



# Statements and Speeches

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## CURRENT ISSUES IN CANADIAN FOREIGN POLICY

A Statement by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the House of Commons Standing Committee on External Affairs and National Defence, Ottawa, June 10, 1980.

The opening of the 1980s has been marked by serious new political and economic strains in the world community. While there have been favourable developments, such as the peaceful achievement of independence by Zimbabwe, the climate has deteriorated in a number of key areas. The most disturbing has been the Soviet Union's invasion of Afghanistan, which violates all norms of acceptable international behaviour. It was rightly condemned by the overwhelming majority of the world's states. The dangers of this action are the greater in that it took place next to Iran, where revolution continues to consume the country, and next to a region where the Western world has a vital strategic interest in oil. The continuing illegal detention of the American hostages in Iran represents a serious challenge to the civilized conduct of relations between states, and preoccupies a superpower already facing serious challenges elsewhere. Further west in this troubled region, the May 26 target date for an Israeli-Egyptian accord on interim autonomy arrangements for the West Bank has passed without agreement and has cast doubts over the Camp David process. In Indochina, Vietnam maintains 200,000 troops in the conquered countries of Cambodia and Laos. Cambodia is suffering the most terrible starvation and persecution.

The doubling of oil prices last year is having a major disruptive effect on a world economy which was already shaken by inflation, recession and serious problems between North and South. The impact of these new high prices will be hardest on the poor countries of the Third World. The leaders of the seven largest market economies will be discussing key economic issues at their Summit in Venice later this month. New global negotiations on the world economy will be launched at the United Nations this fall. All partners recognize the urgency, as well as the great difficulty, of these issues.

Canada has been very active both in relation to major issues affecting the world community and in pursuing its bilateral relations. In the last three months we have been pleased to receive visits from the Prime Minister of Japan and the President of Mexico. I have already visited Latin America, Europe and Africa, where I was particularly honoured to represent Canada at the independence ceremonies for Zimbabwe. I have attended meetings of the Agency for Cultural and Technical Co-operation, of the North Atlantic Treaty Organization, and of the Organization for Economic Co-operation and Development.

In the present difficult climate, I believe that Canada must affirm what is constant in its foreign policy. We need not pretend that just because the world is evolving, we must review every aspect of our foreign policy. The very essence of an effective foreign policy is its long-term coherence. It is this that makes us a dependable partner and that underlies good relations. Our foreign policy arises from a number of constant

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factors. To name the more obvious: the character of a country composed of two major language groups and many cultures; our membership in the Commonwealth and la Francophonie; the federal structure of our state; the size and nature of our trade as well as our continuing need to seek out new markets; our proximity to the United States and our deep links, as a country of immigrants, with Europe; our location on three oceans; our commitment to freedom and our hostility to aggression; and finally, our pragmatic idealism, which seeks a better world order for justice and security. These factors are recognized in the world community. They make the basic pattern of our relations remarkably stable.

Of course new issues arise and old problems fester so that we must reappraise this aspect of how we pursue our goals. The Soviet invasion of Afghanistan has required a significant change in our relations with the U.S.S.R., as well as renewed attention to the views and co-operation of our allies. But here, as so often, the broad character of the change was natural and quite predictable. I think there is a danger of too great a dispersal of our effort if we try to review all aspects of our foreign policy just as there is a danger of raising false questions or doubts in the minds of other countries. For these reasons, I urge the committee to select specific, important issues for review.

I am particularly anxious to see progress on North-South questions and I was very pleased with the establishment of a Parliamentary task force on North-South issues. These problems require imagination and they will call for difficult decisions on the part of the industrialized countries. There is a crying need for more public attention to these issues, particularly because public understanding will be absolutely essential if we are to be able to respond as we should. I believe Parliament has a key role in promoting such understanding. At the same time, there are individuals and groups throughout our country who, through their experience or study, have formed valuable insights into the problems of North-South relations. We would be well served by an inquiry which drew upon this resource.

