figure in the mission's reports to Washington. There was a growing interest, it was saying, in closer ties with the United States. At first this took the form

of a desire for more beneficial economic relations. In February a Convention resolution asked the government what steps could be taken to ascertain what commercial concessions the United States might grant in return for its defence rights; the government ruled that any such approach would have to be made through London. A little later a more forthrightly pro-United States faction in the Convention introduced a motion which would have had it send a delegation to Washington to try to negotiate terms of union. It was roundly defeated. Clearly, political union with the United States — supposing it were possible — was not something most responsible Newfoundlanders were yet prepared to contemplate. Nevertheless, in straw polls and letters-to-the-editor a disposition to draw closer to the United States was surfacing outside the Convention. In May 1947 G.K. Donald, Wainwright Abbott's predecessor, went so far as to report, "I do believe that a substantial majority of the people would vote for union with us."

Join America movement

In November 1947, after the "proposed arrangements" for confederation had been presented to the National Convention, there began a movement which in the long run almost made Donald's bold prediction seem little more than premature. This was the movement in favor of economic union with the United States. It was launched by a group calling itself the Union with America Party. Reporting its formation, Abbott said, "That it will rally considerable support cannot be doubted." In the months that followed Abbott reported on a wide range of proposals, running from wild-eyed advocacy of a union which would carry all the blessings of amalgamation short of actual statehood to sober warnings from some prominent businessmen that, before confederation with Canada was seriously considered, the benefits of closer economic relations with the United States should be carefully examined.

In March 1948, after the Commonwealth Relations Office had told the US Embassy in London that the "alternative" of economic union with the United States would not be on the ballot paper in the referendum, Abbott advised the State Department that it was far from a dead issue because it might "help Responsible Government to beat confederation with Canada and thus give itself a new lease on life." Shortly afterward it was in fact invigorated by Chester A. Crosbie (father of John Crosbie, finance critic in the Conservative shadow cabinet in the House of Commons), leading fish merchant and head of one of Newfoundland's most respected families. Crosbie announced that he had accepted the presidency of the newly-formed Party for Economic Union with the United States. (The Party's Campaign manager was Don Jamieson, now Canada's High Commissioner in London.) The Consulate-General reported this in a plain-language telegram marked "Urgent" which concluded with the statement, "New party expected to attract Confederation votes and to enhance chance for return to self-government."

Throughout the referendum campaign the new party marched arm-in-arm with the Responsible Government League, building substance into a platform hitherto largely one of principle. Both groups had difficulty dissociating themselves from spokesmen for impracticable forms of economic union. However, Crosbie made clear that he was advocating a free-trade area, which would leave both par-

ties free to impose duties on third countries independently, and his movement's overall effect on the prospects for Responsible Government was extremely positive.

State Department quandary

As early as March 24, 1948, Abbott went so far as to advise the State Department, "Popular sentiment here favors US over Canada or Great Britain and it is admitted by competent judges that any party which could achieve closer economic or even political ties with US would receive overwhelming support." In some ways this was an overstatement. Nevertheless, in the balance of his telegram Abbott put his finger on the crux of the matter so far as the role of the United States was concerned. He wrote: "Founder of Responsible Government League this morning expressed to me his acute fear that Department might inadvertently be responsible for Confederationist victory . . . if it made public any indication that it would discourage Crosbie's proposal for economic union . . . and expressed hope Department would give no clue to its attitude as self government would have no chance of winning if all hope of closer economic relations were removed . . . If Department is to avoid charge of influencing coming referendum it is essential no indication of its attitude become known." (It is not clear how Abbott obtained information about the State Department's attitude.) The State Department replied, "Department agrees your recommendation and will avoid any action which might give rise to charge of influencing coming referendum." However, in the event, the State Department came close, indirectly, to doing just that.

Late in April 1948 the *St. John's Sunday Herald* sent telegrams to most members of the US Senate inviting support for economic union with Newfoundland. Shortly afterward J.B. McEvoy, a prominent Newfoundland lawyer and a quiet Confederate who had been the National Convention's last chairman before it was dissolved at the end of January, visited Judge Manley Hudson of the Harvard Law School and asked for a written opinion as to the feasibility of the scheme. Judge Hudson sent McEvoy a lengthy memorandum in which he concluded that the proposed union was theoretically possible but added that, after conferring in Washington with "well-informed friends," he did not believe it feasible. The memorandum was published on May 8 and was effectively exploited by J.R. Smallwood and other Confederates. Meanwhile the *Sunday Herald* was getting and publishing a large number of favorable replies to its telegrams to the US Senators.

On May 24 Geoff Stirling, editor of the *Sunday Herald*, visited Washington in the hope of seeing the President but called on a Mr. Wailes in the State Department instead. In the course of his conversation with Wailes, at which the latter's chief, Andrew B. Foster, was also present, Stirling (obviously having in mind Judge Hudson's "well-informed friends") asked Wailes whether the judge had consulted with anyone in the State Department when preparing his memorandum. The official account of the conversation, written by Foster, describes what followed: "Not knowing that Stirling was coming to see Mr. Wailes, I had not told the latter about my conversation with Mr. Hickerson [a Deputy Under-Secretary and Foster's chief] on May 21, when the latter told me that Hudson had been to see him. It did not seem desirable for me to mention Mr. Hudson's call on Mr. Hickerson." Foster added, "Mr. Stirling was very indignant about the Hudson memorandum and evidently

Confederation, status quo or dominion?

hoped that Mr. Wailes or I would say something in repudiation which he could use in the political campaign in Newfoundland."

Two referenda

In the first referendum, which was held on June 3, 1948, 44.9 percent of the votes went to Responsible Government, 40.9 percent to Confederation with Canada and 14.2 percent to Commission of Government. Wainwright Abbott was of the opinion that the Senators' views were more influential than Judge Hudson's and that it was the prospect of economic union with the United States which gave Responsible Government the edge over Confederation. In the bitter campaign which preceded the runoff referendum on July 22 J.R. Smallwood and his followers managed to make the virtually assured benefits of Confederation with Canada seem more attractive than the somewhat ill-defined possibilities of economic union with the United States; they also played up Canada's "British" connection. In the end Confederation won over Responsible Government by the small margin of 52.3 percent.

(The final terms of union were negotiated in October, November and December 1948; Newfoundland became a Canadian province one minute before midnight on March 31, 1949.)

Let us look backward a little in time at one more ironic twist involving the United States. In 1947 Canada had a serious balance-of-payments problem. In November of that year, to alleviate it, the government sought to interest the United States in freer bilateral trade. The Americans countered with a proposal for a "modified customs union" — in effect, free trade with quotas to protect a few commodities. Negotiations to this end went on in great secrecy until May 1948 when, on domestic political grounds, Mackenzie King backed away from the plan — and the Americans acquiesced.