I shall turn now to review some key current issues in greater detail.

### Fisheries

There are always a number of significant issues in our bilateral relations with other countries, but today I wish to mention only one which is of considerable concern to me and to the Government. Over a year ago, in March 1979, Canada and the U.S. signed two agreements providing for a co-operative régime for the management of fisheries on the East Coast and for adjudication of the disputed maritime boundary in the Gulf of Maine. Since then we have made repeated representations to the U.S. Government concerning the importance of the treaties and the urgency of ratification. Notwithstanding the U.S. Administration's reaffirmation of its commitment to the treaties, there were inexplicable delays in presenting the treaties to the Senate and there has been little progress since.

There was a preliminary hearing arranged by the U.S. Senate Foreign Relations Committee a few weeks ago. The results were most disappointing from our point of view. A series of amendments were suggested by Senator Kennedy and supported by many other senators from the New England area. These amendments are of a drastic, far

reaching nature. They would destroy the balance of the agreements which resulted from long and arduous negotiations in which both sides made significant concessions. The amendments are wholly unacceptable to the Canadian fishing industry, to the provinces concerned and to the Federal Government.

We have conveyed to the U.S. Government at every level and on every possible occasion our concern that in the absence of co-operative arrangements for fisheries management there is a serious risk of confrontation between our respective fishermen on the East Coast. On April 23 the House reflecting this concern, unanimously adopted a motion urging the U.S. Senate to take early and favourable action for ratification of these treaties. In the year since the treaties were signed, we have witnessed a significant escalation of fishing effort in the Gulf of Maine by U.S. fishermen in a manner inconsistent with the purposes and objectives of the fisheries treaty and to the detriment of Canadian fishermen. If U.S. fishermen in the area continue or expand their current over-fishing we will have to take appropriate steps to protect our competitive position.

Beyond the important fisheries and resource issues at stake with the treaties, there is a broader question which arises from this impasse, with possible implications for other areas of Canada/U.S. relations. We understand and respect the internal processes of the U.S. governmental system. The problem of delays in ratification does, however, raise questions as to how Canada and the U.S. can best arrive at negotiated settlements to our problems. If, in future negotiations, Canada were to withhold concessions — in the expectation that we would face further negotiations when an agreement reaches the Senate — we might not be able to go beyond the first stage and reach a signed agreement. And if we did manage to reach a signed agreement, must we anticipate yet another round of negotiations with further demands for concessions from the U.S. Senate along with indefinite delays?

I am reviewing actively with the Minister of Fisheries and Oceans what steps might be taken to protect Canadian fishing interests in this situation.

#### Afghanistan

The global security environment was deteriorating for some time before the Soviet invasion of Afghanistan. This was true in the confrontation of forces between NATO and the Warsaw Pact, while the U.S.S.R.'s continuing, rapid build-up of practically all types of weapons had forced the NATO governments to respond in 1978 with the long-term defence program, and last year with the plan for theatre nuclear force modernization. It was true, as well, outside the NATO defence area where Cuban and Vietnamese troops, heavily supported by the Soviet Union, were engaged in active combat in Africa and Southeast Asia.

In this context, the Soviet invasion of Afghanistan caused a particularly grave worsening of stability and understanding. For the first time since the Second World War, the Soviet Union used its troops to invade a country outside what is now the Warsaw Pact. In this sense, the Soviet action poses even a greater threat to world stability than did its earlier use of arms to suppress Hungary and Czechoslovakia. What is more, the Soviet presence in Afghanistan turns a former buffer state into a potential source of pressure or operations in Southwest Asia, and thus risks upsetting

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a key regional balance. In so doing, it has a significant effect on global strategic stability, not least because of the West's vital interests in oil. The use of force by the Soviet Union to achieve such ends is not acceptable.