That all this happened at more or less the same time as the Newfoundland effort to whip up interest in economic union with the United States was purely fortuitous. Nevertheless, it is probably as well that the depth and extent of the United States-Canada plan were not public knowledge at that time. If they had been, the 1890s' trauma over the abortive Bond-Blaine Treaty might, to some Newfoundlanders, have seemed inoffensive by comparison. (Canada had strenuously opposed that free-trade arrangement between Newfoundland and the US, and it never went into effect.)

The handful of Canadian Ministers and officials who were party to the Canada-United States plan do not seem

to have given any very deliberate consideration to its potential effect on Newfoundland's economic interests. Perhaps it was thought that the United States would wish to make some suitable adjustment to take care of Newfoundland's requirements or, alternatively, that, by joining Canada, Newfoundland could share the benefits of a Canada-United States arrangement. The State Department did give consideration to the potential problem for Newfoundland and in fact was thinking very much along the above lines.

Few worries for US

In retrospect it seems clear that, as it looked at the Newfoundland scene in the postwar period, the United States was quite relaxed about the effect of any political developments on its interests. Military bases, the iron ore of Labrador, civil air rights — these, the Americans perhaps reflected, could probably be dealt with satisfactorily whether Newfoundland continued to be governed from London, resumed control of her own affairs or decided to join Canada. Moreover, if Canada wanted Newfoundland — and the Newfoundlanders were interested — the United States was not going to get in the way.

This attitude was clearly defined in another context when Raymond Gushue, Chairman of the Newfoundland Fisheries Board and a behind-the-scenes adviser to the economic union movement, called on his old friend John Hickerson at the State Department in late April 1948. Gushue was trying to smoke out the real reason for the impending visit to Washington of two Canadian Ministers, C.D. Howe and Douglas Abbott. Though the State Department did not yet know it, one reason for Howe's visit was — albeit reluctantly — to call off the free-trade negotiations. Talking to Gushue, Hickerson was not to be smoked out about those negotiations but, at one point in the conversation he said he "was sure Mr. Gushue would realize that Canada was obviously more important to the United States than was Newfoundland."

All this is not to say that we were mistaken in 1946 in thinking that, if Canada did not open its doors to Newfoundland, before long — in one way or another — the United States would. A failure of Canadian will, either in 1947 or in 1948, followed by renewed — and perhaps more official — expressions of Newfoundland interest in the United States, would probably have drawn the very small country toward the very large one like a filing toward a lodestone. In these circumstances not even J.R. Smallwood (for whom, in 1945, Confederation had been waiting since 1867) could have saved the day for Canada. □

Can the auto industry be saved?

by B. Andrei Sulzenko

Twenty years ago the Canadian automotive sector was at a crossroads. Production had stagnated, and despite high tariffs import penetration was increasing. The Canadian government responded to this deteriorating situation with a series of trade initiatives which culminated in the negotiation with the United States of the Automotive Products Trade Agreement, commonly known as the Autopact. The Autopact fostered unprecedented growth in output and employment in the Canadian auto sector by promoting the rationalization of vehicle and parts production between the US and Canada.

The Canadian auto sector finds itself at a crossroads once more. As in the early sixties, production has declined and imports are taking an increasing share of the market. But there the comparison ends. The automotive world of the eighties and nineties will be remarkably different from that of the sixties and seventies. The pie will be shrinking rather than growing, and in this new environment trade-offs multiply and no one dramatic policy response, such as the Autopact was in its day, can satisfy everyone's requirements.

Changing world industry

The world recession has accelerated the trend toward the saturation of the auto market in industrialized countries. The outlook for demand in North America, Europe and Japan through the eighties is generally flat, and developing countries are not likely to pick up the slack for some time; and when they do, import replacement policies will ensure a major element of local production. This no-growth environment has increased competition worldwide for market share. To date, the battleground has been largely North America and Europe as the Japanese market is still basically closed to foreign vehicles, notwithstanding the absence of significant tariffs.

In the mass market the strategy followed by automotive manufacturers has been relentless cost-cutting, coupled with quality improvement. The Japanese manufacturers have been in the forefront of this international trend and have essentially caught North America, and to a lesser extent Europe, flat-footed by a combination of superior planning and luck. The planning and managerial capabilities of Japanese companies is now legendary and well documented. Their automotive competitors were perhaps a little slow to realize the need to reduce costs and improve quality, but foresaw, at least in North America, a gradual rather than sudden transformation of the marketplace.

Japanese planning and luck

The multiple shocks of the second oil crisis, financial capacities strained by massive retooling to meet govern-

ment standards, and a severe and deep recession sent North American companies reeling into disarray and allowed the Japanese, who were in the right place at the right time, to make major inroads into the market. To be more precise, the element of luck for Japanese auto makers was that their substantial headstart down the cost curve coincided with a dramatic shift in the marketplace to demand for smaller, more fuel-efficient and more cost-effective or higher value-per-dollar vehicles. The irony of the present situation is that restraints on the number of Japanese vehicles exported to North America provided an incentive to Japanese manufacturers to shift upmarket to larger, more luxurious, higher value products which compete directly with the products of traditional strength for North American manufacturers.

These events have meant that the major protective barrier for North America — insulation from the world market through product differentiation — has been severely eroded and will over time cease to be a factor. Therefore, as the eighties and nineties unfold, the world market will become more homogenous, i.e., North America will become more like the rest of the world.

Homogeneity will also increase by virtue of greater cooperation among the major manufacturers through joint development, production and marketing ventures. Joint venturing has been taking place for a number of years as a means of reducing not only costs, but risk. In the evolving environment growth can be achieved largely through an increased share of a stagnant market. Therefore, risk becomes much higher than under an expanding market. The costs of developing a new vehicle are now in the billions of dollars, and companies are spreading risk through joint projects. From a corporate point of view this makes eminent sense. But it does not necessarily coincide with the longer term objectives of national governments. It means that automakers will be less identified with host countries than in the past. General Motors may assemble in Spain a Japanese-designed vehicle, with a Brazilian engine, a German transmission, American headlights and Canadian wiper blades, for importation into the North American market. This may be the most cost-effective and profitable solution for General Motors but it does not offer North American industry much value-added. What is best for General Motors is no longer (if it ever was) what is best for America. Canada is, of course, one step further removed from this situation since there was never any guarantee that

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North America plays catchup

the US-dominated industry would act in Canada's national interest. Therefore, as the world industry becomes truly internationalized, the "safeguards" enjoyed by Canada under the terms of the Autopact become increasingly important as a guarantee of a minimum level of employment and production in this country.

North American response

The North American industry is now playing catch-up with the Japanese. But the Japanese automakers are a moving target. They are continuing to make further strides towards cost reduction; and, therefore, the North American rate of improvement must substantially exceed the Japanese over the coming years to narrow the gap. The Japanese cost advantage in auto making vis-à-vis the US and Canada is about 30 percent, largely because of vastly superior labor productivity.

The Japanese lead will be difficult to narrow not only because of UAW intransigence towards permanently lower wage rates but also because the Japanese can plow back retained earnings into new capital investment from their huge profits on export sales as a result of both a significantly lower cost structure and an under-valued yen. North American manufacturers by contrast are saddled with the legacy of four years of dismal profit performance superimposed on already stretched financial resources resulting from the massive retooling required by mandatory government standards of the late seventies and early eighties.

Despite the obstacles, North American manufacturers have struggled to close the gap by increasing automation and laying off (or not recalling) production workers, reducing overheads (Chrysler managerial and technical staff have been reduced from 40,000 to 21,000), renegotiating union contracts, improving inventory controls (e.g., introducing the Japanese "just-in-time" system), streamlining component sourcing (sole sourcing in many auto parts) and joint venturing (General Motors-Toyota-Isuzu; Ford-Toyo Kogyo; AMC-Renault).

As a result of these measures the break-even point for the North American industry has been reduced from about twelve million vehicles annually to about nine million vehicles, and a major cyclical resurgence of the market should significantly boost profitability. The North American industry is concerned, however, that foreign producers will be the main beneficiaries of restored health in the auto market. The industry has accordingly, both in US and Canada, stressed the importance of continuing Japanese export restraint pending a return to more normal market conditions.

It is not yet clear whether North American auto makers can design, manufacture and market products that will be attractive to a cost and quality conscious consuming public. The problem is that even though the product planning horizon has been shortened from three-to-four years to two-to-three years, swings in consumer taste can occur almost overnight and auto makers find themselves facing huge unsold inventories if they guess wrong. This problem is compounded by the fact that the North American manufacturers have a larger share of the "swing" market than foreign manufacturers. On the two ends of the spectrum one finds the buyers of the large American car and of the smaller, Japanese/European car. The middle ground, largely composed of traditional American car buyers, shifts rapidly in its taste. For example, a few years ago

following OPEC II the swing market dictated fuel economy as almost the sole criterion for purchase. As a result, the market shifted dramatically to sub-compact econoboxes where the Japanese offered a very strong product selection. During the recession fuel economy became relatively less important as consumers shifted to more general concerns of cost and quality. Once more, however, the Japanese were in a position to offer best value for dollar. More recently, as world oil prices decline and the recession abates, North American consumers are shifting again to their old desire for comfort, size and performance and econobox inventories are piling up. It is against this fickle market that corporate decision makers must plan.

Importing our own

Assuming that the Big Three will be able to restore their fortunes, at least in the North American market, the question remains to what extent this will be carried out from a North American production base. There is already growing evidence that General Motors will be filling the low end of its product line with imports from Japan (Isuzu and Suzuki) and through joint venture arrangements such as that with Toyota in California which result in no more than 50 percent US content. Ford and Chrysler are more North American oriented in terms of assembled vehicles (Mitsubishi is in fact going to market vehicles under its own marque rather than continuing through Chrysler dealers). But both Ford and Chrysler are and will be major buyers of Japanese, European and Mexican engines, drivetrains, and transmissions. AMC for its part is reliant on Renault for capital, technology and certain parts.

Although it is difficult to predict the extent to which the traditional North American manufacturing base of the Big Three will be eroded over time, it is clear that the economics of survival will dictate that "captive" imports of vehicles and major components continue to rise. One can further conclude that Japanese (or European) investment in North America will not be sufficient to offset the decline in output in the US and Canada since it is motivated by political appeasement rather than economics and will be carried out only to the extent necessary to mollify a hawkish Congress or Parliament. To illustrate, a new Nissan plant in Tennessee will produce light trucks at higher costs than the same imports from Japan, notwithstanding that the plant is more automated than any Nissan plant in Japan and that small truck imports into the US face a 25 percent tariff.

Impact on Canada

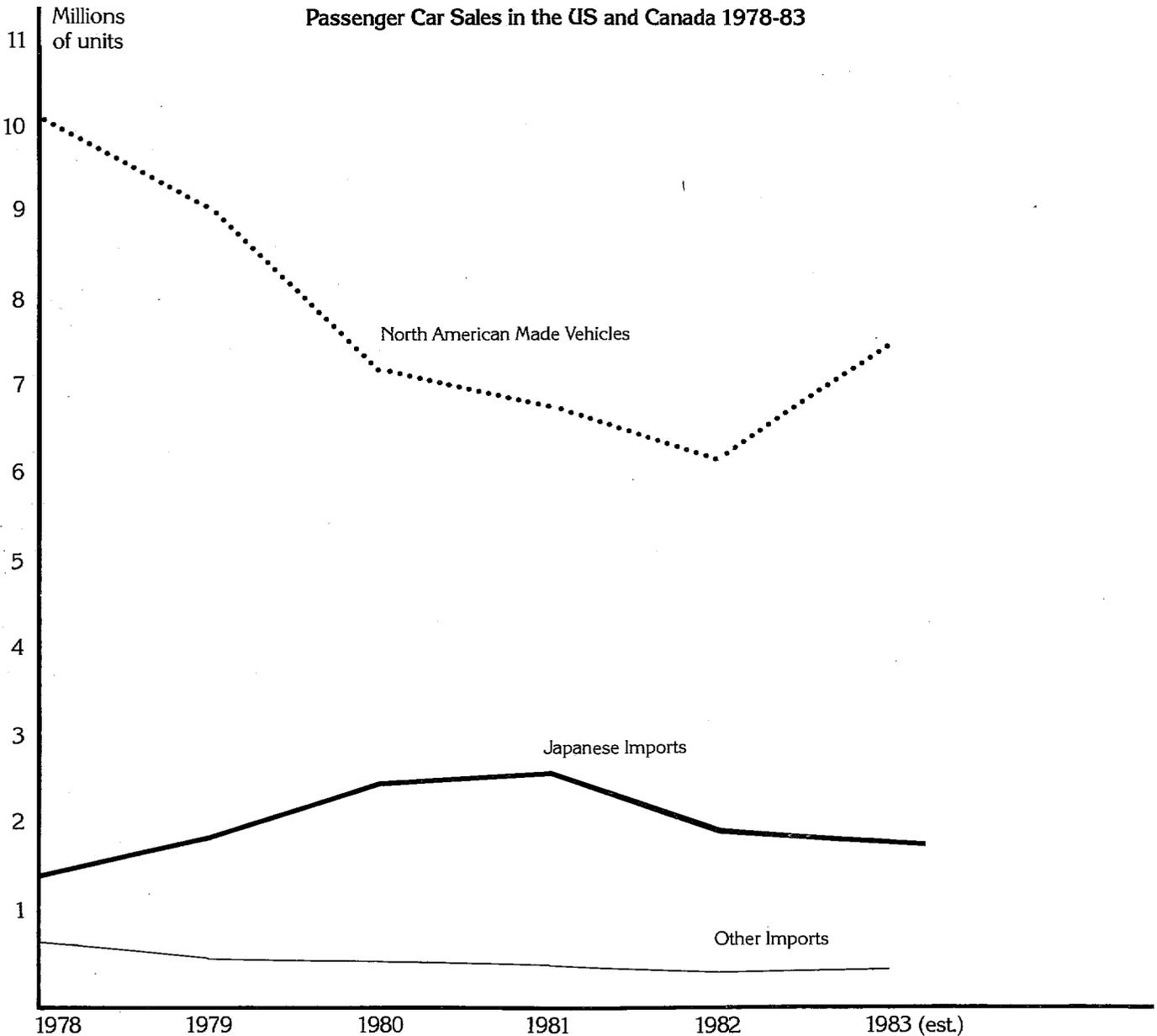
Although Canada is part of an integrated North American production and distribution system, the combination of a no-growth market under constant pressure from Japanese imports and the continuing savage cost-cutting by the Big Three to restore competitiveness will likely impact more adversely on Canada than on the US. The bias of the American-owned auto manufacturers to consolidate operations in the US has if anything increased under conditions of retrenchment. Their obligations under the Autopact may be the only real driving force behind maintaining levels of production in Canada, despite the fact that most Canadian plants, particularly assembly, enjoy higher levels of productivity than US plants. Auto executives still base Canada-US cost comparisons on a par dollar, as though