There should be no doubt of the unanimity of this view amongst Western governments. I know that not all governments have responded in the same way. This has been for a variety of reasons. But there is absolute agreement that the Soviet action is inadmissible. We are all seeking the withdrawal of Soviet forces from Afghanistan and we are all committed to letting the Soviet Union know that we would not tolerate a similar action elsewhere.

I believe the Soviet Union understands the strength and unanimity of our feelings. In that sense, I think we can make too much of the differences in the responses by our governments. But I admit that Western governments have sometimes given an impression of a certain disarray. In part, this has been because of the inadequate consultation; in part, because of genuine differences of view on how best to proceed. We should realize that Afghanistan is outside the NATO defence perimeter, and thus outside the area in which the allies have traditionally focused their collective defence effort. It is not surprising, therefore, that there have been certain difficulties in consultation and co-ordination. We are seeking a means to respond to a new type of challenge. Viewed this way, I think the allies, Japan and Australia have done well to convey their position as clearly as they have, and to respond in concrete terms both to their relations with the Soviet Union and in trying to restore balance to South and Central Asia. One of the long-term consequences of the Soviet action in Afghanistan will be that it has required the allies to look outside their traditional defence perimeter and to consider the nature of their shared interests and the possibilities for co-ordinated action.

The Soviet invasion is clearly of very direct concern to the countries of South and Central Asia and the Gulf. Most of these countries are anxious to maintain their distance from superpower rivalry. Canada respects this. There are tensions or conflicts within the region, for example between Iran and Iraq or between India and Pakistan, which make it difficult for these states to unite to meet an external threat. Even so, there are various signs that the invasion of Afghanistan is leading them to think more about how they may co-operate in protecting their security.

Canada has been firm in its response to the Soviet Union. We have suspended scientific and cultural exchanges and high level visits. We have supported the grain embargo in this crop year. We have tightened trade in strategically sensitive technology. In the Speech from the Throne, the Government confirmed its determination to increase the ability of the NATO alliance to provide security for its members and to advance the cause of peace. The Government has indicated its decision to proceed with the purchase of a new fighter aircraft. More recently, we have announced our call for a Canadian boycott of the Olympics.

Some 60 governments from all parts of the world have committed themselves to a boycott. The boycott is having an obvious effect on the Soviet Union which is making great efforts to undermine it. There can be no doubt that the boycott will be

visible at the Olympics and damaging to the Soviet Government's prestige, and that the message will reach the Soviet people. Of course, we regret that several West European teams will be attending. In at least four cases — the U.K., Portugal, Italy and the Netherlands — this will be in defiance of the wishes of their governments. Of those teams which do go, some will not be represented for certain sports and many will refuse to accept national flags and anthems.

The Soviet invasion of Afghanistan has undermined the efforts of Western governments and East European governments to develop a more open and stable relationship and to control the character of their competition. In other words, the Soviet Union's aggressive use of force in Afghanistan has clearly damaged *détente*. The review meeting of the Conference for Security and Co-operation in Europe, scheduled for Madrid this November, risks being confrontational and unproductive unless the Soviet Union seeks to improve the international climate. Canada will go to this meeting and it will try to ensure that discussion focuses on reviewing compliance with the Helsinki Final Act and making progress at least on those questions, such as military confidence-measures, where there is a clear mutual interest.

Canada believes that attempts at arms control or disarmament should be continued despite present tensions. We hope that the United States will soon be able to ratify Strategic Arms Limitation Talks II. We regret the Warsaw Pact's refusal to date to accept NATO's offer to negotiate on long-range theatre nuclear forces. Canada continues to participate in a number of multilateral forums discussing arms control, including the Mutual and Balanced Force Reduction Talks (MBFR), the UN Disarmament Commission, the Non-Proliferation Treaty Review Conference (NPTRC), and the review conference of the Bacteriological (Biological) Weapons Convention. The Government showed its commitment in this area by announcing in the Speech from the Throne our intention to name an Ambassador-at-large for Disarmament. I hope to announce the appointment to this important position very soon.