that was the natural equilibrium point. Canada would be better off denominating its currency as, e.g., the *drachma* to shatter the illusion of parity.

One explanation of these attitudes on the part of industry is that sovereign risk in Canada is seen to be very high, and therefore an extraordinary premium on return on investment is required. But regardless of the reasons for

extant for Canadian plants to remain open at the expense of US plants.

2. There will be no need for new automotive capacity in North America because of the flat market (discounting the cyclical recovery) forecast through the eighties and because of continuing high levels of import penetration — soon to be reinforced by captive Big Three imports. This is



Sources: Motor Vehicle Manufacturers' Association, Ward's Automotive Reports, Statistics Canada.

the bias towards the US the fact remains that it underscores corporate decision-making. This should be borne in mind when considering the following impacts on Canada:

1. With product differentiation as the major source of non-tariff protection virtually eliminated, and tariff protection declining by 40 percent through to 1987, import pressure on Canada can only increase. Declining sales in Canada for North American product reduces in turn the manufacturers' production requirements under the Auto-pact and thereby eliminates guarantees that are otherwise

particularly the case for automotive assembly, of which the Canadian industry has a disproportionately larger share than parts production.

3. Offsetting joint ventures with Japanese and European companies offer little opportunity for Canada at this time because of the economic and political pull of the US market. Moreover, increased parts sourcing by the Big Three from Japan and Europe will adversely affect Canada's aspirations to increase output of high value-added engines and drivetrains. For example, recent decisions by

North America plays catchup

Ford and Chrysler to shelve diesel engine facilities in Canada are at least partially due to the fact that Japanese sources of supply are more attractive.

4. As the North American industry attempts to catch up with Japan's productivity, a drastically smaller auto labor force will result. Adoption of the "just-in-time" system of inventory control alone is estimated by Arthur Andersen and Company to reduce auto supplier employment by 20 percent through to 1985. Sole sourcing may also eliminate a number of Canadian parts subsidiaries which are often second sources of supply for the industry. Ross Perry estimates in a recent monograph entitled *The Future of Canada's Automotive Industry* that if the Canadian industry were to be as productive as the Japanese some 70,000 of the 110,000 jobs in the industry would be redundant.

So the medium term outlook for the Canadian industry is not rosy. The extent to which the natural forces of decline can be abated depends on the marginal decisions of the companies involved, as influenced by government policy. The strategic plans of the Big Three are, however, not well known in Canada because the Canadian subsidiaries with whom the Canadian government deals generally have no voice in, and therefore little knowledge of, decision-making at corporate headquarters.

Canadian policy environment

Automotive policy formulation in Canada is heavily complicated by the often competing interests of the vehicle manufacturers, parts producers, organized labor, consumers, geographic regions, and not insignificantly, other government trade and industrial policy thrusts. With the advent of the Autopact in 1965 most, if not all, of these interests could be accommodated, since the Autopact solution fostered growth and lowered consumer prices within a liberalized trade environment.

The current policy environment is much different, but there appears to be scope for consensus, at least on the part of the industry itself, around increased protection rather than liberalization. Consumers (but not the exporting community) may well be neutralized in this debate because auto prices are actually declining in real terms as costs are reduced and competition heats up for market share. For example, auto prices have actually declined in the last year despite restraints on exports from Japan to Canada.

If protection will not necessarily lead in the short term

to higher prices, it provides a seemingly low-cost solution to Canada's plight. Protection in itself does little, however, to mitigate the adverse trends for Canada in the auto sector over the medium to longer term. Unless protectionism is married to other more positive initiatives designed to influence structural change, it merely buys time.

Alternatives to protectionism are much more difficult to analyze and subsequently to negotiate. In their broadest conceptual sense they involve either an improved partnership with the US industry, or increased ties with Japanese manufacturers. With respect to the first alternative, an improved Canada-US relationship might involve some rejigging of the Autopact, bilateral coordination of policies that affect the auto sector, and a common approach to Japan. Underlying this alternative is the assumption that the US-owned industry can regain its competitiveness and that Canada can make a significant contribution to the recovery.

On the other hand, if the view is that the US-owned industry is in perpetual decline, at least as far as its North American production base is concerned, and that Japan will maintain its competitive preeminence, Canada may choose to seek closer ties with Japanese automakers. Having stated the objective, however, it is difficult to conceive how it can be met. A successful negotiation requires both parties to see some incremental benefit. The economics of automotive investment in North America by Japan are generally not favorable. Given that, the North American auto industry is leaning more towards the stick than the carrot. Certainly the threat of protectionist legislation in Congress has induced Japanese automakers to make investments in the US. Whether Canada can exact similar responses is a debatable point.