Canada deplores the detention, since November 4, 1979, of 53 members of the United States embassy staff in Teheran. All Canadians were pleased that our officials were able to aid six of the U.S. embassy personnel to leave Iran safely. Since that time, Canada has maintained no diplomatic staff in Iran. On April 22, the Government announced a number of measures against Iran similar to measures taken by EEC countries, Australia and Japan. On May 22, I announced a full embargo on exports to Iran and introduced enabling legislation into Parliament. This legislation, whose urgency should be recognized by all parties, will permit the enactment of other measures in the draft Security Council Resolution of January 10, dealing with sanctions. Again, this action will reinforce the decisions of EEC countries, Australia and Japan.

Canada has supported these actions against Iran because we believe that such violations of the basic conditions of peaceful intercourse between states cannot be sanctioned. At the same time, we recognize the complexity of the internal situation in Iran in which the embassy personnel are as much the hostages of internal factions manoeuvring for power as they are hostages of the Government. This situation calls for patience. The American Government and people, but more especially the

hostages, have the full sympathy and support of the Canadian Government and the Canadian people. We shall continue to help in whatever way we can. I have recently had discussions with other governments about a new initiative: we continue to search for ways to defuse a crisis which is as damaging to Iran as it is to world order.

**Other areas of tension**

*(a) The Middle East*

The Camp David agreement represented the first real breakthrough in Israel's relations with its neighbours since the foundation of the Jewish state in 1948. Israel fought four major wars in 30 years. The Arab-Israeli conflict has proved one of the most intractable in the world, and it has had effects far beyond the immediate region, notably on relations between Western and Islamic states. It was clear from the time the agreement was signed that it would require perseverance and courage on the part of both Israel and Egypt, as well as the United States, to maintain the momentum. The violence of recent weeks on the West Bank — violence which Canada deplors — illustrates the explosive nature of the situation. Canada is disappointed that the contracting parties have been unable to reach, by the agreed target date of May 26, an accord on interim autonomy arrangements for the occupied West Bank and it is disappointed that talks are temporarily suspended. We believe it is important for talks to resume soon; when such a delicate agreement ceases to move forward, it risks slipping backward.

*(b) Indochina*

Vietnam currently maintains an army of 200,000 in Cambodia, which it has occupied since January 1979. The war continues in the western area of the country. There is mass starvation and a continuing stream of refugees into the border areas with neighbouring Thailand. The Association of Southeast Asian Nations (ASEAN) has opposed the occupation and it has obtained widespread support from both Western and non-aligned countries, most of whom refuse to recognize the Vietnamese-imposed government in Cambodia. Canadian policy rests upon the principles and objectives of the UN resolution which we co-sponsored. We support all efforts to develop a political approach to the question. The independence and territorial integrity of the states in Southeast Asia must be respected, and it is important that the people of Cambodia have a voice in the choice and the composition of their national government.

*(c) Southern Africa*

This region has been marked by wars and instability for much of the last ten years. It was particularly good news, therefore, that the parties in the Rhodesian conflict were able to find a peaceful means to elect a government and make the transition to independence. I was pleased to represent Canada at the independence ceremonies in Zimbabwe and to meet with Prime Minister Mugabe. Canada is taking steps to establish a resident mission in Salisbury: an initial member of the advance team is already there. We plan to have a fully functional High Commission, with a resident High Commissioner, by early November. In the meantime, our High Commissioner in Zambia will be accredited to Zimbabwe; he has already opened discussions on development assistance with Zimbabwe officials.

I wish I could report similar progress in Namibia. While all parties agreed in principle in 1978 to the Western-inspired UN settlement plan to end South Africa's illegal occupation of this territory, negotiations since have yet to produce agreement on implementation. There has been some progress, particularly on technical issues.

UN plan still provides the best opportunity to achieve a negotiated settlement and we believe the plan to be in the interest of all parties, including South Africa. Ultimately, the question is one of political will. Canada maintains an active participation in this issue through its membership in the so-called Contact Group along with France, West Germany, the U.K. and the U.S.

Human issues  
a) Refugees

The wars and upheaval in Afghanistan and Indochina have added dramatically to the global refugee problem. Since 1975, approximately 1.75 million refugees have fled Vietnam, Cambodia and Laos. While in recent months the boat exodus from Vietnam has declined markedly, the possibility of a significant renewed flow cannot be ruled out. Overland refugees from Cambodia and Laos number 130,000 in UN camps in Thailand and tens of thousands more are clustered in temporary camps along the Thai-Cambodian border. Some 700,000 Afghan refugees, fleeing the war, have crossed into Pakistan and there are fears this number could eventually exceed one million. The African refugee population is estimated at four million, and the problem is especially serious in the Horn of Africa.

Canada has contributed \$15 million to Cambodian refugee relief through various governmental and non-governmental organizations. We have undertaken a program to resettle 60,000 Indochinese refugees in 1979 and 1980 at a cost of \$125 million. Canada is also contributing \$2,400,000 for Afghan refugee programs, \$2 million to the All-Africa International Red Cross program, and \$600,000 to the appeal by the United Nations High Commissioner for Refugees for the repatriation of refugees from former Rhodesia.

b) Hostage-taking

The United Nations General Assembly unanimously adopted a convention on hostage-taking on December 17, 1979. This has now been ratified by 17 countries including Canada. It will enter into force after the twenty-second ratification. Implementing legislation is being prepared for submission to the current session of Parliament. Among other things the convention requires state parties to extradite or prosecute alleged hostage-takers found within their jurisdiction and to take steps to secure the release of hostages on their territory. It is not as strong a convention as Canada would like, but it is a worthwhile measure against a growing international menace.

Law of the sea

The ninth session of the United Nations Conference on the Law of the Sea convened in New York from March 3 to April 4, 1980 with an agreed objective of finalizing texts and formulating a draft convention. The New York meeting was successful in producing a second revision of the Conference negotiating text which will be the basis for further negotiations when the session resumes in August in Geneva. It is not certain, however, that the negotiating text can be finalized in five weeks in Geneva, and a further session may well be required before the new Law of the Sea convention can be adopted in Caracas.

Nevertheless, the chances for success for the conference remain good and the few outstanding issues are generally moving towards resolution. One major issue, the question of the limits of the continental margin, has now found a generally satisfactory solution. Unfortunately, new concerns have arisen with regard to the coastal state's sovereign rights over marine scientific research on the margin beyond 200 miles. The

remaining outstanding issues relate to seabed production policies, transfer of technology, financing and statute of the enterprise, and the constitution of and voting in the Council of the International Seabed Authority (ISA). There is a divergence of opinion on most of these issues between the Group of 77 on one hand and industrialized and socialist countries on the other. The gap can be bridged but it is apparent that at the Geneva meeting both sides will be required to make compromises if the conference is to reach a successful conclusion.

Canada's major concerns at this stage relate to seabed mining and sovereign rights on the continental margin. Canada seeks controls on subsidization of seabed mining operations and an acceptable limit on the rate of growth of nickel mining. The assertion of coastal state sovereign rights over the margin involves a number of closely interrelated issues: the limits of the continental shelf; financial contributions (revenue sharing); and marine scientific research. Canada would prefer that coastal states establish their limits "taking into account" — rather than "on the basis of" — the limits of the continental shelf. It accepts the principle of revenue-sharing but wishes to ensure that the rate does not prevent development or impose unreasonable financial burdens on the Government. It is concerned that the coastal states be able to control the kind of information they disclose about their activities on the margin. Proprietary information should not be required when refusing others the right to marine scientific research, though consent for such research should not be withheld unreasonably.