When all is said and done, the essential question for Canada is, what leverage do we have over the foreign-owned automakers to increase production and employment in this country? (Free market forces are irrelevant in the auto sector context, since government intervention is the rule internationally, even in the bastion of free enterprise, the United States.) The lever upon which all options are based is access to the Canadian market, which, when healthy, is one of the largest in the world. Under normal market conditions Canadians purchase about one-and-a-quarter million vehicles annually at a value in excess of ten billion dollars. This fact is clearly not lost on the federal government or the auto companies. □

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Book Reviews

Violent Middle East

by John H. Sigler

Iraq and Iran: Roots of Conflict by Tareq Y. Ismael.
Syracuse: Syracuse University Press, 1982, 226 pages,
\$US24 (cloth) and \$US12.95 (paper).
Iran-Iraq and the Gulf War edited by Robert Spencer.
Toronto: University of Toronto Centre for International
Studies, 1982, 98 pages, \$5.00.

The Middle East has not been a principal focus of attention for Canadian universities, and these two publications are noteworthy in showing the speed with which several Canadian academics who specialize in Middle East affairs responded to the new crisis in the Gulf with an effort to provide analysis of the background to the conflict. Tareq Ismael of the University of Calgary has published widely on Middle East affairs in the past and frequently with Syracuse University Press which specializes in Middle East material. The analysis takes up only the first forty pages of this book; the remainder is devoted to a presentation in English translation of nineteen key documents on the history of the conflict and current ideological issues between Khomeini's revolutionary Shi'ite Islamic doctrine and the secular Arab nationalism of the Iraqi Ba'ath regime. In his analysis, Professor Ismael traces the periodic outbreaks of open conflict on the border question to shifts in the balance of power. Given Iran's greater power based on population and military potential, President Saddam Hussein of Iraq must have seen the internal chaos in Iran and the break with the United States as a rare opportunity for the assertion of Iraqi claims. It was a drastic miscalculation which has cost up to 100,000 lives, and neither Professor Ismael nor the authors in the Spencer volume tell us anything about how such incredible errors in judgment occur.

Iran-Iraq and the Gulf War is a product of a conference on the Gulf war held at the University of Toronto in February 1981, although the papers published here are updated to the end of 1981. (Professor Ismael's cut-off is mid-1982.) Albertine Jwaideh (University of Toronto) covers much of the same ground as Professor Ismael in analyzing the historical background to the conflict, although she places an even greater emphasis on sustained Iranian territorial aggrandizement in the region. The chapter by Roger Savory (University of Toronto) takes up the same theme as Professor Ismael on the ideological foundations of the quarrel,

but he lays greater emphasis on the extremism of Khomeini's ideological fervor. David Quirin (University of Toronto) provides an informative chapter on how the international oil market adjusted to the loss of supply from Iran and Iraq in the early months of the war. Much of the credit goes to Saudi Arabia which rapidly stepped up production to make up for the losses from its often quarrelsome OPEC partners. We had been led to believe that any interruption in Gulf supply would cause a major disruption in the world economy and threaten great power intervention. We are probably not out of danger in the Gulf on that theme yet, but the Quirin analysis suggests that there are market alternatives to military intervention in assuring security of supply. My own article in the Spencer volume is on US policy and deals with the regional and international cross-pressures which have limited the US and Soviet roles in either taking advantage of the Iran-Iraq war for their own purposes or in being much help in ending it.

Whatever the weight of history, the shifting balance of power, and ideological differences, all of these authors are silent on the question of how Iraq's invasion of Iran can be reconciled with the United Nations Charter. So has the international community — testimony to the prevailing cynicism about war prevention. Many will feel that Iran, in gross violation of international law in its handling of the US Embassy hostages, deserved what it got. Yet, our preoccupation with justifying war, as in these volumes, will not tell us much about how to get out of a war, such as the Iran-Iraq misadventure, when it is clear to all that it has failed to resolve any of the underlying issues.

The Middle East and North Africa, 1982-83. 29th ed.
London: Europa Publications Limited, 1982, 1013
pages, \$US105.00.

Yearbooks are rarely the subject of book reviews, but in an area where a recently leaked US Air Force strategic planning document tells us a major war and superpower confrontation is inevitable by the year 2000, it is important to move behind the troubled headlines of the Middle East to seek some greater understanding of the major players, their hopes and fears, and the possibilities for reducing regional tensions. Where events are as fast-breaking as they have proven to be this past year in Lebanon, an up-to-date and reliable reference work can prove indispensable to news editors, foreign ministries, as well as the general student of international relations. Few can compete with

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the Europa survey for comprehensiveness, ease of reference, and quality in coverage. After a review of major events of the year running from June 1981 to June 1982, this volume then offers excellent reference material on the religions of the area; its geography; the Arab-Israeli conflict since 1967; two sections on the Palestinians, including the text of the much-discussed but frequently unconsulted Palestinian National Charter; oil developments with up-to-date statistics on production, prices and reserves; and a review of the critical question of arms trade with the area. The second section covers the Middle East and North Africa in thirty-one separate international organizations. Part three consists of country surveys with data on the economy, a political survey, current cabinet and diplomatic lists, a press survey and a country bibliography. Part four consists primarily of a Who's Who in the area.

Even the area expert would be well advised to consult this excellent reference before moving on to more detailed inquiry. Given the deadlines of an annual, even the most careful editor cannot cover all points. The data on religious membership in Lebanon are presented uncritically and show the Maronite community as the largest single sect. The reader would arrive at a considerable misunderstanding of the grievances in the civil war if these were accepted at face value. The "Who's Who" section emphasizes age and veneration rather than contemporary influence and should be updated. Walid Jumblatt in Lebanon is a notable lacuna. Similarly, the country bibliography sections are in considerable need of updating. Conflict analysts tell us it is vital to separate fact-finding from value judgments in trying to resolve conflicts. Much of the literature on the Middle East starts with polemics; more of us should start with factual reference works such as this one.

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Canada's role in Indochina

by Peter Campbell

In Defence of Canada, Vol. 5: Indochina: Roots of Complicity by James Eayrs. Toronto: University of Toronto Press, 1983, 348 pages, \$45.00 (cloth) and \$17.50 (paper).

When a historian of contemporary events, who is blessed with the ability and elegant style of James Eayrs, has extensive access to official records, the results can be entertaining and revealing.