#### North-South

The search by both developed and developing countries for reforms in the world economic order is certain to be a central issue of the 1980s. Such reforms have been made more urgent by the recent major rises in oil prices which have hit the non-oil developing countries especially hard. It is estimated that the OPEC (Organization of Petroleum Exporting Countries) countries will run a current-account surplus of \$115 billion this year, and that the deficits of non-oil developing countries are roughly equal to those of OECD (Organization for Economic Co-operation and Development) countries. What is more, the deficit of the non-oil developing countries is preliminarily projected to rise by another \$10 billion in 1981 to nearly \$80 billion, while the OECD countries should see a significant drop in their deficit to less than \$10 billion. The OECD countries are continuing to experience high inflation and slow growth, partly because of the oil-price rises.

The needs of the oil-importing developing countries have probably never been greater but they come when the OECD countries feel least able to offer significant new assistance because of their own economic difficulties. The central problem is how to cope with high energy prices. Already in the 1970s, a number of the poorest developing countries were forced to cut back the volume of their imports because of high oil prices. Their growth suffered as a consequence. Those which could turned to large scale borrowing from private Western banks. In the wake of the recent doubling of the oil price, there is reason to fear that some of these countries will no longer be able to obtain the credit necessary to maintain the desired volume of imports so that they too will experience much slower growth.

The oil-importing developing countries are calling for more concessional assistance.



for easier access to Western markets, and for increased transfers of Western technology. The oil-exporting countries seek to preserve the real value of their oil revenues, to enhance the value and prolong the availability of this depletable resource, to accelerate technology transfers as part of broadening their economies, and to maintain control of their production, pricing and marketing decisions. The OECD countries seek to reduce their dependence on oil, to bring about greater predictability to oil supply and moderation in price increases, to minimize the introduction of non-commercial considerations in the oil market and to ameliorate the consequences for oil-importing developing countries of the rising costs of oil imports.

These issues are at the centre of present North-South relations. The South comprises very different types of countries with divergent interests. To date both the oil-producing and the oil-importing developing countries have worked, through the Group of 77, to maintain a common front in North-South negotiations. This, and the effort to deal with the full gamut of North-South issues, partly explain the frustrations of some aspects of the dialogue over the last few years. However, all the partners recognize the vital importance of the issues and there is a determination to continue to seek ways forward. Negotiations are under way now on the "international development strategy" for the 1980s; the results of these negotiations will be considered by the UN at a special session on development called for August 25 to September 5. This session will also launch an ambitious new round of global negotiations, to start in 1981. These negotiations are potentially the most important ever held on North-South questions.

Canada has a key role to play in this dialogue. We have the economic weight, the political links, and a history of interest in these questions which is unique. Our position as an industrial country with a resource-based economy helps us understand both developed and developing countries. We have built up considerable goodwill in the Third World, as was shown in our co-chairmanship of the previous North-South summit. I intend, therefore, to ensure that we participate actively and creatively in the global negotiations.

The Prime Minister announced on March 21, 1980 the immediate start of a program for the consolidation of Canada's foreign service. This will mean a full integration into External Affairs of foreign service officers at the executive level, that is of officers in External Affairs, Industry, Trade and Commerce, and Employment and Immigration. As well, Canadian International Development Agency personnel will be given the opportunity to become full members of the foreign service. At the operational level, the trade commissioner service will preserve its separate identity, while immigration operations abroad will be merged into those of External Affairs. The main objectives of these and related steps are:

- to improve the economy and efficiency of foreign operations without affecting the policy and program-development roles of the departments involved;
- to unify the management of Canada's foreign posts and the image of Canada which they project; and,
- to improve the career prospects and broaden the experience of foreign service personnel.

The Prime Minister also announced the intention to proceed with a special study on the terms and conditions of foreign service from the point of view of foreign service officers and their families.