The stories of the Indochina Control Commissions for Vietnam, Laos and Cambodia, upon which Canada served from 1954 to 1973, are little-known, tortuous and murky. One can recall the usually lucid President Kennedy vainly trying on television to unfathom for the American people the quaint intricacies of the political situation in Laos, where there was a King and a Crown Prince, as well as a vice-King; where the Premier of the Royal Government

was a prince whose half-brother, another prince, headed the Communist dissidents! Eayrs's book graphically describes the difficult conditions, both physical and political, under which the Commissions had to work and the main issues with which they grappled.

The largest and most important of the Commissions was, of course, in Vietnam. It was in Vietnam that the fate of Indochina was to be decided. The issues before the Commission, however, turned out to be intractable and the situation there progressively deteriorated until outright hostilities were resumed between Communist North and anti-Communist South, which eventually involved massive United States intervention. This bleak scenario brought upon the Vietnam Commission much arduous and thankless labor, as it strove to shore up the crumbling Geneva Agreement with very little support from the parties immediately concerned.

In Laos, the Commission found itself operating in circumstances of greater flexibility. Here the Royal Government and the Communist Pathet Lao, assisted by the Commission, groped painfully towards political agreement, which was finally achieved. Laos, having common borders with China, Vietnam and Cambodia, was set in a strategic position in central Indochina. General Giap once told me, when the Laos Commission was visiting Hanoi, that the North Vietnamese Government was watching closely to see whether the political settlement involving a neutral Laos would hold. Doubtless the various interested parties had different expectations about the Laos settlement. It is gratifying to note that Eayrs commends the work of the Laos Commission. In any case the settlement was eventually overthrown by American-supported factions. Laos, thereafter, became the focus of deadly infiltration from North Vietnam and armed counter-strokes from the American forces brought in to defend the South.

The title of the book is dramatic but it is, I think, a misnomer. It suggests, as does the author, that Canada betrayed its principles by adopting a pro-Western stance in the Commissions, which finally led to Canada's becoming identified with American policy in Vietnam through permitting its Commissioner, Blair Seaborn, to transmit, on behalf of the United States, threatening messages to the North Vietnamese government. It is a view which has been propounded with some emotion in academic and press circles.

Complicity theory rejected

But the theory does not fit. Canada accepted the invitation to serve on the Indochina Commissions with no illusions that it could or would be expected to carry out its duties in a completely detached judicial manner. It was recognized by all concerned with the Geneva Agreements that the Indochina Commissions must be composed of one country representing the Western allies, one country representing the Communist bloc and one the so-called Third World — in the event Canada, Poland and India. Implicit in this line-up was the assumption that the member nations would protect the general interests of their respective political groupings. Within these broad policy parameters the Commissioners could deal in a judicial manner with matters brought before them in relation to the Geneva Agreements for settlements in Indochina — a very tricky mandate. If Canadian Commissioners had behaved with pristine purity in these circumstances, it could have been disastrous for Canada. Sir Galahad was fine searching for

the Holy Grail; he would not have made a good Commissioner.

Although the United States was leader of the Western alliance, it would be wrong to think of Canadian representatives on the Commissions as dancing to the American tune. Eayrs himself shows, for instance, that the settlement arrived at in Laos was not to the Americans' liking. Furthermore the Vietnam Commission, so far as was feasible, criticized breaches of the Geneva Agreements occurring in both South and North Vietnam.

What happened, of course, was that with the withdrawal of the French from South Vietnam in 1956, the United States became the chief Western presence in that country. The North Vietnamese were confident of taking over the South, either by peaceful means (subversion or electoral victory) or by military action, while the United States was determined to prevent either of these eventualities. The chances of the Commission's bringing about a Geneva-type settlement in Vietnam vanished and the outbreak of hostilities became imminent. It was also inevitable that as the Commissioners' judicial manoeuvring ground diminished, the importance of their diplomatic posture increased.

Since the Second World War, the diplomatic principle of preventive warning has often been applied in dangerous situations which could lead to the military involvement of major powers. The rationale is to let the other side know precisely what kind of action on their part would provoke a forceful response, so that war should not start from miscalculation on that score. As there was no direct contact between the United States and North Vietnamese governments, it was neither illogical nor dishonorable for Canada to have agreed in 1964 to the Americans' request that the Canadian representative on the Vietnam Commission, who had access to the North Vietnamese authorities, should transmit to those authorities warnings about the consequences of further aggressions against the South. It was made clear that Canada was not underwriting the messages. Whatever the North Vietnamese thought of the content of these messages, there is no evidence that they were outraged or affronted at the method used to convey them. From the Canadian point of view, it is reasonable to assume that the Seaborn missions to Hanoi were undertaken not to associate Canada with American threats but to try to keep alive a flickering hope of avoiding war, by ensuring that the North Vietnamese would not underrate what United States reactions would be to continuing aggressions against the South. The Seaborn missions were in keeping with Canada's then recognized mediatory role in international affairs.

Eayrs's lament, therefore, that Canada helped set the stage for the test between the United States and North Vietnam is a distortion of fact and intent. The stage was set before the Seaborn missions took place and it was set as a result of the implacable enmity of the main powers concerned.

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Counting the world's troubles

by Don McGillivray

World Economic Outlook (Occasional Paper 21). Washington: International Monetary Fund, 1983, 242 pages, \$US8.00.

World Business Cycles compiled by The Economist. Detroit: Gale Research Co., 1982, 191 pages, \$US65.00.

Oil Exporters' Economic Outlook in an Interdependent World (Occasional Paper 18) by Jahangir Amuzegar. Washington: International Monetary Fund, 1983, 99 pages, \$US5.00.

What is the shape of the world economy? How are recessions and booms transmitted through its ever-growing network of information and trade? How does the global economic system work?

We do not have good answers to these questions, despite the way computers spew out numbers these days. It is as though we were sitting around a campfire in the jungle. The immediate surroundings — the industrial countries that belong to the Organization for Economic Co-operation and Development — are clear enough. The newly-industrializing countries are a little back in the shadows. The less-developed countries are even more obscure. And then there are those countries — the Soviet Union is an example — where we distrust official numbers but distrust even more the alternative statistics provided by the Central Intelligence Agency of the United States.

Nor is it enough to counsel patience, to wait a bit for the light to grow. If anything, it is going the other way. The *World Economic Outlook*, which is in its fourth year as an annual project of the International Monetary Fund, has a special look in its latest issue at the growing discrepancy in international current account balances. When current flows of trade and payments to and from all nations are added and subtracted from each other, the result should be zero. But there has been a deficit instead, growing from \$4 billion in the 1970s to \$20 billion in 1980, to more than \$40 billion in 1981 and to \$89 billion in 1982.

The main reason seems to be the rising US dollar, in which much of the world's trade is denominated. But even where exchange rates are well-defined, accounts as kept by national governments may not balance, as witness the difficulties of reconciling US and Canadian trade numbers.

World Economic Outlook, a large-scale project of the IMF, attempts to wrestle, not only with the problems of measuring the world economy, but also with policy issues. As might be expected, the IMF staff (speaking for itself and not the Fund) leans to the tough-guy school of economics. Some may favor active economic stimulus, it says, but there is really no alternative to cutting inflation "convincingly" and getting budget deficits down, including the structural part of them. But even those who disagree with the prescription can welcome this year's expanded volume with its solid appendices on exchange rates, world oil and individual nations and regions.

Even more ambitious is *World Business Cycles*, an attempt by *The Economist* to give "the background for an understanding of present cyclical movements which, in

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turn, provides the first stage for predicting what is likely to happen next." It consists, essentially, of charts and tables. And only chart-freaks may care about the ups and downs of the more obscure among the eighty-four countries and thirty-four commodities. But for countries such as Canada there is a handy thirty-year record of trade, investment, unemployment, prices, interest rates and the gross domestic product.

Most fascinating is the attempt to track recessions and expansions on a world-wide basis. The book lists eleven recessions since 1950, not counting the major downturn of 1981-82. Canada felt six of them, two as mini-recessions. But the charts indicate that recessions are becoming more pervasive, hitting a wide range of developing countries as well as the industrial centres of Europe, North America and Japan.

Jahangir Amuzegar's study of the "oil shocks" of 1973-74 and 1979-80 (with a postscript on the reverse shock of the 1982-83 oil glut) is really a case study in world economic relations. It concludes that the high cost of chaos resulting from confrontation makes a persuasive case for global cooperation as the world moves from heavy dependence on petroleum to a multi-fuels system. Unless exporters and importers can get together, Amuzegar concludes, economic stability will be severely undermined, with ominous political consequences.

And this, of course, is the reason that it is urgent to get a better understanding of how the world economy works. In economics, no country now lives in a fireproof house.

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Evaluating development assistance

by Clyde Sanger

Canadian Development Assistance to Bangladesh by Roger Ehrhardt. Ottawa: The North-South Institute, 153 pages, \$8.50.

Canadian Development Assistance to Tanzania by Roger Young. Ottawa: The North-South Institute, 126 pages, \$8.50.

Six International Development Projects edited by Ian McAllister. Halifax: Centre for Development Projects, Dalhousie University, 1983, 106 pages, \$8.00.

For Good or Evil: Economic Theory and North-South Negotiations edited by Gerald K. Helleiner. Toronto: University of Toronto Press, 1982, 194 pages, \$27.50 (cloth) and \$10.00 (paper).

It may be that North Americans are so energetic and so eager to move on to the next project that they hate to pause and study what they have just done. Or eagerness may just be an excuse for avoiding awkward questions. Certainly I remember (during a brief spell I had on the presidential floor of the Canadian International Development Agency a dozen years ago) the collective shiver that

vibrated through a management training meeting when someone unwisely dropped the word "evaluation." Years later, some bolder spirits in the International Development Research Centre (IDRC) used to meet on Saturday mornings to ponder exactly how they might evaluate completed projects of scientific research. Who should do it — the Thai and Colombian project directors, or IDRC staff from Ottawa or a regional office? Should they measure achievement by the original objectives set out in the Project Summary, or can you accept that objectives change in the process of research and discovery? Difficult questions, and it is not surprising that CIDA has not gone much beyond the "operational audits" set up in Maurice Strong's day, or that IDRC's experimental efforts to get all concerned to contribute to a Completed Project Summary on every bit of research soon gave up.

So it has been left to outside institutions to do the first substantial work of assessing the Canadian performance in helping development in various countries of the South. This, anyway, was the *raison d'être* of the North-South Institute when it was established in Ottawa in 1976, and its researchers spent four years getting their feet wet on smaller projects before plunging into a four-country study with funding from the Donner Canadian Foundation and the full cooperation of CIDA officials.

First two books

Is anyone else slightly disappointed at the choice the Institute made of four countries? (Studies of Haiti and Senegal are still to come.) The sheer size of Canada's aid was doubtless a factor: CIDA disbursed \$537 million worth to Bangladesh between 1972 and 1981, and \$208 million to Tanzania between 1961 and 1981. But 84 percent of the aid to Bangladesh has been food aid or commodities (potash, wood pulp and metals); and Tanzania is familiar territory, after all those television producers have sought out the eloquent Julius Nyerere and (to balance their story) damned the semi-automatic bakery Canada installed. A pity CIDA did not consider Nigeria, or a country with which Canada has a complex relationship (banks, tourists, immigrants and CUSO workers as well as official aid), i.e., Jamaica.

Given the choice, the reports are first-class. Roger Ehrhardt knows the innards of CIDA from earlier work on its need to increase awareness of environmental factors. He gives a clear account of the dilemma there is over food aid. Government employees and town dwellers have had the most benefit, so it has been "an inequitable way of easing the food burden of the poorest groups." Food aid can also be "a serious disincentive" to domestic food production, because it "cushions" the government so that it does not give water control and other measures (pricing policies) enough priority to help production.

Roger Young, an old East Africa hand with IDRC, gets off the well-trodden path in Tanzania (nine pages for the wheat farm and the bakery) to discuss more important infrastructure projects: the Kidatu hydro-electricity station (one of CIDA's untold successes is the work of French-Canadian technicians on the transmission lines), the water supply for Dar es Salaam and the huge (\$200 million in the end?) investment in improving the railways. What comes strongly through is the need for management training, in Tanzania and elsewhere. Yet CIDA has never shown much enthusiasm for non-governmental organizations set up

specifically to supply this need, like the Toronto-based Foundation for International Training. Why ever not?

Third book

The report from Dalhousie professors underlines this need. Four of the studies in *Six International Development Projects* deal with management training: of some 42 Zimbabwean public servants, of 275 Ghanaian officials involved in development planning and financial management, of 15 centres for environmental studies at Indonesian universities, and of 73 participants from 31 countries in ocean mining technology and management of the new 200-mile economic zones. The other two reports are of scientific research into Peru's fluctuating fisheries and of deep drilling in Iceland for geothermal waters.

There is an element of boosterism in the reports (after all, Dalhousie wants more CIDA money), but also obvious truth in the contention that longer term linkages between Canadian universities and organizations in the South based on projects will bring mutual learning benefits. And the reports are thoughtful and apparently candid, especially McAllister's own account of the dismal state of Ghana.

Fourth book

Professor Helleiner lifts the discussion of North-South relations to a global, theoretical level in *For Good or Evil*. He has edited the papers of nine economists who took part in a conference in Norway to consider the relevance of Western economic theories to negotiations (more alive then, in 1980, than today) on a New International Economic Order. There are some surprises: a lively defence of the "conditionality" behind the balance-of-payments sup-

port provided by the International Monetary Fund, and Richard Jolly's account of the positive approach briefly taken in the OECD. But the general message (quite intelligible to non-economists) is of polite despair. To take only industrialization: the power of transnationals, the improbability of technology transfer, the need for industrial experience and not just training all cloud whatever hopes linger that one-quarter of world industrial production may be located in the Third World by the year 2000 (the so-called Lima target). And in those countries that achieve some industrialization, we are told, inequality is likely to increase — and they will not solve their problem of poor terms of international trade anyway.

Helleiner has added a thirty-page introduction, penned in well-mannered anger (and no wonder, for he has seen in close-up the sufferings in a country like Tanzania), in which he rebukes policy-makers in the North for regarding the stalemate over developing any NIEO program as evidence of foreign policy "success."

That is the essential message. Until the political leaders in the North realize the truth of what Willy Brandt and Commonwealth Secretary-General Sonny Ramphal and Parliamentarians for World Order have been saying for years about the "mutuality of interests" between North and South, and act at the highest level (as they failed to do after the Cancun Summit), all these micro-projects of CIDA and Dalhousie are just band-aids.

*Clyde Sanger is the author of **Half a Loaf: Canada's semi-role in developing countries** and many other writings on international development. He lives in Ottawa.*

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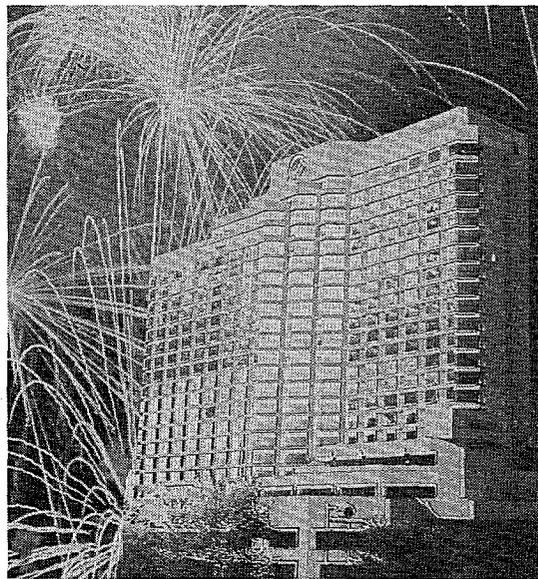
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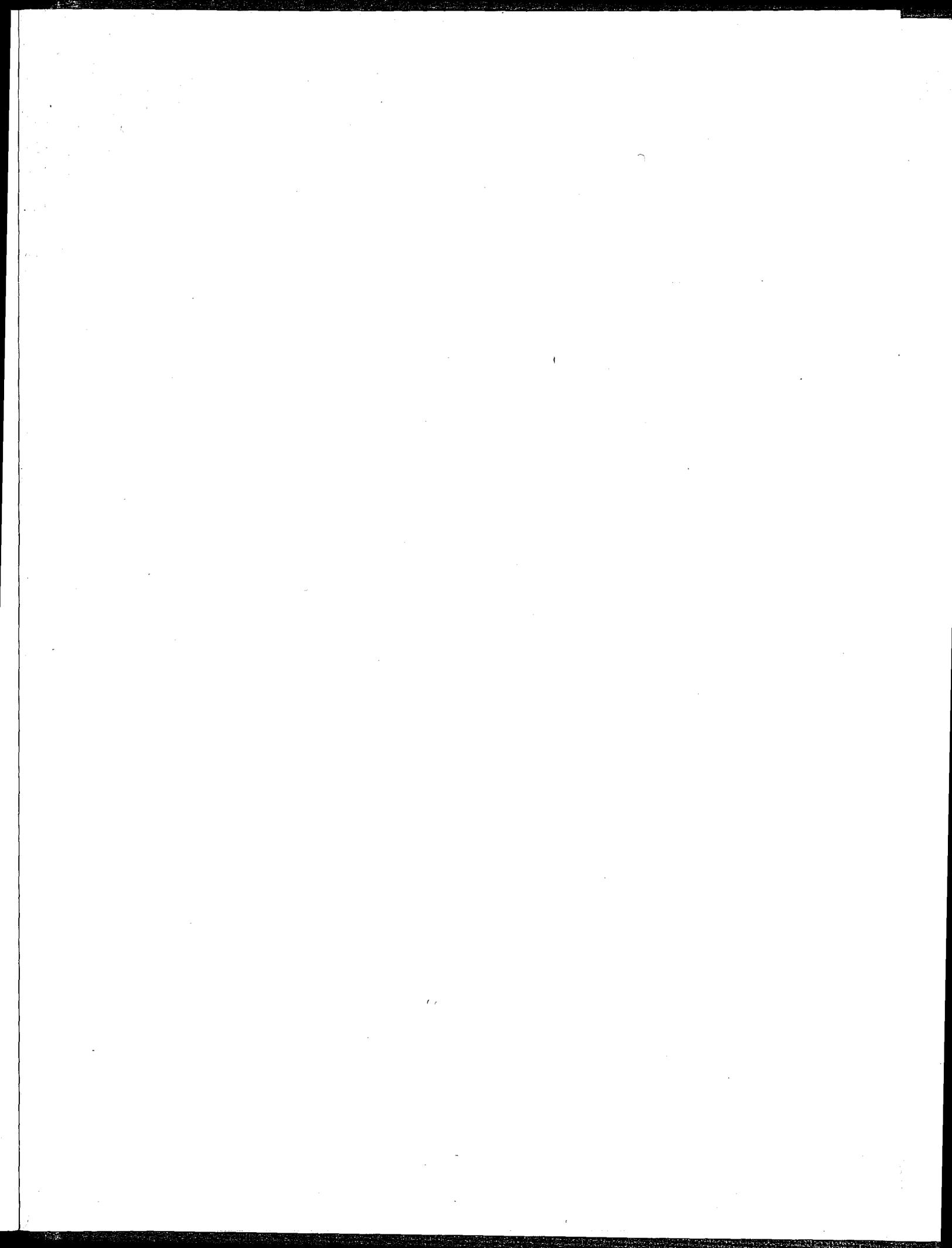


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